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Background Study

Continental Free Trade Area (CFTA), Technical Barriers To Trade (TBT)

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Continental Free Trade Area (CFTA), Technical Barriers To Trade (TBT)

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CONTENTS

LIST OF ACRONYMS

AEC	African Economic Community
CFTA	Continental Free Trade Area
GATT	General Agreement on Tariffs and Trade
OAU	Organization of African Unity
NTMs	non-tariff measures
NTBs	non-tariff barriers
PAQI	Pan-African Quality Infrastructure
REC	Regional Economic Communities
RIAs	Regional Integration Arrangements
RTA	Regional Trade Agreements
SADC	Southern Africa Development Community
SSA	sub-Saharan African
TBT	Technical Barriers to Trade
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
WTO	World Trade Organization

1. INTRODUCTION

Gains of international trade are largely based on the absence of trade restrictions among trading countries. Although a steady decrease in tariffs world-wide have been experienced over some years now, the outcome is not necessarily a situation of free trade. The advantage of lower tariffs was unfortunately progressively replaced by non-tariff measures (NTMs) globally. In the process, NTMs have increasingly taken centre stage in specifically market access concerns. The impact of these non-tariff measures is, however, not always exactly clear as it appears in sometimes a much disguised manner. Non-tariff measures seem to be very important in limiting the flow of imports to trading countries, although accurately measuring the effects of it is fairly difficult. The existence of numerous types of non-tariff measures makes it difficult to determine the exact impact of these factors on trade. In general, there is little understanding of the exact impact of NTMs on trade flows, export-led growth, national development goals and social welfare.

Creating an African Continental Free Trade Area (CFTA) is important to strategically position the continent to exploit the numerous trade and investment opportunities. For this ideal to realise, the harmonisation of technical regulations, standards and conformity assessment procedures, acceptance of technical regulations as equivalent, mutual recognition of conformity assessment, transparency and enforcement, and dispute settlement among African countries is critically important. However, it is not only between African countries that these aspects are important but even more so between the continent and its global trading partners. Unfortunately, in reaping the perceived benefits of what the international trade environment has to offer, the African continent has a daunting task ahead regarding compliance.

As this study is merely providing some background information, it is however, important to get some insight into the African trade environment before exploring the role of NTMs further.

2. REGIONAL INTEGRATION

Presently, there exist multiple un-serviced (and indeed unserviceable) visions, interests, expectations and responsibilities vested on regional integration projects within the continent. Consequently, it is not that clear that regional integration in Africa has helped to substantially improve trade among African countries. It is acknowledged in the literature that membership in many regional trade agreements (RTAs) can complicate administrative procedures raising trade facilitation costs. Multiplicity of rules from different RTAs strains institutions charged with administering trade agreements on issues such as customs procedures and technical standards. For African countries with weak institutions and limited capabilities for such complex administrative requirements as imposed by multiple commitments, the impacts on overall trade and development can be daunting. It is not surprising then that conclusions on the impact of regional integration on intra-group trade in Africa have been mixed.

The success of regional integration projects the world over are heavily impacted by the state of infrastructure among integrating countries. It is known that infrastructure, including both human and physical infrastructure is weak in many parts of Africa. Transportation networks across countries in Africa are probably one of the least modernised globally and communication infrastructure is skeletal and costly while social infrastructure and institutions are also weak. It is therefore critically important to supplement existing RTAs with improved trade facilitation measures between countries. RTAs provide a broad political commitment of cooperation between countries but trade facilitation measures are vital instruments to ensure success in terms of improved trade flows.

Independent Africa perceived increased trade through regionalism as the universal remedy for the twin problems of slow rates of economic growth and alleviation of poverty on the continent. The then Organization of African Unity (OAU), supported by the United Nations Economic Commission for Africa (UNECA) drafted the Lagos Plan of Action in 1980 with the objective of establishing the African Economic Community (AEC). The Abuja Treaty, signed in 1991, followed and the continent was divided into five regional areas namely the north, south, east, west and central Africa in preparation for the formation of the AEC. The establishment of various Regional Economic Communities (RECs) was aimed at creating nerve centers for the formation of the AEC by 2028. African leaders agreed in 1991 to develop Free Trade Areas (FTA) in each REC, followed by a customs union. This move eventually involves a continent-wide customs union with the removal of tariffs and quotas between members and the creation of a common external tariff. Ultimately, this process would serve as building blocks for achieving the final objective of an AEC.

The theory of comparative advantage promotes the idea that increased trade integration cause trade openness with higher subsequent levels of consumption and income through specialization and division of labor. Furthermore, three key channels are identified which can impact on growth and income levels through trade openness. These key channels are the transmission of technological innovation, facilitating competition and economies of scale. Technological spillovers is a key source of economic growth and trade barriers can impede on the free flow of technology and ultimately long term growth, especially harming Africa. Trade openness can also enforce lower costs through an increase in competition, increase in productivity and enhanced efficiency. If returns in the import competing sector are lowered and increased in the export sector, trade openness cause a reallocation of resources from the lower to higher productivity firms and sectors and hence faster growth. Trade openness facilitates access to larger markets, allowing firms to reap the benefits of economies of scale and further cost reductions. No country has grown in a sustained manner in recent times without increasingly integrating itself in the global economy. During the 1990s, per capita income grew more than three times faster in developing countries that lowered their trade barriers (5% per year), compared to other developing countries (1.4% per year).

Given the positions of theory and official rhetoric in many African countries, trade among themselves should have far outperformed their current levels. With bilateral and multilateral tariffs at historical lows given unilateral, bilateral and multilateral trade liberalization, it is expected that trade among these countries should grow phenomenally. That this has not happened give reasons to seriously consider Baldwin's assertion that while the close of the 20th century has seen considerable actualization of the original goal of the General Agreement on Tariffs and Trade (GATT) of gradual abolishment of tariffs and quotas, the playing field is yet far from being level. In Baldwin's words, "[t]he lowering of tariffs has, in effect, been like draining a swamp. The lower water level has revealed all the snags and stumps of non-tariff barriers that still have to be cleared away." These 'snags and stumps' consisting mainly of regulatory regimes, standards and technical regulations and port-related inefficiencies, doubtless present considerable barriers to trade and increase overall transaction costs for tradables.

3. INTRA-AFRICA TRADE

Regional integration arrangements have mushroomed worldwide, both on intra- and extra-regional level. The multiple memberships of numerous regional economic communities (RECs) have seemingly contributed to the slow progress of inter-regional integration on the African continent. On an intra-regional level, Africa faces a complicated grid of multiple and overlapping membership of several of these regional integration organizations, aiming to increase intra-regional trade and cooperation. However, in general it seems as if Africa trades less with itself than with its developed nation trading partners. Due to the pervasive political economy of the above-mentioned fact, production patterns are geared towards servicing these trading partners. The appropriateness of integration modalities may hamper expansion of regional trade as not all countries are at the same level of economic development. Furthermore, the narrow range of primary products and the lack of product diversification mean that very little complementarities exist to enhance trade between African countries. The benefits of regional integration under these circumstances invariably accrue to the most advanced economy. Countries who managed to enhance their links with the global economy have actually experienced higher growth rates.

While regional integration efforts multiplied across Africa, specific treatment of intra-group trade and implications of alternative scenarios for trade facilitation on overall trade and welfare is weak. Africa has small national economies, fragmented markets and constrained access to the ocean. Furthermore, trade among African countries is more tedious, costly and time-consuming than elsewhere in the world. As mentioned earlier, regional integration arrangements (RIAs) have mushroomed worldwide on various levels. A complicated grid of regional integration organizations with multiple and overlapping memberships pose a direct danger to increases in intra-regional trade. Africa trades far less with itself than with its developed nation trading partners to the detriment of the whole continent. The narrow range of primary products and the lack of product diversification mean that very little complementarities exist to enhance intra-African trade with production patterns geared towards servicing non-African trading partners.

3.1 Multiple memberships

A notable characteristic of regional integration in Africa has been the multitude of regional integration initiatives ultimately leading to the formation of numerous regional trade agreements. African countries have embraced regionalism and currently, there are more regional groupings in Africa than in any other continent. It seems that regional integration is perceived as the basis to address barriers to intra-African trade. Once these barriers are removed through the process of regional integration, larger regional markets can sustain production systems through economies of scale to improve overall competitiveness and higher growth. Regional integration was aimed at restructuring the fragmented continent into a stronger and more coherent, self-reliant economic unit. However, multiple and overlapping memberships imposes a constraint on regional integration by creating a complex entanglement of political commitments and institutional requirements adding to overall costs.

The agreements and overlapping membership in the same region, tends to cause disorder in terms of setting and achieving productive economic objectives. Between the 53 African countries, 31 are members of two regional groupings, 19 belong to three and one country is a member of four. Only three countries have maintained membership in one block. The significant membership overlap also often creates conflicting policy objectives. The overlapping memberships are a challenge that constraint the growth prospects in the Southern African Development Community (SADC) region. Being a member of more than one regional arrangement, the country's commitment towards the various arrangements can be questioned. It also means a country has to use additional resources and capacity, which may be limited, to participate in these regional groupings. This can create inconsistencies and lack of co-operation amongst members. As many African countries became members of more than one REC, the enormous potential returns from regional integration evaporated in the face of different Rules of Origin, tariffs and customs procedures which cause delays, confusion and increased trade costs.

Regional integration generally results in efficiency gains and thus higher growth spillovers, especially for smaller and poorer economies. However, Africa's record in regional integration has been rather disappointing, despite the formation of over 200 regional cooperation organizations. The successes of African regional schemes have been rather limited without producing discernible benefits with the exception of the francophone West Africa and southern Africa, achieving only partial success. Governments defaulting on regional commitments can partly be explained by an absence of monitoring and enforcement systems, due to weak secretariats on the regional level. The design of regional organisations have an inherent flaw, as member states have aimed at granting as little power as possible to the supra-national level. This unwillingness to surrender the essential elements of sovereignty to regional institutions has been common among regional agreements. Many of the regional integration initiatives did not accept the supranational authority of the institution and were overly ambitious with multiple memberships being unclear and confusing. Regional blocs that were formed in the 1990s had not led to additional intra-regional trade. However, the formation of regional groupings has been very popular among African countries even though it did not produce any real benefits to members. In some cases the existence of a cooperation agreement alone may be beneficial to a participating country. It may spark some investors' interest in the region and this by itself may produce certain limited benefits, even if members had no intention of carrying out their regional commitments. The perceive benefits associated with regional integration can be an incentive for smaller and poorer economies to be part of a regional arrangement.

Notwithstanding the existence of various regional trade arrangements, trade of most African countries is still influenced by historical and colonial ties. The majority of African exports are still destined to non-African countries, despite geographical proximity within the continent. More than 80 per cent of Africa's exports are to destinations outside of Africa whereas imports are sourced outside Africa in 90 per cent of the cases. This is rather disappointing given the abundance of natural resources available on the African continent. Collectively, the regional integration efforts have not done much in terms of economic progress and improving economic conditions of member countries. This is evident from their low level of intra-regional trade, poor implementation of numerous agreements, and overlapping membership. Compared to regional groupings from Asia and Latin America, intra-regional trade as a proportion of total trade remains much lower in Africa. The bulk of exports are undifferentiated commodities that are not needed in regional supply-chains because of the serious underdevelopment of the manufacturing industry given some exceptions.

3.2 Other constraining factors

Despite the establishment of various institutions and initiatives, many challenges persist such as inadequate financial resources. Over the years, many studies have highlighted the perceived benefits of regional integration such as improved resource allocation, transfer of technology and higher standards of living. Other studies have shown that integration has caused trade imbalances, increased financial volatility and sub-optimal macroeconomic policies. It seems, however, that consensus exists about the fact that national borders present considerably more barriers to regional integration than what was expected.

Regional integration arrangements can be costly, especially if run inefficiently associated with a lack of regional co-operation, which could limit potential gains. The progress in the SADC region is constraint by bottlenecks such as distortions in trade regimes, inadequacies in customs, transport and communication infrastructure. The World Bank's African competitiveness report states that transport modes and trade facilitation regimes as factors that hinder growth in most African countries and therefore limit their ability to become regional players. Transport costs in Africa are regarded as the highest in the world. Infrastructure is inevitably signified as an important determinant of transportation costs, especially for landlocked countries. In their findings, the median transport costs for a landlocked country are about 46 per cent, which is higher than the equivalent cost in the median coastal economy. Distance accounts for only 10 per cent of the difference in transport costs. Transport cost for 15 sub-Saharan Africa landlocked countries face transport costs as high as 77% of the value of exports. Poor road infrastructure accounts for 60 per cent of transport costs in landlocked countries which is 20 percentage points higher than in coastal countries. Furthermore, if an importing or an exporting country is landlocked, intra-regional trade is 2 per cent less than what it would be if these countries were not landlocked.

After nearly three decades of regional integration in SADC, it is helpful to ask to what extent the regional integration project has promoted its most important goal of improving trade. This is basic auditing and re-focusing procedure, which ideally should be undertaken by the SADC secretariat or country trade departments. However, while these institutions have invested heavily into paper work for improving cooperation, little is being done to examine the impact of previous trade protocols on overall trade or to gauge trade prospects given available trade facilitation measures – a minimum requirement for improving future trade relations. The implication has been a sizable multiplication of protocols but with little 'trade on the ground'. It seems that the large number of RIA's has done little to enhance intra-regional trade. However, further integration, as in many other regional integration arrangements, has been anchored on the ability of the individual countries to attain set macroeconomic convergence criteria. In this direction, other parts of Africa face the same problem working towards full integration anchored on convergence criteria. Economic performances are very volatile given that the bulk of the economies depend largely on the primary sector and an uncertain international market for these products. Outcomes of major macroeconomic indicators depend largely on the vagaries of weather, international price of crude oil, changing prices of agricultural products, etc. As such, progress towards the achievement of the criteria is largely epileptic with countries moving forward and backward each year depending on the direction of domestic policies aimed at ameliorating the negative forces that face each country. Other factors holding back progress in Africa includes a high dependency on taxes as a source of revenue by some countries. Dependency on tax as a sole source of revenue is a major concern as countries may experience less benefit from regional arrangements as this will result in a loss of tariff revenue. In general, it is commonly difficult for small economies to replace lost tariff revenue with revenue from other sources.

The low degree of intra-regional trade is explained by low degree of trade potential amongst African countries because of their generally low levels of Gross Domestic Product. Africa's trade potential has also been constraint by restrictive trade orientation, macroeconomic policy failure, lack of well-developed institutions, poor economic and political governance and financial depth. Further reasons for the failure of achieving higher levels of intra-regional trade amongst African countries rely on poor initial conditions like implementation problems and basic design deficiency issues. Constraints such as a lack of complementarities among regional partners in terms of products and factors of production, potential for product differentiation linked to different income levels and consumption patterns are evident. Other challenges that are constraining achieving successful regionalism include dependence on trade taxes, poor regional infrastructure and administrative issues. The absence of support from a strong private sector and non-implementation of agreed liberalization schedules further slowed any progress. It seems as if weak states may also be one of the constraints in developing robust rule-based RIA's as they are unable to develop, manage and implement a thorough regional agenda.

4. TRADE FACILITATION

To reap the potential benefits of increased trade flows, trade facilitation measures need to be in place in order to enhance these flows. The potential gains accruable from regional integration and proximity between South Africa and these countries may partly be offset by the negative effects of poor trade facilitation measures. It is not a stretch of imagination to propose that poor trade facilitation measures, alongside a weakening output base could increasingly contribute to the dwindling trade fortunes in Africa. Effective trade facilitation among trading partners in Africa is expected to improve overall trade.

Although there is no standard definition of trade facilitation, it generally addresses the logistics of moving goods through ports more efficiently or simplification of the documentation system associated with cross border trade.

Trade facilitation is the simplification and harmonisation of trade procedures through:

- Reduced transport costs;
- Improved ports facilities;
- Efficient and modern customs regimes;
- Transparent and harmonized regulations; and
- Improved information technology infrastructure.

Given importance and potential impact of trade facilitation, it is evident that members belonging to a trade group can experience trade facilitation-induced gains, over and above the gains originating from the process of integration itself. These gains would obviously be welcomed because of the positive impact on welfare in such a region. However, being successful could be jeopardised if countries independently attempt regional trade facilitation actions. These studies therefore emphasise the importance of upgrading the standards of their general trade environments, as African countries significantly lag behind in customs reforms, to their own detriment.

Trade facilitation involves political, economic, business, administrative, technical, technological and financial aspects which are critically important to ensure the smooth flow of goods and services between countries. The more efficient and effective these aspects are, the more economically desirable for the countries involved in this process. Governments need to pursue the establishment of a transparent and predictable cross-border trade environment. Simply put, the overall trade environment can work against trade flows within the region if not well complemented by trade facilitation factors. Equally, investments in regional trade agreements matter little when trade facilitation variables are not in place. African countries can ill afford a situation where trade facilitation factors, which they can control, harm their economic prospects and progress.

4.1 Non-tariff measures (Technical Trade Barriers)

The concept of non-tariff trade barriers first appear on the radar in the early 1960s. The entire spread of non-tariff trade barriers can be divided into three major sections according to the degree of influence. The influence of the government is generally the largest and most immediate, where it is based on legislation. The term legislative protectionism therefore comprises all sanctioning of a protectionist influence on foreign trade, be it measures that affect prices, quantitative restrictions or regulations prescribing the use of domestic products in preference to foreign products.

The second section involves the executive to take political action within the administrative sphere and therefore called administrative protection. Under this section, aspects such as protective regulations providing safeguards to consumers, protection of human, animal and plant life and health, copyright protection, standard specifications and safety regulations are included. Other aspects include rules of procedure for the issue of import and export licenses, customs clearance and regulations on the levying of anti-dumping and countervailing duties. Classic instruments of administrative protectionism include equivocation, concealment and inconsistencies among purely discretionary decisions and secret government directives to arbitrary acts by the executive. The last section includes private groups and organisations such as trade associations and trade unions which resort to discriminatory practices against foreign competitors and is called emotional protectionism. The most prominent pertains to public tenders and appeals to buyer's patriotism to appeals for boycotting foreign products.

A distinction is made between NTMs and non-tariff barriers (NTBs) which include Technical Barriers to Trade (TBT). NTBs and TBTs should not be viewed as a synonym for NTMs but rather as a sub-set of NTMs. All NTBs and TBTs are also NTMs but not necessarily the other way around. NTBs and TBTs are those measures, excluding tariffs that some countries apply selectively in order to restrict imports. NTBs (and TBTs) include "any non-tariff instrument that interferes with trade, thereby distorting domestic production". A very comprehensive definition for a non-tariff distortion is "any measure (public or private) that causes internationally traded goods and services, or resources devoted to the production of these goods and services, to be allocated in such a way as to reduce potential real world income".

NTMs can also include measures that promote exports for example and would thus not be perceived as being a "barrier" to trade. Therefore governments sometimes use NTMs to describe measures to monitor imports for legitimate reasons such as legal quarantine procedures. In deciding whether NTMs are also NTBs (TBTs) can be a daunting task although the intent of the policy is important. The intent is sometimes difficult to determine and cause some inconclusiveness regarding the nature of the policy. For the purpose of this paper, the word non-tariff barriers or non-tariff measures would include any act of intervention in the economic process by which foreign competitors are consciously discriminated against. To keep things simple, the acronym NTMs will now be used as a collective term including and encompassing all NTBs or TBTs.

NTMs may broadly be classified according to the intent or immediate impact of the measures. Five categories are identified which include:

i) Measures to control the volume of imports – including prohibitions and quantitative restrictions on imports and export restraint agreements;
ii) Measures to control the price of imported goods – including the use of reference or trigger price mechanisms, variable levies, anti-dumping duties and countervailing measures;
iii) Monitoring measures, for example price and volume investigations and surveillance – including unfair trading practices by exporters such as dumping and subsidisation, as well as licences;
iv) Production and export measures – including subsidies or non-collection of taxes and restrictions such as taxes or prohibitions on production or exports; and
v) Technical barriers – including standards for health and safety reasons to imported products.

NTMs are generally defined as interventions which exclude customs tariffs and therefore are "any governmental device or practice other than a tariff which directly impedes the entry of imports into a country and which discriminates against imports, but does not apply with equal force on domestic production or distribution". The impact of NTMs is ambiguous and politically sensitive as it sometimes is merely imposed to obstruct imports from foreigners. It may, however, also be used to address market failures of some sort. NTMs may become more visible because of the overall decline in tariffs or increased international scrutiny. One of the major problems is to distinguish NTMs from legitimate regulations that protect consumers. Although some NTMs do contribute to restrict trade, if the primary objective is to correct market inefficiencies, it should not be considered a NTM. Some studies also exclude measures as being NTMs if the measure was mainly structured toward the domestic economy.

NTMs can take different forms such as quantitative restrictions or limitations to the value or volume of imports. Other forms include subsidies by government to producers which reduce actual costs. In addition, standards and regulations pertaining to health, safety, packaging, labelling, etc. may inadvertently or deliberately discriminate against foreign competitors. Some trade distorting measures may also include preferential purchasing policies to domestic suppliers, different import levies and arbitrary customs procedures to restrict imports. The United Nations Conference on Trade and Development (UNCTAD) possibly provide the only comprehensive definition of NTMs. After a series of expert meetings and consultations, the following definition of NTMs was proposed by UNCTAD: "Non-Tariff Measures are policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities trade, or prices or both".

The majority of NTMs can be categorise into two groups namely those that are Technical Barriers to Trade and Sanitary/phytosanitary measures. A distinction is made between import and export measures based on the chapters of the NTMs classification:

Under the Import measures, the following chapters are included under the Technical measures:

- A – Sanitary and phytosanitary measures (SPS);
- B – Technical Barriers to Trade (TBT); and
- C – Pre-shipment inspection and other formalities.

Also under the Import measures, the following chapters are included under the non-technical measures:

- D – Price control measures;
- E – Licenses, quotas, prohibition and other quantity control measures;
- F – Charges, taxes and other para-tariff measures;
- G – Finance measures;
- H – Anti-competitive measures;
- I – Trade-related investment measures;
- J – Distribution restrictions
- K – Restrictions on post-sales services;
- L – Subsidies (excluding export subsidies);
- M – Government procurement restrictions;
- N – Intellectual property; and
- O – Rules of origin.

Under the Export measures, the following chapter is included:

- P – Export-related measures (including export subsidies)

The updated classification includes a substantial number of new sub-categories on SPS measures and Technical Barriers to Trade. A few new categories of NTMs are also introduced namely export measures, trade-related investment measures, distribution restrictions, restrictions on post-sales services, subsidies, measures related to intellectual property rights and rules of origin.

It is evident that the use of NTMs is such a well-known and relatively simple approach to protect the domestic economy without attracting too much attention. Therefore it is understandable that governments, in general, are reluctant to dissociate themselves from applying these measures. Analysing NTMs provide some complications as it is somewhat different to analysing tariffs. It is also fairly difficult to distinguish the effects between tariffs and NTMs on the same product.

The WTO TBT Agreement is directed towards minimizing the impact of technical regulations, standards and conformity assessment procedures on barriers to trade, by setting disciplines for the elaboration, application, notification and review of such measures by WTO members.

The WTO TBT key principles and provisions

- Non-discrimination and national treatment;
- Avoidance of unnecessary obstacles to trade;
- Harmonisation of technical regulations, standards and conformity assessment procedures;
- Acceptance of technical regulations as equivalent;
- Mutual recognition of conformity assessment;
- Transparency;
- Technical assistance; and
- Special and differential treatment.

However, some of the sub-Saharan African RTAs using the provisions of the WTO Agreement on TBT as a benchmark do not necessarily apply all of the above key principles. Among eight RTAs analysed in a study, only two refer specifically to the WTO Agreement on TBT. The majority of these RTAs encourage others to harmonise their technical regulations, standards and conformity assessment procedures. Only three of these RTAs require to accept as equivalent the technical regulations and standards of others. Only four of the RTAs encourage mutual recognition of conformity assessment results. None of the RTAs analysed have transparency provisions or require others to hold consultations and notify regulations. None of the agreements include provisions on enforcement and dispute settlement specific to technical regulations and other TBT matters. Furthermore, there is hardly any regional body dedicated to TBT matters, or joint committees or other consultation mechanisms focusing on TBT issues.

The regulatory infrastructure of many sub-Saharan African (SSA) countries remains underdeveloped and fragmented. A big challenge facing these countries include existing poor infrastructure for engaging in calibration, testing, certification, accreditation, quality assurance and standardization. This poses significant obstacles to participate in trade whether locally or globally. A direct consequence of this is the struggle for local suppliers and importers to comply with all the technical requirements. Not only are products re-tested in export markets which adds to additional costs for exporters but substandard products easily find their way into SSA markets.

5. CONCLUSION

Most countries in the world maintain some form of trade restrictions when foreign goods enter their borders. Although there is a general understanding under GATT that lowering tariffs is the rule rather than the exception, free trade remains elusive. In the event of strong economic growth, the push for protectionist policies in general is less evident. However, in recent times of economic hardship, countries tend to revert back to implement some form of protectionist cover. During these times there is a danger that NTMs can be abused for protectionist purposes. When a country introduces some form of protectionist measure on imports, the foreign producers are disadvantaged relative to domestic producers. The end result is a reduction in the volume of trade and an overall decline in the expected benefits for both the importing and exporting countries. Many discussions have taken place to urge countries to refrain from using NTMs because of its potential negative impact on slowing down the positive outcomes of global trade. Although countries in general, have the right to protect themselves appropriately to safeguard human, animal or plant life, health or the environment it should be kept in mind that lowering production standards relative to global standards will make it increasingly difficult to maintain existing and find new export markets.

Although Africa is home to approximately 30 regional trade arrangements, TBTs are seemingly not an important issue in most RTAs in the SSA. A crucial aspect is that RTAs need to be adjusted to better reflect the current requirements of the international trade environment. Underdevelopment and capacity constraints remain obstacles to fully engage in selling their produce in international markets. Insisting on maintaining and complying to the high level of standards required by global markets is somewhat in conflict in a region where demand for low priced, low quality products are in the order of the day.

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