



PRONTO

Productivity, Non-Tariff
Measures and Openness



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The Pronto project aims to build a network across the research and stakeholder communities working on better understanding of non-tariff measures affecting international trade and investment.

www.prontonetwork.org

Contact information:

Pronto is managed by the World Trade Institute at the University of Bern.

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PRONTO receives funding from the European Union's Seventh Framework Program for research, technological development and demonstration under grant agreement no 613504.

The Pronto Team includes universities and research institutes from across Europe, as well external partners that work with the academic team, coordinated through the external board.

Academic partners:

University of Bern, World Trade Institute
University College Dublin
ECOYRS Nederland
London School of Economics
and Political Science
University of Milan,
Centre Studi Luca D'Agliano
Ecole d'Economie de Paris
Stichting Dienst Landbouwkundig
Onderzoek
Athens University of Economics
and Business
Wiener Institut für Internationale
Wirtschaftsvergleiche
University of Surrey
Centre for Economic Policy Research

External partners:

UN International Trade Commission
(UNITC)
United Nations Committee on Trade
and Development (UNCTAD)
European Commission, DG Trade
World Trade Organization
World Bank
Organization for Economic Cooperation
and Development (OECD)

PRONTO: *A collaborative research project on regulatory barriers to trade, supported by the European Union's Seventh Framework Program.*



The team working on PRONTO seeks new and better data, better methodologies, and better understanding of the impact of new NTMs on international investment and trade. This involves a collaborative effort between universities and those international organizations working on primary data development, with an important long-term goal being sustainability of information resources for tracking and guiding international economic policy in this area.



Benchmarking

regulatory barriers to trade and investment.

With the growing importance of global and regional production networks, domestic regulation increasingly impacts on foreign trade and investment.



With an expanded real world scope for what constitutes non-tariff measures (NTMS), our definition and measurement of regulatory barriers has to change as well, posing real challenges to the institutions governing international trade and investment.

Quantifying

the socio-economic impact of trade and investment barriers.



With common goals, such as food safety, consumer protection, and data privacy different approaches to regulation can lead to unintended effects on product development, production, employment, and trade. A critical challenge on the PRONTO agenda is quantifying the socio-economic effects that follow from NTMs for both goods and services.

Disseminating

data on non-tariff measures.



Throughout the project timeline, emphasis is being placed on identification of primary public sources, development of appropriate classification schemes, cross-matching of standard goods and service trade classification schemes to classification of NTMs, and ultimately to a public database built anticipating regular updates to support real time policy research and analysis.

Networking

to promote better exchange between the research and stakeholder community.

Pronto has three key pillars: (1) definition and measurement of NTMs; (2) database development and dissemination; and; (3) fostering structures for dialogue between the research community working on regulatory, trade and investment policy on the one hand, and the stakeholder community engaged in real time negotiation and policy making on the other. The resulting improvements to understanding, measurement, and dialogue should yield better-informed and better-designed public policy choices in future.



PRONTO Dissemination Workshop

NTM Data: Concepts, Commonalities, and Differences
Measure-based Assessment & Integration Potential



DATE: 27 May

*Location: VU Amsterdam, De Boelelaan 1105, 1081 HV Amsterdam
Meeting at Room Agora, 3rd Floor, Main building*

The goal of the workshop is to have in-depth discussions on the relationship of NTM data across different databases. For this, we move away from the current database-focussed view to a measure-focussed view. The idea is that an understanding and discussion about the measure itself, will give insights into what exactly is reported in the different databases – enabling us to derive differences, commonalities, or (possibly) unknowns. On the basis of this we can make a better assessment with regard to what degree data from different sources, and collected with different methods can be compared and potentially integrated. Similar to the Geneva workshop from September 2014 this workshop will be in cooperation with the participating agencies.

The workshop will be organized in split sessions (see table below). Duration of 1.5 days is foreseen, while most time is dedicated to the expert group sessions.

Work group thematic mapping

Non-tariff Measure	Work Group	Block
Goods NTMs (TRAINS, I-TIP, ITC, TPRM)		
Chapter A: Sanitary and phytosanitary measures	SPS	I
Chapter B: Technical barriers to trade	TBT	II
Chapter C: Pre-shipment inspection and other formalities	Process	II
Chapter D: Contingent trade-protective measures	AD & other QRs	I
Chapter E: Licensing, quotas, prohibitions and quantity control		
Chapter F: Price-control measures	Financial & Comp.	I
Chapter G: Finance measures		
Chapter H: Measures affecting competition		
Chapter I: Trade-related investment measures	n/a	
Chapters J – P		
Services NTMs (WB STRI, OECD STRI/PMR, TPRM)		
Horizontal and sector-specific measures	Services	II



Ideas for discussion

In-depth discussions are facilitated by some preparatory work. This will entail systematically collecting information about the relevant database, as well as looking closer into some issues specific to the nature of NTM data.

Discussion points – some issues

- Information in databases and how it is organized:
 - Nomenclatures (measures and products);
 - Geo coverage (also bilateral vs. MFN);
 - Time series availability;
 - Measures covered;
 - Products/sectors covered and at what level;
 - Indicators made available (if applicable).
- Data collection methods
 - What are the original source documents;
 - How have the original documents been processed (incl. guidelines and rules);
 - Description of implemented mechanisms for continuous collection (if applicable);
 - Assessment of underlying business/expert surveys (if applicable).
- Problems with datasets
 - Missing/incomplete information (E.g. products/measures not classified or underlying legislation not available);
 - Outliers/extreme values;
 - Language differences;
 - Missing classification of measures or different level of detail between databases.
- Relationship between databases
 - Similarities and differences in data properties (links via measures, geo, time, product codes, collection methods);
 - Potential commonalities/overlaps in the collection process.
- Usage of data
 - Indicator calculation (methodological background notes);
 - NTM impact studies.

Data repository

A data and documentation repository containing WTO notifications and Trade Policy Reviews, NTM TRAINS, OECD's STRI and PMR, as well as World Banks STRI and TTBD is available under the following link: <https://www.dropbox.com/sh/fxrmhkmuebl06st/AABbY0m-oP0Ycld78x7W0HSKa?dl=0>

A key topic for discussion (also at the management meeting) is development of the web-based portal for data dissemination.



Draft Agenda and Organization

Day 1

Program – Day 1

Block	Time	Themes
Intro	11.00 to 11.30	Developments in Agency NTM Cooperation
I	11.30 to 13.30	SPS TTB & other QRs Finance & Competition
Break	13.30 to 14.30	Lunch
II	14.30 to 16.30	TBT Process Services
Break	16.30 to 17.00	Coffee Break
III	17.00 to 18.00	Plenary – Synthesis of results
End	19.00 to open	Dinner

Sessions leaders will be the following:

Intro:

- Agency Update: Chair Marion Jansen (ITC)
 - Transparency in Trade – Ralf Peters (UNCTAD)
 - WTO Data Day – TBD (WTO)
 - WTO/WB collaboration on services – TBD (WTO)
 - Firm level data collection in EU – TBD (ITC)

Block I:

- SPS – Marie-Luise Rau (LEI)
- TTB & other QRs – Koen Berden (ECORYS)
- Finance & Competition – Ron Davies (UCD)

Block II:

- Manfred Elsig – (WTI)
- Process – TBC
- Services – Joe Francois (WTI)

End:

- TBC

Next to guiding the sessions, leaders are also responsible to facilitate the preparation process prior to the workshop.

Day 2

9.30 – 12.00 Project Management Meeting

- Status quo of PRONTO (1st Periodic Reporting);
- Managerial/administrative issues (reports from WP leaders);
- Developments on refining of work plan;
- Dissemination activities
 - o planning the upcoming PRONTO conference
 - o strategies for data dissemination via PRONTO website
 - o strategies for advertising the upcoming PRONTO conference
 - o other dissemination activities



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PRONTO Annual Conference: Quantifying Non-Tariff Barriers to Trade and Investment

Vienna Institute for International Economic Studies (wiiw)
Vienna, Austria
26-27 February 2016

Programme

Friday 26 February

13.00-14.00 Lunch and Registration

IMPACTS OF NTMs AT FIRM LEVEL

14.00-14.30 Trade policy and market power: Firm-level evidence

*Alan Asprilla (Université de Lausanne)
Nicolas Berman (IHEID, The Graduate Institute and CEPR)
Olivier Cadot (Université de Lausanne and CEPR)
Mélise Jaud (The World Bank)

14.30-15.00 The Interconnections Between Services and Goods Trade at the Firm-Level

*Holger Breinlich (University of Nottingham and CEPR)
Andrea Ariu (University of Geneva, Georgetown University and CRENOS, Italy)
Gregory Corcos (Ecole polytechnique)
Giordano Mion (University of Sussex and CEPR)

15.00-15.30 The Impact of Special Economic Zones on Exporting Behavior

*Ron Davies (University College Dublin)
Arman Mazhikeyev (Loughborough University)

15.30-16.00 Technical Barriers to Trade and Multi-Destination Firms

*Lionel Fontagné (PSE-University Paris 1)
Gianluca Orefice (CEPII, Paris)

16.00-16.15 Coffee Break

NTMs and VALUE CHAINS

16.15-16.45 From Final Goods to Inputs: the Protectionist Effect of Rules of Origin

*Paola Conconi (ECARES, Université Libre de Bruxelles and CEPR)
Manuel Garcia-Santana (UPF, Barcelona GSE and CEPR)
Laura Puccio (European Parliament)
Roberto Venturini (ECARES, Université Libre de Bruxelles)

NTMs and VALUE CHAINS (cont).	
16.45-17.15	How do NTMs Affect Countries' Participation in International Value Chains? *Loe Franssen (University of Strathclyde) Olga Solleder (International Trade Centre)
17.15-17.45	NTMs Trickling Through Global Value Chains *Mahdi Ghodsi (The Vienna Institute for Economic Studies, wiiw) Robert Stehrer (The Vienna Institute for Economic Studies, wiiw)
Saturday 27 February	
08.45-09.15	Coffee on arrival
SPS, TBTs, and Agriculture	
09.15-09.45	The impact of EU border inspections on Chinese agri-food exports: Firm-level evidence *Lionel Fontagné (PSE-University Paris 1) Matthias Beestermöller (University of Munich) Anne-Célia Disdier (PSE & INRA)
09.45-10.15	How Important are tariffs and NTMs for Developing Countries' Agricultural Processed Products Exports? *Sushil Mohan (University of Brighton)
10.15-10.45	Non-Tariff Measures and the Quality of Imported Products *Robert Stehrer (The Vienna Institute for Economic Studies, wiiw) Mahdi Ghodsi (The Vienna Institute for Economic Studies, wiiw) Simona Jokubauskaite (The Vienna Institute for Economic Studies, wiiw)
10.45-11.15	Coffee Break
Structural and computational estimation of NTM effects	
10.45-11.15	Incorporating Modern Trade Theory in a Computational Models with NTMs: Structural Estimation and Implementation *Eddy Bekkers (University of Bern, WTI) Joseph Francois (University of Bern, WTI, and CEPR)
11.45-12.15	Borders in the European Union Single Market *Shawn W Tan (The World Bank)
12.15-14.00	Lunch (at Aux Gazelles, Rahlgasse 5)
Working with international organization data on NTMs	
14.00-14.30	The Impact of NTMs on Imports *Julia Grübler (The Vienna Institute for Economic Studies, wiiw) Mahdi Ghodsi (The Vienna Institute for Economic Studies, wiiw) Robert Stehrer (The Vienna Institute for Economic Studies, wiiw)
14.30-15.00	The impact of NTMs on wages and employment *Marco Leonardi (University of Milan) Elena Meschi (Ca' Foscari University of Venice)

15.00-15.30	How do NTMs affect exporting firms? *Valentina Rollo (International Trade Centre) Jasmeer Virdee (International Trade Centre)
15.30-16.00	Economics and Politics of Voluntary Standards *Olga Solleder (International Trade Centre) Graeme Auld (Carleton University) Matteo Fiorini (European University Institute) Marion Jansen (International Trade Centre) Bernard Hoekman (European University Institute and CEPR) Filip Schleifer (European University Institute) Regina Taimasova (International Trade Centre) Joseph Wozniak (International Trade Centre)
16.00-16.15	Coffee break
16.15-17.15	Round table discussion on data availability and dissemination

* Indicates the speaker

Session timing: 22 minutes per paper, 8 minutes floor.

Organised by:

Joseph Francois (University of Bern, WTI, and CEPR)
Ron Davies (University College Dublin)

Local organisers:

Robert Stehrer (The Vienna Institute for Economic Studies, wiiw)
Veronika Cervinka-Janýřová (The Vienna Institute for Economic Studies, wiiw)

This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no 613504





Collaborative research project comprising:

- WP1: Mapping data availability
- WP2: Improving the comparative quality of data and connecting other existing data
- WP3: Linking qualitative information on regulatory measures to cross-border trade and investment in goods
- WP4: Methodologies to quantify quantitative and qualitative effects of NTMs
- WP5: Analysing the impact that reduced or modified NTMs have on European economic and social objectives
- WP6: Analysing the impact of NTMs on sustainable growth and climate
- WP7: Management
- WP8: Dissemination

Welcome to the bi-annual PRONTO e-newsletter!

What is PRONTO?

“Productivity, Non-Tariff Measures and Openness” is a medium-scale research project focused on better understanding NTMs and their effects. The project aims to do this through the collection of existing NTM measures and the identification of key NTMs not yet measured. These measures will be used to estimate the effects of NTMs on a variety of social and economic outcomes.

Inside this issue:

- Progress to Date
- Research Highlights
- Timeline of Events
- Focus On: Joseph-François

Progress to Date

The second stream of activity now underway builds on the databases developed in the first stage of the project to develop new analytical methods to better understand the impact of NTMs on important economic and social objectives (Work Packages 3,4), as well as the interaction of such objectives with market access conditions. The final set of activities underway involves a set of reports on analytical methods and assessment of key relationships between NTMs and socio-economic objectives (Work Packages 5,6).

The project team is also working with critical stakeholders (represented by the supervisory board) to integrate agency data in a format suitable for public dissemination to the scientific research community. The agencies involved are United Nations International Trade Center (UNITC), World Trade Organization (WTO), United Nations Commission on Trade and Development (UNCTAD), Organization for Economic Cooperation and Development (OECD) and World Bank (WB).

Click on the links below to learn more about the PRONTO Team members:

- [Universität Bern](#)
- [University College Dublin](#)
- [Ecorys Nederland](#)
- [London School of Economics and Political Science](#)
- [Centro Studi Luca D'Agliano](#)
- [Ecole d'économie de Paris](#)
- [Stichting Dienst Landbouwkundig Onderzoek](#)
- [Athens University of Economics and Business Research Center](#)
- [Wiener Institut für Internationale Wirtschaftsvergleiche](#)
- [University of Surrey](#)

Dissemination Event: April 2016

Society for International Trade Theory: Topics in International Economics

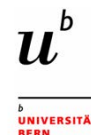
PRONTO partner UCD hosted the Society for International Trade Theory conference in April 2016 and PRONTO was able to use this as a dissemination event for project research.



The PRONTO website is to be found at www.prontonetwork.org and is periodically updated with working papers and news about upcoming events.



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Research Highlights: Work Package 1

Researchers in Work Package 1 are continuing to work on the methodological inventory. They first looked at data requirements based on the methods employed in NTM research and then they collected, evaluated and compared existing NTM data and data collection methodologies to gain a deeper understanding of what is available as well as what is “behind” the data. This will build the foundation for the GAP analysis where they will define new data needs on the basis of how NTM data has been used in research until now. Efforts to combine NTM data on a common platform are still on going.

The classification of methodologies of Davies et al. (2015) has been transferred to an online survey that feeds the Methodology Inventory Database on Non-Tariff Measures (the MIND). The online survey has been used to insert more than a hundred NTM studies into the MIND and to classify them according to the classification of the MIND. This has involved searching for the studies, reading them and inserting the information into the MIND by hand. Researchers will track updates in the MIND in order to adjust the GAP analysis. Furthermore, they are currently considering extending the structure of the MIND to include elements that facilitate a meta-analysis of NTM impacts (e.g. via recording regression coefficients).

In addition to the survey for the MIND, researchers designed a questionnaire on data needs for NTM. This is like a wish list of information requested by researchers and others working on NTM topics. The questionnaire can be filled in online, link on the PRONTO webpage. With this questionnaire, they hope to encourage researchers and others to share their experiences with the existing NTM databases by formulating the data needs. Better NTM data is crucial for improving the NTM analysis and hence for generating trustworthy and detailed results about NTMs.

This data has been shared on an internal Dropbox folder alongside documentation that helps to understand data properties and collection methodology. On the basis of this, researchers performed a GAP analysis and identified gaps from two perspectives. First, they looked at raw data gaps to assess data availability for the collected data. Second, they present how the literature classified in the MIND researched NTMs. This includes aspects such as geographical scope, purpose of the studies, and methodology used. Furthermore, a parallel online survey (next to the MIND classification) was launched specifically asking for possible data improvements. Taking into account research activities in the remainder of PRONTO other researchers can enter possible data needs facilitating more comprehensive NTM analyses.

Preparations to integrate the data onto a common platform, as well as improve current data, were launched through a dissemination workshop held at the Vrije Universiteit (VU) Amsterdam. The workshop facilitated a more detailed discussion about the challenges of NTM data and possible solutions. Researchers and agency representatives were able to brainstorm about problems and solutions for limitations of the existing NTM data and for obstacles to integrate NTM data from different sources. This also provided a good occasion to strengthen the cooperation between PRONTO partners and its stakeholders, specifically the agencies working with NTM data.

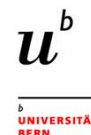
At the moment, accounting for recent data releases, the data repository is being updated, which also gives the opportunity to test cleaning and compilation codes against new data-source outputs. Lastly, researchers started testing the transfer of the data repository into a database structure that can be remotely accessed by statistical software packages (e.g. Stata, R, etc.). This creates the backbone for publically available database, in accordance with the DOW.

Timeline of events

- ◆ **Project Kick Off Meeting (12th-13th May 2014, Brussels):**
discussed how to conduct the research for each Work Package
- ◆ **External Workshop (24th-25th September 2014, Geneva):**
exchanged and discussed ideas for effective data collection methods
- ◆ **Dissemination Workshop (27th-28th May 2015, Amsterdam):**
discussed NTM representation across different data-sources, and developments in data improvements
- ◆ **Annual Conference (25th-26th February 2016, Vienna):**
showcased research from within the project, as well as relevant research outside of the project
- ◆ **Annual Conference (Spring 2017, Paris):**
will aim to raise public awareness on the research field covered by PRONTO to bring interested parties at different levels closer to EU research. It will also provide the opportunity to share preliminary ideas on research gaps that remain to be filled as a follow-up to the PRONTO research activities.



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Research Highlights: Work Package 2

ÉCOLE D'ÉCONOMIE DE PARIS
PARIS SCHOOL OF ECONOMICS

Led by Paris School of Economics, this Work Package revisits the measurement of NTMs in presence of market imperfections, global value chains uncertainty, various internal tax policies and public procurement policies. It aims to improve the comparative quality of data and connect other existing data.

One important finding of this work flow is not all NTMs have to be considered as barriers. Actually, up to 39% of the product lines affected by NTMs exhibit *negative* AVEs, indicating a net trade-facilitating effect of these measures. Accounting for these effects significantly reduces previous measures of countries' trade policy restrictiveness obtained while constraining these NTMs to be trade reducing. This is an important departure from the usual analysis of their effects, and the reason for this lies in the relaxation of the usual assumptions on competition.

u^b

UNIVERSITÄT
BERN

Research Highlights: Work Package 4

Led by Universität Bern, the goal of Work Package 4 is to both develop better guidelines, given the available set of indicators, for the design of policy; while also using these same data to gain a better understanding of precisely how NTMs affect the factors driving competitiveness, economic performance, and social and development objectives.

Work is well on track with the final report and there may be an opportunity to release it in the form of an edited book rather than just a project report.

Research Highlights: Work Package 3



The Vienna Institute for International Economic Studies - wiiw — is leading this Work Package, which focuses on NTMs and competitiveness.

The analytical paper was finalised (Title: "Non-Tariff Measures Trickle through Global Value Chains"). It analysed the indirect effects of tariffs and non-tariff trade policy instruments in the global economy. In a four-stage approach, the cumulative impacts of these trade policy measures along Global Value Chains (GVCs) were quantified using the world input-output database (WIOD).

The database was finalised and shared within the consortium. It contains bilateral ad-valorem equivalents (AVEs) of NTMs for nine types of NTMs notified to the WTO during a period based on their intensity.



FOCUS ON: Joseph Francois

As PRONTO's Scientific Coordinator, Joe is responsible for coordinating all scientific activities of the project, and managing the consortium partners. Joe is a Professor of International Economics at the University of Bern, and Managing Director of the World Trade Institute (WTI). He is also Co-director of the European Trade Study Group (ETSG), at large Board Member of the Global Trade Analysis Project (GTAP), Research Fellow with the Centre for Economic Policy Research (CEPR), Managing Director of the Institute for International and Development Economics (IIDE), and Co-Director of the Trade Policy Research Network (TPRN). He has served as director of economics at the US International Trade Commission and research economist with the World Trade Organization. He has published extensively on a range of topics related to trade and investment, including: trade in services; applied modelling of trade policy; trade with imperfect competition; dynamic effects of trade policy; and trade and labour market interactions. His current research interests include: non-tariff measures and regulatory barriers to trade and investment; trade in services; trade and global carbon accounts; and trade and investment networks. He regularly advises governments and international organisations on trade and investment policy. He holds degrees in history and economics from the University of Virginia, and a PhD in economics from the University of Maryland.

LSE

Research Highlights: Work Package 5

Work Package 5 is led by London School of Economics and analyses the impact that reduced or modified NTMs have on European social and economic objectives.

The national-level and regional-level models of trade with mobility of workers have been estimated and three counterfactual scenarios have been analysed. Initial results suggest the quantitative impacts vary a lot across EU countries and regions. NUID-UCD completed the paper "The Impact of Everything But Arms on EU Relative Labour Demand," which estimates the impact of imports under the EBA agreement on EU demand for high, medium, and low skill workers. It found little impact, although there does appear to be a slight positive effect on the demand for low-skill workers that is driven by the textile industry.



Research Highlights: Work Package 6

Work Package 6, led by UCD, analyses the impact of NTMs on sustainable growth and climate, reducing poverty and increasing quality of life. WP6 has now completed the two required deliverables, resulting in two working papers. The first of these finds that special economic zones are linked to higher electricity intensity – and thus lower environmental quality – in developing countries. The second, using simulation analysis finds that public abatement is export promoting, while revenue recycling and ERSS are more environmental friendly, but export reducing.



ATHENS UNIVERSITY
OF ECONOMICS
AND BUSINESS

In May 2016 the NUID-UCD and DLO nodes spent a week in Athens working with the AUEB-RC node on the deliverable linking NTMs and economic development. A paper has been drafted.

Upcoming Events

**PRONTO's
Annual Conference**

Spring 2017

E-newsletter published by CEPR, on behalf of the PRONTO Network. If you would like something included in the next issue, contact Holly Anderson at handerson@cepr.org



This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no. 613504





Collaborative research project comprising:

- WP1: Mapping data availability
- WP2: Improving the comparative quality of data and connecting other existing data
- WP3: Linking qualitative information on regulatory measures to cross-border trade and investment in goods
- WP4: Methodologies to quantify quantitative and qualitative effects of NTMs
- WP5: Analysing the impact that reduced or modified NTMs have on European economic and social objectives
- WP6: Analysing the impact of NTMs on sustainable growth and climate
- WP7: Management
- WP8: Dissemination

Welcome to the bi-annual PRONTO e-newsletter!

What is PRONTO?

“Productivity, Non-Tariff Measures and Openness” is a medium-scale research project focused on better understanding NTMs and their effects. The project aims to do this through the collection of existing NTM measures and the identification of key NTMs not yet measured. These measures will be used to estimate the effects of NTMs on a variety of social and economic outcomes.

Inside this issue:

- Progress to Date
- Research Highlights
- Timeline of Events

Recent Events

A workshop entitled ‘The Advances in the measurement and modelling of Non-Tariff Measures’ was held at the Paris School of Economics on Thursday 16th & Friday 17th March 2017. It featured the results of research by PRONTO team members, as well as participation by external experts.

Six sessions were held over the course of the two days where speakers and participants discussed topics including NTMs data concepts and sources; trade margins, price, and product quality adjustments to NTMs; the effectiveness of cash subsidies on export performance; NTMs skills and inequality; EU firms’ experiences with NTMs and trade defence in the Trump era, amongst others.

The workshop also provided an opportunity to plan for final project data dissemination activities.

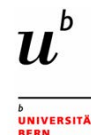
Click on the links below to learn more about the PRONTO Team members:

- [Universität Bern](#)
- [University College Dublin](#)
- [Ecorys Nederland](#)
- [London School of Economics and Political Science](#)
- [Centro Studi Luca D’Aglialano](#)
- [Ecole d’économie de Paris](#)
- [Stichting Dienst Landbouwkundig Onderzoek](#)
- [Athens University of Economics and Business Research Center](#)
- [Wiener Institut für Internationale Wirtschaftsvergleiche](#)
- [University of Surrey](#)
- [Centre for Economic Policy Research](#)

The PRONTO website is to be found at www.prontonetwork.org and is periodically updated with working papers and news about upcoming events.



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Research Highlights: Work Package 3

The Vienna Institute for International Economic Studies (wiiw) is leading this Work Package, which focuses on the impacts of NTMs on trade competitiveness.

Data update and improvement

Substantial efforts have been put in updating and further improving the I-TIP database on NTM notifications to the WTO (documented in “The evolution of non-tariff measures on their diverse effects on trade”). A third revision is still ongoing to improve further which will be part of the data repository.

Estimating the impact of NTMs on trade

Additionally, the impact of these WTO notifications on the traded quantities by the 6-digit of the Harmonized System (HS) have been estimated for the period 1996-2014. Roughly 60% of all estimates points towards a trade impeding effect of NTMs confirming results from other contributions. The data imputation process and estimation results are summarized in a report (“The evolution of non-tariff measures on their diverse effects on trade”). Another two background studies reporting results on import demand elasticities and ad-valorem equivalents of NTMs have been finalized (“Import demand elasticities revisited” and “Estimating importer-specific ad valorem equivalents of non-tariff measures”).

Case study to assess the impact of NTMs at product level

Very few studies in the literature have paid attention to the qualitative impact of NTMs on traded products. However, in order to prioritize and rank core NTMs, one should not neglect the quality features of the standard-like regulations such as technical barriers to trade (TBTs) or sanitary and phytosanitary measures (SPS). A case study (“EU Trade Regulations and Imports of Hygienic Poultry”) has been conducted analysing NTM effects on imports of hygienic poultry to the EU. Such a study might serve as a toolkit for further evaluations of core regulative measures.

Services trade restrictions and manufacturing productivity growth

A study (“Services trade restrictiveness and manufacturing labour productivity growth”, Deliverable 3.2) has been conducted assessing the impact of regulative measures on services imports and the effects on manufacturing productivity. First, evidence of the role of business services on manufacturing productivity growth is provided indicating that a higher share of imported business services impacts positively on manufacturing productivity growth. In a second step it is shown that the use of foreign business services is lower the higher are services trade restrictions are. Together, these results suggest a negative impact of services trade restrictiveness on manufacturing labour productivity growth.

Research Highlights: Work Package 5

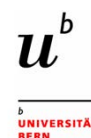
Work Package 5 analyses the impact that reduced or modified NTMs have on European economic and social objectives. Researchers in this work package delivered a paper entitled “Estimating the costs and gains of TTIP and BREXIT for EU regions”. It provides insights into the impact of NTMs on aggregate country and regional productivity. More specifically, researchers first developed a model characterized by costly trade, love of variety, heterogeneous firms, labour mobility as well as endogenous markups and productivity. They subsequently quantified the model using goods and services trade data as well as GDP and population for European Economic Area (EEA) regions plus other OECD countries. Finally, they assess the importance of NTMs for productivity, markups, wages and population by performing a series of counterfactual experiments. More specifically, they evaluated the impact of implementing the Transatlantic Trade and Investment Partnership (TTIP) between the EEA and the US. They also performed an additional counterfactual to further isolate the role of NTMs: the exit of the UK from the EEA.

Timeline of events

- ◆ **Project Kick Off Meeting (12th-13th May 2014, Brussels):** discussed how to conduct the research for each Work Package
- ◆ **External Workshop (24th-25th September 2014, Geneva):** exchanged and discussed ideas for effective data collection methods
- ◆ **Dissemination Workshop (27th-28th May 2015, Amsterdam):** discussed NTM representation across different data-sources, and developments in data improvements
- ◆ **Annual Conference (25th-26th February 2016, Vienna):** showcased research from within the project, as well as relevant research outside of the project
- ◆ **Public Conference (23rd -24th September 2016, Florence):** discussed “behind the border measures” of NTMs
- ◆ **Dissemination Workshop (16th-17 March 2017, Paris):** discussed the advances in the measurement and modelling of NTMs



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The University of Milan have been working on Work Packages 5 and 3. During the workshop in Paris, they presented a paper entitled “NTM and the composition of labour demand” for Work Package 5 that studies the nexus between NTMs and labour market outcomes. In particular, the paper provides evidence on the effect of NTMs on the size and skill composition of firm-level labour demand, making use of detailed matched employer-employee data on French firms, with information on exports by destination country and on balance sheet items. The paper shows that stricter NTMs tilt the composition of firms' labour demand towards high-skilled workers, particularly managers.

For Work Package 3, they produced a paper entitled “Liberalising Professional Services: Evidence from Italian Lawyers”. This paper studies the effect of policies that facilitate entry into the service sector on the amount and quality of the services supplied. Using detailed microdata on Italian lawyers, researchers found a strong effect of a liberalising reform implemented in Italy in 2006 on the size and composition of the outflows from the legal profession. The reform increased the competitiveness of the sector, thereby increasing the exit rate from the profession, with differential effects depending in a non trivial way on the interaction between individual ability and network size.

Researchers produced a second paper for Work Package 3 entitled “Non-tariff measures, competitiveness and the population of exporters”. This paper investigates whether the asymmetric impact of NTMs on firms depending on their characteristics. Exploiting firm-level data from different European countries, it shows that the effect of NTMs on the extensive margin (firms' entry into a given market) and on the composition of exporters is very heterogeneous across countries.

Research Highlights: Work Package 1

NTMs: Data sources and concepts

As a result of the data work carried out under WP1 a guidance document for NTM data sources and concepts has been prepared. This is unique in a sense that despite large-scale efforts by different organizations to collect data on NTMs such a consolidation exercise has never been undertaken. We describe the overarching collection frameworks, NTM classifications, and summarize data availability across multiple dimensions. In follow-up work we extend the analysis of the latter aspect by integrating it with findings from the GAP analysis, which was also carried out under this work-package. This includes a more comparative analysis of different data sources that hopefully provides further guidance to NTM data users.

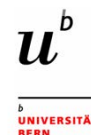
Public NTM platform

One of the final deliverables of PRONTO is a public platform for NTM data. This will be comprised of three modules. First, an introduction to NTM data types and sources will be provided. This includes explanations of classifications, collection methods, and a short assessment of comparability, complementarity, and overlap between different data-sources. Second, we will offer an extended data availability facility (i.e. meta-base) to the agency data. Users will be able to search NTM data by classifications, countries, sectoral coverage, and other parameters to for example scope their research work. Third, the processed data of the PRONTO project will be made available for download. This includes original data files, as well as corresponding documentation. Further code snippets will be put online that directly load the desired data into statistical software such as Stata or R. This platform is the basic infrastructure for a post-PRONTO one stop shop for NTM data.

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Welcome to the bi-annual
PRONTO e-newsletter!

Inside this Issue

Call for Papers and Final Conference,
Progress up to date,
Focus on: Giordano Mion

What is PRONTO?

“Productivity, Non-Tariff Measures and Openness” is a medium-scale research project focused on **better understanding NTMs and their effects**. The project aims to do this through the collection of existing NTM measures and the identification of key NTMs not yet measured. These measures will be used to estimate the effects of NTMs on a variety of social and economic outcomes.

PRONTO's Final Conference

Quantifying Non-Tariff Barriers to Trade and Investment

PRONTO's Final Conference will be held on the 18-19 January 2018 at the Vienna Institute for International Economic Studies (*Wiener Institut für Internationale Wirtschaftsvergleiche*).

The results of the project will be disseminated to PRONTO partners, practitioners and policy makers. The stage will be given also to relevant research from outside the project. We invite authors to submit papers on the following topics:

1. Quantifying the incidence of NTMs in goods and services
2. Costs, benefits and regulatory objectives of NTMs
3. Sustainability and the regulation of trade and investment
4. Quantifying the social and economic impacts of NTMs
5. Political economy determinants of NTMs
6. NTMs and global and regional supply chains

Call for Papers!

How to apply?

Please submit an abstract of 200-250 words, including a title, a short description of the research paper (aim, main results, methodology) to:

For **CEPR members**, please submit your paper via the [CEPR online system](#).

Not CEPR member?

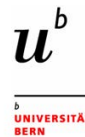
Email your submission to [Amanda Vincent-Rous](#) (subject header '2503 - PRONTO Final Conference').

Submission deadline:
Wednesday, 29 November 2017

For the full call, please visit the [PRONTO website](#).



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Research Highlights and Progress

How do firms adjust their supply chain and choose which parts of their production process to outsource? How does this depend on trade barriers? These questions bear an additional importance in the context of climate change action when firms balance their decision to use of energy in house against the choice of importing some of their intermediates from abroad. The presence of trade barriers could change the balance. The project team has combined data on NTMs provided by other Work-Packages with comprehensive plant-level data for close to 10,000 French manufacturing firms. Its analysis explores the importing response of plants to changes in their energy consumption and the research is currently quantifying how trade barriers affect this relationship. More information at prontonetwork.org.

Recent developments per Work Package

In **WP2**, a new version of the deliverable examining exporting by special economic zone firms is about to be submitted.

Within **WP3** the partners have been working on the assessment of the impact of NTM on competitiveness. On the one hand, the Consortium studies **the effect of liberalization policies on the service sector** by empirically evaluating whether the introduction of such policies leads to higher quality of the services. On the other hand, the partners analyse firm-level data to show **the impact of NTM on the composition of population of exporters**.

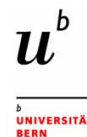
Following this analysis, under **WP 5**, the partnership investigates **the effect of NTMs on the size of firm-level wage skill premia** and on the **skill composition of labour demand**.

The latest paper on the topic was published by Barba, Fontagné, Orefice, Pica and Rosso, submitted May 5, 2017: *NTMs, Income Inequality and Social Cohesion*. The authors make use of detailed firm level matched employer-employee data with information on exports by destination country and Specific Trade Concern (STC) data released by the WTO to measure trade restrictive non-tariff measures. The paper identifies the effect of NTMs exploiting (unexpected) changes in bilateral NTMs in destination countries. Results show that NTMs have little impact on skill premia, while affecting the skill composition of employment. In particular, Technical Barriers to Trade (TBTs) raise the share of managers at the expense of white collars and professionals, while Sanitary and PhytoSanitary (SPS) measures raise the share of qualified blue collars and reduce the share of white collars.

One of the deliverables from **WP5**, estimating the differential impact of NTMs on firms as it depends on the gender of the owners was offered a revise and resubmit to Review of World Economy.



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Recent developments per Work Package

Under **WP 6** early work has been continuously revised. A good example for that is the deliverable “*Intra (Inter-) Regional Effects of ERS as NTMs*” assessing **the role of Environmental Related Standards (ERS) as NTMs and their effect on resource use**. The paper was presented at the 2016 ETSG in Helsinki as well as the “PRONTO Workshop: Advances in the measurement and modelling of Non-Tariff Measures”.

The deliverable describing **the link between Special Economic Zones and electricity usage** has been accepted for publication in The Energy Journal. Beyond this, WP6 has produced new output: a deliverable examining **the convergence of government revenues, enforcement capacity, and the impact of anti-dumping measures on trade**. The authors are from the Dutch, Greek, and Irish nodes.

PRONTO Team members



FOCUS ON: Giorgano Mion

Giorgano Mion is a professor of Economics at the Department of Economics of the University of Sussex. He is the newest member of the PRONTO network, as the University of Sussex recently joined the Consortium.

Giorgano Mion is currently a Research Fellow of the Centre for Economic and Policy Research (CEPR) and is associated to the Centre for Economic Performance (CEP) at the London School of Economics as well as to the Center for Economic Studies and the Ifo Institute (CESifo).

His research and teaching focus on International Trade, Urban Economics and Applied Econometrics. He has been publishing in international peer-reviewed journals including the Journal of International Economics, the Journal of Urban Economics, the Economic Journal, the International Economic Review and the Review of Economics and Statistics. He has also conducted a number of studies and consultancies for the UK Trade and Investment agency, the UK Department for Transport, the UK Business and Investment agency and the European Central Bank.

Giorgano is also a member of the editorial board of the Journal of Economic Geography.



Data availability

Our published working papers are available on the World Trade Institute's working paper repository, which you can find [here](#). Datasets and documentation are also available on our website [here](#). Our datasets represent work in progress and we welcome comments. Check back regularly for more publications.

E-newsletter published by CEPR, on behalf of the PRONTO Network. If you want something included in the next issue, contact Monika Tsvetkova at mtsvetkova@cepr.org



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Welcome to the Final PRONTO e-newsletter!

Inside this Issue

Final Conference, Research Highlights, Website and NTM Data Portal

What is PRONTO?

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Timeline of Project Events

- ◆ Kick Off Meeting, 12-13 May 2014, Brussels
- ◆ External Workshop, 24-25 September 2014, Geneva on effective data collection methods
- ◆ Dissemination Workshop, 27-28 May 2015, Amsterdam on NTMs and developments in data improvements
- ◆ Annual Conference: 25-26 February 2016, Vienna
- ◆ Public Conference, 23-24 September 2016, Florence on “behind the border measures” of NTMs
- ◆ Dissemination Workshop, 16-17 March 2017, Paris on the advances in the measurement and modelling of NTMs
- ◆ Final Conference, 18-19 January 2018, Vienna

PRONTO Final Conference

Quantifying Non-Tariff Barriers to Trade and Investment

PRONTO’s **Final Conference** took place on the 18-19 January 2018 at the **Vienna Institute for International Economic Studies**.

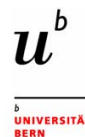
The participants included PRONTO project partners, Supervisory Board members, invited guests and external partners from the European Commission, World Trade Organisation, UNCTAD, ITC and central banks. Distinguished economists from outside of the project consortium also presented their research on NTM topics.

Fourteen speakers presented **their papers** in six sessions. The full agenda can be found **here**.

Following the conference, the project partners met with the Supervisory Board to discuss the future of PRONTO and opportunities for potential cooperation.



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Selected Papers from the Final Project Period

“Non-Tariff Barriers, Enforcement, and Revenues: The Use of Anti-Dumping as a Revenue Generating Trade Policy”

by Igor Bagayev; Ronald Davies; Panos Hatzipanayotou; Panos Konstantinou; Marie Rau

In contrast to developed countries, developing nations are especially reliant on trade taxes, particularly tariffs, as a source of government revenue. As such, tariff liberalization provides them with an incentive to switch towards other revenue generating trade barriers such as anti-dumping duties. The effectiveness of this is potentially limited due to the greater enforcement challenges with the exporter specific anti-dumping relative to broad-based tariffs. [Read more...](#)

“ERSs and Trade in Natural Resources: The Impact on Economic Growth and Poverty in LDC”

by Panos Hatzipanayotou, Panagiotis Konstantinou, Ioanna Pantelaiou, Anastasios Xepapadeas

The paper studies the impact on economic growth of LDCs of environmentally related standards (ERSs) adopted by such economies to bypass non-tariff-measures (NTMs) imposed as environmental regulatory requirements on their exports of natural resources to developed importing countries. The authors develop an empirical growth model that incorporates the impacts of resource abundance and of ERSs, the latter being measured by the number of ISO14001 certificates which a LDC holds, on per capita GDP growth. [Read more...](#)

“NTMs, Income Inequality and Social Cohesion”

by Giorgio Barba-Navaretti, Lionel Fontagné, Gianluca Orefice, Giovanni Pica and Anna Cecilia Rosso

The paper investigates the effect of NTMs on the size of firm-level wage skill premia and on the skill composition of labour demand, making use of detailed firm level matched employer-employee data with information on exports by destination country and Specific Trade Concern (STC) data released by the WTO to measure trade restrictive non-tariff measures. The paper identifies the effect of NTMs exploiting (unexpected) changes in bilateral NTMs in destination countries.

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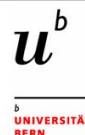
Data availability

Our published working papers are available on the World Trade Institute's working paper repository, which you can find [here](#).

Datasets and documentation are also available on our website [here](#). Our datasets represent work in progress and we welcome comments. Check back regularly for more publications.



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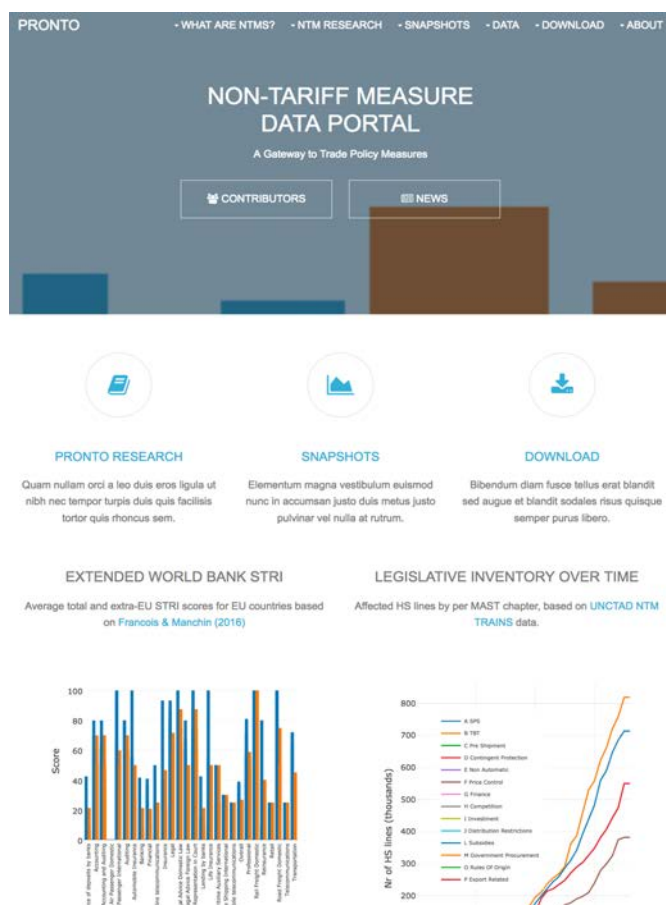
Project Website and NTM Data Portal

Over the last couple of months the current [PRONTO website](#) has been transferred into a new design and structure that now accommodates the NTM Data Portal. It is a host of information on NTMs in general, methods to assess NTM impacts, as well as available data.

The NTM Data portal has been specifically designed in the PRONTO project to bring together the data used in the project and to make the link to the NTM data that have been collected by international organisations. The cooperation with the international organisations has been much appreciated, in addition to the provision of the data by the project partners.

The NTM Data portal has the following features:

- ◆ Documentation of **source data**;
- ◆ **Datasets and guide to source data** indexed by importing country, partners (where applicable), product codes (HS, WIOD/ISIC, GTAP), and MAST classification chapters;
- ◆ PRONTO datasets that will be **updated periodically** to reflect changes in the HS classification and eBOPS schemes;
- ◆ **Concordance files** that help working with NTM data;
- ◆ **Interactive tables and graphs** that support assessing data availability and NTM patterns;
- ◆ **R and Stata scripts** that access a MySQL instance of the PRONTO data, and thus load data directly into these programs;
- ◆ **Sample script for replications exercises**.



The NTM Data portal was presented to the community of researchers, practitioners and policy-makers and was promoted at various events, like the ETSG conference, the World Trade Forum, the MAST meeting and the EAAE conference.

The future of PRONTO

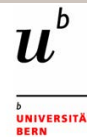
Although the project ends on the 31 January 2018, the partners will continue to maintain and periodically update the NTM dataset in order to achieve a better understanding of the impact of NTMs on international trade. Stay tuned for updates and check our [website](#).

Thank you,

The PRONTO Team



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GLOBAL GOVERNANCE PROGRAMME

WORLD TRADE FORUM: BEHIND-THE-BORDER POLICIES AND GLOBAL TRADE

The World Trade Forum 2016 is organised by:
World Trade Institute (the PRONTO project network)
European University Institute
Trade Policy Research Network
Centre for Economic Policy Research

Badia Fiesolana, Via dei Roccettini, 9 - San Domenico di Fiesole

23 - 24 SEPTEMBER 2016



This year's World Trade Forum – an annual event that is organised by the World Trade Institute (Bern), the Robert Schuman Centre for Advanced Studies (European University Institute, Florence) and the CEPR Trade Policy Research Network – will focus on the measurement and impacts of non-tariff measures and domestic regulation on international trade and investment and how such 'behind-the-border' policies are being/can be addressed in preferential trade agreements and the WTO (the focus of the **EC FP7 PRONTO project**).

The World Trade Forum brings together leading academic scholars from around the world, trade policy practitioners and senior officials from governments and international organisations, as well as representatives of the business community and civil society, to discuss international trade and investment policy developments, medium-term trends, and recent and ongoing policy research project activities and results. It offers a unique platform for deliberation between trade practitioners and analysts.



■ PROGRAMME

23 SEPTEMBER

12.30 - 13.30 *Location: Ante-Refectory*

Registration of Delegates

13.30 - 13.45 *Conference room: Refectory*

Welcome by **Renaud Dehousse** | President, EUI & **Brigid Laffan** | Director, Robert Schuman Centre for Advanced Studies and of the Global Governance Programme
Opening remarks by **Joseph Francois** | WTI & **Bernard Hoekman** | EUI

13.45 - 15.00 *Conference room: Refectory*

Plenary Session I Roundtable

FDI, Value Chains and Behind the Border Policies

Chair: Bernard Hoekman | EUI

Speakers:

Lucian Cernat | DG Trade, European Commission

Aranca González | Executive Director, ITC

Beata Javorcik | Oxford University

Charles Sabel | Columbia University

15.00 - 15.30 *Location: Lower Loggia*

Coffee break

15.30 - 17.00 *Conference room: Emeroteca*

Parallel Session A: Social and Environmental Standards: Contributing to More Sustainable Value Chains

Organiser: International Trade Centre, Geneva

Chair: Marion Jansen | ITC

Speakers:

Matteo Fiorini | EUI

Philip Schleifer | University of Amsterdam

Olga Solleder & Joe Wozniak | ITC

Discussant:

Lucian Cernat | DG Trade, European Commission

Hugo Rojas-Romagosa | CPB Netherlands

Vera Thorstensen | Vargas Foundation

Conference room: Sala del Capitolo

Parallel Session B: The G20 & Trade/Investment Policy

Organiser: Nomisma

Speakers:

Andrea Goldstein | Nomisma

Alessia Amighini | Università del Piemonte

Ken Ash | OECD

Bernard Hoekman | EUI

Discussant: Anders Ageroe | International Trade Centre

Conference room: Theatre

Parallel Session C: Measuring and Mapping NTMs

Organiser: Joseph Francois | WTI (PRONTO Project)

Speakers:

Ron Davies | UCD: Mapping the NTM Landscape

Sebastian Klotz | Bern/WTI: NTMs and PTAs

Marc Bacchetta | WTO: Subsidies

Chad Bown | Peterson Institute: Contingent Protection

Discussant: Alejandro Jara | King & Spalding

17.15 - 18.30 *Conference room: Refectory*

Plenary Session II Roundtable

Prospects for Further Trade Integration: Lessons from Brexit, TTIP & WTO

Chair: Richard Newfarmer | International Growth Centre

Speakers:

Thomas Cottier | WTI

Thomas Bollyky | Council on Foreign Relations

Walter Werner | Ambassador to the WTO, Permanent Mission of the Federal Republic of Germany

Marc Vanheukelen | Ambassador, Permanent Representative of the European Union to the WTO

18.30 - 19.30 *Location: Lower Loggia*

Reception

24 SEPTEMBER

09.00 - 10.30

Conference room: Sala del Capitolo

Parallel Session D: Regulatory Conflict & Cooperation

Organisers: Global Governance Programme | EUI

Speakers:

Charles Sabel | Columbia University: Trade agreements and regulatory cooperation

Giorgio Monti | EUI: Competition policy issues

Martina Ferracane | ECIPE: Digital Trade Estimates project

Carlos Braga | Fundação Dom Cabral: Intellectual property – lessons from TPP

Discussant: Ernst-Ulrich Petersmann | EUI

Conference room: Theatre

Parallel Session E: Public Perceptions and Trade Policy

Organiser: NCCR

Chair: Philipp Genschel | EUI

Speakers:

Quynh Nguyen | ETH Zurich

Doug Nelson | Tulane University

Doris Oberdabernig | WTI

Discussant: Laura von Daniels | Stiftung Wissenschaft und Politik

Conference room: Emeroteca

Parallel Session F: Impacts of NTMs

Organiser: PRONTO Project

Speakers:

Fabio Artuso | World Bank Group

Stefano Inama | UNCTAD: Non-preferential rules of origin

Lionel Fontagné | PSE/Paris 1: Firm-level impacts of NTMs

Robert Stehrer | Vienna Institute for International Economic Studies: NTMs and Value Chains

Discussant: Carl Hamilton | DG Trade, European Commission

10.30 - 11.00

Location: Lower Loggia

Coffee break

11.00 - 12.45

Conference room: Refectory

Plenary Session III Roundtable

Global Trade Policy: State of Play and Prospects

Chair: Shawn Donnan | Financial Times

Speakers:

Anabel González | Senior Director, World Bank

Christian Friis Bach | Executive Secretary, UNECE

Raed Safadi | Department of Economic Development, Dubai

Carl Hamilton | DG Trade, European Commission

12.45 - 14.00

Location: Lower Loggia

Lunch break

14.00 - 15.30

Conference room: Theatre

Parallel Session G: Impact of Public Procurement Policies

Organiser: OECD Secretariat

Speakers:

Julien Gourdon | OECD

Lucian Cernat | DG Trade, European Commission: Measuring home bias

Bernard Hoekman | EUI: Internationalisation of procurement regulation

Discussant: Patrick Messerlin | ECIPE

Conference room: Emeroteca

Parallel Session H: Managing Regulatory Divergence

NTM book project presentations/PRONTO project

Speakers:

Michael Hahn | WTI: Enforcing International Regulatory Disciplines

Lionel Fontagné | PSE/Paris 1

Petros Mavroidis | Columbia University: Regulatory Cooperation & WTO Law

Robert Basedow | EUI Good Practices in Assessing Trade Impacts of Regulation

Discussant: Robert Wolfe | Queens University

15.30 - 16.00

Location: Lower Loggia

Coffee break

16.00 - 17.30

Conference room: Theatre

Parallel Session I: Model Comparisons of NTMs

Organiser: Trade Policy Modelling Forum

Speakers:

Eddy Bekkers | WTI

Hugo Rojas-Romagosa | CPB Netherlands

Jacques Pelkmans | CEPS

Discussant: Koen Berden | WTI

Conference room: Emeroteca

Parallel Session J: Services Trade and Investment Policies

Organiser: World Trade Institute

Speakers:

Joseph Francois | WTI and Bernard Hoekman | EUI: Services STRIs and AVEs

Ben Shepherd | Developing Consultants

Hildegunn Nordas | OECD: Services trade policies

Erik van der Marel | ECIPE

Discussant: Olivier Cattaneo | World Bank

17.30 - 18.00

Conference room: Refectory

Concluding Roundtable

■ PARTICIPANTS

Anders Aeroe	International Trade Centre, Switzerland
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Fabio Artuso	World Bank Group
Ken Ash	OECD, France
Marc Bacchetta	World Trade Organisation, Switzerland
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Robert Basedow	European University Institute, Italy
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Vera Thorstensen	Vargas Foundation, Brazil
Erik van der Marel	ECIPE, Belgium
Marc Vanheukelen	Ambassador, Permanent Representative of the European Union to the WTO, Switzerland
Walter Werner	Ambassador to the WTO, Permanent Mission of the Federal Republic of Germany, Switzerland
Robert Wolfe	Queen's University, Canada
Joe Wozniak	International Trade Centre, Switzerland

This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no. 613504



We also thank the following sponsors of the World Trade Forum 2016





PRONTO Workshop:
Advances in the measurement and modelling of
Non-Tariff Measures

Paris School of Economics
48 boulevard Jourdan, 75014 Paris (France)
Thursday **16 March** & Friday **17 March 2017**

Final programme (March 1st, 2017)

Thursday 16 March

12:30-13:15

Registration & Sandwiches

13:15-13:30

Opening: Lionel Fontagné

SESSION 1 (Chair: Joseph Francois)

13:30-14:30

Domestic Regulations and International Trade Agreements

*Chad Bown (Peterson Institute for International Economics, CEPR)

Discussant: Sébastien Jean (CEPII)

14:30-15:15

NTMs: Data concepts and sources

*Marie-Luise Rau (Wageningen University and Research)

Achim Vogt (World Trade Institute)

Discussant: Cristian Ugarte (International Trade Centre)

15:15-16:00

Re-estimating the effects of stricter standards on trade: endogeneity matters

*Anirudh Shingal (European University Institute, World Trade Institute, University of Bern)

Malte Ehrich (University of Göttingen)

Liliana Foletti (University of Geneva)

Discussant: Gianluca Orefice (CEPII)

16:00-16:15

Break

SESSION 2 (Chair: Michael Ferrantino)

16:15-17:00

Non-homothetic Preferences, Income Distribution, and the Burden of NTMs

Igor Bagayev (University College Dublin)

*Ron Davies (University College Dublin)

Discussant: Hélène Latzer (Université Paris 1)

17:00-17:45

Trade Margins, Price, and Product Quality Adjustments to Non-Tariff Measures: Evidence from French Firms

*Anne-Célia Disdier (Paris School of Economics-INRA)

Carl Gagné (INRA, Université Laval)

Cristina Herghelegiu (Paris School of Economics)

Discussant: Vincent Vicard (Banque de France)

17:45-18:30

EU Trade Regulations and Imports of Hygienic Poultry

*Mahdi Ghodsi (Vienna Institute for International Economic Studies)

Robert Stehrer (Vienna Institute for International Economic Studies)

Discussant: Charlotte Emlinger (CEPII)

20:00

Dinner

Friday 17 March

SESSION 3 (Chair: Giorgio Barba-Navaretti)

08:30-09:30

Assessing the Effectiveness of Cash Subsidies on Export Performance: Evidence from Nepal

Fabrice Defever (City University of London)

*Daniel Reyes (World Bank)

Alejandro Riano (University of Nottingham)

Gonzalo Varela (World Bank)

Discussant: François Libois (Paris School of Economics- INRA)

09:30-10:15

Exploring voluntary sustainability standards using ITC Standards Map: On the Accessibility of Voluntary Sustainability Standards for Suppliers

Matteo Fiorini (European University Institute)

Bernard Hoekman (European University Institute, CEPR)

Marion Jansen (International Trade Centre)

Philip Schleifer (University of Amsterdam)

*Olga Solleder (International Trade Centre)

Regina Taimasova (International Trade Centre)

Joseph Wozniak (International Trade Centre)

Discussant: Cecilia Bellora (CEPII)

10:15-11:00

On the heterogeneous effects of NTMs: Evidence from Peruvian firms' exports to LAIA countries

*Marco Fugazza (UNCTAD)

Marcelo Olarreaga (University of Geneva)

Cristian Ugarte (International Trade Centre)

Discussant: Cristina Herghelegiu (Paris School of Economics)

11:00-11:15

Break

SESSION 4 (Chair: Ron Davies)

11:15-12:00

Non-Tariff Measures, Skills and Inequality

Giorgio Barba Navaretti (University of Milan)

Lionel Fontagné (Paris School of Economics-Université Paris 1)

Gianluca Orefice (CEPII)

*Giovanni Pica (University of Milan)

Anna Rosso (University of Milan)

Discussant: Ron Davies (University College Dublin)

12:00-12:45

Estimating the impact of perceived NTMs on developing countries' exports

*Kévin Lefebvre (Université Paris-Sud)

Discussant: Marie-Luise Rau (Wageningen University and Research)

12:45-13:30

Non-Tariff Barriers, Enforcement, and Revenues: The Use of Anti-Dumping as a Revenue Generating Trade Policy

*Igor Bagayev (University College Dublin)

Ron Davies (University College Dublin)

Panos Hatzipanayotou (Athens University of Economics and Business)

Panos Konstantinou (Athens University of Economics and Business)

Marie-Luise Rau (Wageningen University and Research)

Discussant: Gianluca Santoni (CEPII)

13:30

Lunch

SESSION 5 (Chair: Lionel Fontagné)	
14:30-15:15	<p>Heterogeneous Effects of Tariff and Nontariff Trade-Policy Barriers in Quantitative General Equilibrium Peter Egger (ETH Zürich, CEPR) *Katharina Erhardt (ETH Zürich) <i>Discussant: Chad Bown (Peterson Institute for International Economics, CEPR)</i></p>
15:15-16:00	<p>Intra (Inter) Regional Effects of Environmental Standards and Taxes as NTMs in an Economic Union Ioanna Pantelaiou (Athens University Of Economics And Business) Panos Hatzipanayotou (Athens University Of Economics And Business) *Panagiotis Konstantinou (Athens University Of Economics And Business) Anastasios Xepapadeas (Athens University Of Economics And Business) <i>Discussant: Stéphanie Monjon (Université Dauphine, CEPII)</i></p>
16:00-16:45	<p>Regulatory convergence matters: A differentiated analysis of the impact of non-tariff measures *Christian Knebel (UNCTAD) Ralf Peters (UNCTAD) <i>Discussant: Robert Stehrer (Vienna Institute for International Economic Studies)</i></p>
16:45-17:00	Break
SESSION 6: Trade Policy (Chair & Moderator: Simon Evenett)	
17:00-17:25	<p>EU firms' experiences with NTMs – Evidence from the ground for trade policy design Ursula Hermelink (International Trade Centre)</p>
17:25-17:50	<p>New topics in the trade agenda Alessandra Tucci (European Commission)</p>
17:50-18:15	<p>Trade defense in the Trump era Sébastien Jean (CEPII)</p>

* Indicates the speaker

Organised by:

Joseph Francois (University of Bern, WTI, and CEPR)
 Ron Davies (University College Dublin)

Local organisers:

Anne-Célia Disdier (PSE-INRA)
 Lionel Fontagné (PSE-Université Paris 1, CEPII)

This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no 613504.





Call for papers

Advances in the measurement and modelling of Non-Tariff Measures

Thursday 16 March & Friday 17 March 2017

Venue: Paris School of Economics, 48 Boulevard Jourdan, Paris (France).

Organisers:

Joseph Francois (Univ. of Bern, WTI, and CEPR) & Ron Davies (University College Dublin)

Local organisers:

Anne-Celia Disdier (PSE-INRA) – Lionel Fontagné (PSE-Univ. Paris 1 Panthéon-Sorbonne)

Over the past fifty years, there has been significant progress in lowering tariff barriers to international trade. This has led to a growing awareness of the importance of what are termed the Non-Tariff Measures (NTMs). The relevance of these NTMs has grown with the rising importance of global sourcing and multinational enterprises. Today, with the dominance of global value chains and the increased tradability of non-tangible products, we are confronted with new and important questions about the impact of NTMs on competitiveness and productivity. The EC funded research project “Productivity, Non-Tariff Measures and Openness” (PRONTO) strives to develop new indicators, better methods, and a better understanding of these NTMs on international trade and investment.

Papers proposing advances in the field of econometric methods for NTM impact assessment, or numerical methods to simulate the impact of NTMs, are welcome. The impact of NTMs on social objectives and environment, factor markets outcomes and inequalities, as well as on the internal organization of the firm will also be considered.

Submission deadline is 27 January 2017 (selection will be made on the basis of full-papers only).

No fees, but participants must cover their travel and accommodation costs.

Papers must be sent to:

Cristina Herghelegiu & Kevin Lefebvre

Cristina.Herghelegiu@malix.univ-paris1.fr

kevin.lefebvre@u-psud.fr

PRONTO Annual Conference:

Quantifying Non-Tariff Barriers to Trade and Investment

Venue: Sky lounge, Economics Faculty at the University of Vienna
Oskar-Morgenstern-Platz 1, 1090 Vienna, Austria

18-19 January 2018

Programme

Thursday 18 January

09.00-09.30 Registration

09.30-09.45 Opening remarks

09.45-10.45 PRONTO Data Overview Session

10.45-11.15 Coffee break

11.15-12.15 SESSION 1

11.15 **Forensics, Elasticities and Benford's Law: Detecting Tax Fraud in International Trade**
*Beata Javorcik (University of Oxford and CEPR)
Banu Demir Pikel (Bilkent University and CEPR)

11.45 **Exploiting the Information: Mapping and Analysing Q&As between WTO members**
*Roberta Piermartini (World Trade Organisation)
Lee Ann Jackson (World Trade Organisation)
Carlotta Nani (World Trade Organisation)

12.15-13.45 Lunch

14.00-15.30 SESSION 2

14.00 **Business Perceptions on Burdensome Non-Tariff Measures and their Impact on International Trade**
*Cristian Ugarte Romero (International Trade Centre)
Camille Reverdy (International Trade Centre)

14.30 **The Trade Restrictiveness Index under Monopolistic Competition**
*Eddy Bekkers (University of Bern)
Joseph Francois (University of Bern, WTI and CEPR)

15.00 **Assessing the impact of NTMs in SSA**
*Magdalene Silberberger (Universität Witten/Herdecke)

15.30-16.00 Coffee break

16.00-17.00 **SESSION 3**

16.00 **ERs and Trade in Natural Resources: The Impact on Economic Growth and Poverty in LDCs**

*Panagiotis T Konstantinou (Athens University of Economics and Business)
Panos Hatzipanayotou (Athens University of Economics and Business)
Ioanna Pantelaiou (Athens University of Economics and Business)
Anastasios Xepapadeas (Athens University of Economics and Business)

16.30 **Tit-for-Tat Trade Policy?**

*Julia Grübler (Vienna Institute for International Economic Studies- wiiw)

18.30 **Dinner (RSVP only)**

Friday 19 January

09.00-09.30 Coffee on arrival

09.30-10.30 **SESSION 4**

09.30 **Choked by Red Tape? The Political Economy of Wasteful Trade Barriers**

*Monika Mrázová (University of Geneva and CEPR)
Giovanni Maggi (Yale University)
J. Peter Neary (University of Oxford and CEPR)

10.00 **Border Processing, Trade Costs and New Trade Policy**

*Jerónimo Carballo (University of Colorado, Boulder)
Alejandro Graziano (University of Maryland)
Georg Schaur (University of Tennessee)
Christian Volpe Martincus (Inter-American Development Bank)

10.30-11.00 Coffee Break

11.00-12.30 **SESSION 5**

11.00 **Non-Tariff Measures, Competitiveness and the Population of Exporters**

*Giorgio Barba Navaretti (Università degli Studi di Milano and Centro Studi Luca d'Agliano)
Giulia Felice (Politecnico di Milano)
Emanuele Forlani (University of Bologna)
Paolo Garella (Università degli Studi di Milano)

11.30 **Firm adjustment to customs-driven administrative barriers**

*Cristina Herghelegiu (Paris School of Economics)
Evgenii Monastyrenko (Paris School of Economics)

12.00 **The Costs of Trade Protectionism: Evidence from Spanish Firms and Non-Tariff Measures**

*Enrique Moral-Benito (Banco de España)
Dmitri Kirpichev (CEMFI)

12.30-14.00 Lunch

14.00-15.00		SESSION 6
14.00	No Double Standards: Quantifying the Impact of Standard Harmonization on Trade *Julia Schmidt (Banque de France) Walter Steingress (Bank of Canada)	
14.30	The Heterogeneous Impact of Brexit: Early Indications from the FTSE * Ron Davies (University College Dublin) Zuzanna Studnicka (University College Dublin)	
15.00	End of Conference	
15.30-17.00	PRONTO Meeting (for Project team and Supervisory Board members only)	

* Indicates the speaker

Session timing: 30 minutes per paper (including questions from the floor)

Organised by:

Joseph Francois (University of Bern, WTI, and CEPR)

Ron Davies (University College Dublin)

Robert Stehrer (Vienna Institute for Economic Studies, wiiw)

Local organiser:

Veronika Janýrová (Vienna Institute for Economic Studies, wiiw)



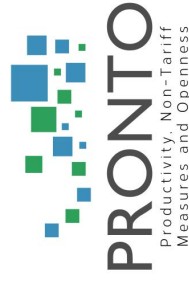


PRONTO

Joseph Francois

Project and data overview

www.prontonetwork.org --> www.ntmnetwork.org



Vienna, January 2018



PRONTO

Beneficiaries



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE



US
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OF SUSSEX



wiiw



Centro Studi Luca d'Agliano



Partners



UNITED NATIONS
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International
Trade
Centre



Vienna, January 2018

PRONTO - FP7 Grant Agreement No. 61350



Overview

1. PRONTO Project (explaining to 18 teams what they have been doing)
2. NTMs: Data driven research
 - Framework
 - PRONTO Data Work
 - Cross-source consolidation (PCA based patterns of NTMs)
 - NTM estimates
3. NTMs: NTM data resources (the data portal)
4. PRONTO in a “post-PRONTO” world (after FP7)

1. PRONTO Project structure

Project Type

Collaborative project (medium size)

Funding scheme

7th Framework Programme –

Socio-economic Science and Humanities

(SSH) – FP7-SSH-2013-4.3-3

Start – End Date

01/02/2014 – 31/01/2018

Coordination

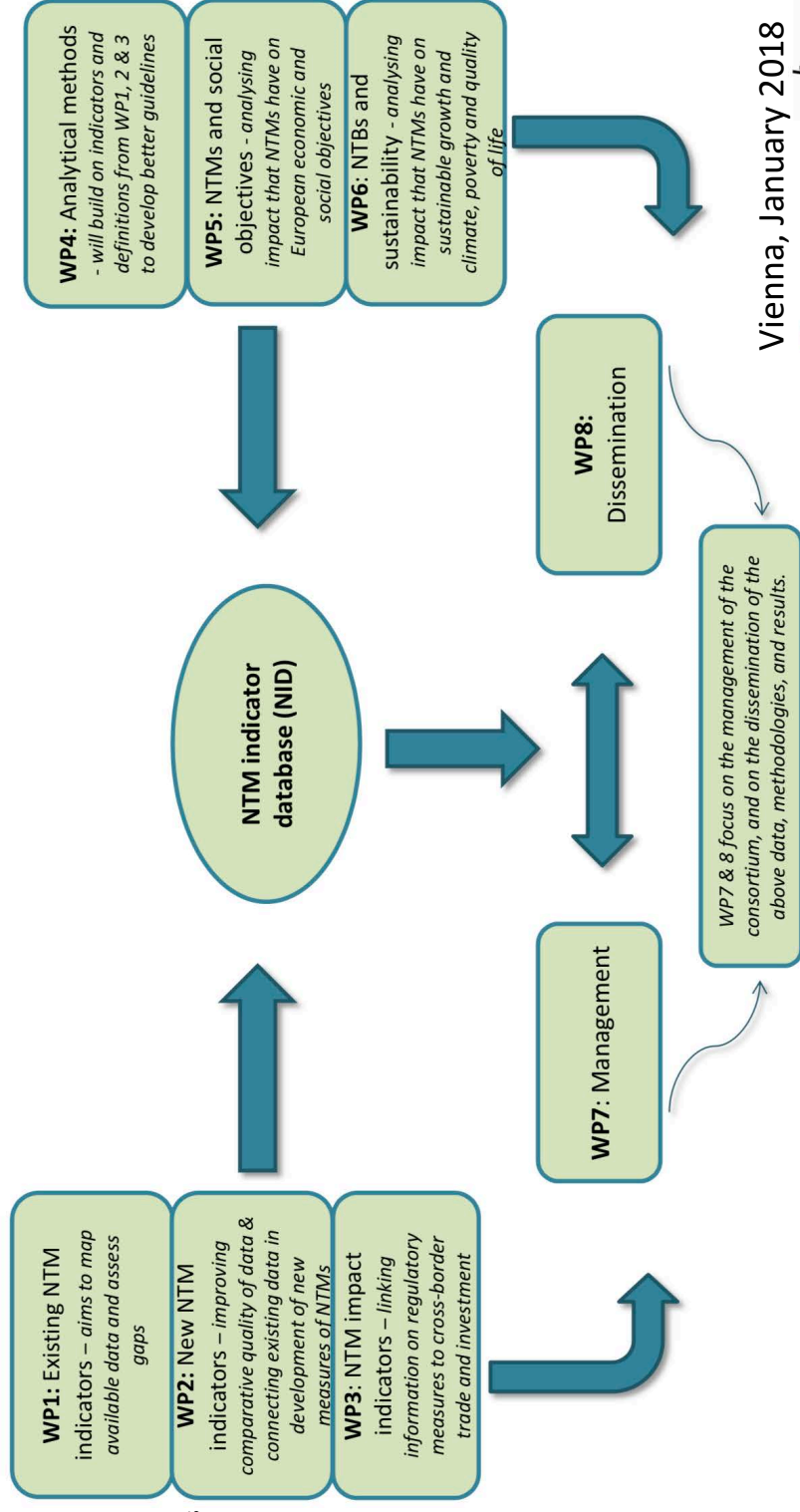
University of Bern / UBERN

Grant Agreement nr.

613504

Website

<http://www.prontonetwork.org/>



2. NTM data driven research: data framework

- Classification
 - MAST for goods
 - WB/OECD/WTO initiative for services
- Dimensions
 - Country/region (mostly MFN)
 - Product-level (different degrees of detail)
 - Time (entry into force/announcement, rarely date of withdrawal)
 - Other, e.g. issuing agency, links, reg. ID
- Type of information
 - Mostly binary character with short description of measure
 - In some cases categorized (e.g. discriminatory or not) and/or ranked (e.g. scale of openness)
 - Summary indicators (particularly in services)

Time coverage of NTM data

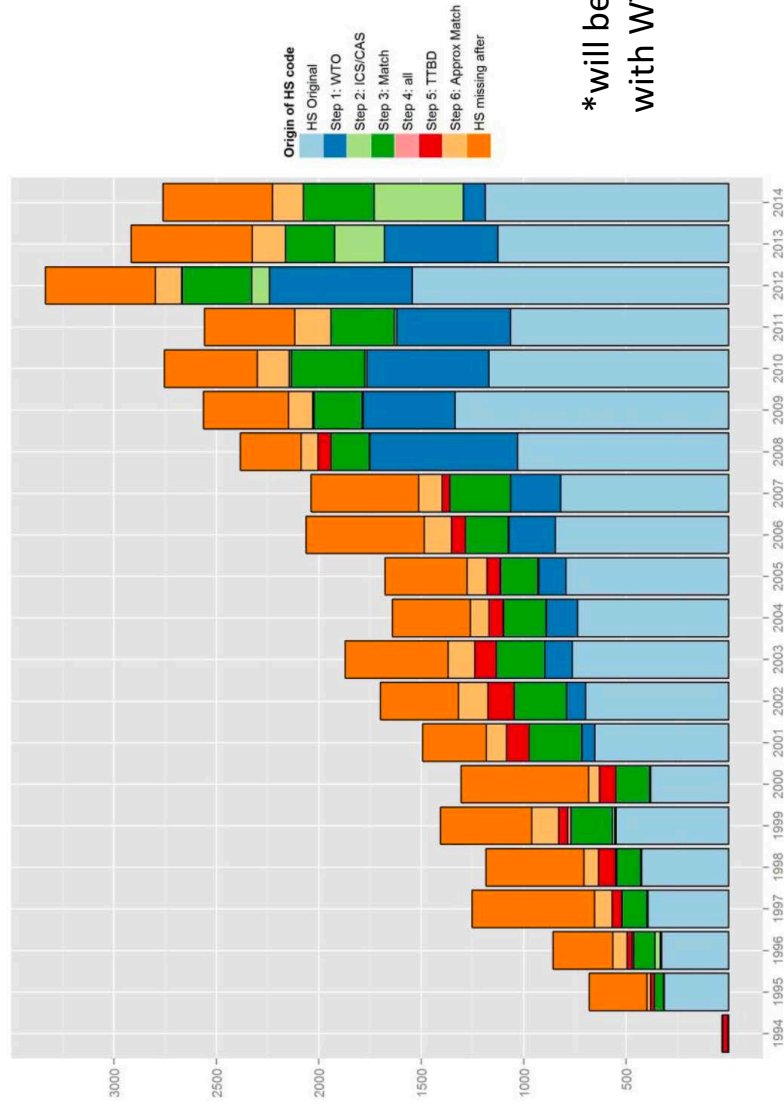
Collection framework	Database	Time coverage	Comment
Inventories of legislation	- NTM TRAINS	1960 - 2016	Date of measure into force
	- OECD PMR Database	1998 - 2013	Policy inventory for 1998, 2003, 2008, 2013
	- World Bank Investing Across Borders	2011 - 2012	Policy inventory as of data collection
	- World Bank TTBD	1980 - 2015	Date of measure into force
	- OECD Export Restrictions Database	1996 - 2014	Year of policy inventory
International agreements	- Global Trade Alert	2008 - 2016	Date of measure into force
	- World Bank STRI Database	2008 - 2012	Policy inventory as of data collection (majority 2008)
	- OECD STRI Database	2014 - 2016	Year of policy inventory
	- DESTA	1949 - 2016	Year of agreement
	- UNCTAD BIT Database	1957 - 2016	Year of agreement
Review of legislation	- GATS schedule	1995	Year of agreement
	- WTO Services RTA Database	1994 - 2016	Year of agreement
	- WTO Trade Policy Review	1996 - 2016	Year of policy review
	- WTO DG Monitoring Reports	2008 - 2016	Date of implementation
	- UNCTAD Investment Policy Review	1999 - 2016	Year of report
Notifications	- WTO Notifications	1960 - 2016	Date of measure into force
	- GATS Notifications	2001 - 2016	Date of notification
	- ITC NTM Surveys	2010 - 2016	Year of survey data collection
Surveys and complaint portals	- ITC Trade Obstacle Alert	2014 - 2016	Date of complaint
	- WTO STC	1995 - 2016	Date of STC raised
	- EU Market Access Database	1996 - 2016	Date of complaint
Import refusals	- tradebarriers.org	2004 - 2016	Date of complaint
	- EU RASFF	1979 - 2016	Date of border refusal
Other sources	- US FDA OASIS	2002 - 2016	Date of border refusal
	- USITC CoRe NTM Database	2009 - 2012	Year of measure into force

PRONTO data work

Dataset	Description
WTO Notifications	Text matching techniques to impute missing HS codes in WTO notifications
Border Rejections	Text matching techniques to match RASFF product descriptions with HS codes
Env. Taxes	Consolidating of OECD databases for env. policy instruments
SEZ	Indicator on special economic zones based on reports of the WTO TPRM
NTM GVC AVEs	NTM AVEs based on the WIOD input-output tables
WIOD & STRIs	Linking the OECD and World Bank STRIs with the WIOD database
Extended STRIs	Extension of the World Bank STRI by an intra-EU component, and AVE estimation
NTM-MAP	Frequency, coverage, and prevalence scores based on UNCTAD NTMTRAINS
GTA Procurement	Linking the GTA gov. procurement measures with World Bank indices and trade
PCA indexes	Principal component based NTM indexes on sector and product level Consolidation indexes of information from multiple sources*
TRI & NTM AVEs	Overall trade restrictiveness indexes at country level, NTMs at GTAP sector level

*PCA and comparative cross sources-agency exercises can identify consistency problems and coverage gaps to guide future cross-agency work.

Imputation procedure of missing WTO Notifications HS codes



* will be ongoing, wiiw with WTO.

Combined NTM dataset for PCA

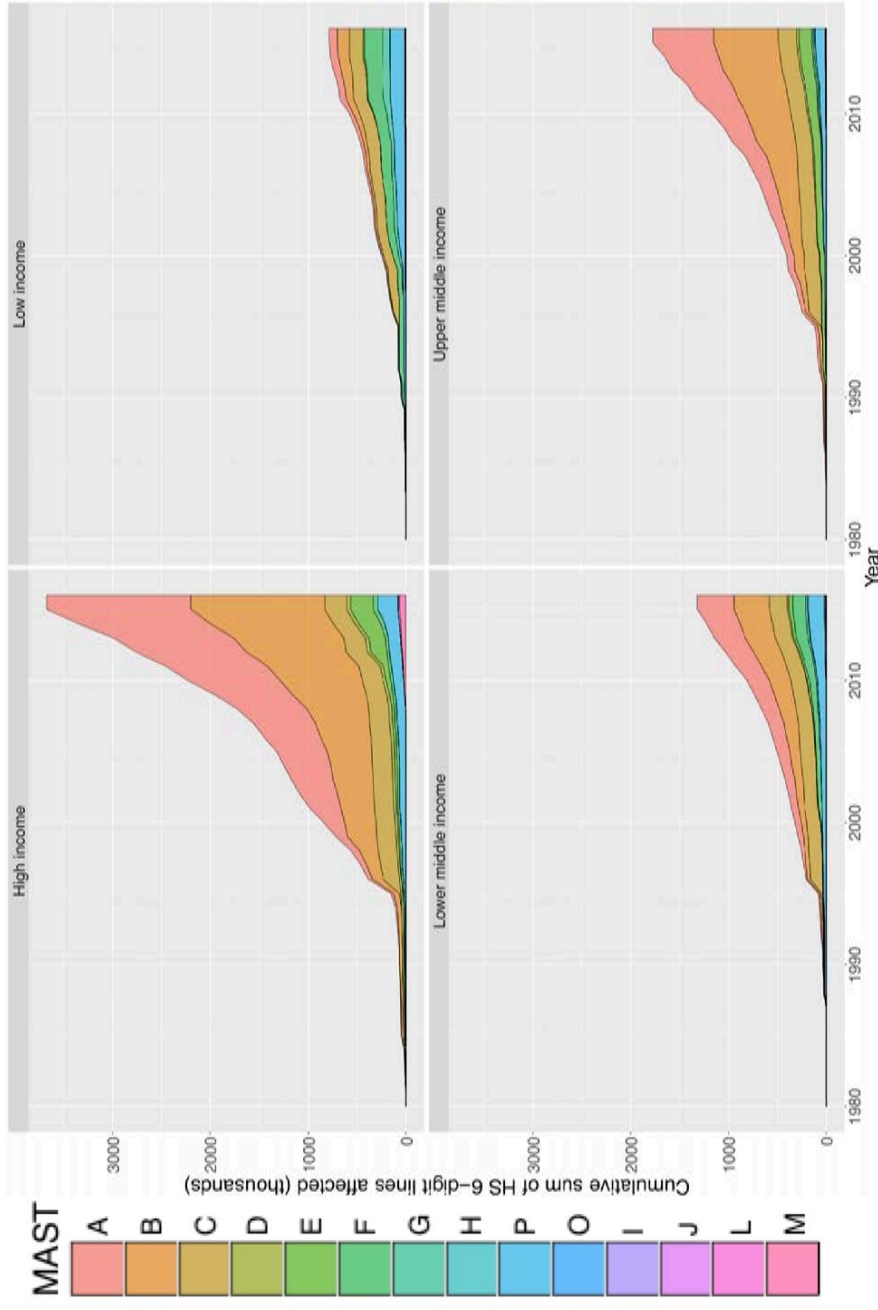
- Combined data from GTA, UNCTAD NTM TRAINS, and WTO Notifications (wiiw)
 - All use the MAST classification
 - Mapped to HS2012 → GTAP/WIOD
 - Not cleaned for redundant information (purpose of the PCA)
- Metric used: combinations of affected 6-digits lines and NTM*
- Observations:
 - Country availability highest for chapters A-F + P
 - Dominant countries (e.g. USA, CAN, CHN, KOR, AUS 50% of SPS obs.)
 - Extreme cases (USA 87% of GP measures (main source GTA))
 - Targeted measures (e.g. contingent with 6 HS lines on average) vs. broad measures (e.g. finance or pre-shipment inspections)

* Future work will involve alternative NTM incident definitions.

MAST chapters for NTM	Countries	Mean	Max	Total Average HS per observations	Total Average HS per measure
A SPS	137	20208	501720	2768457	88
B TBT	133	20954	201312	2786863	91
C Pre-shipment	120	6083	24814	730009	1142
D Contingent	98	922	28031	90347	6
E Licensing	138	3760	44774	518851	89
F Price control	66	6513	68442	429829	572
G Finance	23	5024	26615	115556	2222
H Competition	43	351	6620	15078	66
I Investment	41	630	11402	25816	91
J Distribution	6	41	75	247	27
L Subsidies	77	459	4109	35319	21
M Gov. Proc.	30	2666	69647	79968	168
O RoO	2	16	16	31	16
P Export	125	5373	89748	671576	137

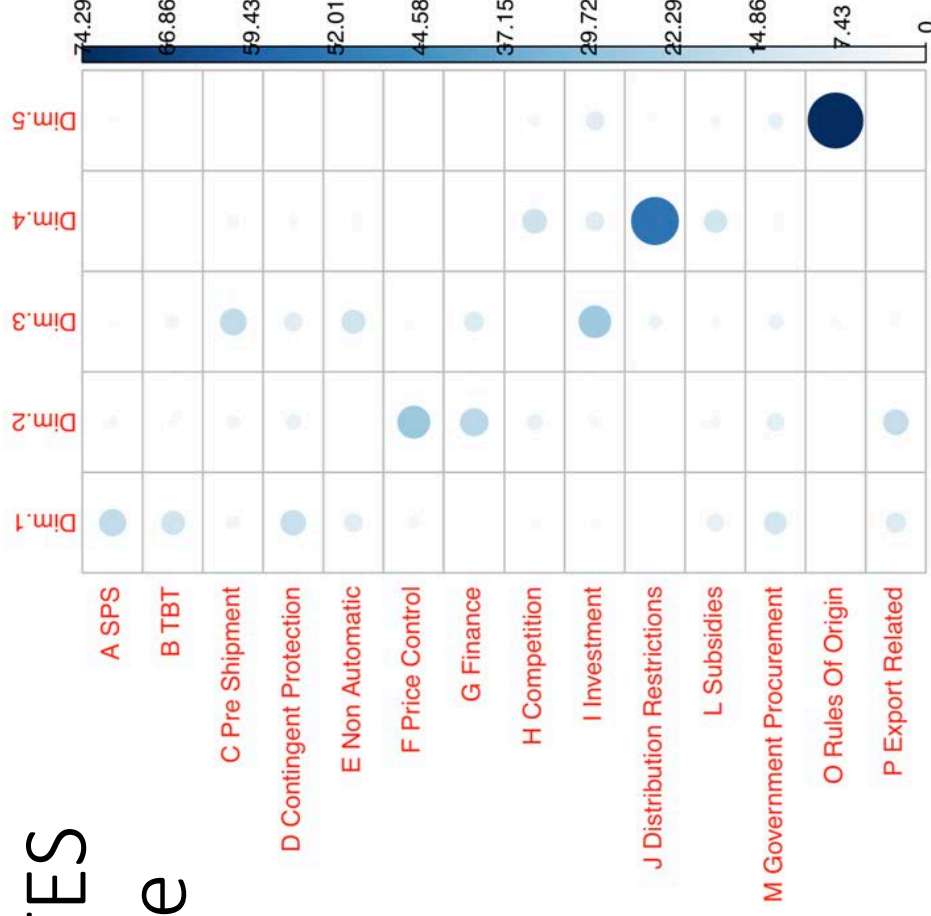
Development of NTM stocks

- High income countries with higher regulatory profile
- A SPS, B TBT, C PSI, and P Export related measures dominant
- Presence of E Licensing increases with income
- F Price-control predominantly in low income countries
- Kink in 1995: WTO notification requirements under e.g. SPS & TBT Agreement
- Caution: not adjusted for duplicates



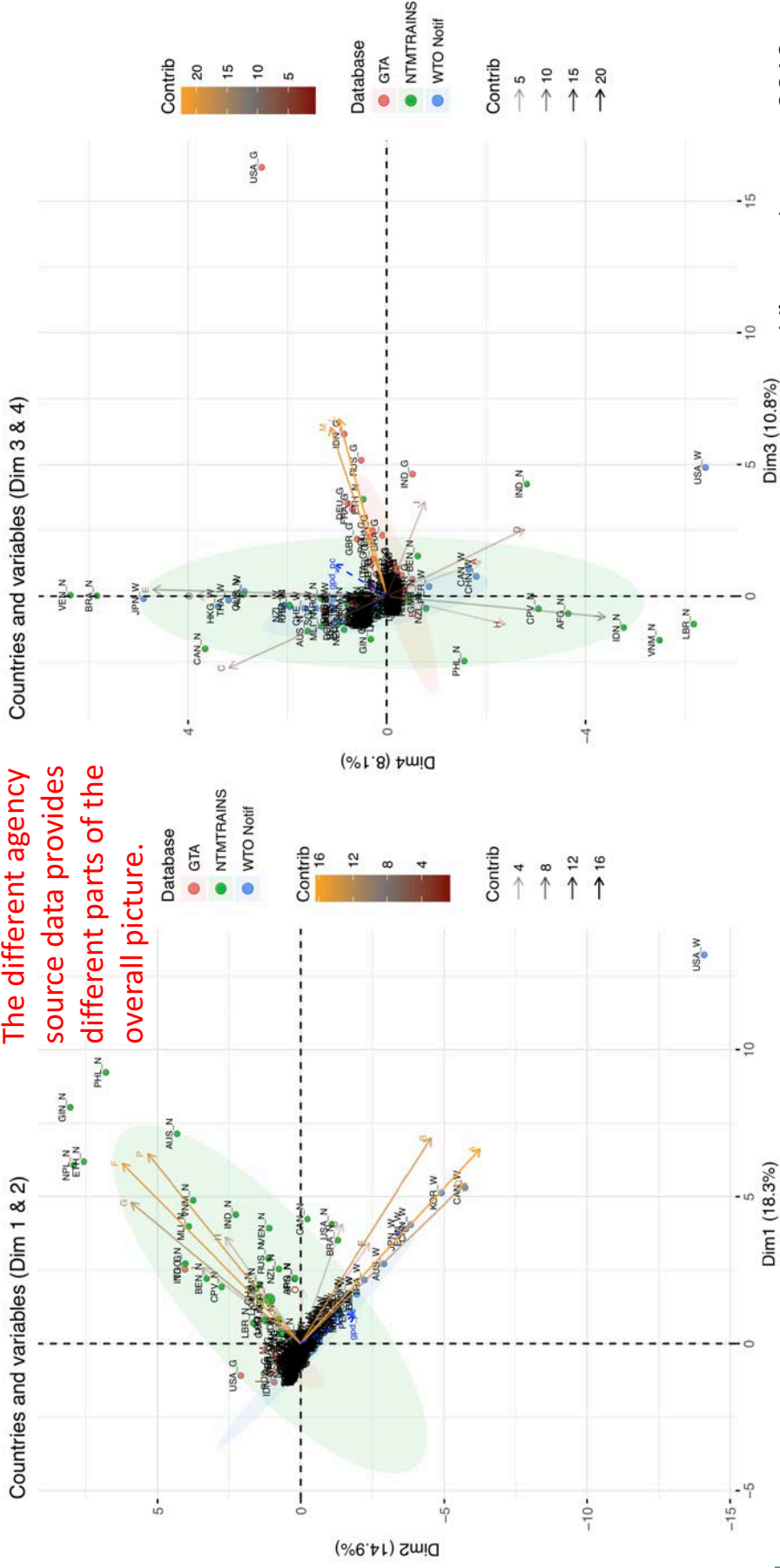
NTM (PCA) AGGREGATES from PRONTO database

- Using principal component techniques to aggregate information across databases
- Different setups to construct:
 1. Overall NTM index across all MAST chapters
 2. MAST chapter-specific indexes summarizing information across different databases
- Total and sector/product-specific scores (4-digit HS, WIOD, GTAP)
- Using PCA's factor loadings as weights to combine original data to indexes



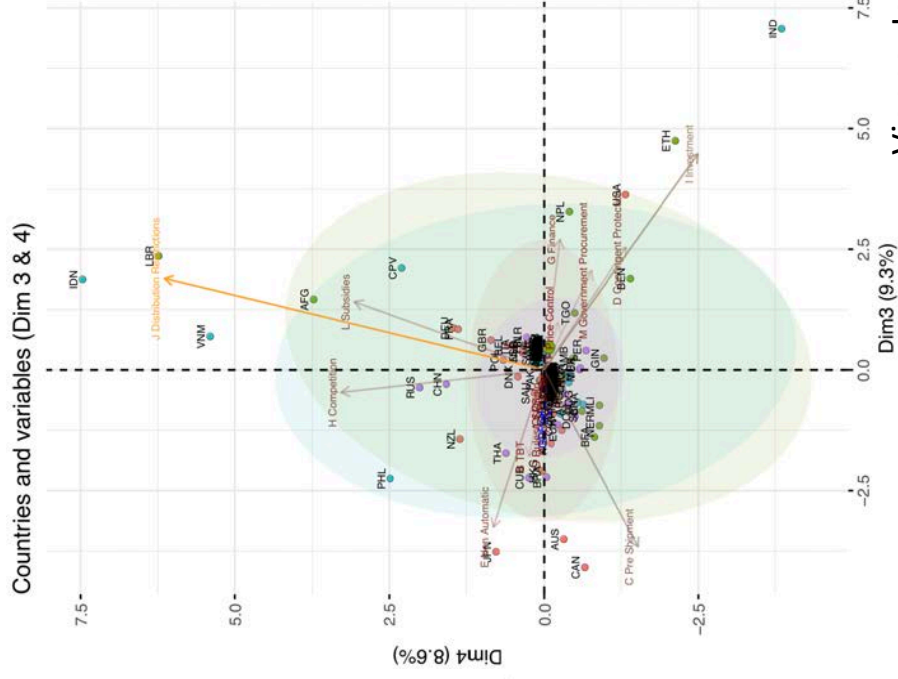
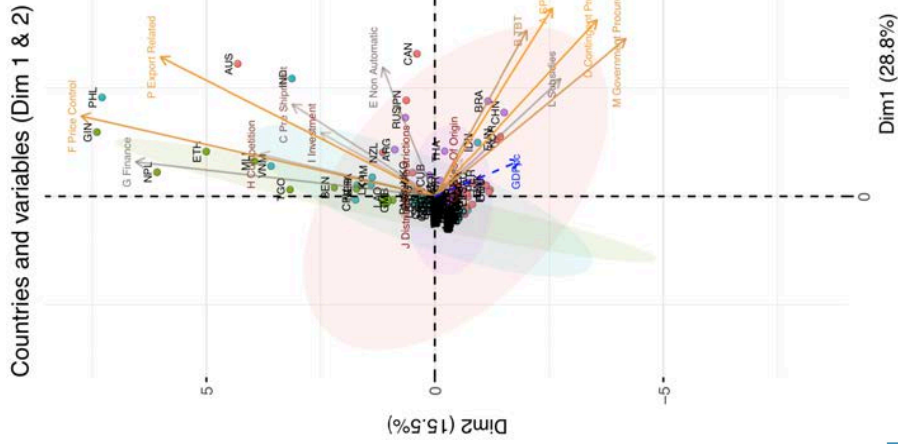
NTM Pattern Across Databases

The different agency source data provides different parts of the overall picture.

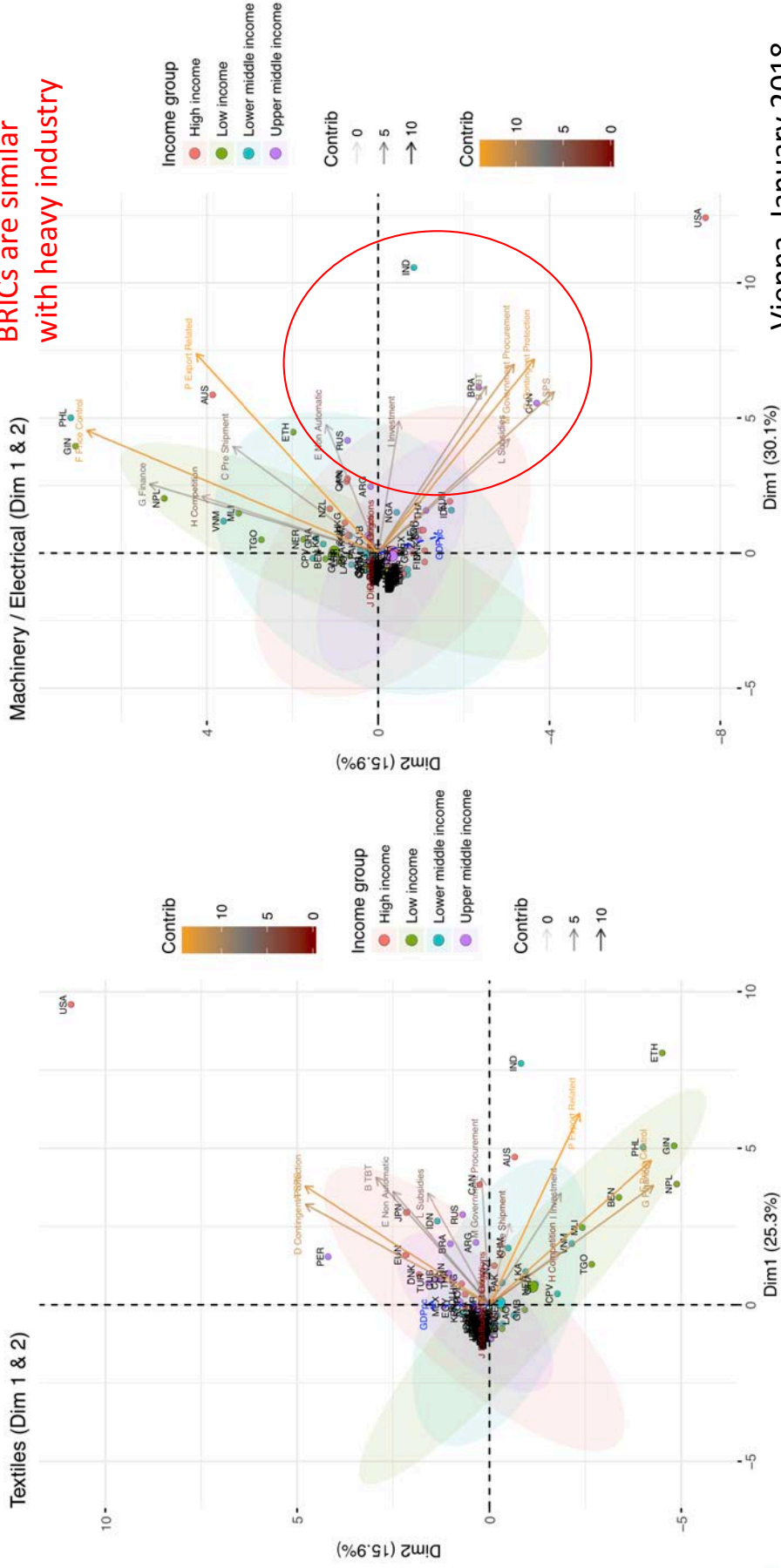


NTM Patterns and Income

Use of measures varies systematically by income (and sector)

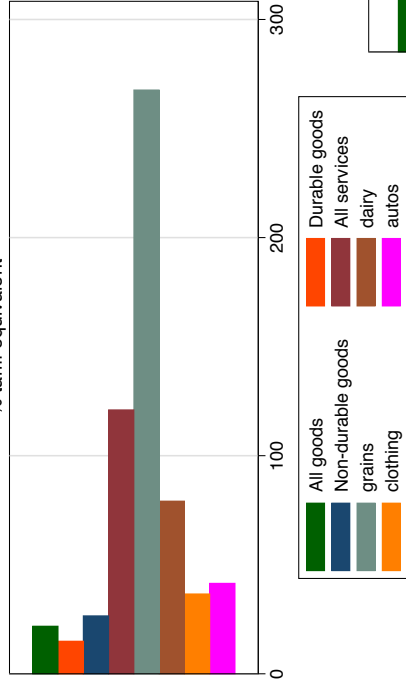


NTM Patters Across Industries (examples)



Non-tariff trade costs vary substantially by sector. This is important for impact assessments.

Average overall NTM costs (MFN basis)
% tariff equivalent



average MFN across all countries (GTAP basis). Source Bekkers and Francois 2018.

note: overall NTMs, and pairwise values, are based on structural gravity estimates.

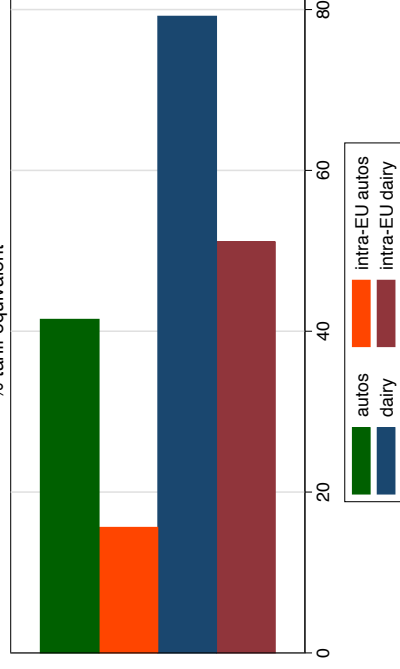
The pending PRONTO data release is planned to include country pair-wise NTM cost estimates at GTAP sector level, and in future iterations also for NACE/WIOD. This is for goods and services. It will also include TRIs, for tariffs only, but also with NTMs.

Messages from analysis of NTMs (including wiiw work

- not all NTMs mean less trade.
- actionability is often less than one hopes
- overall NTM-related cost levels
- the impact of PTAs on these costs varies widely by sector
- services matter for overall effects

➔ the combination of composite indexes by NTM types with and underlying cost estimates opens research arbitraging options between the two.

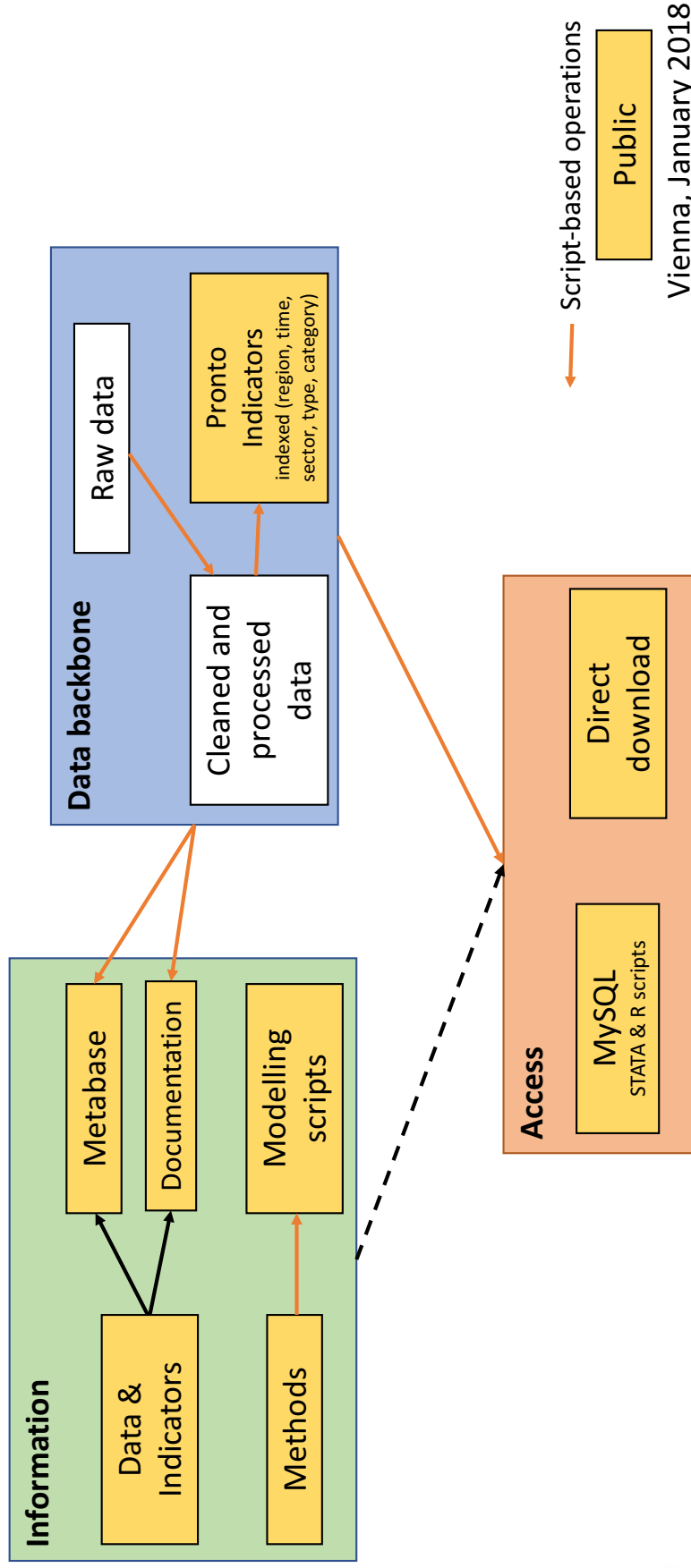
Average overall NTM costs and intra-EU costs
% tariff equivalent



average MFN across all countries (GTAP basis). Source Bekkers and Francois 2018.

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3. The NTM Data Portal: Structure



Key elements

- Documentation of source data
- Replication and updating scripts, for periodic updating of composite indicator data when appropriate. Examples include:
 - text based search/classification routines
 - Merging of NTM indicator data with MRIO data for ERP type indexes
 - Updated GTAP/WIOD level cost estimates
- Periodic updating to data structure to reflect changes in NTM classification (MAST) and new schemes (services)
- Periodic updating to data structure to reflect changes in HS classification and eBOPS schemes (services), with associated merge scripts for trade data
- Occasional updating to summary indicators to reflect new analytical developments
- Meta data (descriptive) on available source data, and directions to those data
- Composite indexes integrating varying information across sources

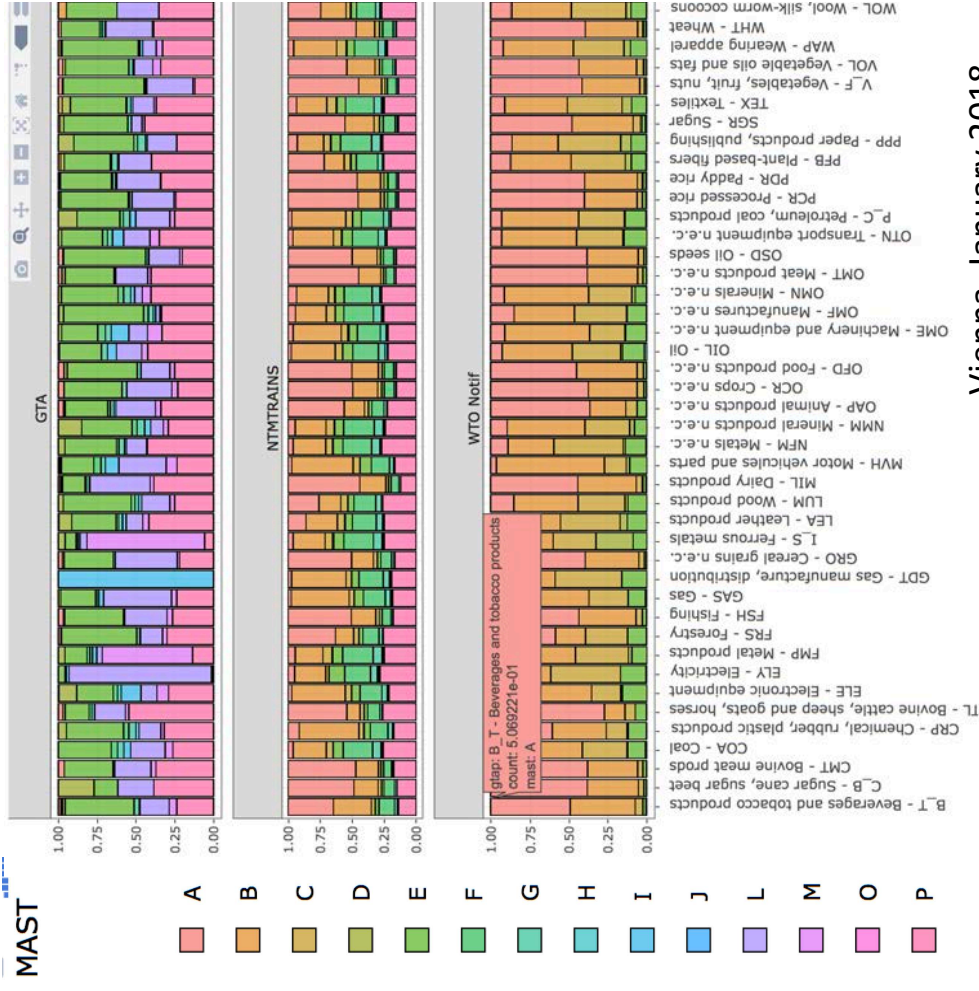
Data Visualization

(Under construction)

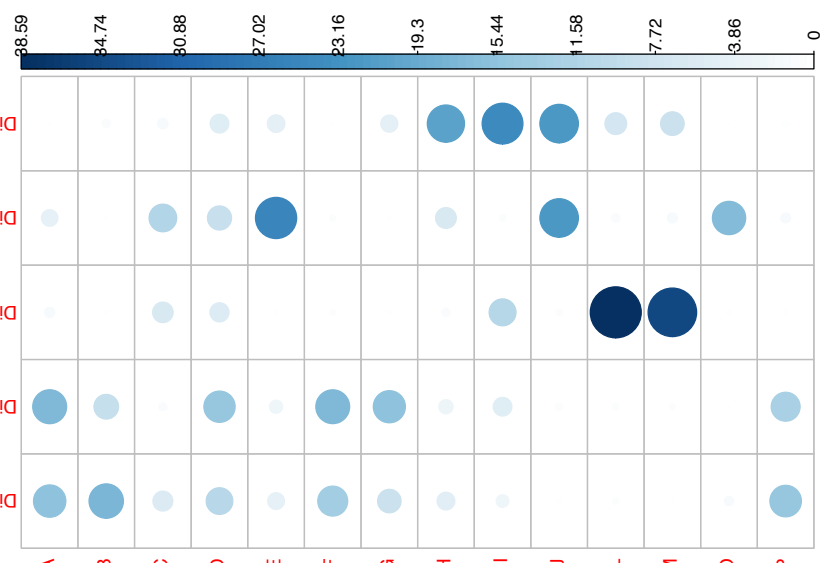
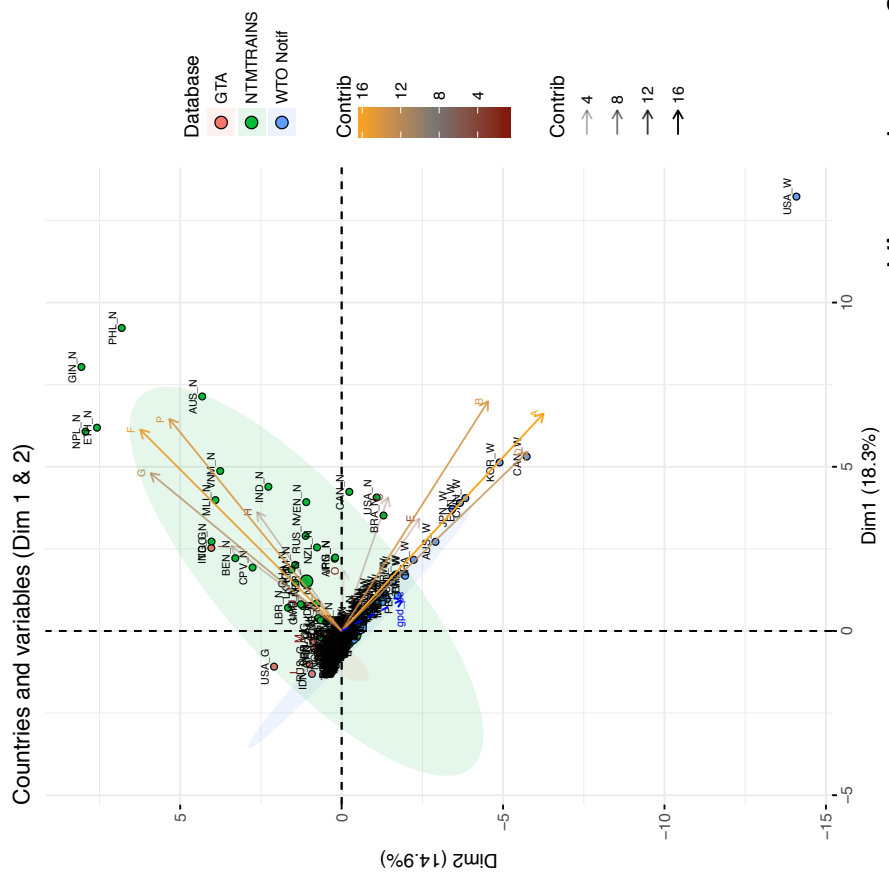
Interactive, i.e. where sensible graph adjusts to changes in indexed parameters, e.g. country (groups), product classification

Raw data information and PRONTO indicators

- Trade costs;
- Composite indices.



Composite NTM indicators



Vienna, January 2018

Post-PRONTO plans

- www.prontonetwork.org → www.ntmnetwork.org
- Formalize the network setup (research institutions and agencies) for post-FP7 updating and further research
- Periodic updates of PRONTO indicators
 - some expansion (Bown/WB AD/CVD data for example)
- Research activities in network
 - Collaborative projects
 - Student hosting/visiting researchers
 - PhD and post doc projects
 - Inter-agency data comparisons and benchmarking
- Events
 - Conferences/workshops
 - Summer school