

TBT Agreement

The Technical Barriers to Trade (TBT) Agreement is a World Trade Organisation agreement focussing on removing/regulating non-tariff barriers to trade in the form of technical barriers to international trade. This is an important part of the <u>UPSC syllabus</u> segment on economy and international trade.

Technical Barriers to Trade Agreement

The TBT Agreement was negotiated during the Uruguay Round of Multilateral Trade Negotiations, which was concluded in 1994. The Agreement entered into force in January 1995.

- It is regarded as the multilateral successor to the Standards Code, signed by 32 <u>GATT</u> contracting parties at the conclusion of the Tokyo Round of Trade Negotiations (1979).
- The Agreement seeks to ensure that technical regulations, standards and conformity assessment procedures are non-discriminatory.
- The TBT Agreement aims to see that these technical standards and specifications for imported goods of a member country do not create any unnecessary trade obstacles for the exporting country.
- The Agreement does acknowledge that member countries need to put in place certain regulations and policy measures for the protection of human health and safety and also the environment.
- The Agreement also promotes members to have measures based on global standards as a way to enable international trade.
- The TBT establishes rules and procedures regarding the development, adoption, and application of voluntary product standards, mandatory technical regulations, and the procedures (such as testing or certification) used to determine whether a particular product meets such standards or regulations.
- The Agreement seeks to prohibit the use of technical requirements as needless barriers to trade.
- Although it applies to a broad range of agricultural and industrial products, sanitary and phytosanitary (SPS) measures and specifications for government procurement are covered under separate agreements.
- The TBT Agreement shares the same fundamental principles of non-discrimination, encouraging predictability of market access and technical assistance (TA) and special and differential (S&D) treatment for developing member countries.

You can read about the <u>WTO Agreement on Agriculture</u> in the linked article.

TBT Agreement Objectives

The broad objectives of the TBT Agreement are as follows:



- 1. Ensuring that technical regulations, standards and conformity assessment procedures do not generate unnecessary hindrances to international trade.
- 2. Leaving <u>WTO</u> members adequate regulatory discretion to protect human, animal and plant life and health, national security, the environment, consumers, and other policy interests.

The 'technical barriers to trade' refer to broadly the following:

- 1. Mandatory product regulations
- 2. Voluntary product standards
- 3. Conformity assessment procedures (procedures designed to test a product's conformity with mandatory regulations or voluntary standards)

The aim of the TBT Agreement is to assure that the above technical requirements do not create an unnecessary hurdle to global trade. The Agreement tries to maintain a balance between allowing seamless international trade by regulating such technical non-tariff barriers and allowing countries to enact product regulations in the interests of health, environment, consumers, etc. The TBT Agreement tries to maintain a balance between the prevention of protectionism and the right of members to enact product regulations for legitimate public policy purposes.

The Agreement seeks to ensure that standards, technical regulations, and conformity assessment procedures are to be developed and applied on a non-discriminatory basis.