Over the last 70 years, since the establishment of the GATT (1947), tariffs have progressively declined as a consequence of the increasing number of trade agreements concluded among States, both at bilateral and multilateral level, with the aim to abolish or reduce customs duties and other taxes with equivalent effect applied especially on imports.

The liberalization of trade of goods and services occurred at global level, however, has not led to a complete abolition of protectionist policies by States. This is because, apart from tariffs, international trade is also affected by a wide array of policies and instruments that include many forms of non-tariff measures (NTMs), such as quotas, licensing, pre-shipment inspections, imports and export regulations, and other restrictions whose aim is to fulfil public policy objectives such as the protection of the human and animal health/safety, of the environment, of the consumer, or to ensure that products meet certain quality and security standards so that they are not harmful to consumers, or at least that the latter are properly informed on the risks associated with the use of such goods.

Sometimes, however, governments use such policies and tools in an instrumental way, only for protecting or shielding domestic producers from economic competition, going beyond what is needed for the protection of interests of their citizens. Because of this, today the focus has shifted from tariffs to non-tariff measures, with discussion on the restrictiveness of trade procedures and non-tariff measures that has acquired more relevance.

In Africa, UNCTAD estimates that non-tariff measures can raise unit values of traded products by 15 to 30 per cent in food and agricultural sectors, and by five to 20 per cent in manufacturing sectors. Unlike sanitary and phytosanitary measures (SPS) or technical barriers to trade (TBT), whose prevalence is relatively higher in developed economies, trade frictions related to cumbersome and costly border procedures are particularly prominent among developing countries.

While TBT are technical regulations and standards, including packaging, marking and labelling requirements and procedures for assessment of conformity with technical regulations and standards aimed to protect the safety and security of consumers, SPS are measures aimed to protect human or animal life from risks arising from additives, contaminants, toxins or disease-causing organisms, from plant or animal-carried diseases; as well as from pests, diseases, or disease-causing organisms. SPS measures also include measures aimed at preventing or limiting damage to countries due to the introduction in their territory or spread of pests, and measures aimed at protecting the health of fish and wild fauna, forests and wild flora. SPS measures can take many forms, such as requiring products to come from a disease-free area, to undergo a special inspection process or specific treatment or processing before their

import, or the respect of maximum levels of pesticide residues or allowed additives (ex. for food).

Unlike in Asia, where the average time and monetary costs for documentary and border compliance are only slightly larger than the world average, customs procedures in Africa tend to be 58 per cent more time-consuming and 52 per cent more expensive (these regional comparisons are based on country-level data from the World Bank report "Doing Business 2019"). Moreover, these additional costs are aggravated by extra costs stemming from poor infrastructure and less efficient logistical and distribution networks. All these factors penalize producers and traders, especially in the context of global value chains, which entail multiple border crossing before goods arrive to their final consumers or users.

Moreover, there is evidence that heightened transaction costs and other non-tariff barriers remain a significant hindrance to Africa's integration into the global market, but also – and perhaps more importantly – to its own regional integration especially across existing RECs. The lack of transparency of rules and regulations opens the door to their uncertainty and discretionary application, with Small and Medium Enterprises disproportionately affected by these factors, as they cannot afford dedicated staff for addressing the administrative procedures related to the implementation of such rules and regulations.

Trade facilitation reforms could go a long way in reducing trade frictions, by simplifying trade procedures and contributing to a smooth implementation of regional integration strategies. Smooth and transparent cross-border trade procedures can also greatly facilitate intra-regional trade and harness scale economies.

A recent <u>article</u> published on the UNCTAD website explores how trade facilitation measures can promote regional integration, raising the need for States, especially developing countries, to join their efforts and undertake trade facilitation reforms in a coordinated way (instead than merely implementing them at national level), in particular by boosting their mutual customs cooperation and information-sharing mechanisms.