ONLINE COURSE ON ECONOMIC ANALYSIS OF NON-TARIFF MEASURES
10 OCTOBER - 4 DECEMBER 2016

PROSPECTUS

Background

Non-tariff measures (NTMs), including regulations such as product quality and safety requirements, have been playing an increasing role in international trade because of the reduction in tariffs, and growing consumer concerns about food safety and quality, and environmental protection. NTMs are trade policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods. Their use can have an impact on quantities or prices of goods traded, or both. Agri-food products have been particularly affected by NTMs, as they are now the products with the largest number of NTM complaints filed under the WTO disputes procedure relative to the sector's export value.

NTMs can be diverse, and may target very different objectives. Import licenses or quotas aim to complement or substitute tariffs, while sanitary and phytosanitary (SPS) measures or technical barriers to trade (TBT) often have non-trade objectives and aim to correct market failures (e.g. health and consumer safety, pollution and the environment). Despite the absence of trade objectives, SPS measures and TBTs may affect trade costs by increasing associated procedural requirements.

NTMs are complex instruments, and the analysis of their effect is also becoming increasingly difficult. NTMs act through multiple channels of influence, and have multiple effects not only on trade but also on welfare and income distribution. They can also have an impact on market structures because they can segment markets and generate market power.

In this context, the online course on economic analysis of non-tariff measures aims to provide researchers and practitioners involved in trade policy research with the necessary conceptual understanding and empirical tools to assess the impact of NTMs on trade flows and welfare. Such impact assessment of different NTMs is an indispensable prerequisite for the formulation of a consistent and pro-sustainable-development trade policy.

The course was developed by Anne-Célie Disdier, of Institut National de la Recherche Agronomique and Paris School of Economics, and Marco Fugazza, of UNCTAD's Division on International Trade in Goods and Services, and Commodities, and the UNCTAD Virtual Institute. The course will be tutored by Marco Fugazza. Financial support from the government of Finland, the One UN Fund for Tanzania and the Russian Federation for the Transparency in Trade Initiative is gratefully acknowledged.

Objectives

The objective of the course is to provide participants with an introduction to non-tariff measures and the empirical tools needed to assess their impact on trade and welfare. For this reason, the course is a hands-on technical course with emphasis on the manipulation of data and the use of econometric tools. By the end of the course, participants will be able to:

- Identify the key characteristics of NTMs, their prevalence and their impact on trade flows;
- Determine the type of data and sources needed to undertake analytical work on NTMs;
- Compute indicators aiming at capturing the presence, and measuring the importance, of NTMs in international trade;
- Calculate ad valorem equivalents in order to compare the effects of NTMs with those of tariffs, on trade and prices; and
- Undertake analysis at a disaggregated level, working with firm-level data.

The topics and techniques covered in this course are currently an active research area in economics. After completion of this course, participants should be ready to contribute to this growing literature. A more detailed description of the course content, as well as the course timetable, are provided in the annex.
Target audience and course prerequisites

The course targets researchers from universities, research centres, and governmental and non-governmental institutions in developing and transition countries involved in the research and teaching of international trade and trade policy, interested in enhancing their quantitative skills and conducting policy-relevant research on NTMs as they relate to their countries. Qualified women candidates are particularly encouraged to apply. The number of participants is limited in order to ensure appropriate support throughout the course.

Applicants must meet the following criteria:

- Hold a Master's degree in Economics or Econometrics; or a Master's degree in Statistics or Finance, with a Bachelor's degree in Economics or Econometrics;
- Have completed courses on statistics, econometrics, and international trade; have knowledge of trade theories, including those on the heterogeneity of firms, and a good understanding of standard trade policy instruments and their implications;
- Have access to Stata version 11 and above (not provided as part of the course) and be able to apply linear regression techniques to both cross-section and panel data with this software. Familiarity with the Stata commands needed to create tables and graphs used in the preparation of papers and reports is also required;
- Have excellent knowledge of English, including technical terminology.

Please note that in order to successfully complete course activities, participants should plan to dedicate 12-14 hours per week throughout the duration of the course.

Course fees

Thanks to the support of UNCTAD’s Trade Analysis Branch and the Virtual Institute, the selected participants will be exempt from the fees associated with access to the course and the e-tutoring services provided.

Participants will also receive the course materials and other relevant literature on CD/DVD free of charge.

Grading and certificate

Quizzes may be attempted twice. In order to pass, participants must receive a grade of at least 60 per cent in each module quiz, either in the first or second attempt – only the higher grade will be counted. Participants with passing grades and having completed the end-of-course evaluation questionnaire will be awarded a digital certificate of completion. The top 10 course graduates will receive a copy of the UNCTAD/World Trade Organization book, “A Practical Guide to Trade Policy Analysis”, published by the Virtual Institute.

Application information and deadline

To apply, follow the instructions at http://vi.unctad.org/services/online-courses/902-virtual-institute-online-course-on-economic-analysis-of-non-tariff-measures. Your application must include a detailed curriculum vitae and a letter of nomination from your institution indicating its support of your application, and explaining how your participation in the course will contribute to your future work and the work of the institution.

The deadline for applications is 2 September 2016. Applications received thereafter or incomplete applications will not be considered. For assistance with the online application process, please contact susana.olivares@unctad.org.

Requests for further information or clarification about this course should be sent to:

Ms. Vlasta Macku  
Chief, UNCTAD Virtual Institute, Division on Globalization and Development Strategies  
Email: vlasta.macku@unctad.org

A selection committee will review each application and select the course participants based on the information supplied in the application form, supporting documents and the relevance of the course for their research, policy advice and teaching work.

Participants will be advised of their selection by 9 September 2016.
Annex: Content and timetable of the course

The course is made up of five learning modules offering a broad view of issues related to the analysis of NTMs and the empirical assessment of their effects. It also illustrates the topics discussed through three practical exercises consisting of the replication of recent empirical work using workhorse econometric techniques in the field of trade empirics.

Course materials include:

- A reader;
- Multimedia lectures by course co-authors, Anne-Célia Disdier and Marco Fugazza, based on PowerPoint slides. The lectures expand the content of the reader and incorporate examples from the literature on NTM analysis;
- Hands-on Stata applications based on seminal papers that include the source of the data; the policy question being analysed; the methodology required to address the question; a discussion of the economic implication of the results; a short reader with step-by-step instructions; and a multimedia “hands-on” lecture. Data and Stata do-files for each application are also provided;
- A reading list describing and applying the different techniques covered in the course;
- Multiple-choice module quizzes.

The course content may be run entirely from the CD/DVD provided, or from the Vi website. However, an Internet connection is required to interact with the course tutor and fellow participants, as well as to complete end-of-module quizzes.

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<tr>
<th>Dates</th>
<th>Title</th>
<th>Content</th>
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<tr>
<td>Week 1: 10-16 October</td>
<td>Module 1: Introduction</td>
<td>General introduction to NTMs. Discussion of the main characteristics of NTMs, and of how the World Trade Organization deals with NTMs.</td>
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<td>Week 2: 17-23 October</td>
<td>Module 2: Data sources and stylized facts</td>
<td>Review of publicly available datasets containing information relevant to empirical and analytical work dealing with NTMs. Only data sources referring to public measures are covered. Some basic indicators of NTMs’ prevalence and incidence are presented and applied to existing data.</td>
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<td>Weeks 3-4: 24 Oct-6 Nov</td>
<td>Module 3: Macro-analysis of NTMs’ trade effects</td>
<td>Assessment of the effects of NTMs focusing on so-called technical measures, in particular SPS and TBTs. The module is a broad introduction to the quantification techniques that can be implemented to identify and assess the effects of technical measures on trade and prices of traded goods at the macro level, i.e. the country or sectoral level.</td>
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<td>Week 5: 7-13 November</td>
<td>Catch-up week</td>
<td>Review of evidence of the effects of NTMs at the micro level, i.e. the firm level. Firm-level data provide information about the goods produced and exported by each firm. Working with this type of disaggregated data offers the possibility of refining macro estimates by including additional layers of information, whether explicitly or implicitly.</td>
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<td>Week 6: 14-20 November</td>
<td>Module 4: Microanalysis of NTMs’ trade effects</td>
<td>Applications assessing the impact of NTMs on welfare and linkages with trade. Discussion of links between NTMs and social welfare; presentation of a conceptual framework to qualify, and possibly quantify, these links.</td>
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<td>Week 7: 21-27 November</td>
<td>Module 5: Additional applications</td>
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<td>Week 8: 28 Nov-4 Dec</td>
<td>Catch-up week</td>
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The catch-up weeks allow participants to review the teaching material of the previous modules, and retake failed quizzes or improve the grades they have obtained in the first attempts.