

Non-harmonised Mandatory Standards as Non-Tariff Barriers: Experience from Japanese Imports

NAOHIKO IJIRI (College of Economics, Nihon University)*

Abstract

The WTO TBT agreement has been promoting to harmonise national standards with relevant international standards worldwide since 1995. Such a harmonisation of the standards may reduce trade costs stem from the differences between national standards across countries, and then would facilitate international trade. Although the standards are voluntary by definition, some national standards are mandatory since mandatory statutes in home country require producers to adopt one or more specific national standards for products. Accordingly, if national standards are mandatory and non-harmonised, they function as non-tariff barriers to trade in the home country.

In this paper, we empirically examine the effects of the standards harmonisation and the mandatory standards on international trade flows, especially the emergence of newly imported products in Japan. Our results suggest that non-harmonised national standards with mandatory statutes deter new entrants from foreign countries to home market. This empirical study is not possible without our new concordance between international standards and HS 6-digit products.

Keywords: International Standards, Harmonisation, Mandatory statutes, International trade

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* 1-3-2 Misaki-cho, Chiyoda-ku, Tokyo, 101-8360, Japan ijiri.naohiko@nihon-u.ac.jp