

Non-Tariff Measures of Colombia¹

Summary and Policy Implications

- 42 percent of products imported by LAC are subject to NTMs. Similarly, 53 percent of total imports are affected by NTMs. These figures are comparable to the middle-income regions, where the shares of imported products and imports subject to NTMs ranging from 38%-49%, and 44%-57%, respectively. For the high-income countries these values are higher and ranging from 68%-91% and 73%-91%, respectively.
- Within LAC, the shares of imported products and trade affected by NTMs in Colombia are, 61% and 64%, respectively, similar to that of Chile, which are 64% and 61%, respectively. These figures are less than that of Argentina and Brazil, which are 91% and 94%, and 76% and 82%, respectively.
- Consumption and food products faced most NTMs in Colombia, while capital goods faced least NTMs. Vegetable oils, food for livestock, fertilizers and other chemicals are some of the products used by exporters that face the higher number of NTMS.
- The most common NTMs in Colombia are inspection and certification requirements, for public health and safety reasons
- Colombia has the authorized ports of entry requirements, with the purpose to reduce smuggling of textiles and apparels; as well as non-automatic licensing requirement on close to 1700 products.
- Possible policy recommendations could be
 1. to improve the capacity of the existing authorized ports of entry. Currently, the authorized ports include Barranquilla, Bogotá, Bucaramanga, Buenaventura, Cali, Cartagena, Cúcuta, Ipiales, Leticia, Medellín, Pereira, San Andrés y Santa Marta. To improve customs clearing efficiency, the infrastructure and manpower of the existing authorized ports could be expanded.
 2. to expand the authorized ports of entry. If possible, logistically, there are some smaller ports that could be added to the authorized ports of entry in order to reduce the restrictiveness of this NTM.
 3. streamlining licensing requirements, particularly regarding procedures that have no technical justification that could hinder Colombia's external trade. An example of the other countries such as Turkey and Cyprus that have streamlining NTMs regarding import licenses include immediate removal of import licenses issued for economic reason (with no technical justification), as there is no evidence their protectionist effect helps producers. Another example could be removal of pre-permits which are : 1) with no legal basis; 2) with no justification; 3) not business friendly.

¹ This note has been authored by Hiau Looi Kee (DECTI) and Alejandro Forero, as background note for the activity Colombia Trade Engagement (P174297). It benefited from comments from Donato De Rosa, Paolo Dudine, Nadia Rocha, and Mariana Vijil.

4. Harmonization of labelling standards with developed or neighboring countries through mutual recognitions. This may reduce procedural costs and provide time saving.

Section 1: Introduction

NTMs are policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both (UN, 2019). An example of NTMs is the testing requirement on imported oranges to check for the residue level of pesticides. The objective of such NTMs is to protect human life from risks arising from toxins added in food. Another example could be the non-automatic license requirement to import cars. The objective of such NTM could be to restrict the number of authorized car importers in a country. Unlike tariffs, most of the time NTMs are qualitative in nature and it is not easy to quantify the impacts of NTMs on trade. One way to assess the impact of NTMs is to look at the shares of products and trade affected by NTMs, which we refer to as the coverage of NTMs.

This report describes the Non-Tariff Measures (NTM) of Colombia, based on the most recent data available from UNCTAD-WB NTM database. We will first present some broad pictures of the Latin America and Caribbean (LAC) region in terms of its NTM structure, relative to other regions. We will then present the NTM profile of Colombia and compare it to other countries in the LAC region.

Overall it is clear that the NTM structure of LAC region as a whole is closer to the middle and low income regions than to the high income regions. In general, less products and trade of the LAC region face Technical Barriers to Trade (TBT) measures and Sanitary and Phytosanitary (SPS) measures than the high income regions.

Within LAC, the NTM structure of Colombia is similar to the average of the largest seven economies in the region (LAC-7). Nevertheless, more products and trade in Argentina and Brazil face NTMs than in Colombia and Chile. Most countries in LAC impose similar SPS and TBT measures on products, but Colombia has more Non-SPS non-TBT measures on imports.

Similar to what is observed in other regions, Consumption products and Food products in particular face more NTMs in Colombia, while Capital products face less NTMs. On the other hand, Intermediate products and Raw agricultural materials face more NTMs in Colombia than in most other LAC countries.

Finally, Inspection and Certification requirements for both SPS and TBT reasons are the most used NTMs in Colombia, while other measures such as Authorization for SPS and TBT reasons, or Licensing for non SPS-TBT reasons are also prevalent. In addition, in order to reduce smuggling in cities in special customs zones, textiles and apparel products are required to enter Colombia through authorized ports only. Some agriculture and food products also have similar port of entry restrictions entering Colombia. No other LAC countries use this port of entry restriction on such wide range of products.

In summary, within LAC, the level of NTMs in Colombia is similar to that of Chile, and both have less NTMs than Argentina and Brazil. However, the inspection requirements and the port of entry requirements on a large share of imported products are quite uniquely Colombia, likewise for non-automatic licensing

requirements for health and safety reasons. One possible policy recommendation could be to improve the capacity of existing authorized port of entry as well as expanding the list of authorized port of entry in order to improve custom clearing efficiency and reduce bottlenecks at the border that may hinder imports. Another policy recommendation could be to streamline non-automatic licensing requirements while safeguarding public health and safety interests.

Section 2: Summary Statistics by Regions and Main LAC Countries

One way to assess the impact of NTMs is to look at the shares of products and trade affected by NTMs, the first one is referred as the **Frequency Index** while the latter as the **Coverage Ratio** (UNCTAD, 2017). Table 1 presents the Frequency and Coverage of NTMs by regions while Figure 1 provides a graphical presentation of these statistics. Overall more than 50% of imports into LAC region is subjected to NTMs, and this covers about 40% of imported products. Regions that have the highest NTM Frequency and Coverage are Europe and Central Asia, as well as North America, which are around 90% of product traded. Comparatively, South Asia Region has the lowest coverage ratios of NTMs.

Table 1: Coverage of Non-Tariff Measures by Regions

| | Products | | | Trade | | |
|----------------------------|----------|----------|----------|----------|----------|----------|
| | All NTMs | SPS NTMs | TBT NTMs | All NTMs | SPS NTMs | TBT NTMs |
| East Asia & Pacific | 68% | 24% | 52% | 73% | 16% | 60% |
| Europe & Central Asia | 91% | 28% | 87% | 91% | 17% | 88% |
| Latin America & Caribbean | 42% | 22% | 31% | 53% | 21% | 39% |
| Middle East & North Africa | 49% | 20% | 32% | 56% | 17% | 42% |
| North America | 90% | 19% | 86% | 90% | 12% | 88% |
| South Asia | 42% | 17% | 29% | 44% | 14% | 29% |
| Sub-Saharan Africa | 38% | 16% | 17% | 57% | 20% | 32% |

Figure 1: Frequency and Coverage of NTMs by Regions

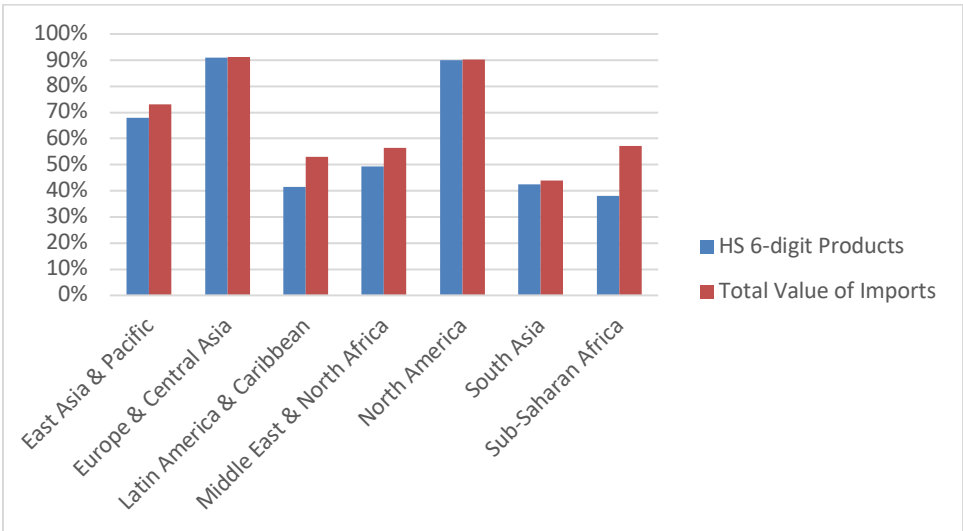


Figure 2: Frequency and Coverage of SPS/TBT NTMs by Regions

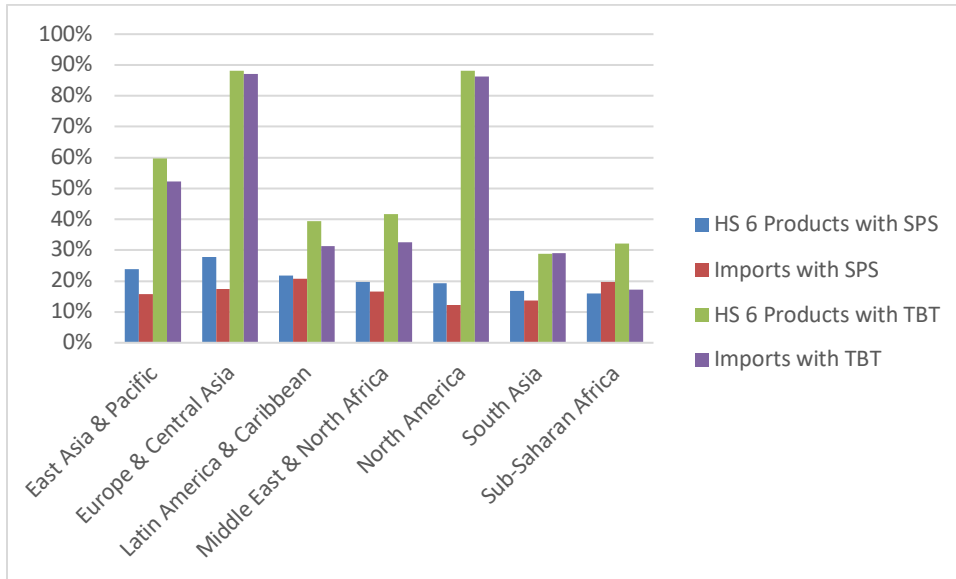


Figure 2 provides some breakdowns regarding the types of NTMs being imposed by the regions. Across all regions, TBT measures are more prevailing than SPS measures. For example, around 90% of products and imports of Europe and Central Asia, as well as North America face TBT measures, while only around 20 percent of products or imports in these regions face SPS measures. Moreover, the difference between Figure 1 and Figure 2 gives the shares of products or imports that do not face SPS or TBT type NTM measures. For Europe and Central Asia, as well as North America, only a small share of products or imports do not face SPS/TBT type NTMs. This pattern is not observed in the other regions, where the Frequency and Coverage of SPS/TBT NTMs are significantly less than the overall Frequency and Coverage of NTMs.

Section 3: NTMs of Colombia

Figure 3 compares the Frequency Index and Coverage Ratios of NTMs across LAC largest seven economies (LAC-7) and for all 27 LAC countries (LAC-27). Colombia and the other LAC-7 countries have similar coverage in both product lines and trade value, which are higher than the average for LAC-27. Colombia's coverage is lower than Argentina and Brazil, the two large economies with highest coverage in the region, and similar to that of Chile.

The same pattern repeats when we focus on SPS and TBT measures, for which Colombia coverage is similar to the average of LAC-7 countries and higher than the average of LAC-27 countries. The pattern is very different for non-SPS non-TBT measures, for which Colombia coverage is significantly higher than both LAC-7 and LAC-27 averages, surpassed only by Argentina and Brazil.²

Figure 3: NTM Frequency and Coverage in LAC and Colombia

² From this part we include only the Frequency Index and omit the Coverage Ratios, which are very similar, to avoid redundancies.

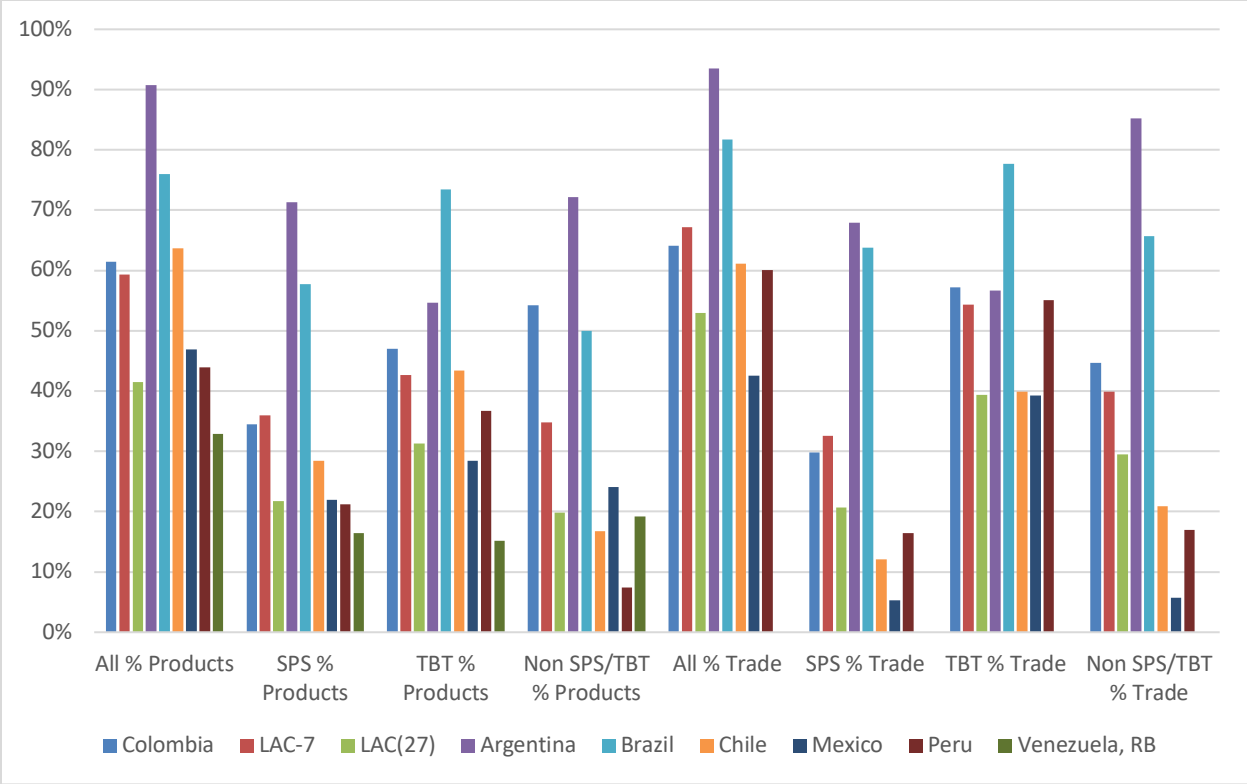


Figure 4: Share of products affected by Any NTMs

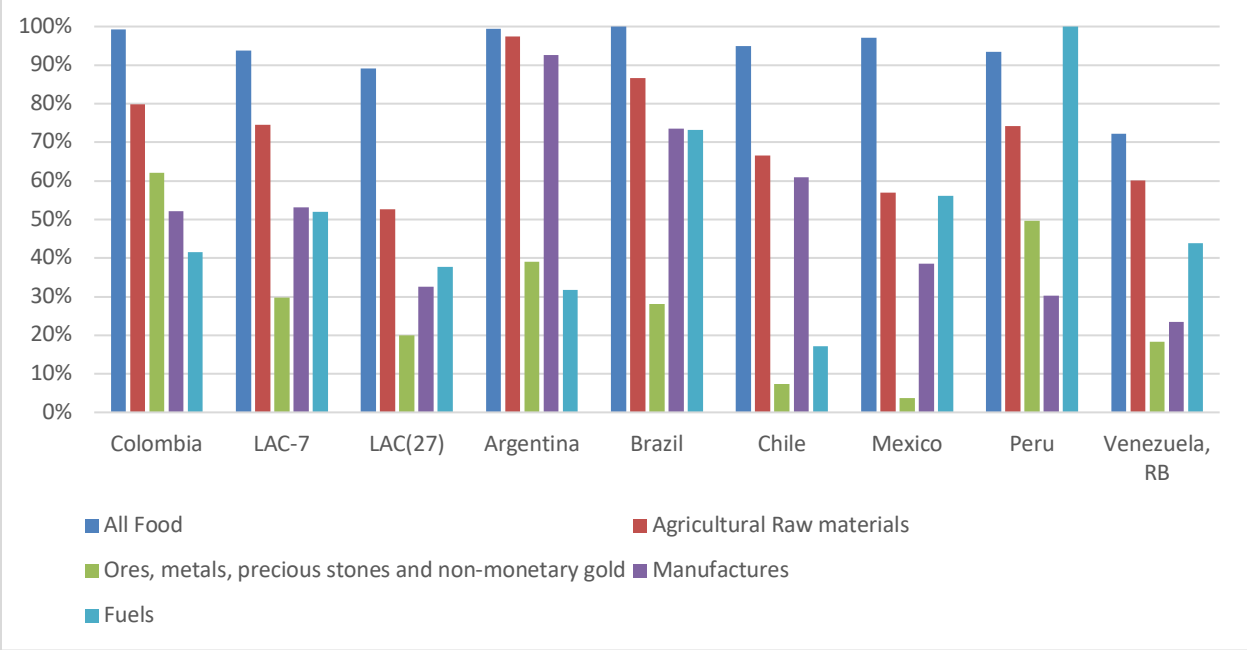


Figure 5: Share of products affected by SPS NTMs

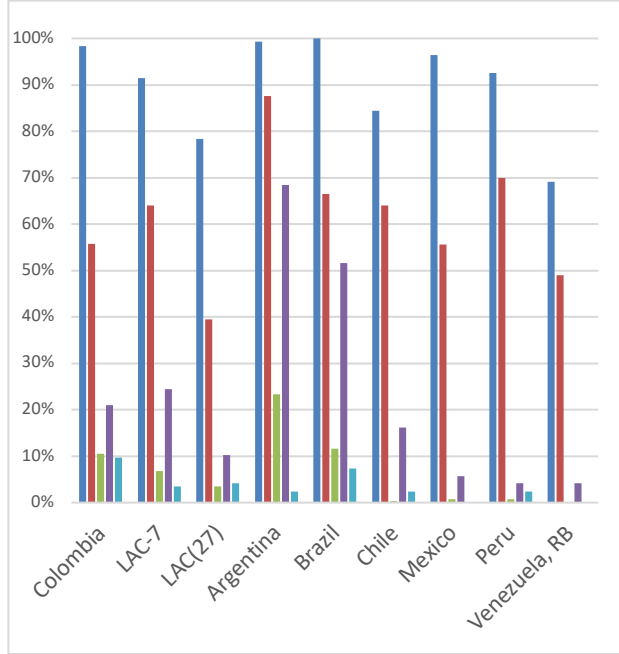
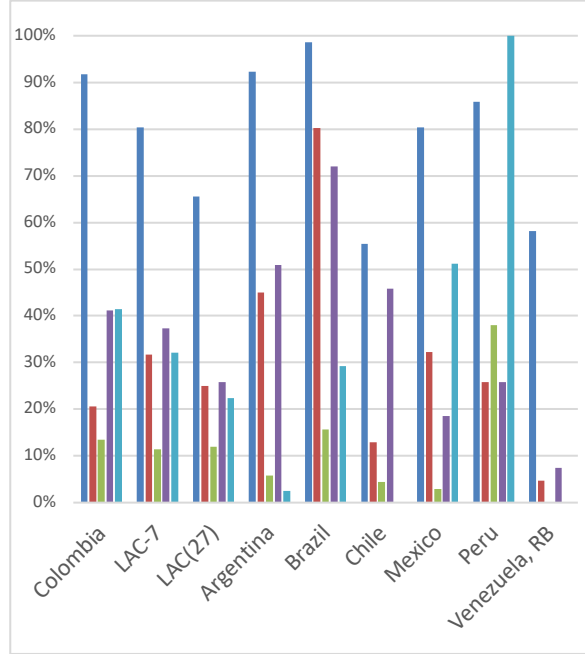


Figure 6: Share of products affected by TBT NTMs



■ All Food ■ Agricultural Raw materials ■ Ores, metals, precious stones and non-monetary gold ■ Manufactures ■ Fuels

Figures 4-6 present the product coverage of NTMs by broad industries for Colombia and selected LAC countries. There are some interesting patterns that emerge by comparing across countries and across industries. For example, almost 100 percent of Food products face at least one NTM in Colombia, while the coverage is closer to 90% for the region’s average. On the other hand, across all countries, Ores and Metal products faced the least NTMs, except for Colombia where coverage is twice as large than the region’s average. Fuels have the least coverage in Colombia, which is also lower than the average for LAC and other countries like Brazil and Peru.

Coverage of SPS measures is very high for Food products in the region and Colombia is not an exception. Agricultural Raw Materials also face a high and heterogeneous coverage of NTMs both in Colombia and the region. For non-agricultural non-food industries SPS coverage is homogeneously low across the region.

Coverage of TBT measures is also high for Food products across the region, but with higher heterogeneity than the coverage of SPS measures. In Colombia this industry faces higher coverage than in the rest of the region on average. TBT measures cover 40% of Manufactures product lines in Colombia, higher than the region average, but lower than in Argentina, Brazil and Chile. Agricultural Raw Materials coverage is lower than the region’s average, and much lower than in other countries like Argentina and Brazil.

For Colombia, processed food and industrial, chemical or metal products that are inputs into the production of pesticides or fertilizers also faced SPS and TBT measures in order to safeguard public health. These products are subjected to registration and inspection requirements.

Figures 7-9 present the product coverage of NTMs by end-use of product for Colombia and selected LAC countries. Coverage of Capital Goods is lower than average in LAC and LAC-7 countries. For Intermediate Goods coverage in Colombia is higher than LACs average, but still lower than in Argentina and Brazil. Colombia's coverage of Consumption Goods is at 80%, similar to LAC average. In TBT measures Colombia's coverage is higher than LAC average for Consumption goods.

Figure 7: Share of products affected by NTMs by End-Use

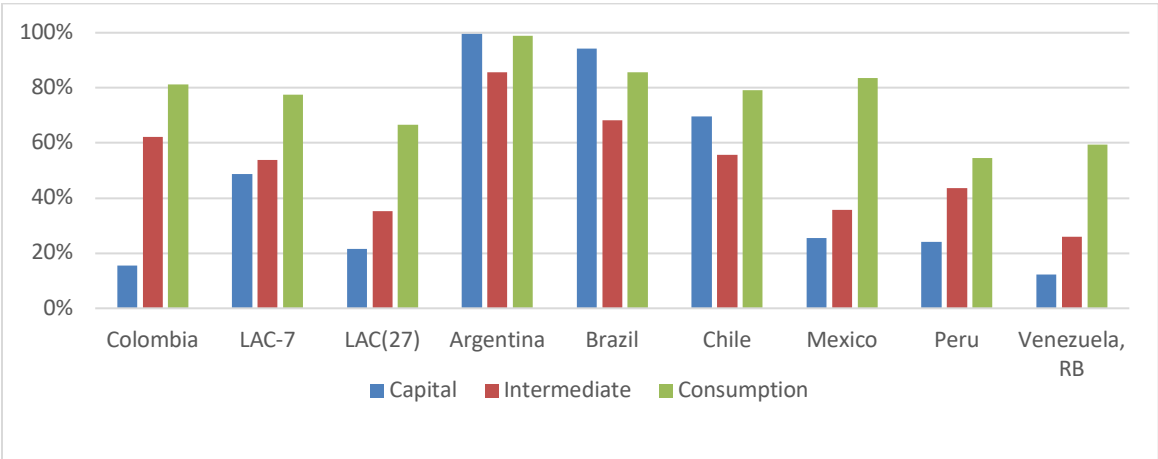


Figure 8: Share of products affected by SPS NTMs

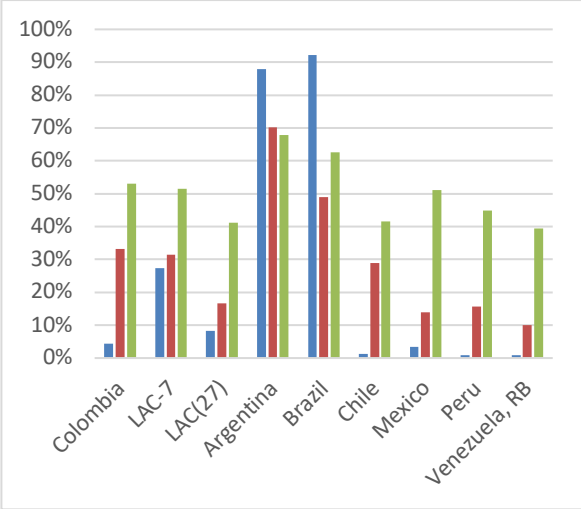
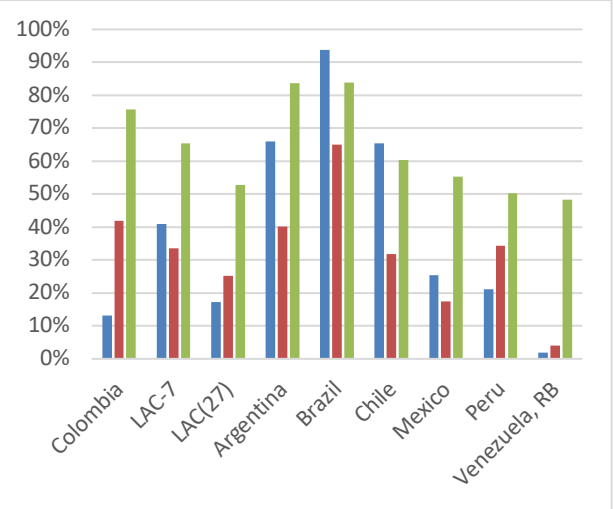


Figure 9: Share of products affected by TBT NTMs



■ Capital ■ Intermediate ■ Consumption

Next, we do a more detailed comparison of Colombia and selected countries in the region (Argentina, Brazil and Chile) as well as with the European Union and the United States. We present the top 20 NTMs and top 20 products with NTMs.

In Table 2 we show the number of products covered by the 5 Chapters of the NTM classification with data available across countries. Besides the SPS and TBT chapters, Colombia also has high coverage in chapter C (Pre shipment inspection and other formalities) and chapter E (Non automatic licensing, quotas, prohibitions and quantity control measures other than SPS and TBT).

Table 2: Number of products covered by Chapter in Colombia and comparator countries

| CHAPTER | COL | ARG | BRA | CHL | EUN | USA |
|---|------|------|------|------|------|------|
| A. SANITARY AND PHYTOSANITARY MEASURES | 1858 | 3854 | 3111 | 1532 | 1573 | 1078 |
| B. TECHNICAL BARRIERS TO TRADE | 2535 | 2945 | 3956 | 2340 | 4932 | 3887 |
| C. PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES | 1811 | 160 | 1398 | 720 | 159 | 507 |
| E. NON-AUTOMATIC LICENSING, QUOTAS, PROHIBITIONS AND QUANTITY CONTROL MEASURES OTHER THAN FOR SPS OR TBT REASONS | 1890 | 3350 | 2540 | 136 | 3101 | 1877 |
| F. PRICE CONTROL MEASURES INCLUDING ADDITIONAL TAXES AND CHARGES | 952 | 479 | 48 | 73 | . | 1227 |

In Table 3 we show the most used type of NTMs according to the number of covered HS 6-digit products. The most used NTM of Colombia is a TBT requirement for inspection (B840), which affects more than 1900 products. This measure is also prevalent in Brazil and the EUN, while its not in Argentina, Chile and in the USA. Inspection requirement for SPS reasons (A840) is also highly ranked, covering more than 1700 products. This SPS measure is not very common in the comparator countries, except for Brazil. More generally most of the top 20 NTMs are SPS/TBT measures, related to quality, conformity and labelling requirements. However, one of the most used measures, C300, is the requirement for certain products to clear customs through authorized ports, which affects more than 1700 products. This is a very uncommon measure in the comparator countries, inexistent in the EUN. Most of these products are textiles and apparel products which are required to enter Colombia only through authorized ports in order to reduce smuggling from special economic zones at the borders. Some agriculture and food products also faced port of entry requirements in order to have proper inspections.

Finally, as evidenced in Table 2, there is wide usage of chapter E Non-Automatic Licensing for non SPS/TBT Reasons, for example measures E329, E111, E112, and E129 that are among top 20 most used measures. There is a wide range of products that required non-automatic licensing to enter Colombia due to registration or safety considerations. These products include cars, rice, powdered milk and horses.

Figure 10 compares the number of products covered in Colombia and the same selected countries, this time including all 106 measures with information in the dataset. Overall, most dots are positioned above the 45 degree line, indicating that coverage is actually higher in the other countries than in Colombia.

Figure 10: Coverage of individual NTMs type

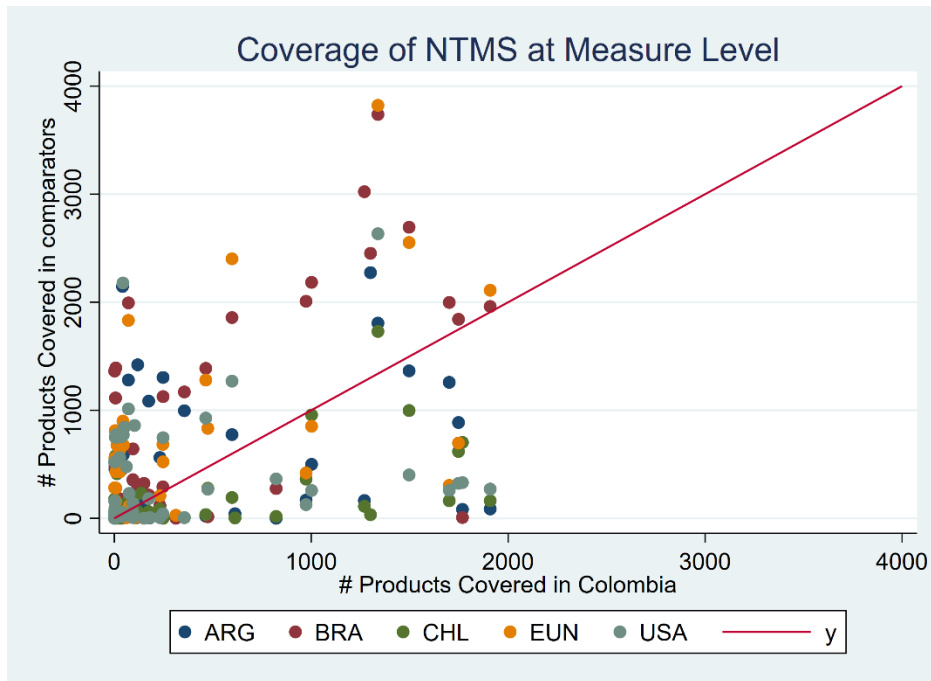


Table 4 presents the products that faced the highest number of NTMs types in Colombia. Most of these products are agriculture products such as meat, dairy and rice. These products faced as much as 20 NTM types, and most of these are SPS/TBT measures, as well as special port of inspection measure. These products also face a high number of NTMs in the comparator countries. While in Argentina and Chile the number of NTMs can be lower, in the USA the number of NTMs is higher for all these top-20 most affected products.

Table 5 present the products used by exporters that faced the higher number of NTMs. We restrict the products to those used by firms that exported at least USD500,000 between 2017-2019, and then select the top 100 products imported by those firms. We present the products that faced the higher number of NTMS, such as vegetable oils, food for animals, fertilizers and chemicals. These products faced as much as 14 NTM types, and most of these are SPS/TBT measures. Additionally, 51 of the 100 top products used by exporters face at least one NTM.

Table 3: Top 20 most used NTMs of Colombia, coverage compared to other countries.

| <i>rank</i> | <i>NTM</i> | <i>Description</i> | <i>COL</i> | <i>ARG</i> | <i>BRA</i> | <i>CHL</i> | <i>EUN</i> | <i>USA</i> |
|-------------|------------|---|------------|------------|------------|------------|------------|------------|
| 1 | B840 | Inspection requirement | 1909 | 87 | 1961 | 163 | 2111 | 271 |
| 2 | C300 | Requirement to pass through specified port of customs | 1768 | 83 | 8 | 703 | | 331 |
| 3 | A840 | Inspection requirement | 1748 | 887 | 1842 | 619 | 697 | 324 |
| 4 | A140 | Special Authorization requirement for SPS reasons | 1701 | 1259 | 1998 | 163 | 305 | 260 |
| 5 | B830 | Certification requirement | 1497 | 1365 | 2694 | 998 | 2553 | 402 |
| 6 | B310 | Labelling requirements | 1339 | 1807 | 3738 | 1730 | 3822 | 2634 |
| 7 | E329 | Prohibition for non-economic reasons, n.e.s. | 1301 | 2274 | 2453 | 34 | | |
| 8 | B140 | Authorization requirement for TBT reasons | 1270 | 165 | 3023 | 112 | | |
| 9 | A830 | Certification requirement | 1002 | 500 | 2184 | 957 | 852 | 258 |
| 10 | A820 | Testing requirement | 974 | 169 | 2009 | 363 | 420 | 127 |
| 11 | C900 | Other formalities, n.e.s. | 822 | 1 | 276 | 18 | | 365 |
| 12 | F120 | Reference prices | 613 | 43 | | 4 | | |
| 13 | B700 | Product quality or performance requirement | 598 | 775 | 1858 | 193 | 2402 | 1270 |
| 14 | A210 | Tolerance limits for residues of or contamination by certain (non-microbiological) substances | 475 | 17 | 15 | 279 | 833 | 270 |
| 15 | B330 | Packaging requirements | 465 | 20 | 1388 | 35 | 1280 | 928 |
| 16 | E111 | Licensing procedure with no specific ex-ante criteria | 356 | 996 | 1170 | 7 | | 7 |
| 17 | E112 | Licensing for specified use | 313 | | 1 | | 28 | |
| 18 | A150 | Registration requirements for importers | 248 | 1304 | 1127 | 1 | 523 | 747 |
| 19 | A410 | Microbiological criteria of the final product | 247 | | 292 | 32 | 685 | 42 |
| 20 | E129 | Licensing for non-economic reasons n.e.s. | 232 | 563 | 119 | 86 | 209 | 7 |

Table 4: Top 20 Products that faced largest number of different type NTMs in Colombia

| <i>rank</i> | <i>Product</i> | <i>Description</i> | <i>COL</i> | <i>ARG</i> | <i>BRA</i> | <i>CHL</i> | <i>EUN</i> | <i>USA</i> |
|-------------|----------------|---|------------|------------|------------|------------|------------|------------|
| 1 | 021020 | Meat; salted, in brine, dried or smoked, of bovine animals | 19 | 6 | 22 | 9 | 13 | 21 |
| 2 | 020322 | Meat; of swine, hams, shoulders and cuts thereof, with bone in, frozen | 19 | 9 | 19 | 8 | 13 | 21 |
| 3 | 020629 | Offal, edible; of bovine animals, (other than tongues and livers), frozen | 19 | 10 | 23 | 10 | 9 | 20 |
| 4 | 020622 | Offal, edible; of bovine animals, livers, frozen | 19 | 10 | 23 | 10 | 13 | 21 |
| 5 | 020610 | Offal, edible; of bovine animals, fresh or chilled | 19 | 9 | 22 | 10 | 9 | 20 |
| 6 | 020311 | Meat; of swine, carcasses and half-carcasses, fresh or chilled | 19 | 7 | 18 | 9 | 13 | 21 |
| 7 | 020621 | Offal, edible; of bovine animals, tongues, frozen | 19 | 10 | 23 | 10 | 13 | 21 |
| 8 | 020312 | Meat; of swine, hams, shoulders and cuts thereof, with bone in, fresh or chilled | 19 | 7 | 18 | 9 | 13 | 21 |
| 9 | 020321 | Meat; of swine, carcasses and half-carcasses, frozen | 19 | 8 | 19 | 9 | 13 | 21 |
| 10 | 020230 | Meat; of bovine animals, boneless cuts, frozen | 19 | 10 | 23 | 9 | 13 | 21 |
| 11 | 040510 | Dairy produce; derived from milk, butter | 18 | 8 | 20 | 9 | 13 | 28 |
| 12 | 040630 | Dairy produce; cheese, processed (not grated or powdered) | 18 | 8 | 14 | 9 | 13 | 29 |
| 13 | 021012 | Meat; salted, in brine, dried or smoked, of swine, bellies (streaky) and cuts thereof | 18 | 11 | 6 | 12 | 13 | 21 |
| 14 | 040110 | Dairy produce; milk and cream, not concentrated, not containing added sugar or other sweetening matter, of a fat content, by weight, not exc. 1% | 18 | 9 | 20 | 10 | 13 | 28 |
| 15 | 040210 | Dairy produce; milk and cream, concentrated or containing added sugar or other sweetening matter, in powder, granules or other solid forms, of a fat content not exceeding 1.5% (by weight) | 18 | 9 | 21 | 9 | 13 | 30 |
| 16 | 040120 | Dairy produce; milk and cream, not concentrated, not containing added sugar or other sweetening matter, of a fat content, by weight, exceeding 1% but not exceeding 6% | 18 | 9 | 20 | 10 | 13 | 28 |
| 17 | 040221 | Dairy produce; milk and cream, concentrated, not containing added sugar or other sweetening matter, in powder, granules or other solid forms, of a fat content exceeding 1.5% (by weight) | 18 | 9 | 20 | 9 | 13 | 30 |
| 18 | 020210 | Meat; of bovine animals, carcasses and half-carcasses, frozen | 18 | 10 | 21 | 12 | 13 | 21 |
| 19 | 021019 | Meat; salted in brine, dried or smoked, of swine, n.e.c. | 18 | 8 | 21 | 12 | 13 | 21 |
| 20 | 020110 | Meat; of bovine animals, carcasses and half-carcasses, fresh or chilled | 18 | 9 | 20 | 12 | 13 | 21 |

Table 5: Top 20 Products used by exporters that faced largest number of different type NTMs in Colombia

| Product | Descriptions | # measures | Import Value Rank |
|----------------|---|-------------------|--------------------------|
| 150710 | Vegetable oils; soya-bean oil and its fractions, crude, whether or not degummed, not chemically modified | 14 | 8 |
| 151110 | Vegetable oils; palm oil and its fractions, crude, not chemically modified | 13 | 32 |
| 340213 | Organic surface-active agents; non-ionic (other than soap), whether or not put up for retail sale | 12 | 84 |
| 220720 | Ethyl alcohol and other spirits; denatured, of any strength | 9 | 71 |
| 290511 | Alcohols; saturated monohydric, methanol (methyl alcohol) | 9 | 89 |
| 283620 | Carbonates; disodium carbonate | 9 | 55 |
| 220710 | Undenatured ethyl alcohol; of an alcoholic strength by volume of 80% vol. or higher | 9 | 100 |
| 230990 | Dog or cat food; (not put up for retail sale), used in animal feeding | 9 | 41 |
| 090111 | Coffee; not roasted or decaffeinated | 9 | 72 |
| 310520 | Fertilizers, mineral or chemical; containing the three fertilizing elements nitrogen, phosphorus and potassium | 8 | 68 |
| 901839 | Medical, surgical instruments and appliances; catheters, cannulae and the like | 8 | 67 |
| 310230 | Fertilizers, mineral or chemical; nitrogenous, ammonium nitrate, whether or not in aqueous solution | 7 | 50 |
| 310530 | Fertilizers, mineral or chemical; diammonium hydrogenorthophosphate (diammonium phosphate) | 6 | 56 |
| 310210 | Fertilizers, mineral or chemical; nitrogenous, urea, whether or not in aqueous solution | 6 | 14 |
| 310540 | Fertilizers, mineral or chemical; ammonium dihydrogenorthophosphate (monoammonium phosphate) and mixtures thereof with diammonium hydrogenorthophosphate (diammonium phosphate) | 6 | 43 |
| 701090 | Glass; carboys, bottles, flasks, jars, pots, phials and other containers of glass, (not ampoules), used for the conveyance or packing of goods | 6 | 46 |
| 100590 | Cereals; maize (corn), other than seed | 6 | 4 |
| 290122 | Acyclic hydrocarbons; unsaturated, propene (propylene) | 6 | 6 |
| 901890 | Medical, surgical or dental instruments and appliances; n.e.c. in heading no. 9018 | 6 | 26 |
| 293339 | Heterocyclic compounds; containing an unfused pyridine ring (whether or not hydrogenated) in the structure, n.e.c. in 2933.3 | 5 | 19 |

Section 4: Conclusions and Policy Implications

In this report, we present the NTM structure of Colombia and LAC in terms of coverage of products and NTMs. Overall, the NTMs coverage of LAC is less than that of other regions, particularly Europe and Central Asia, as well as North America regions. Nearly 90 percent of products and imports for these regions faced at least one NTM, while around 50 percent of products and imports for LAC faced NTMs. Regions that have the least NTM coverage are South Asia and Sub-Sahara Africa regions.

For Colombia, the most used NTMs are SPS/TBT measures, as well as port restrictions. Products that faced most NTMs are agriculture products, such as meat, dairy and rice. Similar pattern can be seen in Chile, while Argentina has more products faced NTMs. Products used by exporters like vegetable oils, food for livestock, fertilizers and chemicals are facing a large number of NTMs.

Possible policy recommendations may include the following:

1. to improve the capacity of the existing authorized ports of entry. Currently, the authorized ports include Barranquilla, Bogotá, Bucaramanga, Buenaventura, Cali, Cartagena, Cúcuta, Ipiales, Leticia, Medellín, Pereira, San Andrés y Santa Marta. To improve customs clearing efficiency, the infrastructure and manpower of the existing authorized ports could be expanded.
2. to expand the authorized ports of entry. There are some smaller ports that could be added to the authorized ports of entry in order to reduce the restrictiveness of this NTM. These include ports in the Maicao, Uribia and Manaure zone in Guajira, and in Urabá zone.
3. streamlining licensing requirements, particularly regarding procedures.
4. Harmonization of labelling standards with developed or neighboring countries.

Data Appendix:

A. Country Coverage of NTMs

| CODE | COUNTRY NAME | CODE | COUNTRY NAME | CODE | COUNTRY NAME |
|------|---------------------|------|--------------------|------|--------------------------|
| AFG | AFGHANISTAN | FRA | EUN EUROPIAN UNION | NZL | NEW ZEALAND |
| DZA | ALGERIA | GMB | GAMBIA | NIC | NICARAGUA |
| ATG | ANTIGUA AND BARBUDA | DEU | EUN EUROPIAN UNION | NER | NIGER |
| ARG | ARGENTINA | GHA | GHANA | NGA | NIGERIA |
| AUS | AUSTRALIA | GRC | EUN EUROPIAN UNION | OMN | OMAN |
| AUT | EUN EUROPIAN UNION | GRD | GRENADA | PAK | PAKISTAN |
| BHS | BAHAMAS, THE | GTM | GUATEMALA | PSE | PALESTINE |
| BHR | BAHRAIN | GIN | GUINEA | PAN | PANAMA |
| BGD | BANGLADESH | GUY | GUYANA | PNG | PAPUA NEW GUINEA |
| BRB | BARBADOS | HND | HONDURAS | PRY | PARAGUAY |
| BLR | BELARUS | HKG | HONG KONG | PER | PERU |
| BEL | EUN EUROPIAN UNION | HUN | EUN EUROPIAN UNION | PHL | PHILIPPINES |
| BEN | BENIN | IND | INDIA | POL | EUN EUROPIAN UNION |
| BOL | BOLIVIA | IDN | INDONESIA | PRT | EUN EUROPIAN UNION |
| BWA | BOTSWANA | IRL | EUN EUROPIAN UNION | QAT | QATAR |
| BRA | BRAZIL | ISR | ISRAEL | ROM | EUN EUROPIAN UNION |
| BRN | BRUNEI | ITA | EUN EUROPIAN UNION | RUS | RUSSIA |
| BGR | EUN EUROPIAN UNION | JAM | JAMAICA | SAU | SAUDI ARABIA |
| BFA | BURKINA FASO | JPN | JAPAN | SEN | SENEGAL |
| KHM | CAMBODIA | JOR | JORDAN | SGP | SINGAPORE |
| CMR | CAMEROON | KAZ | KAZAKHSTAN | SVK | EUN EUROPIAN UNION |
| CAN | CANADA | KOR | KOREA, REP. | SVN | EUN EUROPIAN UNION |
| CPV | CAPE VERDE | KWT | KUWAIT | ESP | EUN EUROPIAN UNION |
| CHL | CHILE | KGZ | KYRGYZ REPUBLIC | LKA | SRI LANKA |
| CHN | CHINA | LAO | LAOS | SUR | SURINAM |
| COL | COLOMBIA | LVA | EUN EUROPIAN UNION | SWE | EUN EUROPIAN UNION |
| CRI | COSTA RICA | LBN | LEBANON | CHE | SWITZERLAND |
| CIV | COTE D'IVOIRE | LBR | LIBERIA | TJK | TAJKISTAN |
| HRV | EUN EUROPIAN UNION | LTU | EUN EUROPIAN UNION | THA | THAILAND |
| CUB | CUBA | LUX | EUN EUROPIAN UNION | TGO | TOGO |
| CYP | EUN EUROPIAN UNION | MYS | MALAYSIA | TTO | TRINIDAD AND TOBAGO |
| CZE | EUN EUROPIAN UNION | MLI | MALI | TUN | TUNISIA |
| DNK | EUN EUROPIAN UNION | MLT | EUN EUROPIAN UNION | TUR | TURKEY |
| DMA | DOMINICA | MRT | MAURITANIA | ARE | UNITED ARAB EMIRATES |
| ECU | ECUADOR | MUS | MAURITIUS | GBR | UNITED KINGDOM |
| SLV | EL SALVADOR | MEX | MEXICO | USA | UNITED STATES OF AMERICA |
| EST | EUN EUROPIAN UNION | MAR | MOROCCO | URY | URUGUAY |
| ETH | ETHIOPIA | MMR | MYANMAR | VEN | VENEZUELA |
| FIN | EUN EUROPIAN UNION | NPL | NEPAL | VNM | VIETNAM |

B. INTERNATIONAL CLASSIFICATION OF NON-TARIFF MEASURES

| Classification of non-tariff measures by chapter | | | |
|--|------------------------|-------------------------|--|
| Imports | Technical measures | A | Sanitary and phytosanitary measures |
| | | B | Technical barriers to trade |
| | | C | Pre-shipment inspection and other formalities |
| | Non-Technical Measures | D | Contingent trade-protective measures |
| | | E | Non-automatic import licensing, quotas, prohibitions, quantity-control measures and other restrictions not including sanitary and phytosanitary measures or measures relating to technical barriers to trade |
| | | F | Price-control measures, including additional taxes and charges |
| | | G | Finance measures |
| | | H | Measures affecting competition |
| | | I | Trade-related investment measures |
| | | J | Distribution restrictions |
| | | K | Restrictions on post-sales services |
| | | L | Subsidies and other forms of support |
| | | M | Government procurement restrictions |
| | | N | Intellectual property |
| | | O | Rules of origin |
| Exports | P | Export-related measures | |

Chapter A deals with sanitary and phytosanitary measures. The chapter outlines measures such as those restricting substances, ensuring food safety and preventing the dissemination of diseases or pests. Chapter A also includes all conformity-assessment measures related to food safety, such as certification, testing and inspection, and quarantine.

Chapter B provides a collection of technical measures, also called technical barriers to trade. The chapter describes measures relating to product characteristics such as technical specifications and quality requirements; related processes and production methods; and measures such as labeling and packaging in relation to environmental protection, consumer safety and national security. As in the case of sanitary and phytosanitary measures, chapter B includes all conformity-assessment measures related to technical requirements, such as certification, testing and inspection.

Chapter C, the last chapter in the technical measures section, classifies the measures related to preshipment inspections and other customs formalities.

Chapter D groups contingent measures, that is, those measures implemented to counteract the adverse effects of imports in the market of the importing country, including measures aimed at tackling unfair foreign trade practices. These include anti-dumping, countervailing and safeguard measures.

Chapters E and F feature the “hard” measures that are traditionally used in trade policy. Chapter E includes licensing, quotas and other quantity-control measures, including tariff-rate quotas. Chapter F lists the price-control measures that are implemented to control or affect the prices of imported goods. Among the examples are those measures designed to support the domestic prices of certain products when the import prices of these goods are lower, to establish the domestic prices of certain products because of price fluctuation in domestic markets or price instability in a foreign market and to increase or preserve tax revenue. This category also includes measures other than tariffs measures that increase the cost of imports in a similar manner (para-tariff measures).

Chapter G lists the finance measures. The chapter outlines measures restricting the payments of imports, for example when the access and cost of foreign exchange is regulated. It also includes measures imposing restrictions on terms of payment.

Chapter H includes those measures affecting competition – those that grant exclusive or special preferences or privileges to one or more limited group of economic operators. They are mainly monopolistic measures, such as State trading, sole importing agencies or compulsory national insurance or transport.

Chapter I deals with trade-related investment measures and groups the measures that restrict investment by requiring local content or requesting that investment be related to export in order to balance imports.

Chapters J and K relate to the way products – or services connected to the products – are marketed after being imported. They are considered non-tariff measures because they could affect the decision to import such products or services. Chapter J, on distribution restrictions, describes

restrictive measures related to the internal distribution of imported products. Chapter K deals with restrictions on post-sales services, for example restrictions on the provision of accessory services.

Chapter L contains measures that relate to the subsidies that affect trade.

Chapter M, on government procurement restrictions, describes the restrictions bidders may find when trying to sell their products to a foreign government.

Chapter N contains restrictions related to intellectual property measures and rights.

Chapter O, on rules of origin, groups the measures that restrict the origin of products or its inputs.

Chapter P, the last chapter, is on export measures. The chapter groups the measures applied by a country to its exports, inter alia, export taxes, export quotas and export prohibitions.

This review of the classification defines each of the measures listed and in most cases, offers useful examples to enhance clarification.

- A. industries are defined by SITC standard groupings.

End-Use is defined according to the Broad Economic Classification correspondence with Harmonized System.

- B. Frequency Index is defined as

$$F_i = \frac{\sum D_s M_s}{\sum M_s} * 100$$

Where D is a dummy indicating the presence of an NTM in HS 6-digit product, and M is a dummy indicating each product in the tariff line. The comparison set is the total of HS-6digit products (around 5200 products) unless it is specified otherwise.

Coverage Ratio is defined as

$$C_i = \frac{\sum D_s V_s}{\sum V_s}$$

Where V is the value of HS 6-digit product.

References:

United Nations (2019). *International Classifications of Non-tariff Measures*.