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## **INSTITUTIONAL PROVISION OF TARIFF AND NON-TARIFF REGULATION OF CROSS-BORDER TRADE**

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**Introduction.** The study is devoted to a comprehensive study of the global trade system in conditions of global economic instability, in particular, to the identification and analysis of the determinants of deepening its asymmetries in the regional perspective. The study contains a description of the peculiarities of the modern global trade system and regulatory regime, including tariff and non-tariff methods of regulating cross-border trade and key trends in its development.

**Aim and tasks.** The purpose of the study is to diagnose the institutional provision of tariff and non-tariff regulation of cross-border trade in order to determine the presence or absence of asymmetries in the global trade system in the regional context.

**Results.** The study identifies and systematizes fundamental features of the modern global trade system whose development has been directly or indirectly influenced by regional asymmetries. Particular attention is paid to the characteristics of the major international economic organizations as the main regulators of the cross-border trade process, and to the study of the impact of the use of tariff and non-tariff import and export regulatory tools on cross-border trade asymmetries. The world trading system is divided by country and individual customs territory, depending on whether it belongs to a certain geographical area or to a group of countries with a certain level of economic development.

**Conclusions.** Although the expansion of global trade has visually slowed down, the integration of world trade is not over, on the contrary, there are clear signs of the beginning of a completely new phase of globalization. The presence of asymmetry in the world trading system in a geographical context, regardless of the size of the region, has been theoretically proven. According to the criterion of the asymmetry of the trading system depending on the level of economic development of the countries, in general, there is a tendency to increase the level of liberalization of trade regimes by the increase in the level of development. At the same time, it has been proven that belonging to the group of least developed countries does not necessarily mean closed access to national markets, and categorization as a developed country does not indicate the application of the least number of non-tariff measures to regulate trade volumes. At the same time, Ukraine remains a country that has undertaken the most liberal obligations regarding providing access to markets for both goods and services. As one of the world's leading exporters of agricultural products in 2020, Ukraine has set the customs tariff level at 11%, the lowest among group members.

**Keywords:** tariff and non-tariff measures, cross-border trade, asymmetric trading, trade liberalization, institutionalization.

## 1. Introduction.

The development of the world trading system in the context of global economic instability, in particular the deepening of its asymmetry in the regional perspective, depends on international economic organizations. The most important central instance of the global trading system is the World Trade Organization (WTO), the only international organization responsible for setting the rules for global trade between countries and individual customs territories (WTO, n.d.). In its present form, the organization began in 1995 with the objective “to raise the standard of living, to ensure full employment, significant and sustained growth in real income and effective demand, and to expand the production of and trade in goods and services, taking into account The desire to optimize the use of the world's resources, protect and conserve the environment, and to increase the chances of achieving this goal in a manner consistent with the respective needs and interests of different levels of economic development” (WTO, 1994).

At the same time, a number of specialized bodies responsible for various aspects of international trade also function within the framework of the United Nations (UN). Thus, the UN Conference on Trade and Development (UNCTAD, n.d.) is a permanent intergovernmental body of the UN General Assembly in the field of trade, investment and development. It functions as an international intergovernmental specialized institution within which 193 member countries discuss issues related to the development and implementation of national and international policies in the field of trade and development (Permanent Mission of Ukraine in Geneva, n.d.). In addition, the UN Commission on International Trade Law (UNCITRAL, n.d.) is the main legal body of the UN system in the field of international trade law. UNCITRAL (n.d.) is characterized as a legal entity with universal membership, specializing in commercial law reform around the world for over 50 years. The key task of the commission is the modernization and harmonization of international trade rules (UNCITRAL, n.d.). In the same context, it is necessary to consider the role of the International Trade Center (ITC, n.d.), a joint agency of the WTO and the UN.

Currently, ITC is the only development agency whose activities are aimed at supporting the internationalization of small and medium-sized enterprises (SMEs) (ITC, n.d.).

Also, the World Customs Organization (WCO, 2022), the only intergovernmental organization focused exclusively on customs issues, has a significant influence on the processes of international trade in goods, namely the development of global standards, the simplification and harmonization of customs procedures, the security of trade chains, the strengthening of activities in compliance with customs rules, initiatives on countering counterfeiting and piracy, public-private partnerships, promoting integrity and global customs capacity-building programs (WCO, 2022). In view of the continuous development and presence of close connections of the global trade system with other subsystems, such institutions as the World Bank Group, IMF, OECD, FAO, WIPO, ITU, UNIDROIT, Consumers International also participate in the formation of the world trade rules, also due to the presence of observer status in the WTO.

The subject of the system, which primarily represents the interests of entrepreneurs at the highest level, is a non-commercial international organization that unites all chambers of commerce and industry, business associations, SMEs and leading global companies - the International Chamber of Commerce (ICC, n.d.) in a single network. All ICC activities are aimed at achieving the goals of sustainable development, and among its key results are the periodic formulation of voluntary business rules: from the internationally recognized INCOTERMS rules to the Unified Rules and Customs for Documentary Letters of Credit UCP 600, which is widely used in the field of international finance (International chamber of commerce).

In addition to WTO rules and regulations, the global trade system includes variable regional agreements and preferential trade regimes. Regional trade agreements (RTAs) ensure mutually beneficial trade between the parties that have concluded them, while preferential trade agreements are not reciprocal and provide developing countries unilaterally with easier access to the markets of developed countries (Bouët and Laborde, 2017).

Thus, currently the regulatory framework containing the rules and norms that regulate the functioning of the global trade system are agreements and norms of the WTO system and regional trade agreements.

## 2. Literature review.

The results of theoretical and empirical studies of the process of formation and transformation of the global trade system are presented in the scientific works of domestic and foreign authors. At the same time, despite the significant contribution of the mentioned scientists, the growth of scientific achievements and research in this area, it is obvious that there is an objective need for further study into the definitional approaches, stages of formation and development trends of the global trade system, in particular the perspectives of the functioning of the World Trade Organization, as well as the coexistence of multilateral and regional legal regimes for the regulation of cross-border trade.

International economic organizations play a leading role in regulating cross-border trade, and the World Trade Organization is the main body of the global trading systems. The foundations of the World Trade Organization, the central element of the modern global trading

system, date back to 1947, when the General Agreement on Tariffs and Trade (GATT) was concluded. It is worth noting that the WTO is still guided by the decisions, procedures and usual practice of the GATT (Verkhovna Rada of Ukraine, 1994 b).

The GATT of 1947 was the only existing international institution on trade relations. It was conceived as a multilateral agreement on tariff reduction, which was supposed to be later transformed into an international organization.

The Agreement on the Establishment of the World Trade Organization finally entered into force on January 1, 1995, where the universal meaning is set out in paragraph 4 of its Preamble, in which the members normatively defined the intention "to develop an integrated, more sustainable and lasting system of multilateral trade, which includes the General Agreement on tariffs and trade, previously achieved results of trade liberalization efforts, as well as the results of the Uruguay Round of multilateral trade negotiations" (Verkhovna Rada of Ukraine, 1994 b). Thus, three main stages of the formation of the global trade system can be distinguished (Table 1).

**Table 1. Stages of formation of the global trade system.**

№	Stage	Chronological framework	Characteristics of the stage
1.	Latent	1947-1985	During this stage, there were 7 rounds of multilateral negotiations, which were joined by an increasing number of participants. 5 of these rounds were devoted exclusively to the issue of lowering the level of customs duties on trade in goods.
2.	Active	1986-1994	The most effective among all rounds of multilateral negotiations was the Uruguay Round. During that time, the vast majority of agreements that formed the modern legal framework of the WTO were developed. The conclusion of the Agreement on the Establishment of the WTO was the key result.
3.	Modern	since 1995	The establishment of the WTO marked the beginning of a new era in the sphere of formation and supervision of universal rules of trade not only in goods, but also in services and intellectual property products, as well as in the sphere of public procurement, electronic commerce, investment promotion, environmental sustainability. At the same time, since 2001, the beginning of a new round of multilateral trade negotiations - the "Doha-Development" round - WTO members managed to reach an agreement on only one issue on the agenda - the simplification of trade procedures. Against this background, regional trade agreements are gaining popularity, and the urgency of modernizing the principles of WTO functioning is becoming obvious.

Source: based on Yatsenko, Tananaiko (2021).

Given that the system has evolved from both a structural and a quantitative point of view, the approaches to its definition have changed accordingly, as well as the very name of the term, which varies from “world” to “multilateral” and “global”. Thus, the term "multilateralism" was introduced into diplomatic circulation among Americans in 1945 and was defined as "international governance by the "many", the main principle of which was opposition to bilateral and discriminatory measures, which were believed to increase the leverage of powerful states over the weak and contribute to the development of international conflict (Miles, 1992).

At the current stage, according to the definition by E. Conway, multilateralism is understood as the cooperation of all leading

countries in the case of the adoption of the most important issues, which are based on collectively agreed norms, rules, and principles that guide and regulate interstate behavior (Keohane, 1990). However, experts and scientists, taking into account modern trends, began to use the global trade system as an object of research, gradually going away from the concept of multilateralism. Thus, according to Kr. Chase-Dunn, Y. Cavanaugh, and B.D. Brewer, the globalization of trade refers to the extent to which the exchange of goods over long distances and global volume has increased (or decreased) relative to the exchange of goods within national communities (Chase-Dunn, 2000). So the definitions of the trading system depending on the approach are given in Table 2.

**Table 2. Approaches to defining the trading system.**

Concept	Definition	Authors of the approach
World trade system	a system of norms, laws and regulations created on a multilateral basis within the framework of the General Agreement on Tariffs and Trade / World Trade Organization, expanded and deepened by bilateral and regional trade and investment agreements	World Economic Forum (2015)
World trade system	a rules-based system that guarantees its participants that access to foreign markets will not be suddenly disrupted by the introduction of higher tariffs or restrictions on imports, and that imports are competitively priced and without delays	International Trade Forum (2001)
World trade system	a system of global trade rules among countries to be developed and monitored by its participants	OECD glossary of economic terms (n.d.)
World trade system	a system comprising many thousands of unilateral, bilateral, regional and multilateral rules and agreements among more than two hundred independent states, the successful management of which involves understanding the changes taking place around the world, the impact of trade on national development interests and priorities, and facilitating consensus on withdrawal of trade barriers and a commitment to more open and fair international trade	R. McCulloch (2010)
Multilateral trading system	a system that allows a large number of countries to agree on trade among themselves, in which the WTO plays a leading role	Carleton University Center for European Studies (n.d.)
Multilateral trading system	a system of trade rules agreed by all WTO members	The approach of the European Commission (International trade glossary “Copybook” (n.d.)
Global trading system	not a means of income transfer, but a mechanism for the further development of mutually beneficial commercial relations between countries	A.G. Brown and R.M. Stern (2005)

According to the definition of the experts of the UN Conference on Trade and Development (UNCTAD), the most important components of the global trade system should include: trade negotiations, trade agreements, challenges and crises arising in the international trade system for developing countries, the accession of new members to the WTO and regional integration (UNCTAD, n.d.).

### 3. Methodology.

The research was carried out using both general scientific and special methods, in particular: the historical-logical method (to study the process of formation and transformation of the global trade system); method of system analysis (within the framework of generalization and systematization of the key features of the modern trade system, classification of regional asymmetries of its development; structural analysis (to identify the impact of the use of tariff and non-tariff instruments by countries, conclusion of regional trade agreements); analysis and synthesis, system generalization (when determining the institutional support of the global trade system).

In order to identify and characterize the main asymmetries of the global trade system, all indicators that will be presented in this section are analyzed regionally, as well as according to the level of economic development of countries.

To analyze regional asymmetries, it is proposed to consider the distribution of countries by 7 regions: Africa, Asia, CIS, Europe, Middle East, North and Central America, South America and the Caribbean. It is this distribution that is most often used by experts to analyze trade statistics, in particular, in WTO databases.

When classifying countries according to their level of economic development, all analyzed countries and individual customs territories are divided into 3 groups:

- developed countries;
- developing countries;
- least developed countries (LDCs).

In view of the fact that Ukraine did not sign the Decision of the Council of Heads of State of the Commonwealth of Independent

States (CIS), which adopted the Statute of the CIS, and did not join it in the future and did not conclude an agreement on associate membership in the CIS, assigning Ukraine to the group "Commonwealth of Independent States (CIS), including associate and former member states" is considered incorrect for the purposes of this study. In addition, it should be noted that starting with the publication of the World Economic Outlook ("WEO") for 2019 (World Economic Outlook, 2019), the IMF stopped using the regional group "Commonwealth of Independent States (CIS)" in its classification and moved some of the countries, including Ukraine, which were previously part of it, to the "Emerging and Developing Europe" group.

For the purpose of classifying countries in WTO publications, in particular the "World Trade Statistical Review" and "World Trade Report" yearbooks, statistical data of Ukraine and Georgia by geographic affiliation belong to this category, which includes all European countries (EU member states, EFTA, Great Britain, Turkey, etc.) will be taken into account in the "Europe" region.

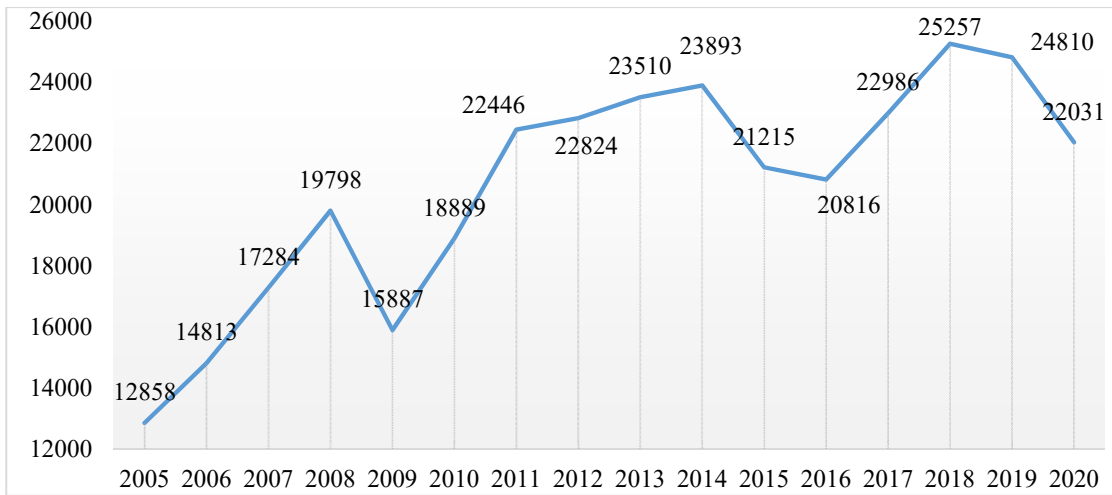
The use and combination of the described research methods made it possible to obtain well-founded conclusions and results presented in the study.

### 4. Aim and tasks.

The purpose of the study is to diagnose the institutional provision of tariff and non-tariff regulation of cross-border trade in order to determine the presence or absence of asymmetries in the global trade system in the regional context.

### 5. Results.

The global trade system is developing dynamically, because as of 2020, the volume of world trade in goods and services is 1.7 times higher than in 2005 (Fig. 1). At the same time, the instability of such growth can be explained both by the influence of the global financial crises (2008-2009 and 2015-2016), the negative economic consequences of the spread of the COVID-19 pandemic (2019-2020), and by the deepening of the asymmetries of such a system.



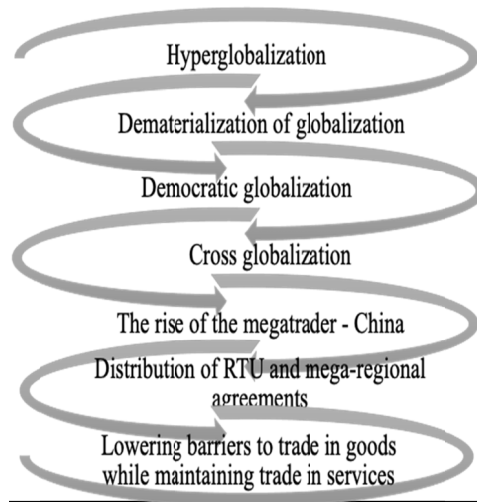
**Fig. 1. Dynamics of world trade in goods and services, 2005–2020, US billion.**

Source: based on UNCTADstat (2021).

Periodically, protectionist tendencies are manifested in the increase of tariffs by some countries in response to the protracted and serious Asian economic crisis, concentrated anti-dumping investigations against certain countries, as well as due to geopolitical uncertainty caused, among other things. However, given the extent of the role that trade liberalization has played in the global economy

today, efforts achieved through the development of the trading system to promote liberalization on a global scale, remain extremely important (Ministry of Economy, Trade and Industry of Japan, 2022).

Characterizing the current stage of the system's development, it is possible to highlight 7 characteristic peculiarities of the modern global trade system (Fig. 2).



**Fig. 2. Characteristic peculiarities of the modern global trade system.**

Source: based on Yatsenko, Tananaiko (2021).

Hyperglobalization (rapid deepening of trade integration) is the first peculiarity. The world is currently in the fourth era of hyperglobalization, where world trade is growing much faster than world GDP. Over the past two decades, the ratio of exports of goods to GDP has increased from 15 to 26%, and exports of

goods and services - about 33% (Hummels, Ishii and Yi., 2001; Baldwin, 2011).

At the same time, the cost of information and communications has decreased significantly. A related feature of this era of hyperglobalization is the growth in the number and role of transnational corporations and the

sharp spike in foreign direct investment (FDI), both conditioned and caused by the growth of cross-border flows of goods and services.

Secondly, there is the dematerialization of globalization (the importance of the service sector). The "dematerialization" of trade can be explained by two main factors. As shown by Johnson and Noguera (2012), the ratio of exports of value-added products to gross exports of manufactured goods has declined over the past 30 years (from 60% in 1980 to 45% in 2009) as a result of the growing importance of global value chains in this sector (Johnson and Noguera, 2012; Kotenko et al., 2021) Trade in services may soon greatly exceed trade in goods, not so much because services are provided directly and inseparably from the supplier and in time, but rather because services accompany all trade in goods. Trade will actually dematerialize - moving from "thing" to "intangible".

The third feature is democratic globalization (significant openness). Over time, the world is becoming less unequal in terms of the distribution of basic products that generate trade (Anderson, 2010). For example, in 1970-2000, world production was equivalent to approximately 7.0-7.5 leading countries. Since 2000, when more and more countries begin to catch up with the rich, world production has become more dispersed: it is hypothesized that there are already 10 equivalent countries in the world today. In the age of hyperglobalization, about a third of the increase in the turnover of goods can be attributed to this democratization of world production.

The cross-globalization is another feature of the modern stage of globalization. Briefly explain what it is, then there are the similarities between North-South trade and investment flows and flows in other directions. Trade in intermediate goods has declined to about 26% of total trade, suggesting that the internationalization of production has reached its peak (WTO, 2013). Furthermore, one of the unique features of this era of hyperglobalization is that developing countries, especially large ones, are exporting foreign direct investment, which leads to improved production processes, including entrepreneurial and managerial skills and technology (Mattoo and Subramanian, 2010).

The fifth feature worth noting is the rise of the mega-trader China. China joined the WTO in 2001, integrated into world trade, and surpassed the United States in 2012 to become the world's largest exporter and importer of manufactured goods (Bazaluk et al., 2020). Currently, exports account for nearly 50% of China's GDP. Given China's size and income level, it is a substantial overtrader, comparable in power to Great Britain in the heyday of its empire and far larger than the United States, Japan or Germany at their peaks. According to the calculations of A. Subramanian (Subramanian, 2011), by 2030, China's share in world exports may reach about 16-17%, which will almost triple the share of the USA.

Sixth, there is the proliferation of regional trade agreements and the approaching era of mega-regional agreements. The fact that almost half of the world's trade is covered by preferential agreements does not mean that preferential reduction of barriers is extended to similar volumes of trade (Tsygankova et al., 2022). Carpenter and Lendl calculated that only about 17% of world trade is regulated by preferential rules, the remaining 83%: is subject to zero non-discriminatory tariffs or excluded from the scope of preferential agreements. Moreover, where preferential trade conditions are applied, the reduction in tariffs is not very significant. For example, less than 2% of world imports enjoy preferences in the form of a reduction in the customs rate by more than 10 percentage points (Carpenter and Lendl, 2010).

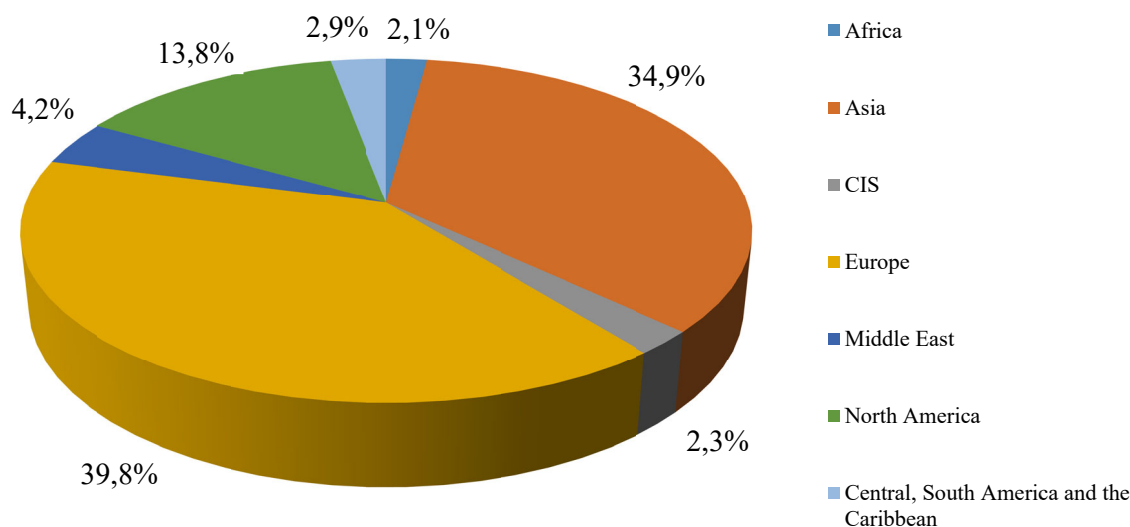
The seventh characteristic feature of the global trade system is the reduction of barriers to trade in goods while maintaining high barriers to trade in services. The world has become much less protectionist. Globally, RNS rates have fallen from more than 25% in the mid-1980s to about 8% today. Border barriers (tariffs and non-tariff measures) in trade in non-agricultural goods in the countries of the Organization for Economic Cooperation and Development (OECD) account for less than 4% of trade volumes (Subramanian and Kessler, 2013). But the barriers in the sphere of trade in services remain quite high. Borchert et al. (2012) calculated indices of restrictions on trade in services. Barriers are relatively low for telecommunications services and relatively high for the transport and professional services

sectors. Which also differ across regions: Latin American domestic markets are almost as open as OECD markets, while Asia and the Middle East introduce high barriers. In fact, as in the case of trade in goods, the number and levels of barriers correlate with the level of economic development of a country (Borchert et al. 2012).

In order to determine the presence or absence of regional asymmetries in the global trade system, first of all, we will analyze the volume of trade flows for 7 regions in 2020. Such regions as Africa, North America, Central, South America and the Caribbean are net importers, while Asia, the CIS, Europe, and the Middle East are net exporters.

In 2020, almost 75% of the volume of global exports of goods and services accounted for 2 out of 7 regions of the world, namely Asia (34.9%) and Europe (39.8%), while the exports

of the group of African countries, to which the largest number of trading entities belongs – 55, accounted for 2.1% of the total volume (Fig. 3). For comparison, the group of North American countries accounted for almost 13.8% of exports, which is explained by the presence in the group of two countries-global economic leaders (the USA, Canada), which, having agreed on the conclusion of the renewed intraregional trade agreement USMCA (Office of the United States Trade Representative, 2020), have confirmed their role and influence in determining the standard rules of international trade, on which the rest of the world is oriented. At the same time, one of the largest groups in terms of subject composition, the countries of Central, South America and the Caribbean (39 countries), exported only 2.9% of the total volume.



**Fig. 3. Geographical structure of global exports of goods and services in 2020.**

*Source: based on UNCTADstat (2021).*

Thus, it can be concluded that there is a clear regional asymmetry of the global trade system, caused mainly by the qualitative characteristics of trade flows, and not by the quantitative representation of countries on the global stage.

The situation with the uneven distribution of the volumes of trade in goods and services depending on the level of economic development of the system participants is predictable (Table 3). The category of

developed countries exports 64.9% of goods and services from the total volume and imports 65.5%. The group of developing countries, including more than three times as many subjects (125 countries and separate customs territories), exports and imports half as much (34.2% and 33.1%, respectively). And the LDC category, which in terms of number (46 countries) is close to the group of developed countries, accounts for 0.9% and 1.4% of the world's export and import volumes.



**Table 3. Structure of world trade in goods and services by country groups by level of economic development, 2020, US billion.**

A group of countries	Number of countries	Export		Imports	
		billion dollars USA	%	billion dollars USA	%
Least developed countries	46	208.44	0.9	308.61	1.4
Developing countries	125	7528.84	34.2	7161.78	33.1
Developed countries	40	14293.25	64.9	14154.07	65.5
World	211	22030.53	100.0	21624.46	100.0

Source: based on UNCTADstat (2021).

Given the results of the primary analysis of the presence of asymmetries in the global trade system, we come to the conclusion that despite the significant difference in the number of countries assigned to one or another region and their production capacities, the volume of cross-border trade is influenced by a number of factors. In particular, such factors include the conditions of access to foreign markets for goods and services, taking into account the country's use of tariff and non-tariff instruments for regulating trade volumes, the number of products with different levels of added value, the degree of their commodity diversification, the well-established logistics network, the

country's involvement in the formation of global chains value, the level of development of the national legislation of countries, which takes into account modern trends in the development of the economy, such as digitalization, support of micro, small and medium enterprises (MSMEs), the general degree of openness and involvement of the country in the formation of global trade rules and their adaptation to modern realities, etc.

In today's conditions, tariff regulation of world trade flows remains an equally relevant and effective mechanism, especially in trade in agricultural products (Table 4).

**Table 4. The average rate of import duty on the import of goods by world region, 2020\*, %.**

Region	The number of bound tariff lines	Average duty rate (general)		Average duty rate (agricultural goods)		Average duty rate (non-agricultural goods)	
		Bound	MFN	Bound	MFN	Bound	MFN
Africa	57.8	55.3	11.8	72.6	16.8	37.9	11.0
Asia	82.9	30.1	7.6	42.3	14.6	22.2	6.5
CIS	100.0	7.6	6.6	12.3	10.6	6.8	6.0
Europe	94.5	11.9	5.3	42.7	18.0	6.4	3.2
Middle East	94.1	27.7	7.0	40.1	11.6	25.2	6.2
North America	99.9	15.3	4.8	21.4	11.2	14.4	3.7
South, Central America and the Caribbean	94.3	42.4	9.9	61.9	13.9	38.8	9.2
World	80.1	38.3	9.0	54.7	14.9	29.3	8.0

\* as of 01.01.2020

Source: based on the World Trade Organization (2022).

Thus, the use of this tool is regulated by the rules and regulations of the World Trade Organization (WTO), which leaves insufficient space for the participants of the trade system to abuse these measures. On joining the WTO, each of the 164 members set a bound rate, the maximum marginal rate of duty, above which the member undertakes not to raise the tariff on the relevant goods. According to the results of a regional analysis of the number of bound tariff lines of countries, it was established that 5 out of 7 regions of the world bound the level of customs rates for more than 94% of the tariff lines specified in the schedules of concessions of members (WTO, 1994).

An unprecedented indicator of the number of bound tariff lines at the level of 100% was demonstrated by the countries of the CIS region, which is explained by the fact that they all belong to the so-called group of RAMs, that is, countries that recently joined the Organization, and therefore had to conduct negotiations on providing mutual access to goods markets with more than 100 other countries, including global economic leaders seeking to achieve maximum market openness for their producers, exporters

and investors. Similar commitments have also been made by Ukraine, the EU, China, the USA and other members, but this factor indicates rather that these countries share the principles of the WTO regarding the openness, transparency and predictability of the global trade environment, and therefore made a significant contribution to the liberalization of modern trade.

There are no significant asymmetries between the obligations of developed countries and developing countries in the context of the economic level of development of the WTO member-countries and their tariff obligations (Table 3). The more loyal obligations of the LSD group can be explained by the preferential treatment, including special and differential treatment (S&DT), which is granted to them by more developed groups and provides for the possibility of temporary evasion from compliance with the principles of most-favored nation (MFN) and national treatment, as well as the presence of transitional periods for the implementation of agreements that normatively regulate the issue of trade (Table 5).

**Table 5. The average rate of import duty on the import of goods by country groups by level of economic development, 2019, %.**

A group of countries	The number of bound tariff lines	Average duty rate (general)		Average duty rate (agricultural goods)		Average duty rate (non-agricultural goods)	
		Bound	MFN	Bound	MFN	Bound	MFN
LDC	61.9	57.4	11.6	70.9	15.9	41.1	10.9
Developing countries	86.2	35.5	8.8	51.5	14.5	28.7	7.9
Developed countries	87.6	9.8	4.0	35.5	15.4	5.4	2.2
World	80.1	38.3	9.0	54.7	14.9	29.3	8.0

Source: based on the World Trade Organization (2021).

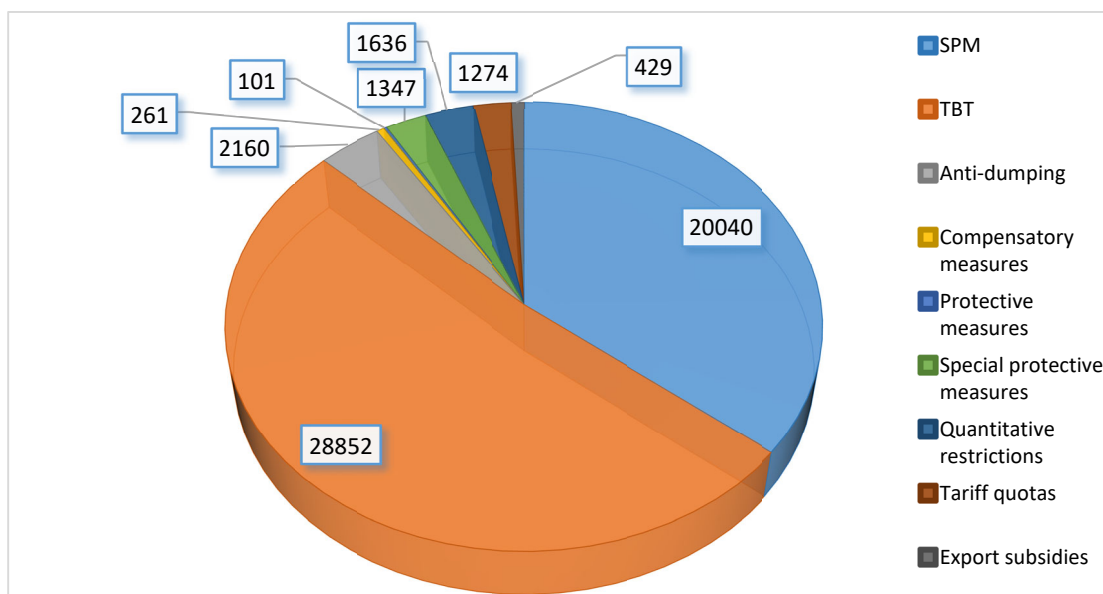
At the same time, the difference in customs tariffs for trade in agricultural and non-agricultural goods becomes obvious. For all regions and categories of countries by level of development, both the bound and the actual applied rate of customs duty on agricultural goods is set at a level more than twice as high as the corresponding rates for other groups of goods. This is explained by the considerations

of the participants of the global trade system regarding the need to ensure food security, in particular, taking into account the situation that has developed in the world in connection with the spread of the COVID-19 pandemic.

The average customs tariff for agricultural products is set at 15%, while for non-agricultural goods it ranges from 11% in LDCs to 2.2% in developed countries.

Ukraine is unique in this sense, that, being a country with a significant agricultural export potential, bound the average rate for agricultural goods at the level of 11% (9.2% is actually applied), and for other groups of goods at the level of 5% (3.7% is actually applied) (Bazaluk, 2022). During the last two decades, in the conditions of regulation and predictability of the

use of tariff instruments, reduction of the import customs tariff rate, concentration of trade policies on the protection of national producers, including hidden protection, non-tariff measures of regulation of trade flows are gaining increasing importance and distribution. Thus, in 2020, countries of the world introduced more than 56,000 non-tariff measures (Fig. 4).



**Fig. 4. Number of non-tariff trade regulation measures introduced by countries by type, 2020**  
Source: based on the World Trade Organization (2021).

Asymmetry is also observed when choosing non-tariff instruments. Thus, 51.4% (28,852 measures) of all introduced measures of this type were technical barriers to trade (TBT), another 35.7% (20,040 measures) were sanitary and phytosanitary measures (SPM). This unevenness can be explained primarily by the fact that they are used by the governments of countries to protect the health or safety of human, animal and plant life and the environment as a whole, and TBT, as a rule, refers mainly to the safety component of products, and SPM to its quality characteristics. As of 2020, Ukraine has implemented 166 TBTs and 150 SPMs (current and initiated) (World Trade Organization, 2022).

Considering a group of trade protection measures, namely anti-dumping (ADP), countervailing (CV) and special (SG), countries and individual customs territories in all regions of the world (Table 6) and with different levels of economic development

(Table 7) in 86 % of cases (2,160 measures) anti-dumping measures are applied as a result of an appropriate investigation conducted by a state body authorized to do so (in Ukraine, this is the Ministry of Economy of Ukraine) and by decision of a specialized commission (in accordance with the Law of Ukraine "On Foreign Economic Activity" dated 16.04.1991 No. 959-XII it is the Interdepartmental Commission on International Trade (Verkhovna Rada of Ukraine, 1991). In addition, 261 compensatory measures were introduced in response to subsidization by the governments of other countries of national product producers and 101 special measures as a result of a significant sudden increase in the volume of imports into the country of a certain type of product. In addition, Ukraine introduced 34 anti-dumping, 1 compensatory, and 8 special measures during its membership in the WTO, of which 31 anti-dumping and 3 special measures (restrictive measures on imports) remain in force.

**Table 6. Weighted average number of non-tariff trade regulation measures of countries by world region, 2020.**

Region		Together	SPS	TBT	ADP	CV	SG	SSG	QR	TRQ	XS
Africa (36 countries)	$\Sigma$	5205	828	4097	65	-	21	-	50	82	62
	$\bar{\Sigma}$	274	53	182	11	-	2.0	-	1	13	13
Asia (29 countries)	$\Sigma$	14608	5959	6192	781	43	30	364	1052	179	8
	$\bar{\Sigma}$	1612	672	750	74	4	1.2	29	68	13	0.2
CIS (6 countries)	$\Sigma$	796	316	317	26	-	8	-	122	7	-
	$\bar{\Sigma}$	359	165	88	21	-	1.9	-	80	3	-
Europe (34 countries)	$\Sigma$	8557	1837	4936	353	25	15	388	107	682	214
	$\bar{\Sigma}$	2198	668	1214	113	18	0.3	69	17	78	20
Middle East (9 countries)	$\Sigma$	6507	1302	5156	12	-	19	-	-	12	6
	$\bar{\Sigma}$	951	219	725	2	-	2.5	-	-	2	1
North America (3 countries)	$\Sigma$	9647	4870	3221	596	184	3	496	164	84	29
	$\bar{\Sigma}$	5077	2596	1545	335	116	1.6	371	57	43	12
South, Central America, Caribbean (30 countries)	$\Sigma$	10780	4928	4933	327	9	5	99	141	228	110
	$\bar{\Sigma}$	1393	749	557	66	1	0.2	1	3	8	8
World (147 countries)	$\Sigma$	56100	20040	28852	2160	261	101	1347	1636	1274	429
	$\bar{\Sigma}$	2386	990	1036	132	30	1.0	104	42	42	10

Source: based on the World Trade Organization (2021).

WTO members apply special safeguard measures (SSG), quantitative restrictions (QR) and tariff quotas (TRQ) at approximately the same level: 1,347, 1,636 and 1,274 measures, respectively. Most of them are usually applied to agricultural goods. The smallest number of applied measures are export subsidies (429 measures), the obligation to reduce the number of which is provided for in Article 9 of the WTO Agreement on Agriculture (Verkhovna Rada of Ukraine, 1994a). As for Ukraine, the country has currently introduced 4 quantitative restrictions, as well as one tariff quota - for raw cane sugar (UKT code ZED 1701 11) in the amount of 260 thousand tons for 2021 (Ministry of Economy of Ukraine, 2021).

For the purposes of identifying the asymmetry of the application of measures of non-tariff regulation of trade volumes by regions of the world, as well as by categories according to the level of economic development, we will determine the

corresponding weighted average indicators taking into account the volumes of imports of goods to these countries (Table 7). Among world regions, North America has the highest rate of NTM use (weighted average indicator - 5077), which directly indicates that the trade policies of these countries have a clear tendency towards protectionism. Countries in Europe (2,198), Asia (1,612) and Central, South America and the Caribbean (1,393) used more than half of the non-tariff instruments that are still in use. The CIS countries (359) and African countries (274) have the lowest weighted average indicator of the use of non-tariff instruments, and therefore are the least protectionist. When analyzing the weighted average number of non-tariff measures applied by groups of countries by level of economic development, one can observe a tendency towards an increase in the number of introduced measures in parallel with an increase in the level of development.

**Table 7. Weighted average number of non-tariff trade regulation measures of countries by groups by level of economic development, 2020.**

A group of countries		Together	SPS	TBT	ADP	CV	SG	SSG	QR	TRQ	XS
LDC (26 countries)	$\Sigma$	3009	442	2508	1	-	8	-	50	-	-
	$\bar{\Sigma}$	105	15	88	0.02	0	0.1	0	1.5	0	0
Developing countries (84 countries)	$\Sigma$	29059	10619	15450	1359	42	90	110	634	476	279
	$\bar{\Sigma}$	1561	653	760	93	5	2.1	2	33	10	4
Developed (37 countries)	$\Sigma$	24032	8979	10894	800	219	3	1237	952	798	150
	$\bar{\Sigma}$	2844	1177	1193	154	43	0,5	158	47	58	13
World (147 countries)	$\Sigma$	56100	20040	28852	2160	261	101	1347	1636	1274	429
	$\bar{\Sigma}$	2386	990	1036	132	30	1,0	104	42	42	10

Source: based on the World Trade Organization (2021).

With regard to the type of instruments, it corresponds to global trends; however, countries in the LDC category do not introduce compensatory and special protective measures, tariff quotas, or export subsidies at all, although permission to use the latter is provided for by a special and differential regime. The development of cross-border trade is influenced not only by transport infrastructure and distance, but also by the complexity of goods passing through customs procedures. The amount and cost of customs formalities can become significant barriers to the flow of goods, and this is especially true for micro, small and medium-sized enterprises (MSMEs).

So, for example, Martincus et al. (2015), analyzing the export process in Uruguay, found out that a 10% increase in delays at the border

led to a 3.8% decrease in export volumes. The study also demonstrated that the impact of delays caused by customs formalities is more pronounced in the trade of perishable goods, as well as exports to countries that are more difficult to reach.

Therefore, let's analyze the asymmetry of the time and financial costs for the passage of goods through customs formalities in different regions of the world (Table 8).

The general trend is that the poorer the region, the higher the compliance time and the cost of customs formalities. Thus, sub-Saharan Africa requires the highest expenditure of money and time compared to all other regions of the world. The fastest and cheapest border control is in the countries of North America, Europe and Central Asia.

**Table 8. Costs for passing border control of goods by country region, 2019.**

Region	Export		Imports	
	Time (hours)	Cost (USD)	Time (hours)	Cost (USD)
East Asia and the Pacific	53	382	63	417
Europe and Central Asia	12	118	11	93
Latin America and the Caribbean	55	509	56	618
Middle East and North Africa	52	421	93	502
North America	2	171	2	173
North Asia	53	311	86	473
Africa south of the Sahara	97	603	126	691
World	53	388	67	442

Source: based on the World Bank (n.d.).

Passing border control when exporting goods to LDC countries in 2019 took 85 hours and cost 504 US dollars; to OECD countries it took 13 hours and 150 US dollars; and to the

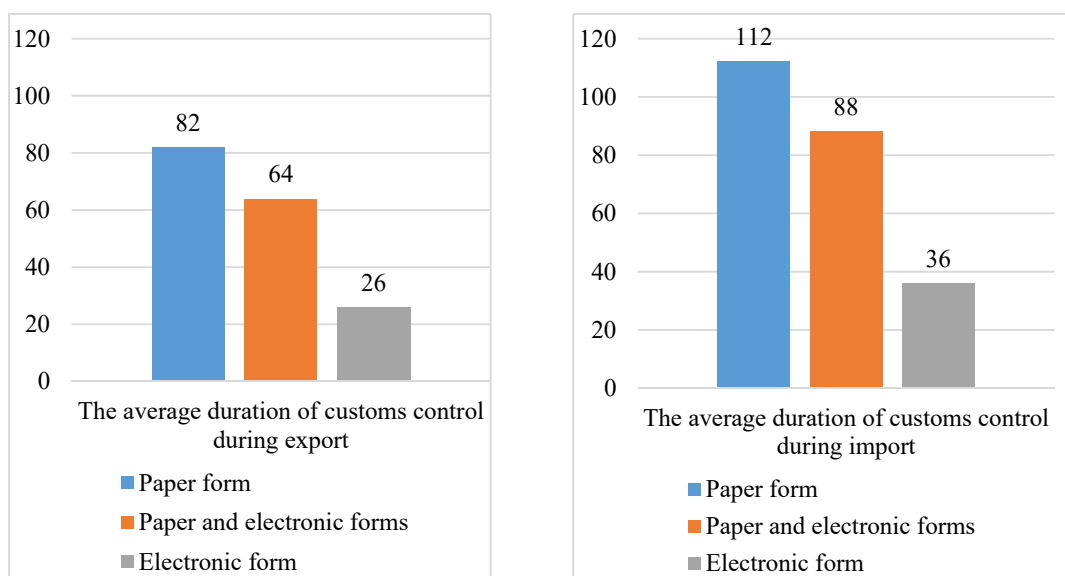
EU it took 8 hours and 87 US dollars. According to the World Bank, going through export formalities in Ukraine requires 6 hours and costs 75 US dollars (World Bank, 2021).

Customs formalities for importing goods to LDC countries in 2019 lasted 113 hours with a cost of 644 US dollars, to OECD countries - 9 hours and 106 US dollars, to EU countries - 2 hours and 29 US dollars. Similar indicators for Ukraine are 32 hours and 100 US dollars (World Bank. Time to import, 2021).

The gap between the ability of national customs to accept documents in paper and electronic forms is also significant. A characteristic feature is that all countries that have signed the WTO Trade Facilitation Agreement (WTO) (Verkhovna Rada of Ukraine, 2014) have undertaken a similar commitment.

WTO experts in their annual report World Trade Report 2020, dedicated to the

implementation of the policy of promoting innovation in the digital age (World Trade Report, 2020), also found significant benefits for economies with fully functioning electronic customs clearance systems. Time spent on border clearance is reduced by more than 70% for both imports and exports when customs declarations can be submitted and processed electronically (Figure 5). This shows that even the use of simple technologies can significantly reduce trade concerns and increase the competitiveness of countries. The mentioned Trade Facilitation Agreement, which entered into force in 2017, aims to streamline and modernize import and export processes, encouraging the acceptance of documents through a single window mechanism.



**Fig. 5. The level of digitalization of document processing for customs clearance, 2020.**

*Source: based on World Trade Report (2020).*

Significant asymmetry is also observed in the obligations of countries to provide access to foreign markets in the service sector.

Although there is currently no single universal approach to the classification of services, the majority of participants in trade relations, at least 164 members of the WTO, use the Services sectoral classification list - WTO document No. MTN.GNS/W/120 (Services sectoral classification list, 1991). Countries have the right to develop and use their own classifications, but they must necessarily correspond to the Classification of Basic

Products developed by the UN in 1991, which is systematically updated (CPC, 2015).

Ukraine uses the UN Classification of Basic Products during the negotiations on accession to the WTO and within the framework of the current bilateral negotiations on the conclusion of free trade agreements. Therefore, for research purposes, we will also conduct an analysis based on the above classifiers.

According to the generally accepted classification, 12 service sectors are distinguished: commercial services, communication services, construction services

and related engineering services, distributor services, education services, environmental services, financial services, health services and in the social sphere, services related to tourism, transport services and other services not specified above. The mentioned service sectors include sub-sectors, the total number of which is 155.

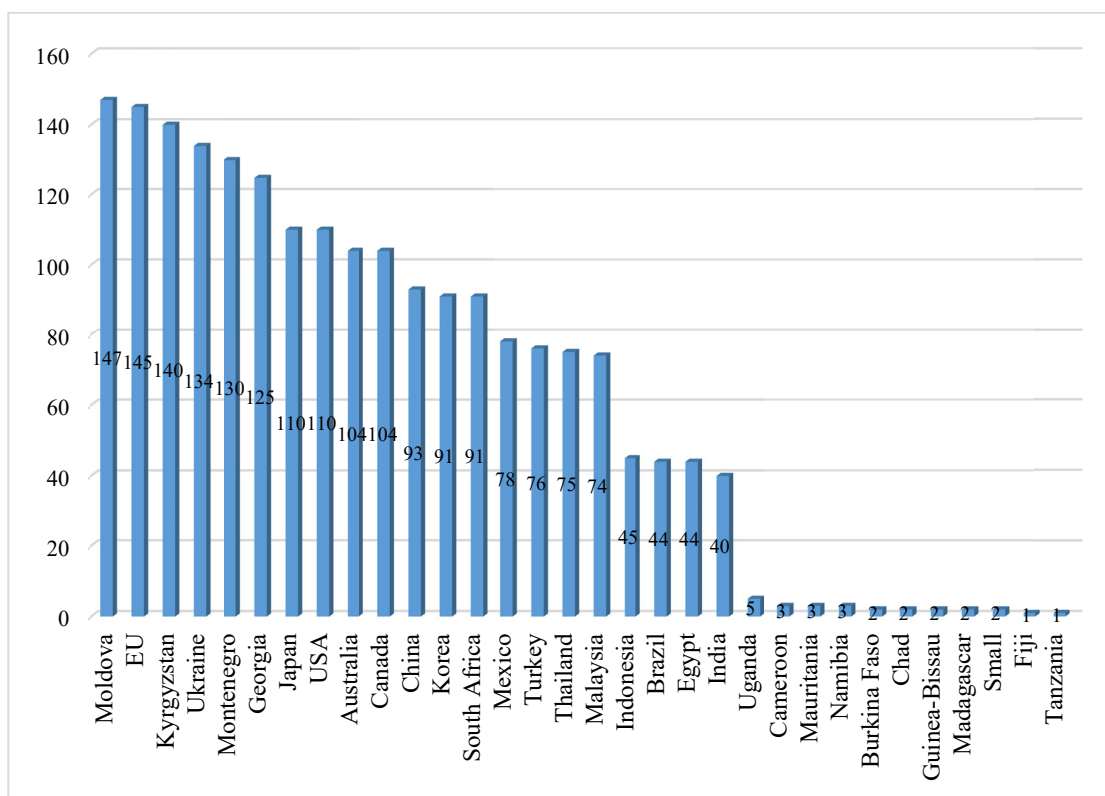
So, we will analyze how many sub sectors out of 155 were committed to opening access to markets by WTO members.

The maximum number of sub-sectors for which relevant commitments have been made is 147 out of 155 (Republic of Moldova), the minimum is 1 (Fiji and Tanzania). Given the fact that the countries that demonstrated the borderline values of the selected indicator do not differ significantly in terms of economic development, it becomes necessary to study in

more detail the causes of the emergence and deepening of this asymmetry (Fig. 6).

Conventionally, all WTO members can be divided into three groups according to this criterion: 29 members (counting the EU as 1) have included in their schedules specific obligations for more than 100 subsectors, 68 members - from 20 to 100, 43 members - for less than 20.

Apart from Moldova, the European Union (147), the Kyrgyz Republic (140), Ukraine (134), Montenegro (130), Georgia (125), Japan (110) and the United States (110) can be singled out among the members that have opened the most access to their service markets for foreign suppliers. In order to analyze the reasons for such openness of these WTO members, we consider it appropriate to divide them into 2 groups.



**Fig. 6. Asymmetric obligations in the sphere of services under the WTO, number of subsectors, 2020.**

Source: based on the World Trade Organization (n.d.).

Significant openness of access to the services markets of the EU, Japan, the USA, and Canada is not unexpected, given a number of factors. First, they are subjects of international economic relations that belong to the group of high-income countries, according to the World

Bank classification as of June 2020 (World Bank, 2020), as well as key players in the international trade in services. In particular, in 2019, the EU accounted for 43.54% of world exports of services and the USA for 14.17% (UNCTADstat, 2021).

Secondly, these countries have a sufficiently developed level of legislation based on international standards and leading global practices, which regulates the rules and procedures for the provision of services in each sub-sector of services of the corresponding classifier. Thirdly, national service providers of these countries or groups of countries are maximally competitive compared to foreign providers, in particular according to the criterion of price-quality ratio. Fourthly, the EU, USA, Japan and Canada are world economic leaders that co-founded the WTO, and therefore did not coordinate their obligations with other members, and therefore reserved the right to introduce additional regulatory burdens in sectors that constitute national interest for them. So, for example, the obligations in the field of EU services contain an exception to the most favored nation regime for audiovisual policy, because in order to protect cultural identity, quotas for audiovisual media are currently introduced, according to which a media product of foreign origin cannot exceed 30% of the broadcast (Clarke, 2018).

If the reasoning behind such a decision of the first group of selected countries is more obvious, then the almost total openness of the second group, namely Moldova, the Kyrgyz Republic, Ukraine, Montenegro, and Georgia, is unexpected. The same group includes the Russian Federation (120 sub-sectors), Kazakhstan (112), Tajikistan (110), Armenia (104), etc. Here, the main reason, in our opinion, is the fact that within the framework of the WTO, the listed countries are representatives of the so-called group of "friends of Article XII" ("Article XII Members"). The members of this informal grouping are the 22 countries that joined the WTO after its establishment, that is, after 1995, which seek to eliminate the gap between the obligations of the co-founding members and the greater number of obligations assumed by the members of the group at the time of their accession to the WTO, thus achieving equal and fair conditions for the functioning of the multilateral trade system (WTO, 2022).

It should be noted that, among other things, the above-mentioned countries are representatives of the post-Soviet space. Therefore, upon joining the WTO, they had a

weaker negotiating position from the very beginning, taking into account the need to negotiate with all members of the Organization not only in a multilateral manner, but also in the process of bilateral consultations with members who have declared the existence of a significant interest in harmonizing trade terms, among which, as a rule, the USA, EU, China, Canada, Japan, etc. Considering this fact, as well as the lack of highly qualified personnel with knowledge of international trade law, especially WTO norms and rules, the root causes of such openness become clearer. In addition, it is impossible not to take into account such an important aspect as technical assistance from developed countries and the WTO Secretariat, which is provided to each country that joins the Organization. Despite the requirements for the objectivity and impartiality of such assistance, it is impossible to completely exclude this factor, which allows world economic leaders to influence the course of negotiations and the willingness of a weaker partner to make concessions in order to satisfy their own national trade interests.

Particular attention is paid to the characteristics of the group of WTO members who have committed to less than 20 sub-sectors of services. This group of countries mainly includes representatives of the African region, as well as some South American countries. The least open countries include Namibia, Mauritania and Cameroon (3 sub-sectors), Burkina Faso, Chad, Madagascar, Mali and Guinea-Bissau (2), as well as Fiji and Tanzania (1).

There are many reasons for the secrecy of the above WTO members. The main reasons are technical incapacity and a lack of need to consume a significant number of services listed in the classifier. After all, given the level of economic development and well-being of these countries, the lack of legislation to supply any service by the first method of supply (cross-border supply), which, as a rule, is carried out via the Internet, is technically impossible. In addition, a number of services that are vital for the lives of the population, such as those in the fields of education, health care, and financial services, are provided by developed and developing countries as technical assistance through the preferential mechanism of special and differential treatment or capacity building programs.



At the same time, we consider it appropriate to emphasize that the country's membership in the group of Least Developed Countries (LDC) does not mean the absence of obligations or a low level of demand for the consumption of foreign services. After all, for example, Gambia has undertaken commitments in 111 sub-sectors of services, Sierra Leone in 110, Liberia in 108,

Afghanistan in 103, Cambodia in 97.

No less indicative are the results of the analysis of members' obligations regarding access to service markets in a sectoral manner. From each of the 12 service sectors, we will select the sub-sectors for which the largest and smallest number of commitments have been made among the countries (Table 9).

**Table 9. Sectoral analysis of specific obligations of WTO members in the service sector.**

Code	Sector	Number of obligations
1	<b>Commercial services</b>	
1.A.e	Complex engineering services	79
1.F.l	Investigation and security services	16
2	<b>Connection services</b>	
2.C.a	Public telephone services	90
2.D.d	Television and radio broadcasting services	9
3	<b>Construction services and related engineering services</b>	
3.B	General construction works in the field of civil engineering	71
4	<b>Distributor services</b>	
4.B	Wholesale trade services	54
5	<b>Services in the field of education</b>	
5.C	Services in the field of higher education	45
6	<b>Environmental protection services</b>	
6.A	Sewerage services	52
7	<b>Financial services</b>	
7.B.b	Lending services of all kinds, including consumer credit, secured credit, factoring and financing of commercial transactions	100
7.B.h	Brokerage services in the money market	62
8	<b>Services in the sphere of health care and in the social sphere</b>	
8.A	Hospital services, including hospital management services	49
9	<b>Services related to tourism</b>	
9.A	Hotel and restaurant services (including catering), including hotel management services	132
10	<b>Services for the organization of recreation, cultural and sports events</b>	
10.A	Entertainment organization services (including theater, concerts, circus)	46
11	<b>Transport services</b>	
11.C.d	Aircraft repair and maintenance	52
11.D	Space transport services	2
12	<b>Other services not listed above</b>	9

*Source: based on the World Trade Organization. (n.d.).*

From Table 7, it becomes clear that the smallest number of sub-sectors indicated in the schedules of specific obligations of countries falls on space transport services (2 countries), television and radio broadcasting services, and other services not specified above (9 countries each). Such a result is quite predictable considering the fact that very few countries have the capacity to build and develop the aerospace industry. Television and radio broadcasting services belonging to the group of audiovisual

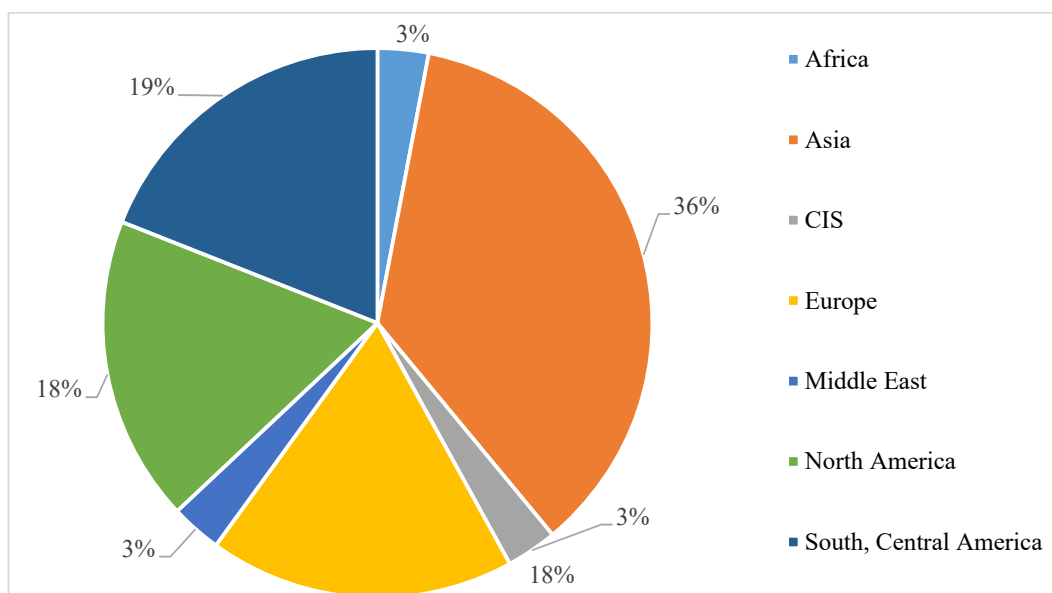
services are generally provided exclusively by local providers as part of policies to protect the cultural identity and independence of nations implemented by member governments. In fact, the vast majority of countries, including Ukraine, have included audiovisual services in the list of most-favored-nation (MFN) exemptions, which allows relevant government bodies to introduce any regulatory measures they see fit.

The sector of other services, which are not specified above, includes cosmetic, hairdressing services, physical health services, in particular massage, sanatorium-resort services, etc., for which there is no need to supply from abroad.

The largest number of sub-sectors indicated in the schedules of specific obligations of countries are hotel and restaurant services (including public catering), including hotel management services (132 countries), lending services of all types, including consumer credit, secured credit, factoring and financing of commercial operations (100 countries), and public telephone services (90 countries).

This asymmetry has an impact not only on the current state of international trade in services, but also on the future of a number of WTO initiatives aimed at simplifying procedures for entering foreign service markets, as well as creating a transparent and predictable trade environment in this area. For example, negotiations on domestic regulation in the field of services (Services Domestic Regulation) (World Trade Organization, n.d.).

Considering that, according to the existing agreements, as of 2021, members that express their readiness to implement the future regulatory act on internal regulation in the service sector, which provides, for example, for the simplification and acceleration of the procedure for issuing licenses to foreign suppliers, will have to make changes to their schedules of specific obligations in the column of additional obligations. Therefore, the willingness of a country to sign such a document will depend on the number of sectors and sub-sectors available in the schedule, thereby facilitating access to domestic service markets. Taking into account the above-examined asymmetries in the application of tariff and non-tariff measures to regulate trade volumes, as well as the commitments made regarding the provision of access to the markets of goods and services, it is considered appropriate to determine the readiness of countries and individual customs territories to protect their own interests using the trade dispute resolution mechanism within WTO (Fig. 7).



**Fig. 7. The number of trade disputes that were resolved within the framework of the WTO, by world region, 1995-2020, %.**

Source: based on Connelly, Zweig, Webster, Trougakos (2012).

Considering the sheer number of trade disputes, Asian countries are the undisputed leader in this indicator. At the same time, averaging this indicator with regard to the number of countries in each region, it becomes obvious that the most active participants in trade

disputes are North American countries (with an average of 271 disputes per country, and in Asia - 88 disputes per country). The least affected region is Africa, despite the fact that participation in the vast majority of disputes was taken as a third party.

As of 2021, during its WTO membership, Ukraine took part in 9 trade disputes as a plaintiff, 4 as a defendant, and 50 as a third party (World Trade Organization. Disputes by member, n.d.).

With regard to the degree of involvement of countries in the resolution of trade disputes within the framework of the WTO, depending on the level of their economic development (Table 10), it is possible to state the existence of

a direct dependence: with the level of development, the number of cases in which this or that country took part in the resolution also increases. Although, developing countries are involved in the proceedings as a third party more often than others, which in turn is explained by the lack of financial, personnel and time resources for independent initiation of a dispute.

**Table 10. The average number of trade disputes that were resolved within the framework of the WTO, by group of countries, 1995-2020.**

A group of countries		As a plaintiff	As a defendant	As a third party	Together
The least developed (10 countries)	$\Sigma$	1	0	26	27
	$\bar{X}$	0.1	0	2.6	2.7
Developing (69 countries)	$\Sigma$	262	258	1858	2378
	$\bar{X}$	3.8	3.7	26.9	34.5
Developed countries (31 countries)	$\Sigma$	365	357	1453	2175
	$\bar{X}$	11.8	11.5	46.9	70.2
World (110 countries)	$\Sigma$	628	615	3337	4580
	$\bar{X}$	5.7	5.6	30.3	41.6

Source: based on the World Trade Organization (n.d.).

Therefore, on the basis of the results of the analysis, we can conclude that there is asymmetry of the global trade system in geographical terms, regardless of the size of the region. It is also necessary to mention the existence of gender asymmetry in international trade, which is not a new phenomenon, but it is multifaceted, because it is manifested not only in the small share of women entrepreneurs who export products, but also in their predominant involvement in service sectors that are not export-oriented (education, health care). Currently, the situation in the world has developed in such a way that the costs of exporting products of women's own enterprises exceed the similar costs of men by 13%, which puts women in an uncompetitive position from the very beginning. Therefore, all of the listed asymmetries require the immediate response of the world community and the achievement of practical results by the WTO regarding the regulatory settlement of these issues. The future vector of the development of the global trade system will directly depend on the prospects of the functioning of the WTO.

The multilateral nature of the system has currently demonstrated its inconsistency with modern realities, so the members of the Organization are confidently moving towards its replacement with a plurilateral one. At the same time, if the WTO ceases to exist, which is likely if the existing problematic aspects of the Organization's functioning are not overcome, it will mean the end of the era of the multilateral trade system and the beginning of the dominance of the regulation of international trade by the rules of regional trade agreements, which may differ significantly depending on who are its parties.

The key idea is that the integration of world trade is not yet complete. On the contrary, there are clear signs that a whole new phase of globalization has begun and that the search for innovative ways to facilitate cooperation and management of global trade will, as always, be a matter of trade development and diversification towards globalization, poverty reduction, and faster economic growth (Keck, Hancock and Nee, 2018).

## **6. Conclusions.**

According to the criterion of the asymmetry of the trade system depending on the level of economic development of the countries, in general, there is a tendency to increase the level of liberalization of trade regimes in accordance with the increase in the level of development. At the same time, it has been proven that belonging to the group of least developed countries (LDC) does not necessarily mean closed access to national markets, and categorization as a developed country does not indicate the application of the least number of non-tariff measures to regulate trade volumes.

Having become key trends in the development of the global trade system, the issues of digitalization of trade processes and, in particular, the development of e-commerce, support for foreign trade activities of micro, small and medium-sized enterprises, as well as strengthening the role of women in trade, were put on the agenda of negotiations at most multilateral platforms, including the WTO, precisely because of the fact that they are factors in the deepening of trade asymmetries in these aspects.

The technological asymmetry consists in the impossibility of least developed countries and a significant share of developing countries, due to the presence of a digital gap with developed ones, to simplify trade procedures by

switching to paperless trade, which involves submitting documents in electronic form even before the arrival of consignments of goods at customs, and also to increase level of transparency and speed up customs formalities. In addition, due to the lack of access to the Internet, these same countries are unable to fully participate in e-commerce, and are absolutely uncompetitive in the field of cross-border trade in digital products. One of the reasons for the technological asymmetry is the lack of legislation in almost half of the countries of the African and Asia-Pacific region that would regulate the procedure of electronic commerce, which, moreover, makes it impossible to include relevant sections in the free trade agreements signed by these countries.

Asymmetric representation of enterprises of different sizes is another feature of the modern trade system. After all, micro, small and medium-sized enterprises, usually even in developed countries, face significant difficulties when entering foreign markets with their products: starting from the impossibility of obtaining information about the trade regimes of these countries, ending with higher interest rates on loans, larger logistics costs expenses. The most favorable regime for their functioning is currently created in small European countries, such as Estonia, Latvia, Cyprus, as well as in Turkey.

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