TECHNICAL NOTES ON THE WTO CURRENT TARIFF BINDINGS DATABASE (Curr_TBD)

The WTO current tariff bindings database has been built for research purposes. It has been originally developed by Groppo and Piermartini (2014) [1] and subsequently used to study trade policy uncertainty.

It provides estimate of the current tariff binding rate ± that is, the maximum upper bound rate at which a country could set a tariff under WTO commitments since 1995. In order to build a database with information on bindings comparable across countries and overtime, we depart from the legal commitments in a number of ways: (i) estimated current bound rates are aggregated at HS6 96 rather than at the tariff line level, (ii) all tariff data are re-classified at HS96 classification irrespective of the commitments, (iii) we fill some missing data using specific assumptions (for example, we use the pre-accession applied tariff as base rate for commitment when the base rate is missing).

The Curr_TBD is an unbalanced panel database covering 143 countries, 5767 products at the HS6 level, and 16 years from 1996-2011.

Data sources

Data on the bound rates are from the CTS (WTO) database.
Data for tariffs are from TRAINS (extracted through WITS) and IDB (WTO). We selected TRAINS data as primary source of information on tariffs and we replaced missing data with IDB data. Available information in the WTO CTS database includes the ad-valorem final bound rate, the ad-valorem base rate as well as the starting and end dates of the implementation period. Data on bindings and tariffs rates available at the national customs tariff line level (HS-8 digit or more), have been aggregated at the HS6 digit by computing simple the averages.

HS6 categories that are partially bound (that is, that contain some bound tariff lines and some other unbound lines) have been treated as bound.
We only consider ad valorem tariff lines.

Using these data, together with additional information on the Uruguay Round (UR) commitments [3] and WTO practice, we constructed the time series of bound rates.

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[1] Groppo, V. and Piermartini, R. (2014) 2

Jakubik, A. and Piermartini, R. (2019) How WTO Commitments Tame Uncertainty. World Trade Organization. Staff Working Paper ERSD-2019-06.

[3] For the European Union (EU), we correct the information in the CTS using data from the UR schedules. The CTS database for the EU, reports the bound rate as of December 31, 1999 as base status. As stated in the COVER NOTE of the 'Schedule CXL of the European Communities Consolidated (…) rate shown in the concessions table is the bound rate in force as at 31.12.99 (see also headnote 2 for Agricultural

Figure 1 : From the baseline to the final bound