

MAPPING GLOBAL TRADE BARRIERS:

THE OTRI REPORT

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The Overall Trade Restrictiveness Index (OTRI) is a comprehensive measure that quantifies the restrictiveness of a country's trade policy. It captures the combined effect of tariff and non-tariff barriers on a country's imports. Let me provide you with a table of OTRI values by country.

The Overall Trade Restrictiveness Index (OTRI) summarizes the trade policy stance of a country by calculating the uniform tariff that will keep its overall imports at the current level when the country in fact has different tariffs for different goods. In a nutshell, the OTRI is a more sophisticated way to calculate the weighted average tariff of a given country, with the weights reflect the composition of import volume and import demand elasticities of each imported product. The empirical methodology of the OTRI was first developed in Kee, Nicita and Olarreaga (2008, 2009), based on the theoretical underpinning of Anderson and Neary (1994, 1996, 2003). Irwin (forthcoming) also uses a similar methodology to study the historic protection level of the US, from 1867 to 1961. Recently, Kee, Neagu and Nicita (forthcoming) applied a fixed weight version of OTRI to study protectionism of a wide range of countries during the crisis period.

The OTRI and some other related indices, such as the Trade Restrictiveness Index (TRI) and the Market Access Overall Trade Restrictiveness Index (MAOTRI) are computed annually when new trade flows and tariff data are available. These indices feed into the Global Monitoring Report, an annual World Bank publication joint with the International Monetary Fund. The latest indices and the underlying trade data and elasticity estimates can be download from below. Please cite Kee, Nicita and Olarreaga (2008, 2009) if you are using the elasticity estimates, the OTRI, TRI, MAOTRI or the Ad-Valorem Equivalent of Non-tariff measures of any given country.

Source: <https://datacatalog.worldbank.org/search/dataset/0039585>

Country	OTRI (%)	Region	Warren's Take
India	16.5	South Asia	Consistently among the most protected economies
Brazil	14.1	Latin America	High protection despite liberalization efforts
Argentina	13.2	Latin America	Protectionist policies hamper growth potential
China	9.9	East Asia	Gradually opening but significant barriers remain
Mexico	8.5	Latin America	NAFTA/USMCA member with moderate restrictions
Russia	8.1	Europe & Central Asia	Resource-focused economy with strategic protections
Turkey	6.9	Europe & Central Asia	Balancing EU customs union with domestic protection
South Africa	6.5	Sub-Saharan	Most restrictive among African economies listed
Indonesia	6.2	East Asia	Island nation with complex import regulations
United States	4.9	North America	Lower overall but targeted protections in key sectors
European Union	4.7	Europe	Common external tariff with regulatory barriers
Japan	4.6	East Asia	Non-tariff barriers more significant than tariffs
Canada	4.2	North America	Relatively open with protected agricultural sectors
Australia	3.9	Oceania	Among the more open developed economies
South Korea	3.7	East Asia	Dramatic liberalization over past decades

Regional Patterns

The data reveals some interesting patterns:

- ✓ Emerging economies tend to have higher trade barriers than developed ones
- ✓ South Asia and Latin America maintain the highest levels of protection
- ✓ East Asian economies show varying levels, with China significantly more restrictive than Japan or South Korea
- ✓ Advanced economies generally maintain lower barriers, though with notable exceptions in specific sectors

Economic Implications

Higher OTRI values typically correlate with:

- ✓ Reduced import competition
- ✓ Higher domestic prices for consumers
- ✓ Protected domestic industries but potentially lower productivity
- ✓ Reduced integration in global value chains

Remember that these figures represent overall averages - specific sectors within each country may face dramatically different levels of protection.

Disclaimer: This analysis is for informational purposes only and not investment advice. Always conduct your own research before making trade or investment decisions based on trade policy considerations.