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THE CHANGING ROLE OF NON-PREFERENTIAL ORIGIN OF GOODS IN WORLD TRADE: THE CASE OF THE EU

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Abstract
The article examines the issue of non-preferential origin and its role in world trade. It argues that all the instruments used in international trade based on non-preferential origin have different effects on such trade – traditionally negative or restrictive, neutral in terms of not affecting the geography and volume of trade, and positive in terms of achieving certain sustainable development objectives. The latter is rather unclear, so the focus here is on this aspect. Contrary to the prevailing view that only preferential origin, which allows for the application of preferential treatment, is intended to promote and facilitate international trade, it is argued that instruments applied on the basis of non-preferential origin can also have a positive, albeit non-economic, effect. Using the example of the European Union's trade and customs policies, the paper examines the connection between the non-preferential origin of goods and the solution of such global problems of humanity as the use of forced and child labour, the appropriation of resources and products produced in territories occupied or annexed by aggressor countries and the illegal trade in such goods, the carbonisation of the economy and illegal deforestation. In particular, it is noted that the mechanism of operation of such instruments is linked to additional bans and restrictions on trade in goods originating from problematic territories (annexed or occupied territories, territories where forced labour is used, illegal deforestation, etc.). However, such bans and restrictions contribute to reducing the scale of negative processes through their economic impact on the country in which they occur. It should be noted that the positive impact of such measures is greater the more countries around the world implement them and join in the common contribution to sustainable development.
Keywords: non-preferential origin, sustainable development, deep origin, trade defence measures, EU trade and customs policy, most favoured nation treatment.

Introduction

Origin of goods is one of the pillars of customs, along with tariff classification and customs valuation. Determining the origin of goods means finding out exactly where the goods were wholly obtained or last substantially processed. Tariff classification and customs valuation mainly (but not exclusively) affect the financial aspect of each trade transaction, namely the amount of tax to be paid in every single case. There are different approaches to the role and importance of the origin of goods.

At glance, these rules are supposed to be technical and neutral rules to determine the country of origin of goods. However, the rules of origin of goods under customs law do not often perform a neutral function in international trade. On the contrary, they often intentionally serve to expand the scope of trade restrictions

(Gwardzińska & Chowaniec, 2022, p. 37). Rules on the origin of goods were made to implement trade measures, in particular when goods were manufactured with components from several countries (Wegnez, 2019, p. 442). In addition, rules of origin are frequently used as a trade policy instrument in some importing countries in the form of preferential trade agreements and arrangements, such as GSP [Generalised System of Preferences] and FTAs [free trade agreements] (Ujiie, 2006, p. 3). Therefore, we can state that the origin of goods can either provide advantages in world trade – we are talking about preferential origin – or restrict it in some way – non-preferential origin.

This stereotype is prevalent in the scientific literature, and is confirmed by the content analysis of scientific publications from both Europe and other parts of the world. Our argument is that the role of non-preferential origins is not as clear-cut as the literature suggests. This article aimes to find out whether non-preferential origin is always associated with a negative impact on world trade through the use of restrictive and prohibitive measures, and how current trends in EU trade, environmental, social and governance policies affect and change the understanding of the role and importance of non-preferential origin.

Literature review

Not surprisingly, the preferential origin of goods has received a great deal of attention in the specialised literature, as it is one of the factors contributing to trade facilitation. Various aspects of the determination of preferential origin, including the basic rules, problems with the proof of preferential origin, have been discussed at different times around the world in the works by Paul Brenton (2011), Maria Donner Abreu (2013), Atsushi Tanaka (2011), Pablo Muñiz (2015), Olivier Cadot, Celine Carrere, Jaime de Melo and Bolormaa Tumurchudur (2006) and many others.

Non-preferential origin has not been as popular topic among scholars as preferential origin, although we should not underestimate the contribution of scholars from around the world to the development of this topic. The problem of harmonisation of non-preferential origin rules is particularly acute, as raised by Mette Werdelin Azzam. The author stresses that the process of harmonisation began in 1995 and that there has been no significant progress in the negotiation process to date. In this regard, the outstanding issues which are still to be resolved have been analysed (Azzam, 2019, p. 467). Despite the stalemate on non-preferential rules of origin, negotiations on preferential rules of origin have thrived as a result of negotiation of new preferential trade agreements and efforts by developing countries to enhance the economic salience of non-reciprocal preferential market access programs (Hoekman & Inama, 2018, p. 9). This once again confirms the thesis that scholars and practitioners are paying more attention to preferential origin. Moreover, according to Ewa Gwardzińska and Jakub Chowaniec, the strength and scope of non-preferential origin rules have been significantly reduced by the creation of free trade areas, customs unions, or unilateral or bilateral preferential agreements, thus expanding the system of preferential rules of origin. The lack of application of harmonised non-preferential rules of origin results in these rules increasingly being used as means of extending the scope of trade restrictions, thus increasing barriers to international trade (Gwardzińska & Chowaniec, 2022, p. 45).

In the context of our study, the last cited article deserves special attention because its authors strongly associate non-preferential origin with such negative phenomena in world trade as prohibitions and restrictions. In addition, there is an underestimation of its role in the belief that it is replaced by preferential origin. Leaving non-preferential origin a residual place (where there is no place for preferential origin), the authors focus only on the material impact and quantitative indicators of trade. These indicators are obviously important. However, we consider this approach to be one-sided and not comprehensive and argue that non-preferential origin can have not only a neutral but also a positive impact on international trade.

A detailed analysis of non-preferential rules of origin within the EU has been carried out by Nataliia Koval, who notes that they are an important part of trade rules, as there are a number of measures that put exporting countries in an unequal position, such as quotas, preferential tariffs, anti-dumping and countervailing measures, etc. She also stresses the restrictive nature of non-preferential rules of origin (Koval, 2019, p. 26). Instead, Attaché Marc Wegnez (2019, p. 442) emphasises that the concept of "origin of goods" is tied to commercial, social, security, health or political issues. We are in complete agreement with this approach. The author also warns against misunderstandings caused by replacing the concept of origin of goods with related concepts such as provenance, protected designation of origin, protected geographical indication, non-agricultural geographical indication and commercial origin. A similar line of research can be traced in the article "Non-Preferential Origin and 'Made in Italy'" by Tiziana Satta (2019).

A separate area of research on non-preferential origin consists of more practice-oriented works analysing case law, in particular the practice of the Court of Justice of the EU (Revis, et al., 2023; Das, 2023; Sakalauskas, 2023).

A brief review of the literature demonstrates that research on non-preferential origin of goods is mostly contrasted with preferential origin. Edwin A. Vermulst directly links the growing importance of the use of rules of origin to three factors: 1) the surge in selective contingency protectionist measures; 2) the regionalisation of the world economy through the creation of trading blocs; 3) the establishment of positive discriminatory measures, i.e., the GSP (Vermulst, 1992, p. 434). In this construction, the first clause deals with non-preferential origin and the rest with preferential origin.

The literature review has confirmed the stable association that preferential origin, which provides preferential treatment, makes trade more profitable in economic terms, while non-preferential origin is at best considered neutral, but rather as a tool for applying trade policy measures, sanctions, embargoes and other restrictions.

Differentiation of trade instruments applied on the basis of non-preferential origin

Non-preferential origin is the default origin of goods. In other words, any product involved in international trade will in any case have a non-preferential origin in the country where it was wholly obtained or sufficiently processed. This means that if there is no preferential agreement between the trading countries, or if the importing country does not unilaterally grant preferential treatment to goods originating in the exporting country, these goods are considered to have a non-preferential origin. The same approach is applied when countries have a relevant preferential regime but the rules for determining or confirming preferential origin in force under that regime are not followed.

The universality of the concept of non-preferential origin has led to the need to consolidate the principles and approaches to its determination at WTO level, namely in the 1994 Agreement on Rules of Origin (hereinaafter – Agreement). The Agreement does not impose substantive obligations on the content or design of rules of origin. It sets the ambitious objective of the adoption of a single set of non-preferential rules of origin "equally for all purposes" to avoid a situation where the rules may vary across products and may even vary for a given product depending on the type of trade policy instrument they apply to (Hoekman & Inama, 2018, p. 7).

The Agreement sets out that the rules of origin are used in non-preferential trade policy instruments, such as the application of: Most Favoured Nation treatment; anti-dumping and countervailing duties; safeguard measures under Article XIX of the GATT 1994 when imports of certain goods pose an economic threat to the importing country; labelling requirements relating to origin under Article IX of the GATT 1994; and any discriminatory quantitative restrictions or tariff quotas. It also covers rules of origin used in public procurement and trade statistics (World Customs Organisation, 1994).

This is a non-exhaustive list of trade instruments based on non-preferential origin. From the point of view of assessing the impact of these instruments on world trade, they can be divided into three groups:

– neutral, which in most cases have no quantitative or qualitative impact on international trade;

– negative, which have a restrictive and prohibitive effect;

– positive instruments, which facilitate and improve certain aspects of international trade.

It should be noted that this distinction is rather conditional. The classification is not intended to state categorically what is good and what is bad. Its purpose is to highlight the different, and sometimes contradictory, effects of various instruments of world trade.

Neutral trade instruments based on the non-preferential origin of goods

Let's start with neutral instruments of international trade that do not directly affect the volume or geography of imports and exports. Such instruments include world trade statistics, rightly seen as the basis for countries' future trade and customs policies. The group of neutral instruments in international trade also includes the requirements for labelling of origin under Article IX of General Agreement on Tariffs and Trade (GATT) 1994. They are mostly of an informative nature and do not affect the quantitative and qualitative indicators of world trade. The same can be said regarding the importance of origin in patenting. We should also mention public procurement, which deals with the country of origin of goods as well. For example, from the end of 2021, the Ukrainian public procurement law requires the country of origin to be indicated in the report on the execution of the procurement contract (Verkhovna Rada of Ukraine, 2015).

The most important of the instruments from this group, in our view, is the application of Most Favoured Nation (MFN) treatment. It can even be considered relatively neutral. Introduced in 1947, MFN was designed to counter the various protectionist regimes that countries had adopted after the World War II and to eliminate discrimination in global trade. In other words, from the middle of the 20th century, the introduction of MFN treatment was clearly seen as a major achievement in promoting trade and eliminating discrimination.

The essence of MFN treatment is as follows: any advantage, favour, privilege or immunity granted by one contracting party [to GATT] to any product originating in or destined for any other contracting party shall be automatically applied to like a product originating in or destined for the territories of all other contracting parties (World Customs Organisation, 1947). Therefore, this treatment makes it possible to put all countries on an equal footing within the GATT and to provide them with the same basic conditions for trade. In 1998, the term MFN was replaced in US legislation by the term "normal trade relations" (Congressional Research Service, 2005), which effectively puts the two on an equal footing. So both MFN and normal trade relations mean non-discriminatory. From a WTO perspective, MFN is a kind of minimum level of trade relations between countries that is considered acceptable.

To date, the MFN treatment covers at least 164 World Trade Organisation (WTO) members, i.e. the vast majority of countries in the world. Today, in the context of a large number of preferential regimes, the role of MFN has changed somewhat. It is no longer seen in the same positive light as it was in the last century, especially when compared to preferential treatment.

By way of illustration, Table 1 provides an example of duty rates for ski suits (EU Combine Nomenclature code 61122000 (Council of the European Communities, 1987) imported into the EU from countries covered by different international trade regimes – Most Favoured Nation treatment, preferential regimes established on a bilateral basis (mostly through free trade agreements), preferential treatments established on the unilateral basis of the Generalised System of Preferences for developing countries.

Table 1

Example of duty rates depending on international trade treatment

Type of treatment	Duty rate
MFN treatment	12 %
Preferential treatments on a bilateral basis (Singapore excluded)	0%
Preferential treatment on a bilateral basis for Singapore	2%
GSP – General System of Preferences (treatments on a unilateral basis)	9.6%
GSP+ (incentive arrangement for sustainable development and good governance)	0%

Source: compiled by the author based on TARIC database (European Commission, 2024c)

Indeed, preferential treatment is much more favourable in terms of the application of tariff measures (mostly duties) to goods imported into a given country. That's why there is a tendency to increase the number of preferential agreements in the world. At the moment, the EU has preferential trade agreements with around 70 countries in the world. A further three are currently being negotiated (European Commission, 2024d).

Thus, neutral instruments applied in world trade on the basis of non-preferential origin play an important role in ensuring a non-discriminatory trading environment, in planning and forecasting the development of trade and customs policies, and in contributing to some national trade and trade-related tools.

Trade instruments considered to have a negative impact on world trade

Trade instruments based on non-preferential origin with a negative impact on global trade are the most obvious. They are often associated with non-preferential origin. It is important to understand that it is not the origin rules themselves that have a negative effect on trade. This would be contrary to the provisions of the WTO Agreement on Rules of Origin requiring that non-preferential rules of origin be applied in non-discriminatory manner, are transparent, are not designed to be a barrier to trade (World Customs Organisation, 1994). Trade policy instruments applied on the basis of non-preferential origin have a negative impact on both the geography and the volume of trade. As these instruments are well covered in the literature, we will not focus on them in detail, but will only mention them in order to provide a complete picture of the impact of non-preferential origin on world trade.

First, there are the traditional trade defence measures, such as anti-dumping, countervailing duties and other trade defence instruments. China is the leading country in terms of the number of current trade defence investigations launched by the EU – it is involved in 40 out of 54 investigations (European Commission, 2024a). These measures place an additional burden on imports of certain products from the countries concerned by imposing anti-dumping, countervailing and other similar duties.

Second, there are various quantitative restrictions, such as import and export licences and quotas, which literally limit the amount of goods that can be imported in or exported from a particular country or group of countries. Combined with non-transparent and unclear mechanisms for obtaining licences to import licensed goods, such restrictions effectively make it impossible to import such goods at all. An example is the import licensing for certain types of pasta and confectionery products and raw materials for their production, as well as cement, float-polished glass and glass containers orginated from outside the Eurasian Economic Union, introduced by the Belarusian government in 2014 and abolished in 2021 (European Commission, 2024b).

Third, there are various sanctions, including restrictions or prohibitions on imports and/or exports of certain goods, trade embargoes, etc. Such measures are usually imposed in response to a state's violation of its international legal obligations (not necessarily in the area of trade or the economy in general). A striking example is the sanctions against Russia (and to a lesser extent Belarus) for its full-scale war against Ukraine. It is no secret that Russia's military aggression against Ukraine has plunged the world into a global crisis. (Kalashlinska, 2023, p. 43). Sanctions and other similar measures are primarily aimed at countries that violate the global legal order. However, the negative economic effects have obviously been felt by other countries and even continents. While the primary purpose of sanctions – to destabilise the economies of offending countries, reduce their revenues, prevent them from expanding their military capabilities, etc. – is a positive one (at least from a moral point of view), their negative impact on the global economy, including trade, is also clear. These include disruptions to global supply chains and rising energy, fertiliser and food prices, etc. (East Asia Forum, 2023).

Sometimes trade and trade instruments become a weapon against other countries in geopolitical confrontations. There is even a special term "weaponisation of trade". The concept means that trade is used as a tool of coercion to achieve strategic influence, and trade becomes an instrument of foreign policy (Pathak, 2018). In this regard, China has demonstrated a lot of examples. Thus, after Liu Xiaobo was awarded the Nobel Peace Prize in 2010, Chinese trade with Norway was severely reduced and did not begin to recover until after the king of Norway visited China in October 2018, more than a year after Liu's death. More recently, China has taken similar actions against Australia after the latter called for an investigation into the origins of Covid-19 (Reinsch, 2021).

In general, the international community and the organisations promoting the facilitation and simplification of international trade do not welcome the use of the above-mentioned trade instruments, which have a negative impact on international trade. At the same time, when their use is justified by considerations of national security, including economic security, protection of human life and health, protection of the environment, etc., their use is permitted by international institutions and, moreover, there is no alternative.

Trade and other instruments based on non-preferential origin that have a positive impact on world trade: sustainability context

This is where we come very close to the so-called intangible effect of trade instruments, which secures – or at least contributes to – something that may be even more important than financial and economic interests. These are universal values, human rights and freedoms. They are all things for which generations of people on different continents have fought. All this is encompassed by the third group of instruments, applied on the basis of non-preferential origin.

As the example of sanctions shows, trade is not just about making money (strange as that may sound). It is a powerful tool for achieving goals that are not about material impact, but about things that are much more valuable and that money cannot buy. However, the mechanism by which it works is precisely through economic influence on a country or group of countries whose functioning does not conform to generally accepted rules and standards, or which threatens the normal functioning of other states and the global legal order as a whole. But we are sure that trade can also be an instrument that makes a positive contribution to the development of the global legal order, to the improvement of people's living standards, their rights and freedoms, their welfare and other aspects of what is usually called sustainability. It has been many years if not decades since the sphere of trade has moved beyond the domain of simple tariffs. Today we are witnessing a proliferation of policies (i.e., Responsible Business Conduct, Environmental, Social and Governance) to

address a range of human scourges including but not limited to child labour, slavery, forced labour and carbon emissions (Staples, 2023).

The third group therefore covers the positive aspects of the use of non-preferential origin in world trade. These are not as obvious as those in the previous group. Moreover, their impact on world trade is not immediate, but rather long-term.

The first to be mentioned is the fight against forced labour and illegal child labour. Unfortunately, this phenomenon still exists in the 21st century. This is evidenced by numerous reports from governmental institutions (Employment and Social Development…, 2019; Group of Experts…, 2017) in different countries and international organisations (International Labour Organization, et al, 2022; Organisation for Economic Co-operation…, 2008). About 27.6 million people are in forced labour and 12% of them are children (International Labour Organization, et al, 2022). The U.S. Bureau of International Labour Affairs maintains a list of goods and their source countries which it has reason to believe are produced by child labour or forced labour in violation of international standards. The List of Goods Produced by Child Labour or Forced Labour comprises 159 goods from 78 countries and areas, as of September 28, 2022 (U.S. Department of Labor, 2022).

Using the tools at their disposal – influencing trade with countries that use forced or child labour – civilised countries are trying to counter these shameful processes. At the forefront of this opposition are the United States (U.S. Congress, 2021; Office of the Law…) and Canada (Government of Canada, 2023). They have long introduced and enforced legislation banning the import of certain products made by using forced or child labour. In recent years, there have been numerous reports of systematic oppression of ethnic groups in Xinjiang, especially the Muslim Uyghurs. There are also strong indications that these minorities are being forced to harvest and process cotton. For this reason, the US has banned all imports of cotton from the region, and numerous large textile companies have stated that they no longer source cotton from Xinjiang or do not intend to do so in the future (European Center…, 2022).

The European Union is in the process of developing new legislation to address the challenge of forced labour along global value chains by banning products made with forced labour from the common market (Holly & Feld, 2023). The draft regulation prohibiting products made with forced labour on the Union market would put in place a framework for investigation the use of forced labour in companies' supply chains. If a company is found to have used forced labour, all imports and exports of the goods concerned will be blocked at EU borders, and companies will also have to remove goods that have already entered the EU market (European Parliament, 2022).

The research by the European Center for Constitutional and Human Rights suggests that several German fashion firms obtain or obtained garments and cotton from Xinjiang – even after it became known that the Chinese government might have been subjecting the Uyghurs to forced labour (European Center…, 2021).

Therefore, it is essential to introduce clear rules to counter the use of raw materials, goods and their parts by European producers in their manufacture or other further use.

The peculiarity of the legislation against forced labour is that it shifts the burden of proof from the prosecutor (state authorities) to the suspected party (in our case, European importers). In other words, if the goods come from areas with a high risk of forced labour (which must be established by law), the European importer has to prove (as the American or Canadian importer already does) that no forced or child labour was used at any stage of the manufacture of the goods. This is where the issue of origin comes in. However, it is no longer a question of origin in a particular country, but in a particular part of that country (e.g, Xinjiang Uyghur Autonomous Region (Amnesty International, 2021).

In this context, Brian Staples coined the term "deep origin", which best describes the broader and deeper meaning of the non-preferential origin of goods. In this case, it is not enough to prove that the goods are wholly obtained or that they have undergone a recent substantial transformation. Determining the deep origin requires total control of the production process – from the extraction of raw materials to the last link in the supply chain. This is almost impossible. For this reason, the current model of requiring full traceability back to basic raw materials and imposing related restrictions, sanctions and prohibitions at the border faces many practical problems and is subject to criticism (Staples, 2023, p. 54). In this case, if there are doubts about the possible involvement of forced labour in the manufacturing of raw materials or products to be imported into the EU, the importer should make one of two choices: be prepared to prove the absence of forced labour, or refuse such imports and redirect the supply chain to another supplier. The choice is often too difficult.

Advances in science and technology now make it possible to accurately determine the deep origin of goods, for example, through isotopic analysis. It is also expected that more and more countries will introduce relevant legislation to combat forced and child labour. This could ultimately have a significant positive impact.

Another area for reflection in the context of non-preferential origin is the question of the origin of goods produced in territories not controlled by the official authorities of a state, in particular occupied and annexed territories. More generally, the question is whether trade in such goods is legal. In this context, we are not referring to disputed territories whose status is not clearly defined under international law, but to territories whose status is clear in the international legal context, recognised by the UN and by all countries in the world except the occupiers themselves. A striking example is the annexed and occupied territories of Ukraine (Crimea, parts of Donetsk, Luhansk, Kherson and Zaporizhzhia regions). These territories are rich in natural resources and of great agricultural importance. Therefore, these territories are the place where many goods for the purposes of origin are wholly obtained.

De jure, these are goods of Ukrainian origin, but de facto they are sold, including for export, under the label "Made in Russia". U.S. Office of the Director of National Intelligence' report says that Russian Forces have expropriated and exported Ukrainian grain from the territories they occupy. According to the imagery analysis and open-sourcing reporting, by late 2022, 88 % of winter crops in areas controlled by Russia were harvested, totalling nearly 6 million tons of wheat. It is not confirmed if the buyers of such cargoes were aware of the grain's Ukrainian origin. Depending on point of origin harvest and storage Russia probably mixes confiscated Ukrainian grain with grain grown legitimately in Russia, which complicates efforts to determine the extent of stolen Ukrainian grain (Office of the Director…, 2023).

International law has no single approach to solving this problem. Where the exported goods are produced in a disputed territory, rules of origin are suddenly found at the heart of the international political battle (Hirsch, 2002, p.557). States that trade or are involved in economic relations with these disputed regions typically use a practical trade approach, focusing on de facto control over the territory rather than its political sovereignty (Kanevskaia, 2023, p. 398).

The driving force behind this issue is political (relations with the aggressor country) and economic (comparative cheapness of goods from the occupied or annexed territories). The moral aspect is usually replaced by the pragmatism of self comes first. At the same time, some countries, including the EU, ban the import of products from the occupied or annexed territories of Ukraine (European Council, 2022; European Council, 2014).

In our view, the absence of a uniform approach enshrined in international legal documents legalises such illegal trade in stolen goods and creates no obstacles for aggressor countries. The situation is very similar to the problem of trade in goods produced by forced labour. We therefore believe that it is time to resolve both issues at the international level, rather than leaving them to the discretion of individual countries.

We cannot disregard the growing role of non-preferential origin in environmental sustainability issues. The link is not direct, but it is there. In the context of the development of green initiatives within the EU, certain additional requirements are being imposed on imports.

The first is Carbon Border Adjustment Mechanism (CBAM) – a special regime for imports into the EU of certain goods whose production is associated with significant greenhouse gas emissions (carbon-intensive goods) (European Parliament & European Council, 2023a). This import scheme includes a special procedure for importing such goods, declaration of imported goods, methods for calculating and verifying the associated emissions, a mechanism for determining the price of CBAM certificates and their turnover (purchase, sale, and redemption). This is a kind of extension of the existing Emissions Trading Scheme, which is intended to make it easier for European producers to compete in the internal market and to prevent companies from relocating to countries where there is no carbon regulation. Those countries that have implemented a proper carbon payment mechanism are not additionally burdened. On the contrary, the carbon tax already paid in their countries should be deducted from the amount required by the CBAM. This will make it more attractive for the EU to import goods from these countries.

The second is recent deforestation regulation. It promotes the consumption of deforestation-free products and reduces the EU's impact on global deforestation and forest degradation. Under the Regulation, any trader placing such commodities as commodities cattle, wood, cocoa, soy, palm oil, coffee, rubber, and some of their derived products on the EU market, or exporting from it, must be able to prove that the products do not originate from recently deforested land or have contributed to forest degradation (European

Parliament & European Council, 2023b). Accordingly, not only a country but a particular place of origin matters in order to comply with the Regulation.

Someone can say that such requirements impose additional restrictions on trade. This is indeed the case. However, such measures are not an end in themselves, they do not aim to reduce trade as such, and they do not pose a discriminatory threat. They pursue more ambitious and noble objectives in the field of sustainable development, climate change mitigation and the preservation of the global legal order, which at this stage can only be achieved through certain restrictions. If countries want access to the European market, they have to meet the sustainability standards set by the EU. The same applies to access to the markets of the United States, Canada, and other countries that have introduced such standards. The origin of goods is a way of distinguishing between countries that are investing in sustainable development and the well-being of future generations, and those that are putting their own economic interests first.

Conclusions

This study has demonstrated the growing importance of non-preferential rules of origin in world trade. Trade instruments based on non-preferential rules of origin have different effects on this trade – from the traditional negative to the positive, which is not obvious. Such a division is conditional, as each negative step can be seen as having a positive effect (anti-dumping measures aim at restoring the balance of prices undercut by dumped imports; sanctions put economic pressure on the offending countries, thereby reducing the violations committed by them, etc.).

Particularly in recent years, the positive impact on the quality, if not the volume, of such trade in the EU has increased. This impact has no monetary value and no unit of measurement. While the economic impact of trade is generated by preferences based on the preferential origin of goods, non-preferential origin has an impact on the achievement of intangible objectives, including sustainable development goals, saving lives, ensuring human rights and welfare. Measures to combat negative social and economic phenomena, such as the use of forced and child labour, the carbonisation of the economy and uncontrolled deforestation, are based on non-preferential or, more precisely, deep origin. Unfortunately, there is no unified approach at the international level to dealing with such problems. As a result, countries try to tackle global challenges on their own. And the more countries that join the initiative of the highly developed countries to introduce sustainability standards when allowing foreign goods into their domestic markets, the faster and better the effect will be for everyone living on our planet.

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