APEC Work on Good Regulatory Practices and Non-Tariff Measures

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Increasing trend in the use of NTMs
Measures implemented by APEC members

<table>
<thead>
<tr>
<th>Type of Measure</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Change (2010-2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antidumping</td>
<td>590</td>
<td>565</td>
<td>584</td>
<td>629</td>
<td>658</td>
<td>681</td>
<td>743</td>
<td>25.9%</td>
</tr>
<tr>
<td>Countervailing Duties</td>
<td>62</td>
<td>66</td>
<td>71</td>
<td>78</td>
<td>85</td>
<td>97</td>
<td>116</td>
<td>87.1%</td>
</tr>
<tr>
<td>Safeguards</td>
<td>4</td>
<td>11</td>
<td>11</td>
<td>15</td>
<td>11</td>
<td>18</td>
<td>16</td>
<td>300.0%</td>
</tr>
<tr>
<td>Special Safeguards</td>
<td>262</td>
<td>277</td>
<td>288</td>
<td>292</td>
<td>295</td>
<td>296</td>
<td>296</td>
<td>13.0%</td>
</tr>
<tr>
<td>SPS - Specific Trade Concerns</td>
<td>99</td>
<td>110</td>
<td>118</td>
<td>107</td>
<td>113</td>
<td>127</td>
<td>132</td>
<td>33.3%</td>
</tr>
<tr>
<td>TBT - Specific Trade Concerns</td>
<td>149</td>
<td>173</td>
<td>188</td>
<td>211</td>
<td>227</td>
<td>245</td>
<td>261</td>
<td>75.2%</td>
</tr>
</tbody>
</table>

Source: WTO, i-TIP database. APEC Secretariat, Policy Support Unit calculations
Some NTMs are becoming impediments to trade (NTBs)

Example: Export restrictions of rice by Economy A

**International Trade of Rice (USD billion)**

<table>
<thead>
<tr>
<th>World: Rice Exports</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>% Variation 2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>By Economy A</td>
<td>5.3</td>
<td>6.5</td>
<td>4.6</td>
<td>-28.8%</td>
</tr>
<tr>
<td>By World</td>
<td>19.5</td>
<td>23.2</td>
<td>19.6</td>
<td>-15.7%</td>
</tr>
<tr>
<td>% by Economy A</td>
<td>27.4%</td>
<td>28.0%</td>
<td>23.7%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APEC: Rice Imports</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>% Variation 2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Economy A</td>
<td>2.0</td>
<td>2.4</td>
<td>1.5</td>
<td>-37.6%</td>
</tr>
<tr>
<td>From World</td>
<td>4.3</td>
<td>6.3</td>
<td>6.2</td>
<td>-1.4%</td>
</tr>
<tr>
<td>% from Economy A</td>
<td>47.2%</td>
<td>38.8%</td>
<td>24.6%</td>
<td></td>
</tr>
</tbody>
</table>

Sources: World Bank; United Nations.

Measure implemented in 2\textsuperscript{nd} half 2011 caused decline of rice exports by Economy A in 2012

- Supply constraints in overseas markets, economies to find alternative rice sources
- Increase of rice prices due to importance of “economy A” in world rice market
Some NTMs are becoming impediments to trade (NTBs)

Example: Import licensing requirements by Economy B on optical disc mastering and replicating machines (HS 847790)

Economy B: HS 847790 Imports (USD million)

- Measure implemented in March 2013
- Imports fell in 2013 and 2014
- Imports went down by 30.5% between 2012 and 2014 (USD 149 million)

Source: WITS, UN COMTRADE. APEC Secretariat, Policy Support Unit calculations
Less transparency in the application of NTMs

% of Specific Trade Concerns (STCs) in the APEC region duly notified at WTO

<table>
<thead>
<tr>
<th>Year</th>
<th>SPS-related measures</th>
<th>TBT-related measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STC</td>
<td>Notified Measures</td>
</tr>
<tr>
<td>2008</td>
<td>87</td>
<td>40</td>
</tr>
<tr>
<td>2009</td>
<td>95</td>
<td>43</td>
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<tr>
<td>2010</td>
<td>99</td>
<td>44</td>
</tr>
<tr>
<td>2011</td>
<td>110</td>
<td>45</td>
</tr>
<tr>
<td>2012</td>
<td>118</td>
<td>47</td>
</tr>
<tr>
<td>2013</td>
<td>107</td>
<td>41</td>
</tr>
<tr>
<td>2014</td>
<td>113</td>
<td>43</td>
</tr>
<tr>
<td>2015</td>
<td>127</td>
<td>43</td>
</tr>
<tr>
<td>2016</td>
<td>132</td>
<td>43</td>
</tr>
</tbody>
</table>

Sources: WTO i-TIP; APEC Secretariat, Policy Support Unit Calculations
Options to NTMs to address similar policy objectives

**SPS requirements to keep public health and safety**
- Options:
  - Requirements following Codex, OIE, IPCC Standards
  - Bilateral SPS protocols

**SPS emergency measures**
- Options:
  - Allow imports from disease-free areas
  - Certification/monitoring mechanisms

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**Restrict entry due to miscellaneous grounds via mandatory customs inspections, non-automatic licenses and import quotas**
- Options:
  - Implementing risk management systems
  - Strengthening ex-post verifications

**Source of revenue via import surcharge**
- Options:
  - Surcharge incorporated within tariff;
  - Internal tax

**TBT measures for security environmental grounds**
- Options:
  - Technical regulations based on ISO, IEC, ITU Standards
  - Harmonization
  - Equivalence
  - Mutual recognition

**Monitor trade flows via automatic license**
- Option:
  - Ex-post revision of customs entries
Assessment is necessary before implementing any NTM

Example: Shall we put in place an import licensing requirement?

Objective

Keep track of products for statistical purposes

Option to meet objective

Getting information from import declarations?

Option more efficient than import license?

Recommendation to start import licensing

Restrict market availability

Risk assessment to determine customs inspection and ex-post verification?
Minimizing the risk for NTMs to become NTBs
Process and Principles

**Process**
- Consultation
- Set clear requirements and allocation criteria
- Decision-making and responsible authority
- Publication of legal text

**Principles**
- Transparency
- Predictability and consistency
- Non-discriminatory
- Right to appeal
- Short period to process applications
- Simplified requirements
- WTO-consistent
- Least trade-restrictive measure
- Based on international standards, scientific integrity and evidence
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