

Good Regulatory Practice for NTMs monitoring

Ha Thi Thanh Doan

Economic Research Institute for ASEAN and East Asia

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NTMs Definition

Policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices, or both (UNCTAD, 2010)

Economic impact can be either positive or negative.
No judgment over legitimacy

NTBs: Referring to NTMs with “protectionist intent”.

NTMs Objectives

Non-trade objectives

Protection of human and animal's health

Protection of the environment

Protection of consumers' rights

Trade objective

Protect domestic producers

NTMs on the rise

While tariff rates have declined significantly, the number of NTMs has risen.

Figure 1: NTMs vs Tariff

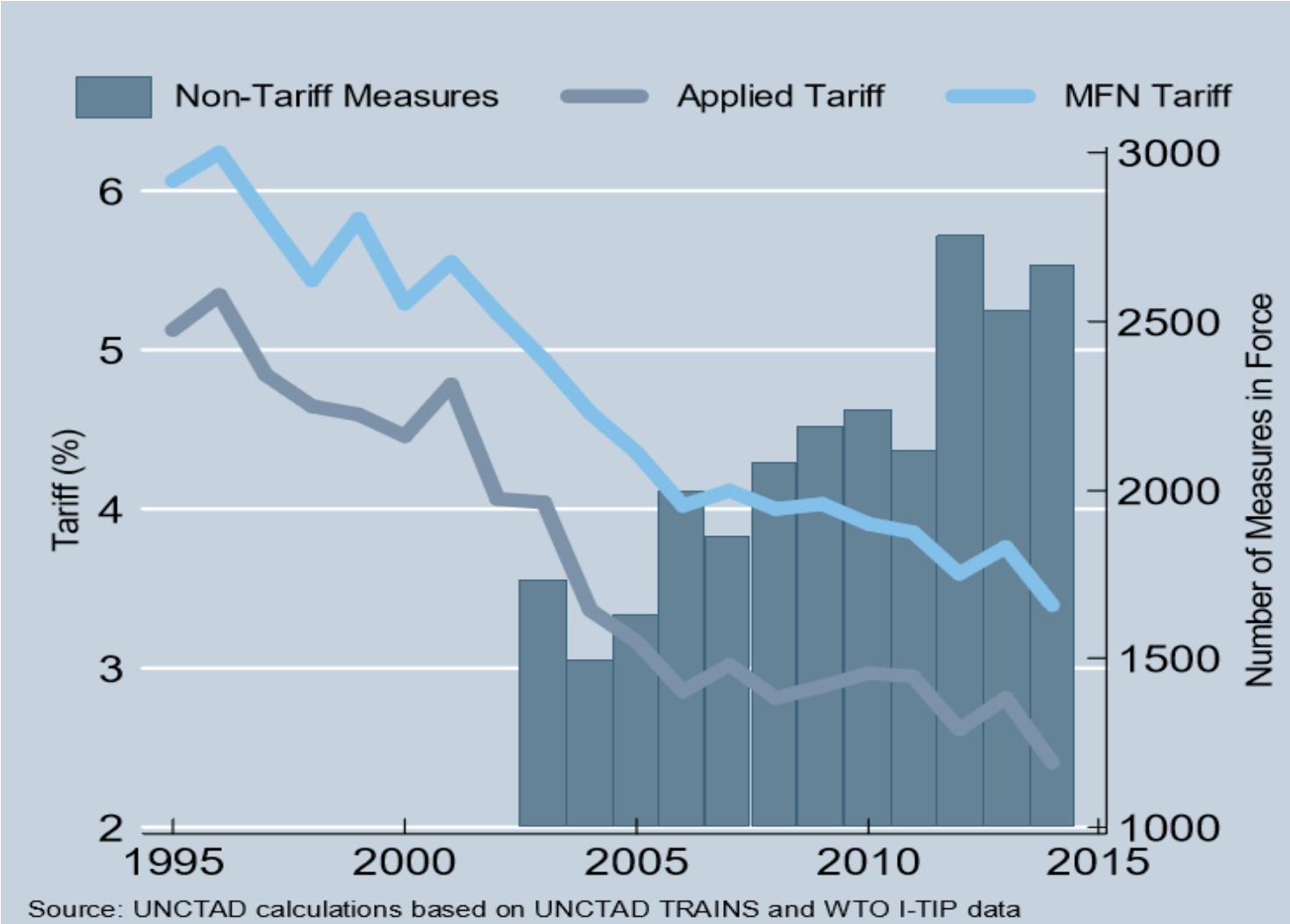
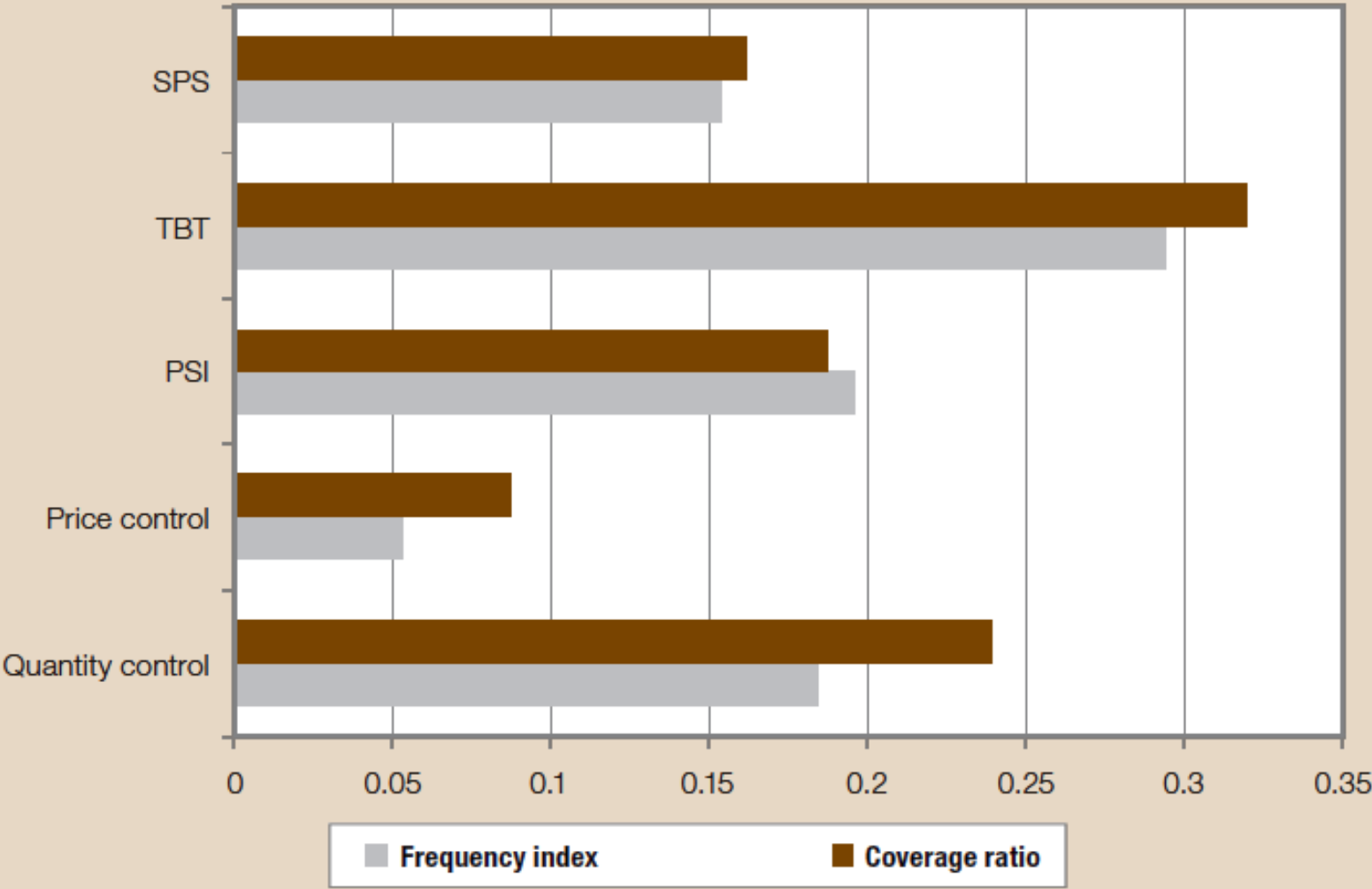


Figure 2: Frequency index and Coverage Ratio of NTMs by chapter



Source: UNCTAD (2012)

Figure 3: Frequency index and Coverage ratio by region-chapter

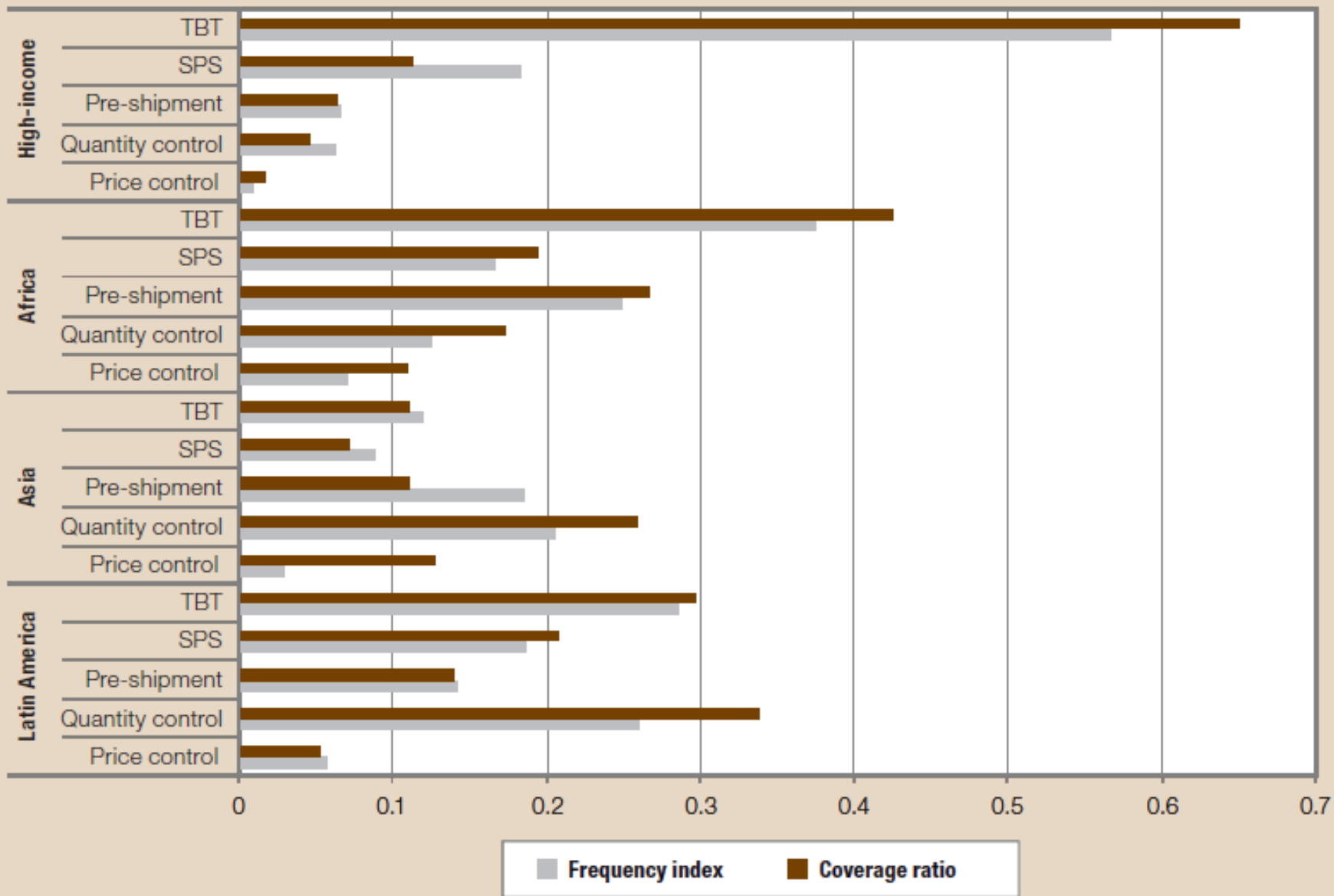
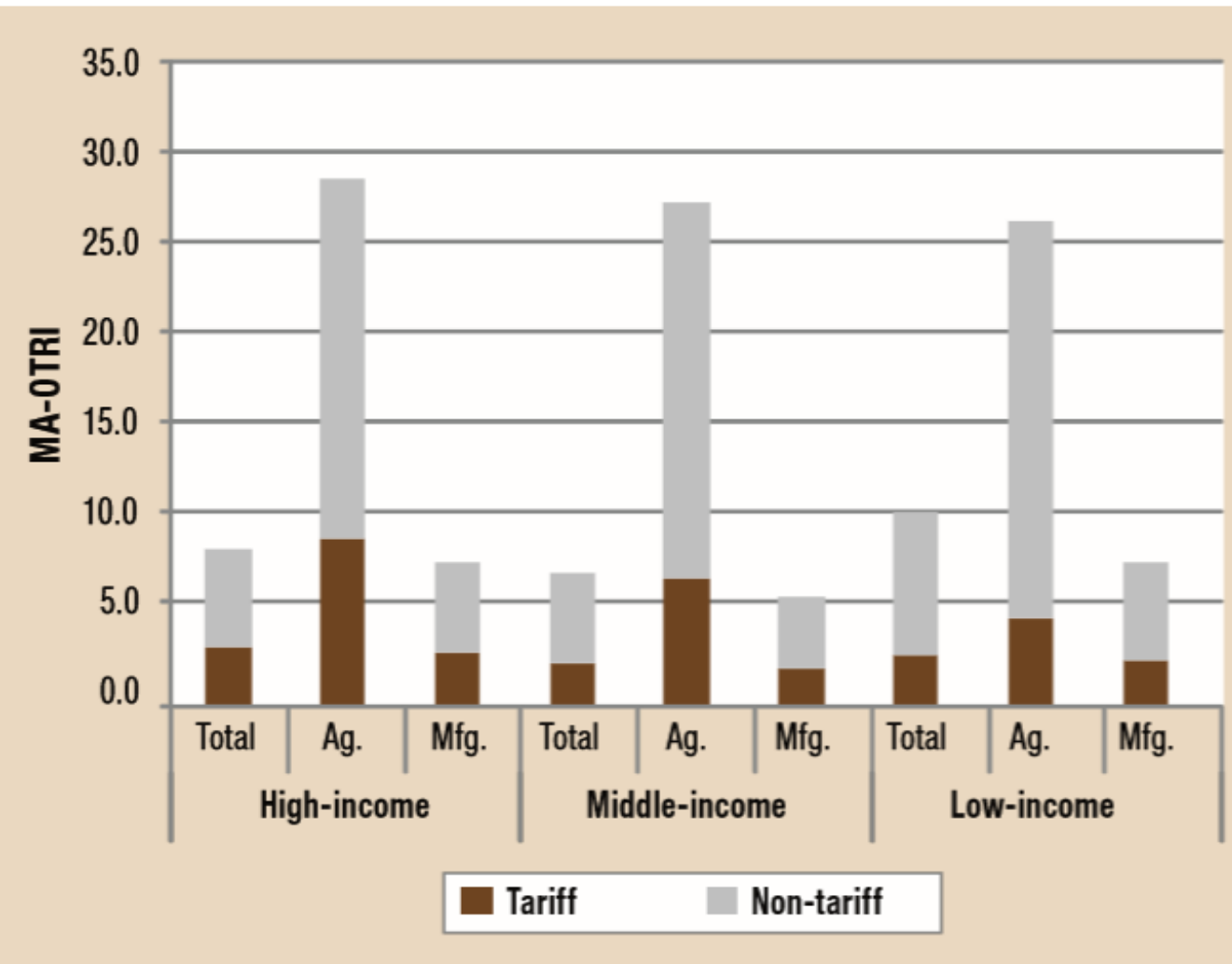


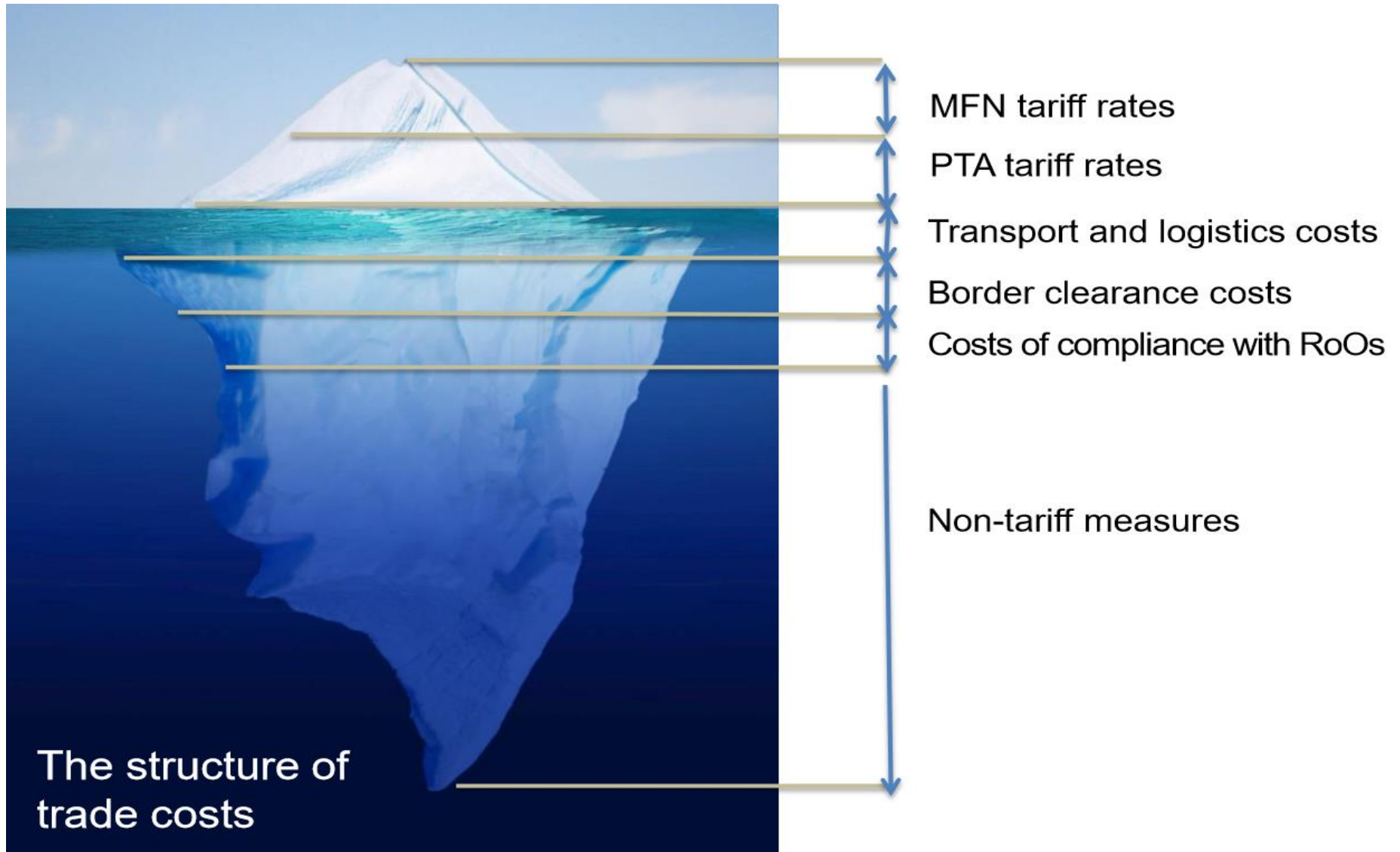
Figure 4: Overall level of restrictiveness faced by exporters



Source: UNCTAD (2012)

NTMs management- Challenges

- Transparency: lack of comprehensive database
- Complexity: multi-regulations, cross-agencies
- NTMs vs NTBs: Regardless of the objectives NTMs have the potential to affect trade.



Good regulations for monitoring NTMs

- ASEAN Good Regulatory Practice Guide (2009)
 - Transparency of non-tariff measures
 - Removal of trade barriers
 - Harmonization of standards and technical regulations

Good regulations for monitoring NTMs

- Main principles for NTMs management
 - Transparency
 - Consultation
 - Non-discrimination
 - Necessity and proportionality
 - Sunseting

Good regulations for monitoring NTMs

- Regulatory Impact Analysis
 - Defining objectives
 - Ex-ante/ ex-post analysis of cost and benefit
 - Analysis of possible alternatives
 - Analysis of implementation issue

ERIA's Review of AANZFTA

- NTMs section
 - Survey from business sector in AMS regarding the implementation of NTMs in Australia and New Zealand.
 - Focuses on SPS and TBT measures
 - 70% of respondents operate in garment and textiles, and food and beverages

Main findings (1)

- Areas of good practices
 - Availability and accessibility of information (EU, UK, US, Aus, Ca)
 - Simple document requirement (Hongkong)
 - Specific requirement of international certifications (e.g. ISO) in EU
 - Strict but clear implementation of SPS/TBT measures (US, Ca)
 - Fast conformity assessment, clear requirements

Main findings (2)

- Areas that can be obstacles for trade
 - Large number of regulations and measures
 - Lack of mutual regulations across markets
 - Unclear/too general measures
 - Standard gaps between Aus, NZD and AMSs.
 - Lack of enforcement of regulations
 - High compliance cost
 - Unreasonable SPS/TBT measures
 - Too many documents required for exports in some AMSs.
 - Complex bureaucratic procedures
 - Discrimination
 - Corruption

ERIA- UNCTAD's NTMs in ASEAN and East Asia

Objectives

Provide a comprehensive NTMs database

Analyze NTMs and provide policy
recommendations

Project members

National teams include economists and
government officials- ERIA-UNCTAD

ERIA- UNCTAD's NTMs in ASEAN and East Asia

Steps

1. Phase I: Database for ASEAN countries
<http://asean.i-tip.org>
<http://ntm.eria-database.com>
2. Phase II: Database for the +6 countries
(CHN, IND, JPN, KOR, AUS, NZD)
3. Phase III: Analyses on NTMs in ASEAN
4. Phase IV: Country report on NTMs in East Asian

Figure 5: Tariff vs NTMs in ASEAN

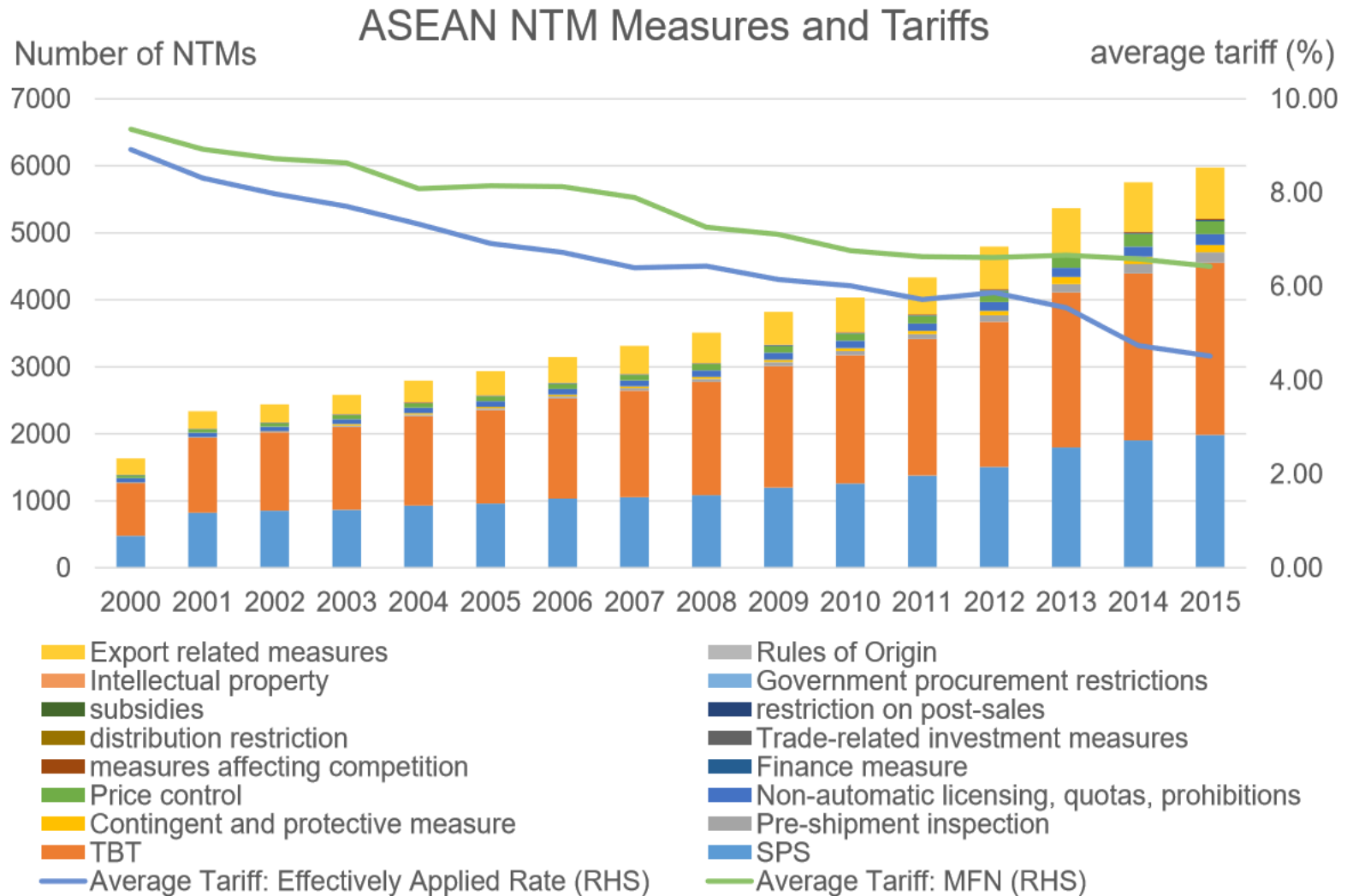


Figure 6: Composition of NTMs in ASEAN

Country	Total (number)	SPS (%)	TBT (%)	Export related measures (%)	Others (%)
Brunei	516	31	56	9	4
Cambodia	243	15	50	29	7
Indonesia	638	20	51	12	18
Lao PDR	301	13	30	27	30
Malaysia	713	36	47	10	7
Myanmar	172	44	24	20	12
Philippines	854	27	42	17	13
Singapore	529	24	59	9	7
Thailand	1630	48	34	8	9
Viet Nam	379	37	37	17	8
Total / average	5975	29	43	16	12

Source: Ing, Cadot, Anandhika and Urata, based on 2016 ASEAN-ERIA-UNCTAD NTM database, *Non-Tariff Measures in ASEAN, 2016*

Figure 7: Composition of NTMs in +6 countries

Country	Total (number)	SPS (%)	TBT (%)	Export measures (%)	Others (%)
Australia	2,027	4%	64%	25%	6%
China*	1,750	51%	20%	21%	8%
India	2,081	50%	46%	2%	1%
Japan	3,298	10%	61%	21%	7%
Korea Rep.	1,248	23%	42%	25%	10%
New Zealand	3,053	50%	46%	2%	2%
Total	13,457	31%	49%	15%	5%

Source: ERIA-UNCTAD NTM National Team Template Database, January 2017 [the data cannot be quoted as they still need to be verified]

Note: *The work on China is still very preliminary as more than 90% of regulations are in Chinese

Next steps

- Analysis of the impact of NTMs on trade
- RIA of selected NTMs based on cost and benefit approach
- Recommendation on streamlining NTMs in the region (NTMs guideline- ASEC)