

Asia-Pacific Trade and Investment Report 2019: *Navigating Non-tariff Measures towards Sustainable Development*

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Introduction:

The rise of non-tariff measures



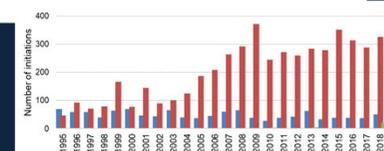
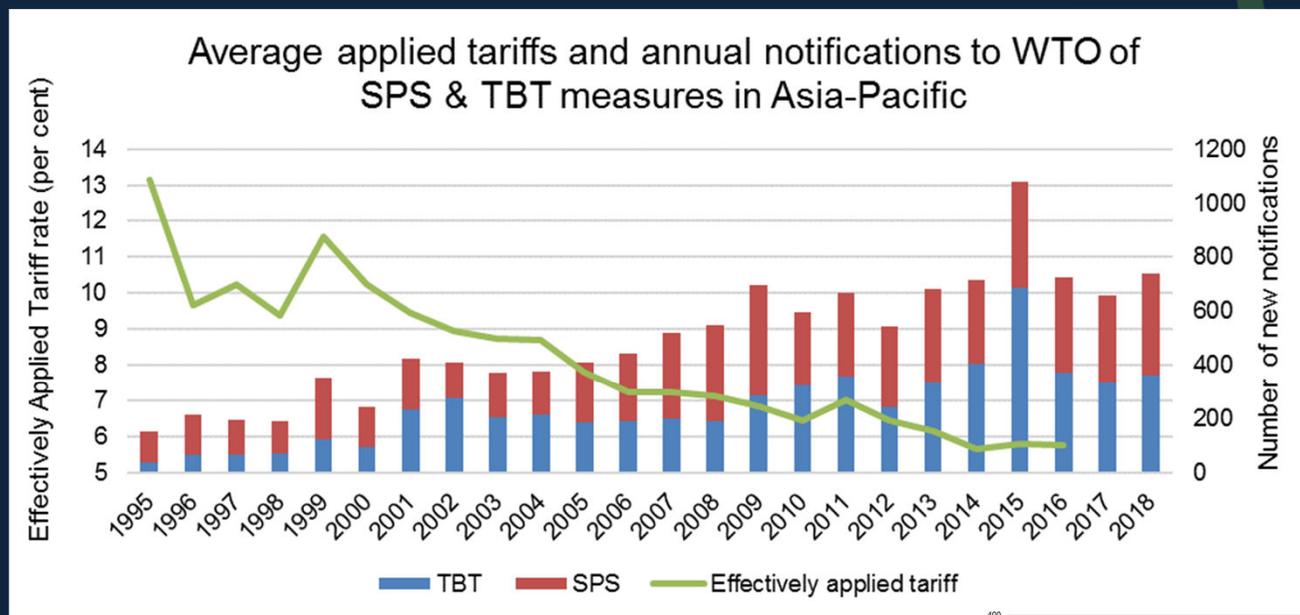
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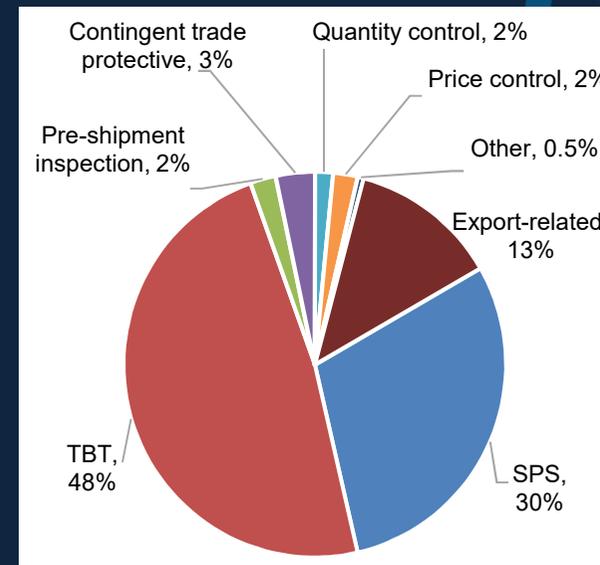
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Declining (ordinary) tariffs & increasing notifications of new NTMs



NTMs in Asia-Pacific

- More than 25,000 out of 80,000 measures in TRAINS are by Asia-Pacific economies
- China has the highest number of NTMs in the Asia-Pacific region, followed by high-income economies of New Zealand, Republic of Korea and Australia.
- Most measures are SPS and TBT, followed by export-related measures



Chapter 1:

Why non-tariff measures matter for sustainable development



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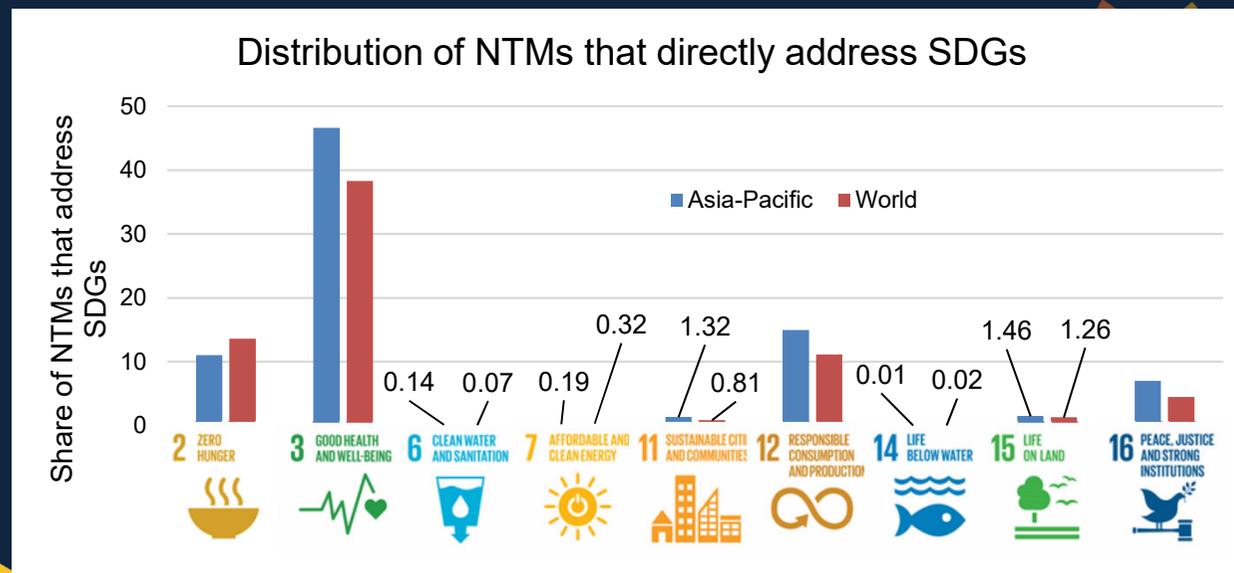


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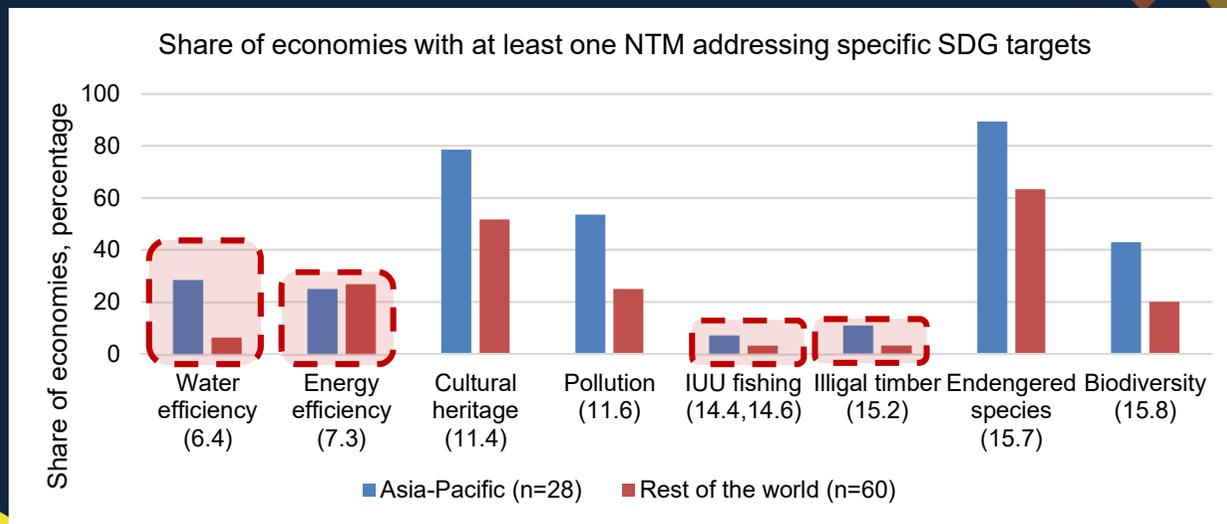
42 per cent of NTMs address SDGs

All NTMs in the TRAINS database were examined to see which individual measures potentially directly and positively affected SDG targets



There is scope for *more* regulations (!)

- Some SDG targets are relatively unaddressed by NTMs
- If addressed, implementation is sometimes lacking
- NTMs that don't address SDG may still be important (e.g. consumer product safety)



Chapter 2:

Evaluating the impact of non-tariff measures on trade and investment in Asia and the Pacific



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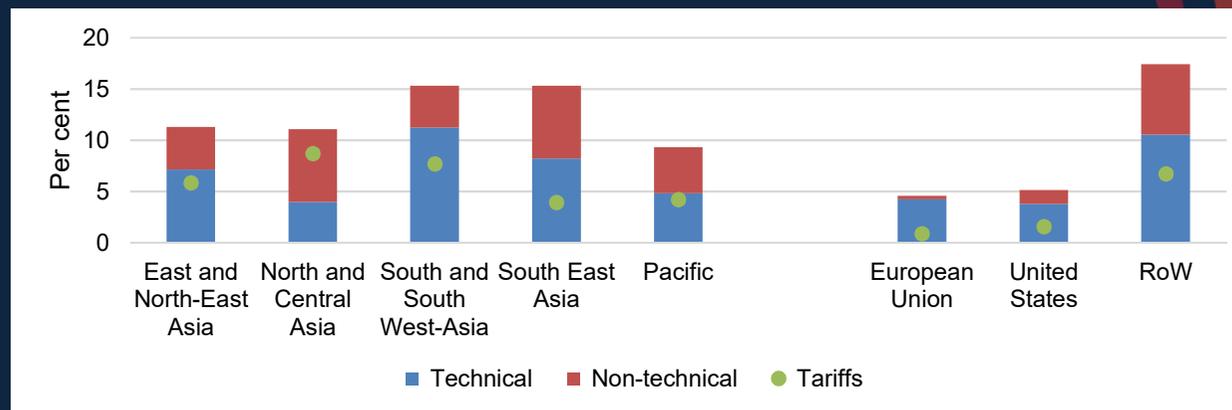


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Ad Valorem Equivalents (AVEs) of NTMs

- The average trade costs of NTMs in the Asia-Pacific region are 15.3%, higher than in US and EU (even though EU and US have more measures applied on average)
- Evidence suggests that it is because of poor implementation of NTMs
- In the agricultural and automotive sectors, the combined costs of NTMs are up to 20% of imports



Private Sector Perspective

Based in a joint analysis by ESCAP and ITC

- 56% of firms surveyed by ITC in Asia report “burdensome” NTMs.
- Half of “burdensome” NTMs are from within the region.
- 90% of all export partner “burdensome” NTMs are TBT, SPS or rules of origin.
- 40% of all domestic “burdensome” NTMs are: export certification, inspection, or licensing.
- **Domestic procedural obstacles are the primary reason why NTMs are found to be burdensome**
- They include time constraints, informal or unusually high payments, lack of transparency, discriminatory behaviour of government officials and a lack of appropriate testing facilities.



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Chapters 3 & 4 and conclusion

What can be done to maximize
contribution of NTMs to achieve
SDGs



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Chapter 3:

Non-tariff measures and their relationship to international standards



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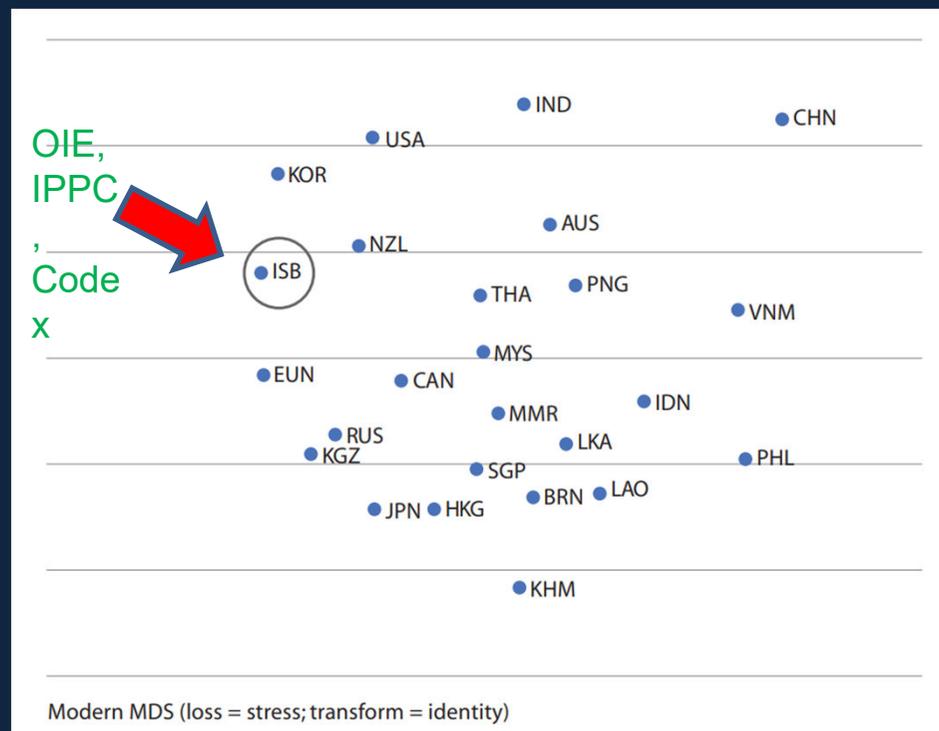


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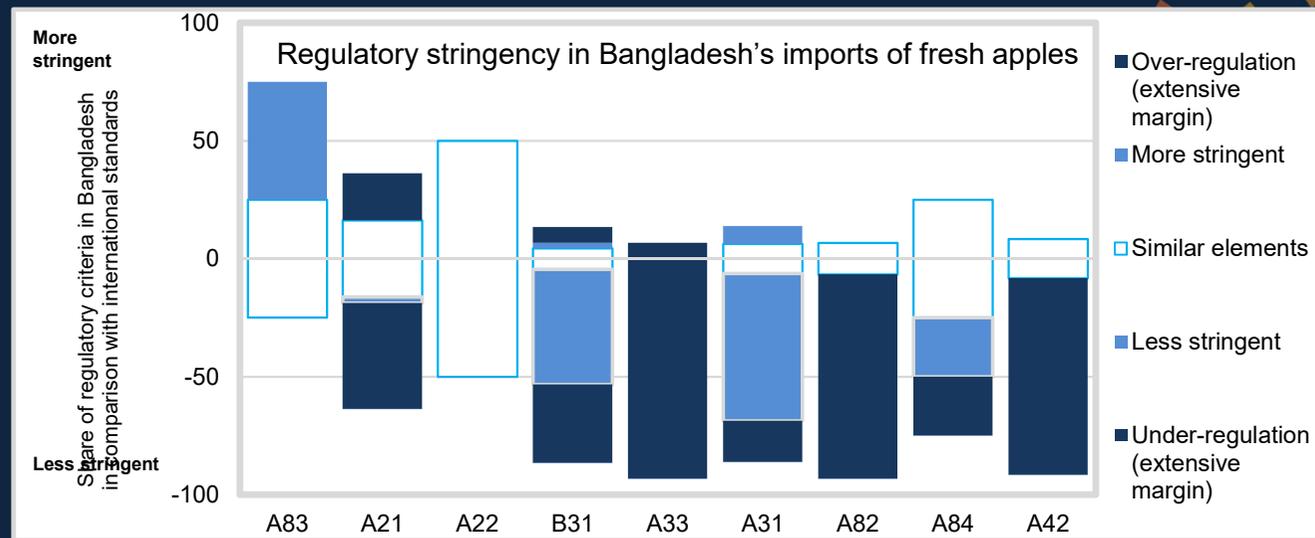
International Standards and NTMs

Overall regulatory distance map



Sector case studies in Bangladesh, the Lao PDR and Viet Nam

- NTMs are generally less stringent than those recommended by the international standards



Chapter 4:

Streamlining non-tariff measures for sustainable benefits



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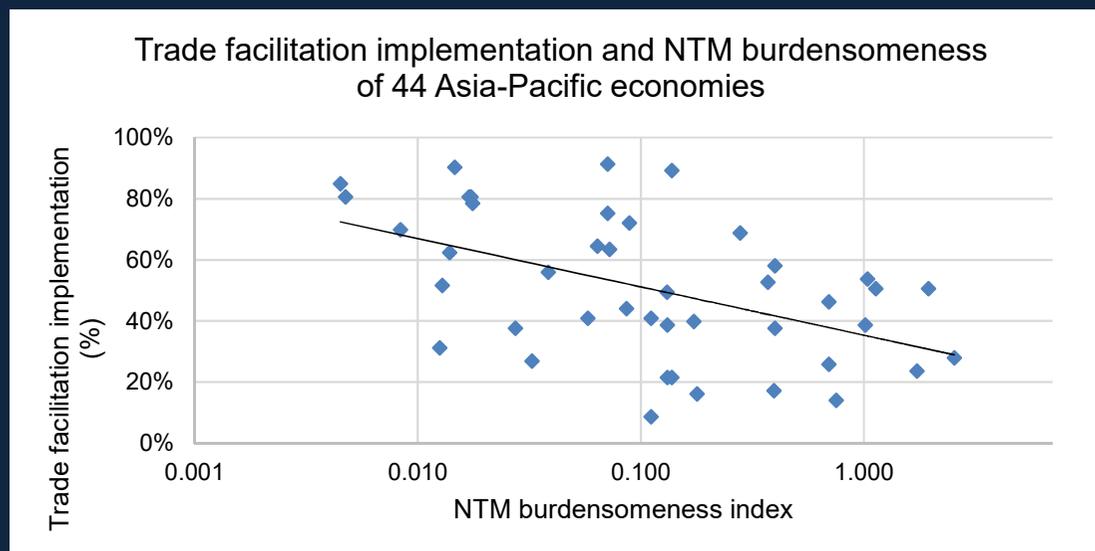


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NTMs and Trade Facilitation

- Economies that report higher rates of trade facilitation implementation generally tend to report fewer burdensome NTMs by traders



Source: UN Global Survey on Trade Facilitation and Paperless Trade Implementation, 2017; International Trade Centre, 2015-2019



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UNTFsurvey.org



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Streamlining NTMs at the domestic level

1. **T**ransparency & **D**igitalization: NTMs and related procedures available (national trade portal, one-stop access) and electronic (e.g. issuing and exchanging certificates of origin)
2. **R**egulatory reviews and sustainability impact assessments of new and existing NTMs should be systematically conducted.
3. **I**nclusive trade facilitation: needs of special groups and sectors
4. **M**ore quality infrastructure



Chapter 4: (cont.)

Streamlining non-tariff measures
for sustainable benefits

→ Also at the regional and
multilateral level



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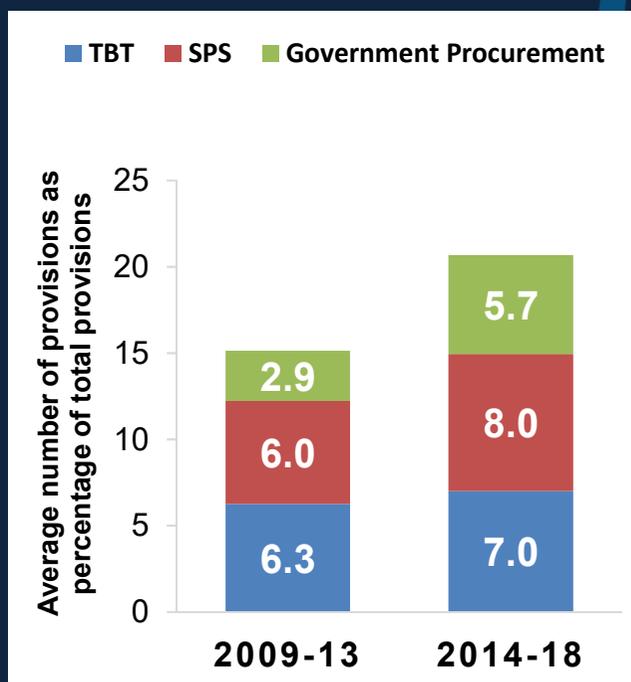


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Regional efforts to coordinate and streamline NTMs can accomplish more

- NTMs are increasing addressed through regional trade agreements
- RTAs can help to reduce protectionism and compliance costs while facilitating transparency and adoption of international standards.



Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

A UN treaty to facilitate trade digitalization



<https://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific>



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Looking forward

- A useful step to help address NTMs and related procedural obstacles would be to establish a regional **NTB reporting, monitoring and elimination mechanism**.
- Attention needs to be given to design, development, and implementation of NTMs. It would be beneficial for **guidelines on sustainability impact assessment** of new and existing NTMs to be developed in close consultation with Governments.
- **Capacity-building** in, and retention of, expertise needs to be intensified and strengthened.



THANK YOU

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