



**Asia-Pacific  
Economic Cooperation**

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## **Non-Tariff Measures As Major Factors Affecting Market Access**

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Trade Agreements  
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## Non-Tariff Measures as Major Factors Affecting Market Access

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### Market Access

- Elimination of tariffs and non-tariff measures (NTMs) is key topic of negotiations in FTA/RTA
- Significant reduction in tariffs under WTO and bilateral/multilateral trade agreements, except for some special products
- Increasing and widespread use of NTMs; increasing number of notifications of technical measures to the WTO
- NTMs greatly restrict international trade; their impact is higher than tariffs
- The effects of NTMs on international trade flows are understudied
- NTMs not easy to quantify; significant variation in NTM instruments; quantitative analysis need data which is very hard to collect
- NTMs remain a major challenge in FTA/RTA negotiations
- Objective of discussion is to present estimates of NTMs in ASEAN and RCEP

**UNCTAD NTM Classification**

<b>Imports</b>	Technical measures	<ul style="list-style-type: none"> <li>• Sanitary and phytosanitary (SPS)</li> <li>• Technical barriers to trade (TBT)</li> <li>• Pre-shipment inspection and other formalities</li> </ul>
	Non-technical measures	<ul style="list-style-type: none"> <li>• Contingent trade-protection measures</li> <li>• Non-automatic licensing quotas, prohibitions and quantity-control measures other than for SPS and TBT reasons</li> <li>• Price-control measures, including additional taxes and charges</li> <li>• Finance measures</li> <li>• Measures affecting competition</li> <li>• Trade-related investment measures</li> <li>• Distribution restrictions</li> <li>• Restrictions on post-sales services</li> <li>• Subsidies, excluding export subsidies</li> <li>• Government procurement restrictions</li> <li>• Intellectual property</li> <li>• Rules of origin</li> </ul>
	<b>Exports</b>	<ul style="list-style-type: none"> <li>• Export-related measures</li> </ul>

Source: UNCTAD - NTM Classifications 2012 Version

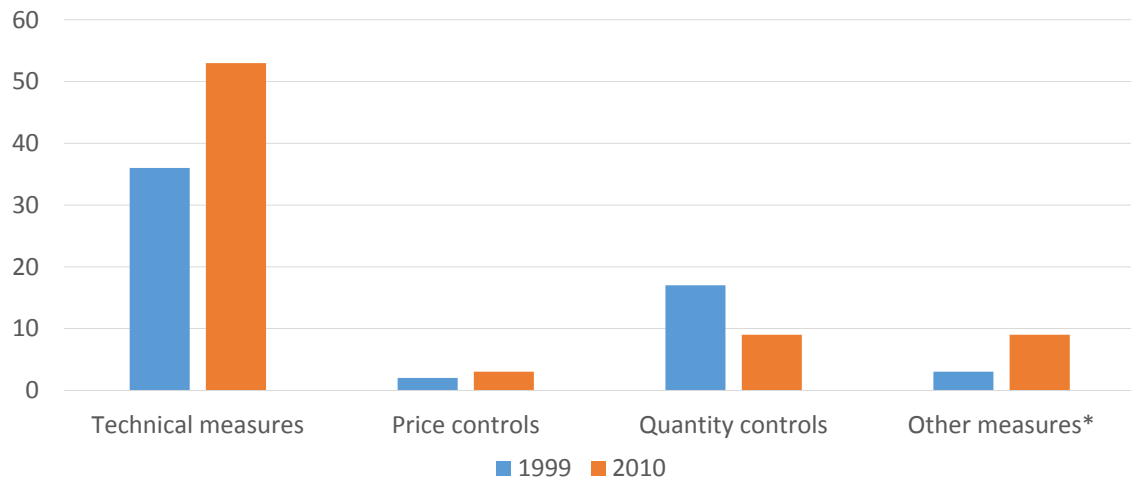
**Incidence of NTMs (Worldwide)**  
**% of trade**

<b>Technical measures</b>	
TBT	30%
SPS	15%
<b>Non-technical measures</b>	
Pre-shipment	20%
Price control	8%
Quantity controls*	23%

\*quotas, export restrictions, non-automatic licensing

Source: UNCTAD - NTM Classifications 2012 Version

### Frequency Index by Broad Type of MTNs (Worldwide)

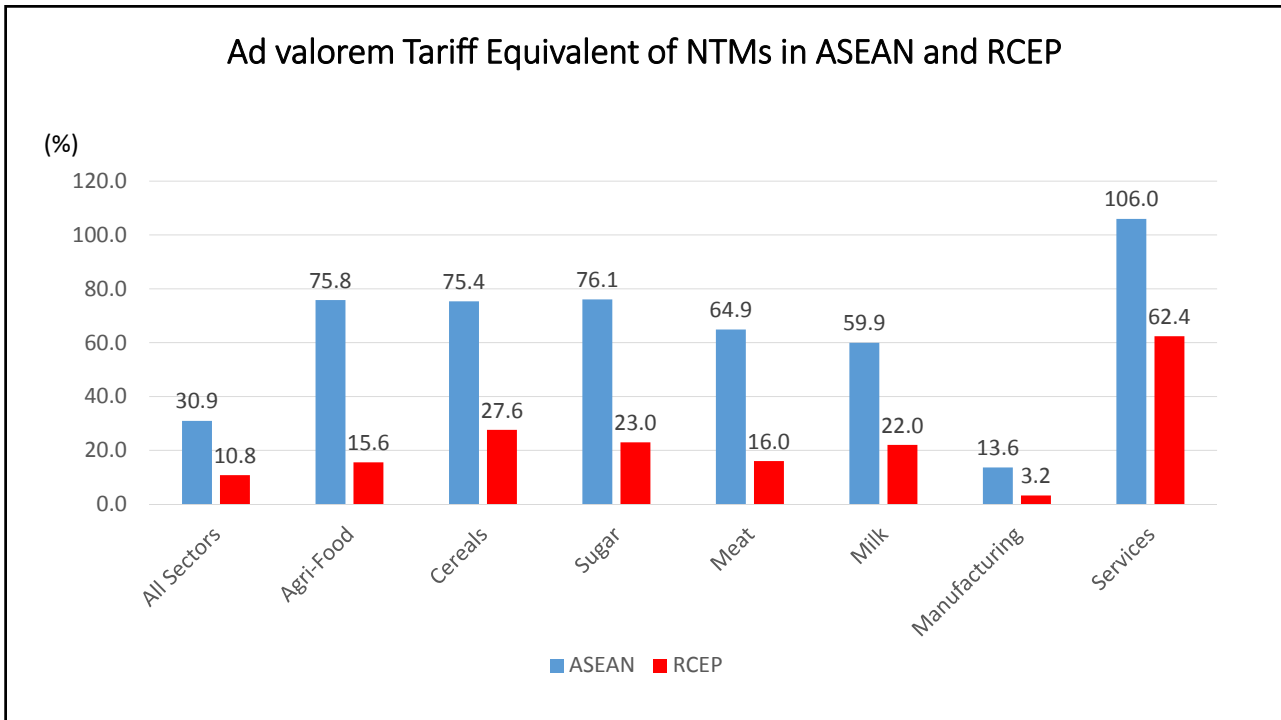
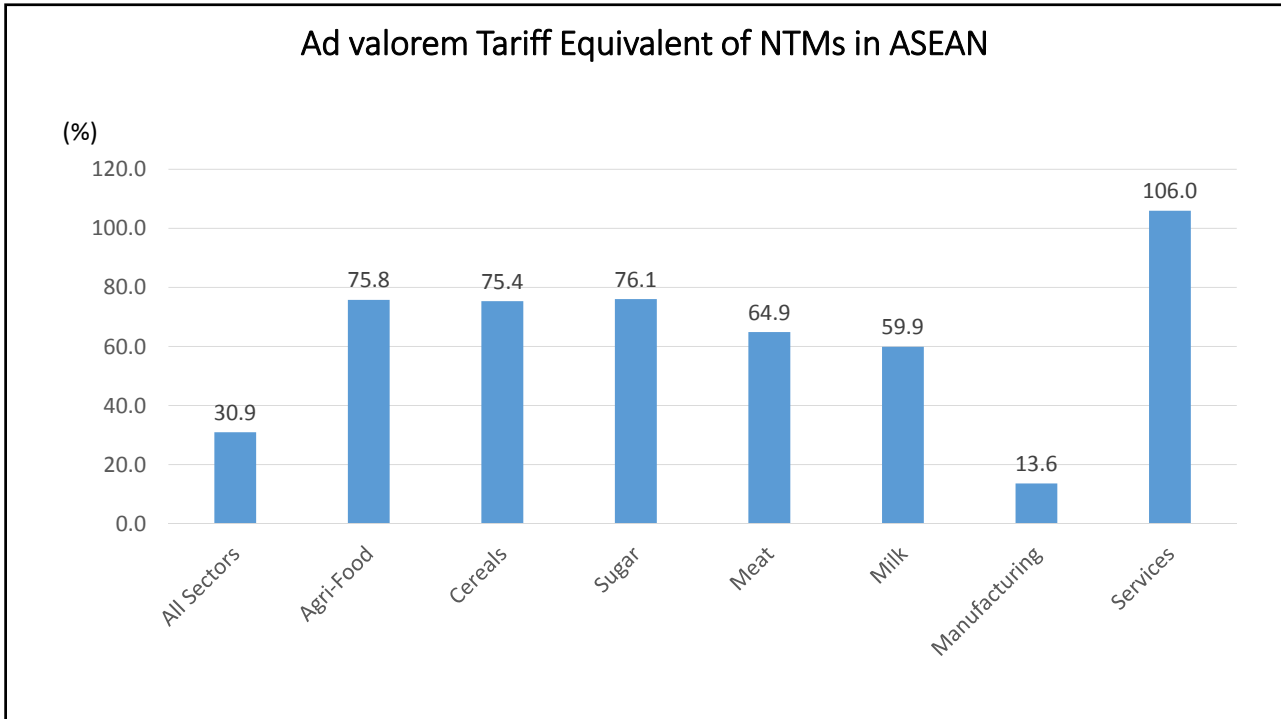


\*Other measures include pre-shipment inspection and trade defense (or contingency protection) measures

Source: UNCTAD - NTM Classifications 2012 Version

### Measuring NTMs

- Approaches
  - Direct measurement
  - Indirect measurement, such as estimation of gravity model
- Gravity model – exports are affected by: production; consumption; distance; contiguity, common language, colonial history, etc; multilateral resistance factors; border effects
- Below is set a of estimates of ad valorem tariff equivalent of NTM in ASEAN and RCEP estimated using GTAP 8 data



## Implications

- High NTMs in ASEAN and RCEP
  - High NTMs in agriculture and food
  - Prohibitive NTMs in services
- Need to discuss and address them for they limit the flow of trade within the region
- Need to carefully study the effects MTNs on trade and welfare in the region
- Reduction in NTMs on agriculture and food is a poverty alleviation measure