



**Asia-Pacific  
Economic Cooperation**

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## **The ASEAN Trade in Goods Agreement and ASEAN Initiatives to Address Non-Tariff Measures**

Submitted by: Philippines



**Capacity Building Workshop on  
Addressing Non-Tariff Measures in  
Free Trade Agreements and Regional  
Trade Agreements  
Port Moresby, Papua New Guinea  
17 May 2018**

**CAPACITY BUILDING WORKSHOP ON ADDRESSING NON-TARIFF MEASURES  
IN FTAS/RTAS UNDER THE 3<sup>RD</sup> REI CBNI**

17 May 2018, Port Moresby

**THE ASEAN TRADE IN GOODS AGREEMENT  
(ATIGA) AND ASEAN INITIATIVES TO ADDRESS  
NON-TARIFF MEASURES**

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## **Outline of Presentation**

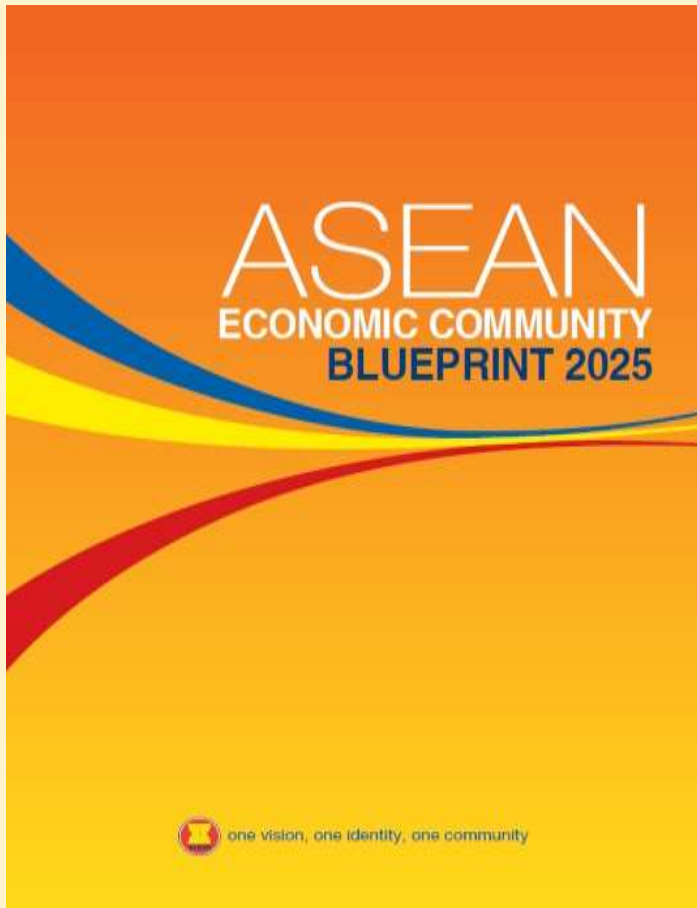
- **ASEAN Regional Economic Integration (ASEAN Economic Community or AEC)**
- **The ASEAN Trade in Goods Agreement (ATIGA)**
- **Ongoing Efforts on Addressing Non-Tariff Measures**

## ASEAN's goal is to promote economic, political, socio-cultural cooperation ...



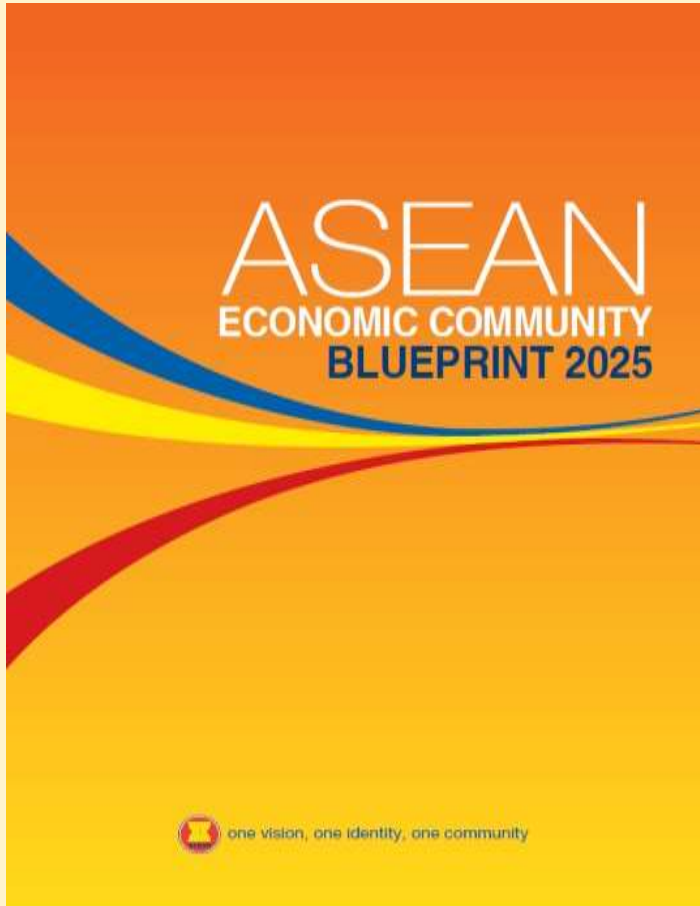
- **Composed of 10 Member States**, 7 of which are in APEC
- **Combined GDP of US\$ 2.6 T** and **total population of 634 people** in 2016
- **Total merchandise trade at US\$ 2.2 T** in 2016, with intra-ASEAN trade comprising 24%.
- **Attracted US\$ 96 B in FDI** in 2016, with intra-ASEAN investments accounting 25%

# ASEAN economic integration (AEC) is a continuous and progressive process...



- **The AEC Blueprint articulates ASEAN goals and aspirations.** The Consolidated Strategic Action Plan (CSAP) matches these with concrete actions and measures.
- AEC 2025 charts the path towards:
  1. A highly integrated and cohesive economy
  2. A competitive, innovative, and dynamic ASEAN
  3. Enhanced connectivity and sectoral cooperation
  4. A resilient, inclusive, people-oriented and people-centered region
  5. A global ASEAN

# New AEC agenda targets NTMs to increase intra-regional trade...



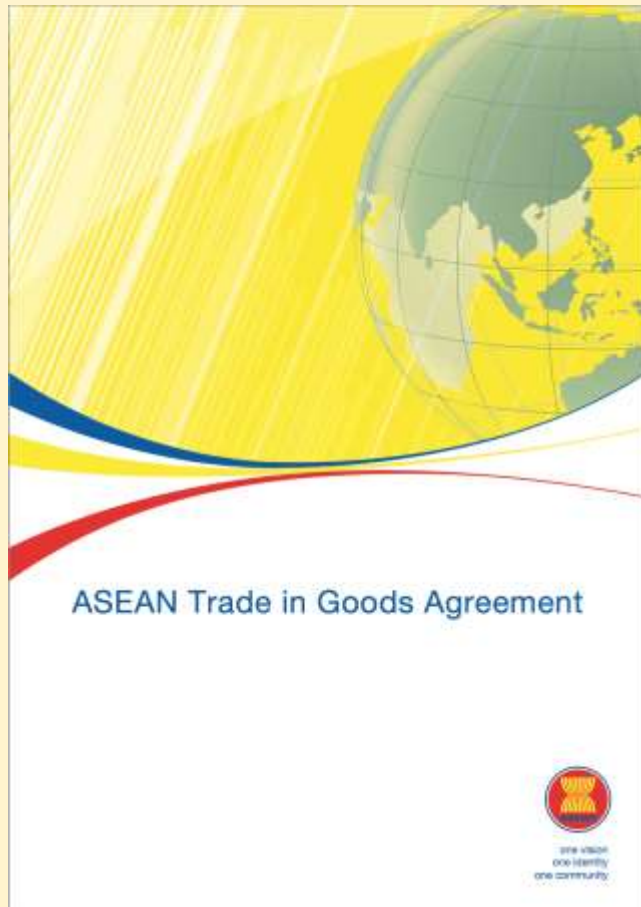
## A. A highly integrated and cohesive economy

### A.I Trade in Goods

#### **Strategic Measures: Minimize trade protection and compliance costs in dealing with NTMs**

- Explore imposing stringent criteria and sunset clause on trade-protective NTMs e.g. quotas and other quantity restrictions
- Embed good regulatory practice (GRP) in implementing domestic regulations and practices
- Strengthen coordination with private sector
- Explore alternative ways to address NTMs such as sectoral or value chain approaches

# ATIGA sets out the rules governing intra-regional trade in goods....



**1** General Provisions

**2** Tariff Liberalization

**3** Rules of Origin

**4** Non-Tariff Measures

**5** Trade Facilitation

**6** Customs

**7** STRACAP

**8** SPS

**9** Trade Remedy Measures

**10** Institutional Provisions

**11** Final Provisions

## Efforts to reduce intra-ASEAN tariffs have been met with success...

**Percent of Total No. of Tariff Lines at ATIGA 0%**

Country	Tariff Lines at ATIGA 0%
Brunei Darussalam	99.03%
Indonesia	98.66%
Malaysia	98.68%
Philippines	98.63%
Singapore	100%
Thailand	99.84%

**Percent of Total No. of Tariff Lines at ATIGA 0% - 5%**

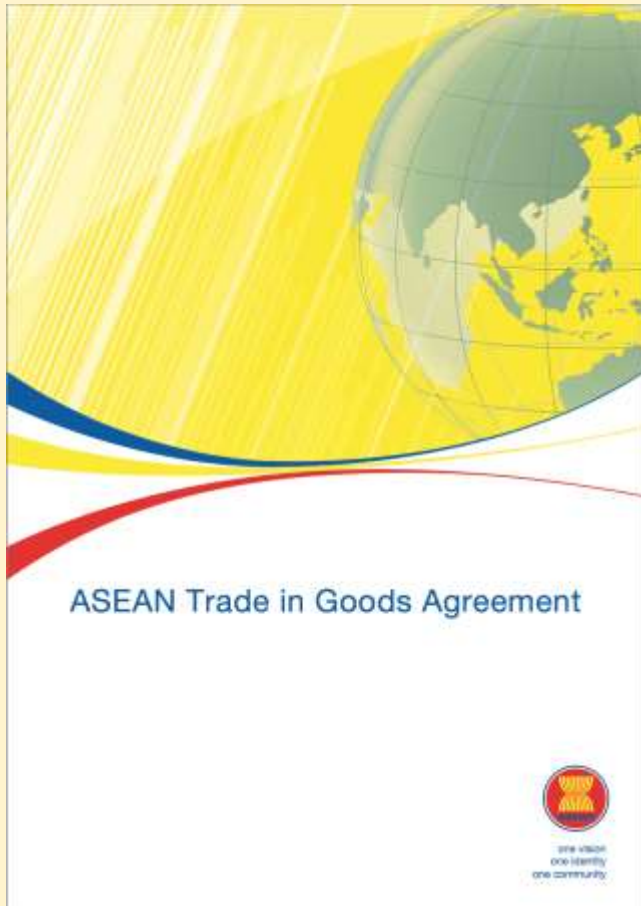
Country	Tariff Lines at ATIGA 0-5%
Cambodia	98.53%
Lao PDR	95.18%
Myanmar	99.28%
Vietnam	99.68%

\*Based on:

1. AFTA-CEPT Packages from the ASEAN Secretariat website
2. Okabe, M. and S. Urata (2012), *The Impact of Trade Liberalization in ASEAN on Intra-ASEAN Trade flows* (mimeo)



# ATIGA sets out the NTM agenda....



- **Chapter 4 on NTMs** underlines commitment to:
  - Not adopt or maintain any prohibition or quantitative restriction, except in accordance with their WTO rights and obligations
  - Ensure that NTMs are transparent and do not create unnecessary trade obstacles
  - Notify and provide opportunity for prior discussions with other Member States
  - Establish an NTM database
- **Chapter 7 on Standards, Technical Regulations, and Conformity Assessment Procedures (STRACAP)** and **Chapter 8 on Sanitary and Phyto-Sanitary Measures (SPS)** have explicit objectives to these measures do not create obstacles to trade

## **ASEAN trade facilitation is also targeted at addressing NTMs....**

- **ASEAN Trade Facilitation Framework (ATFF) adopted by ASEAN Economic Ministers in 2016** supports the goal of a competitive, efficient and seamless movement of goods within the region

- Objectives
- Principles
- Institutional Arrangement

**Objective 2:** To minimize the impact of NTMs and achieve the elimination of NTBs, fostering an effective and responsive regional approach to efficiently address NTMs with a view to pursuing legitimate policy objectives while reducing cost and time of doing business in ASEAN

**Several initiatives to address NTBs/NTMs are inscribed in ATIGA and relevant mandates...**

- **Increasing transparency through notification, publication, and accessibility of information**
- **Private-sector orientation**
  - **Platform to raise NTM issues/complaints**
  - **Regular consultations on private sector interests**
- **Mainstreaming of Good Regulatory Practice (GRP)**

## Transparency through notification....

- **ATIGA Article 11 on Notification** commits AMS to notify **changes and amendments to Annex I (List of Notifiable Measures)**
  - Tariffs; Quotas; Surcharges; QRs; Other NTMs; Customs valuation; ROO; STRACAP; SPS Measures; Export taxes Licensing Procedures (imports and exports); Foreign exchange controls (imports and exports); Application of AHTN beyond 8-digit level
  - Notification to SEOM and ASEC at least sixty (60) days before an action or measure is to take effect
  - Notification requirement: (a) Description; (b) Rationale; and (c) Implementation date and duration
  - AMS to provide adequate opportunity for prior discussion with concerned AMS

# Transparency through publication and accessibility of information...



## TRAINS: Non-Tariff Measures (NTMs) based on official regulations

Over the years, multilateral trade negotiations have helped to substantially reduce tariff rates. Non-tariff measures (NTMs) cover sanitary and phyto-sanitary standards (SPS), technical barriers to trade (TBT), import and export licensing, export restrictions, customs surcharges, anti-dumping and safeguard measures, among others. While tariffs have been reduced, the number of NTMs is increasing and is often blamed to be a source of the lack of integration in ASEAN. However, unlike tariffs, NTMs could play a role of check and balance for the quality of goods. In spite of their growing importance in regulating trade, the exact impact of NTMs on trade flows is not very well understood. There is an urgent need to develop a better understanding and transparency of existing NTMs.

The Economic Research Institute for ASEAN and East Asia (ERIA) and UNCTAD collected and classified NTMs in the 10 ASEAN countries (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam). We worked on all regulations and official documents including international conventions adopted by countries which were in effect by January 2015. The project consists of two phases: NTM data collection (the data were released in January 2016) and country report (April 2016) and data analyses on how NTMs will affect trade in the region (January 2017). The project aims to (i) collect, validate, and store NTM data from official sources; (ii) improve the general understanding of these measures and their impact on world trade; and (iii) provide insights on NTMs in 10 countries.

The project is led by Lili Yan Ing (ERIA) and Santiago Fernandez de Cordoba (UNCTAD). The core team consists of Michelle Ayu Chinta Kristy, Rizqy Anandhika, Chi Le Ngo, Maxim Gubarev, Fabien Dumesnil, and Denise Penello Rial. The project is advanced by supervision and comments from Shujiro Urata (ERIA), Ralf Peters (UNCTAD), Olivier Cadot (Lausanne University), Ponciano Intal Jr. (ERIA), and Guillermo Valles Galmez (UNCTAD).

The project also significantly benefited from the supervision and support of ASEAN Senior Economic officials and government officials at in line ministries and agencies working on NTMs, particularly Rebecca Fatimah (MITI Malaysia), Sulaimah Mahmood (MITI Singapore), Donna Gultom (MOT Indonesia), Phuong Van Hoang (MIT Vietnam), Mark Ng (MITI Singapore). Along the way of conducting the project, we presented the initial work at the ASEAN's Senior Economic Officials Meeting in August 2015 and the preliminary findings at ASEAN's High Level Task Force in January 2016 and East Asian Senior Officials Meeting in April 2016. ERIA and UNCTAD sincerely thank the 10 ASEAN governments for their intellectual and financial contribution and kind co-operation to succeed the project. ASEAN has successfully led in improving transparency of NTMs. UNCTAD acknowledges financial support for its NTM programme (partners and donors) including the "NTM data collection for TPP countries" project supported by GRIPS. The research fund for the "Non-Tariff Measures in ASEAN" project provided by ERIA (RA-001-001-406) is gratefully acknowledged.

The successful work would not have been possible without the invaluable work of the ASEAN national teams consisting of the following economists and government officials:

Choose one of the following options:



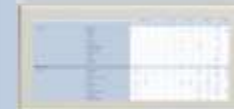
### TABLES by PRODUCTS

- Look at the incidence of NTMs by HS sections and chapters, and by country imposing the measure.
- See individual measures by simply clicking on any number in the tables!
- This option does not allow a selection of products.



### TABLES by MEASURE

- Look at the incidence of NTMs by country imposing the measure.
- This option does not allow a selection of products.



### TABLES by COUNTRIES

- Look at the incidence of NTMs by country and geographical regions.
- See individual measures by simply clicking on any number in the tables!



### DETAILED QUERY

- Select any combination of the five criteria: type of NTM, dates, country imposing, country affected, and product. Get tabular listing of NTMs.
- Drill down for additional details.
- Export summary and detailed NTM information.



### ANALYSIS

- You can see and select stocks or flows of Non-Tariff Measures (NTMs), by type of measure.
- See individual measures by simply clicking on any bar in the graphs!
- This option does not allow the selection of country or product affected.

### QUICK SEARCH

Country imposing

Partner affected

Product affected

### ABOUT

- [How To](#)
- [Available Countries](#)
- [Map of the Application](#)
- [Classification used in the application](#)
- [Disclaimer](#)

### WHAT IS AVAILABLE NOW

- NTM data for the 10 ASEAN countries
- Brunei Darussalam
- Cambodia
- Indonesia
- Laos
- Malaysia
- Myanmar
- Philippines
- Singapore
- Thailand
- Vietnam

# Transparency through publication and accessibility of information...


- **ASEAN Trade Repository (ATR)** is a single point of access to the **National Trade Repositories (NTRs)** that provide and maintain the national-level trade-related information
- Information is searchable by '*topic*' and by '*country*'



# Internal consultations on actual NTM issues raised....

- ATIGA also provides formal mechanisms to hear and resolve trade complaints – both through the **Matrix of actual Cases** and **ASEAN Solutions on Services, Investment, and Trade (ASSIST)**

RESTRICTED




THE COORDINATING COMMITTEE ON THE IMPLEMENTATION OF THE ATIGA  
SUBMISSION FORM FOR CASES OF THE 'MATRIX OF ACTUAL CASES'  
ON TRADE BARRIERS

CASE REFERENCE ID (For Secretariat's use) C XXXX	REPORTING COUNTRY	INVOLVING COUNTRY
DATE OF REPORT SUBMISSION	HS CODE AND PRODUCT DESCRIPTION (where applicable)	
DESCRIPTION OF TRADE BARRIER FACED <i>Please provide a description of the situation</i>		
REFERENCE TO ATIGA PROVISION <i>Please provide a reference to the ATIGA provision to support your case, where applicable</i>		
LIST OF SUPPORTING DOCUMENTS PROVIDED (where applicable)		



# Platform to raise NTMs faced by business....



ASSIST  
ASEAN Solutions for Investments, Services and Trade

[WELCOME TO ASSIST](#) [WHAT IS ASSIST?](#) [FILE A COMPLAINT](#) [FOLLOW A COMPLAINT](#) [PROCESS](#) [FAQ](#) [CONTACT](#)

## Welcome to ASSIST

The ASEAN Solutions for Investments, Services and Trade (ASSIST) is a non-binding and consultative mechanism for the expedited and effective solution of operational problems encountered by ASEAN-based enterprises on cross-border issues related to the implementation of ASEAN economic agreements and within the framework of the ASEAN Economic Community (AEC) launched in 2015. ASSIST is fully internet based and free of charge.

services and investment issues (likely in early 2017).  
Take advantage of this important ASEAN trade facilitation tool!


**ASSIST** ASEAN Solutions for Investments, Services and Trade

*Are you an ASEAN ENTERPRISE with a complaint within the ASEAN?*


**FILE YOUR COMPLAINT**

The ASSIST mechanism was established to implement the ASEAN Consultations to Solve Trade and Investment Issues (ACT) mandated under the ASEAN Trade in Goods Agreement (ATIGA) and it is loosely based on the European Union's SOLVIT system. ASSIST reaffirms the consultative and non-binding characteristics of the ACT, while modernising its structure and enabling the mechanism to operate in a more effective and efficient manner.


The ASEAN Solutions for Investments, Services and Trade (ASSIST) is a non-binding and consultative mechanism for the expedited and effective solution of operational problems encountered by ASEAN-based enterprises on intra-ASEAN cross-border issues. ASSIST is fully internet based and free of charge [\[What is ASSIST?\]](#)




ASSOCIATION OF SOUTHEAST ASIAN NATIONS




Brunei Darussalam




Cambodia




Indonesia




Lao PDR




Malaysia




Myanmar




Philippines



Singapore



Thailand



Vietnam

[assist.asean.org](http://assist.asean.org)



## Regular consultations on private sector interests....



## **Mainstream GRP to guide the design, implementation, and review of NTMs....**

- **ASEAN GRP Guide (2009)** set out three elements, including transparency of non-tariff measures and removal of trade barriers
- **ASEAN Work Plan on GRP 2016-2025**
  - Framework for the development and implementation of well-designed regulatory policies
  - Improve process by which individual ASEAN members conceptualize, evaluate, consult, approve, and implement regulations.

**Thank you...**