



**Asia-Pacific  
Economic Cooperation**

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2021/CTI/TPD2/002

## **Non-Tariff Measures, SDGs, RTAs and Way Forward**

Submitted by: UNESCAP



**Trade Policy Dialogue on Understanding  
Non-Tariff Measures on Agriculture,  
Forestry and Fisheries Sectors to Enhance  
Trade to Improve Rural Development and  
Poverty Alleviation in the Asia Pacific  
Region**

**13 August 2021**

APEC Virtual Trade Policy Dialogue (TPD) on Understanding Non-Tariff Measures on Agriculture, Forestry and Fisheries Sectors to Enhance Trade to Improve Rural Development and Poverty Alleviation in the Asia Pacific Region

# Non-Tariff Measures, SDGs, RTAs and Way Forward

*13 August 2021*

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UNITED NATIONS  
**ESCAP**  
Economic and Social Commission for Asia and the Pacific



# Presentation Overview

- Introduction to NTMs
  - Link to sustainable development
- RTAs and NTM related provisions
- Way forward
  - Digital trade facilitation essential to lowering the cost of NTMs



# What are NTMs?

**Non-tariff measures (NTMs) are policy measures other than tariffs that can potentially have an economic effect on international trade in goods.**

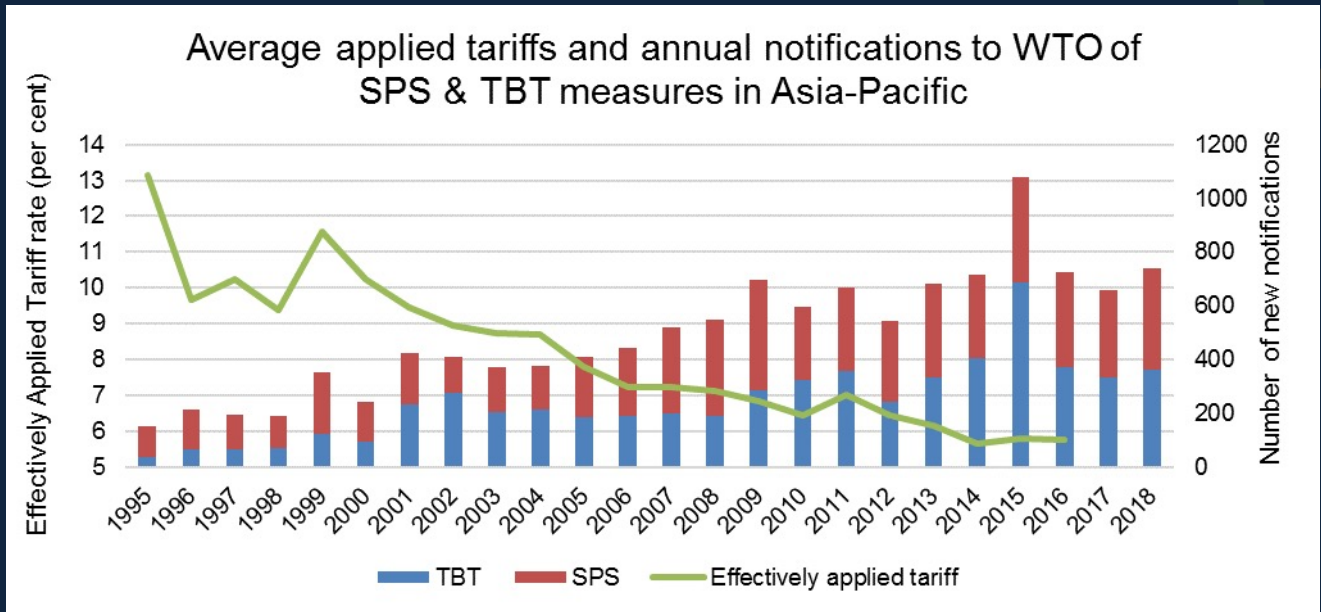
- include **technical measures** (such as SPS measures), as well **non-technical measures** (licensing, price controls, etc).

## International Classification of Non-Tariff

<b>Imports</b>	<b>Technical measures</b>	<b>A</b> SANITARY AND PHYTOSANITARY MEASURES <b>B</b> TECHNICAL BARRIERS TO TRADE <b>C</b> PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES
	<b>Non technical measures</b>	<b>D</b> CONTINGENT TRADE-PROTECTIVE MEASURES <b>E</b> NON-AUTOMATIC LICENSING, QUOTAS, PROHIBITIONS AND QUANTITY-CONTROL MEASURES OTHER THAN FOR SPS OR TBT REASONS <b>F</b> PRICE-CONTROL MEASURES, INCLUDING ADDITIONAL TAXES AND CHARGES <b>G</b> FINANCE MEASURES <b>H</b> MEASURES AFFECTING COMPETITION <b>I</b> TRADE-RELATED INVESTMENT MEASURES <b>J</b> DISTRIBUTION RESTRICTIONS <b>K</b> RESTRICTIONS ON POST-SALES SERVICES <b>L</b> SUBSIDIES (EXCLUDING EXPORT SUBSIDIES UNDER P7) <b>M</b> GOVERNMENT PROCUREMENT RESTRICTIONS <b>N</b> INTELLECTUAL PROPERTY <b>O</b> RULES OF ORIGIN
	<b>Exports</b>	<b>P</b> EXPORT-RELATED MEASURES

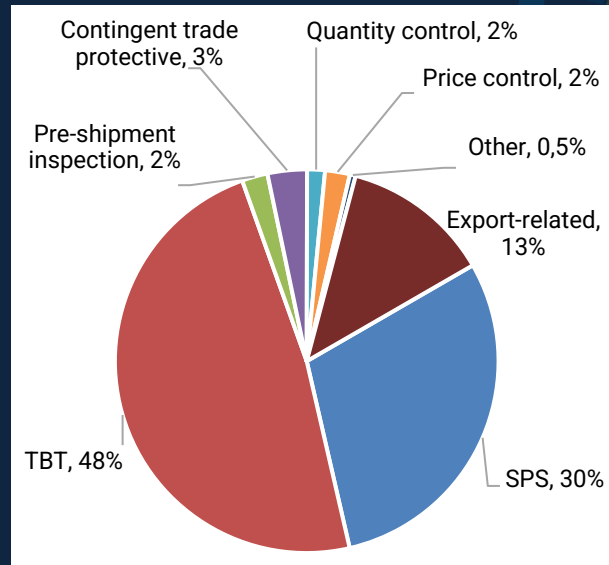


# Declining (ordinary) tariffs & increasing notifications of new NTMs



# NTMs in Asia-Pacific

- More than 25,000 out of 80,000 measures in UNCTAD 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



# Linking SDGs to NTMs

- The 2030 Agenda for Sustainable Development recognizes international trade as an engine for inclusive economic growth and poverty reduction, and an important enabler to achieve SDGs.
- Trade is strongly linked to the Goals related to health and safety, the environment and climate, public security and peace.
- **NTMs can directly contribute to sustainable development as policy instruments, or they can indirectly affect sustainable development through their impact on trade and investment.**





## Example: Alcohol-related NTMs

### SDG3. Ensure healthy lives and promote well-being for all at all ages

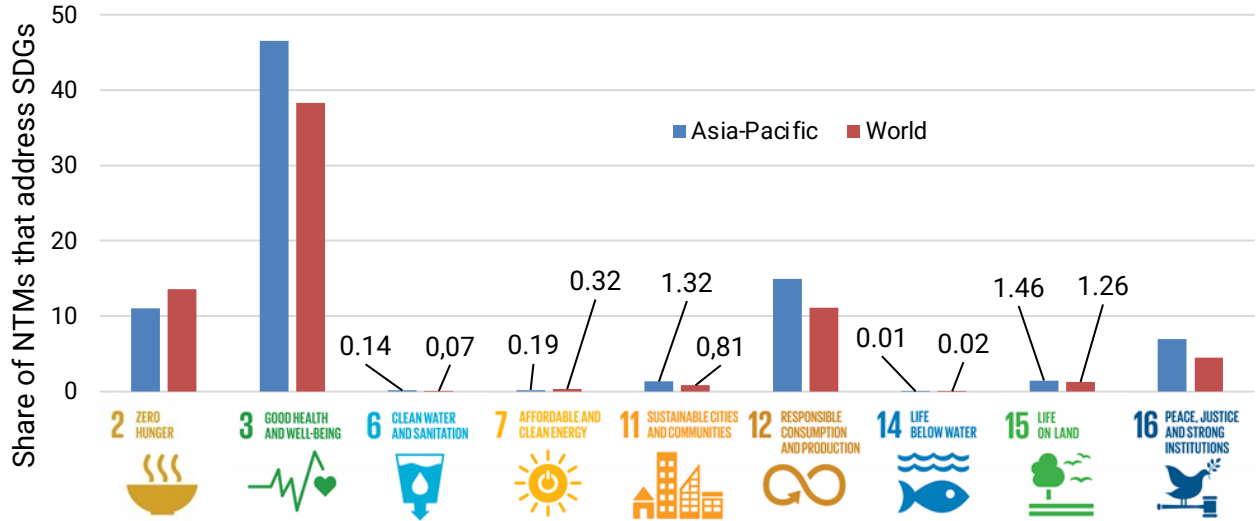
- **Target 3.5** Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol
  - **Indicator 3.5.2** Harmful use of alcohol, defined according to the national context as alcohol per capita consumption (aged 15 years and older) within a calendar year in litres of pure alcohol





# Linking SDGs to NTMs

Distribution of NTMs that directly address SDGs



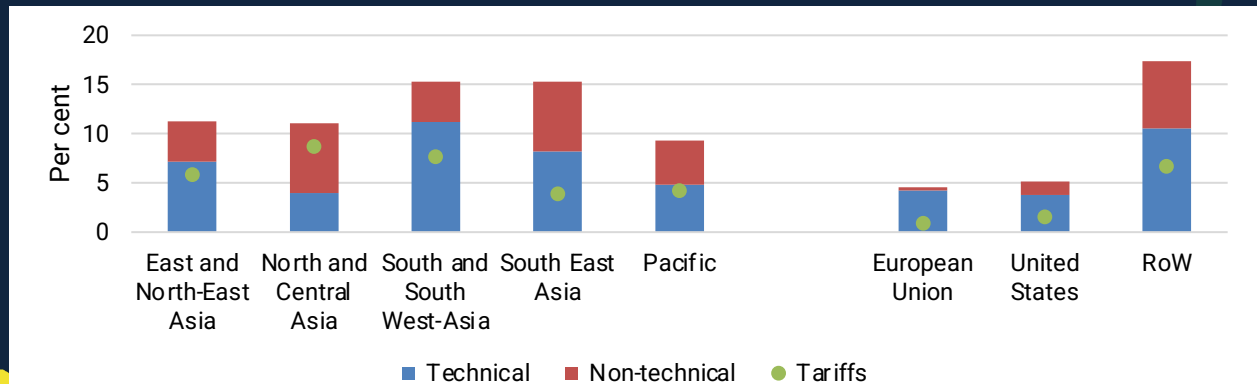
e.g. regulation of medicines, food safety, technical regulations on vehicle safety, and regulations on trade, and packaging of alcohol and tobacco products.

e.g. regulation arising from international agreements such as the Montreal Protocol (ozone layer).



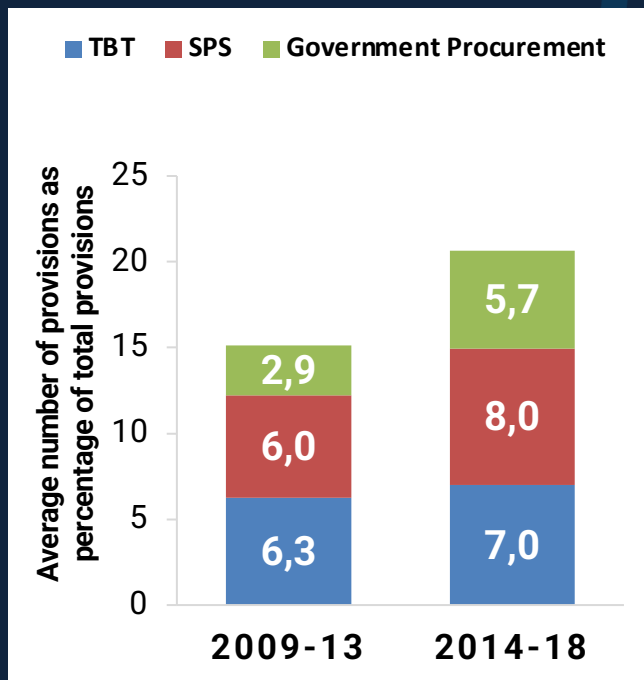
# Ad Valorem Equivalents (AVEs) of NTMs

- **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

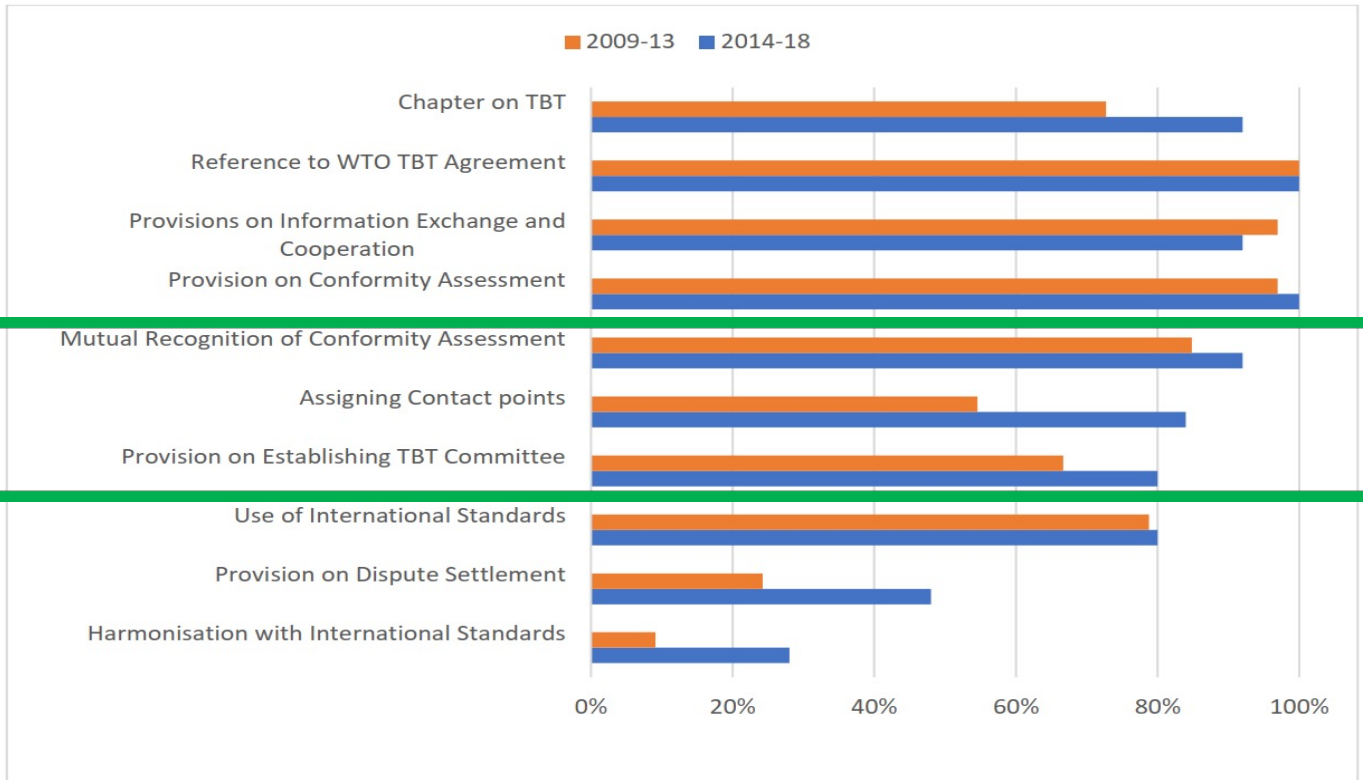


# Regional efforts to coordinate and streamline NTMs can accomplish more

- 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.

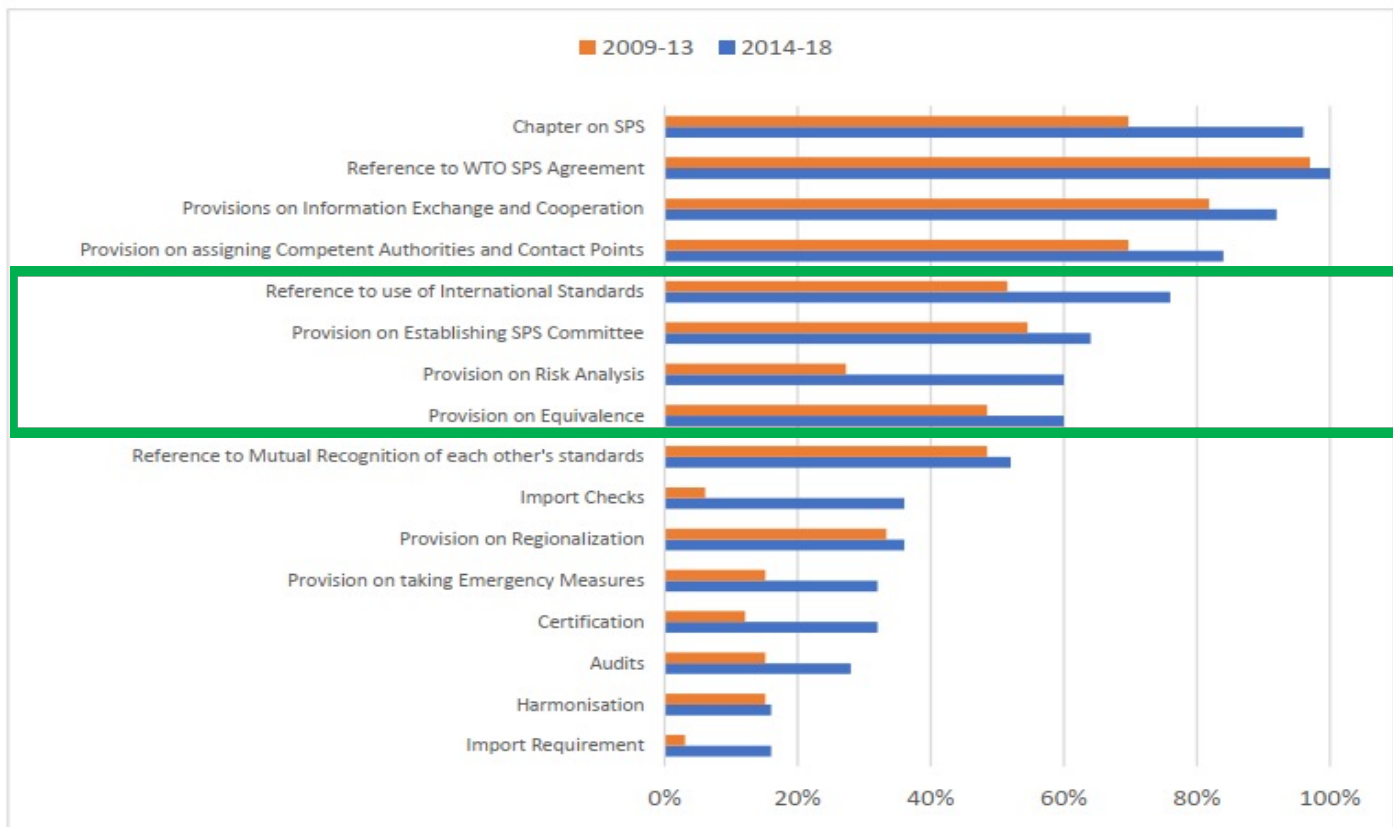


**Figure 2 – Technical Barriers to Trade provisions in RTAs of Asia-Pacific economies**



Source: Trivedi, Duval, Bajt and Yoo (2019)

**Figure 3 - Sanitary and Phytosanitary provisions in RTAs of Asia-Pacific economies**



Source: Trivedi, Duval, Bajt and Yoo (2019)

# Example: Georgia & EU

- **Deep and Comprehensive Free Trade Area (DCFTA), since 1 July 2016**
- Part of the Agreement required Georgia to adopt legislation in line with that of the EU
- Before DCFTA SPS regulation was mostly lacking
- This “approximation process” involved adoption of 366 separate acts of legislation, of which 97 concerned food safety, 183 were veterinary and 86 were phytosanitary
- Between 2016 and 2018 Georgia’s total exports have increased by 28 and 59 per cent to the European Union and the world, respectively.

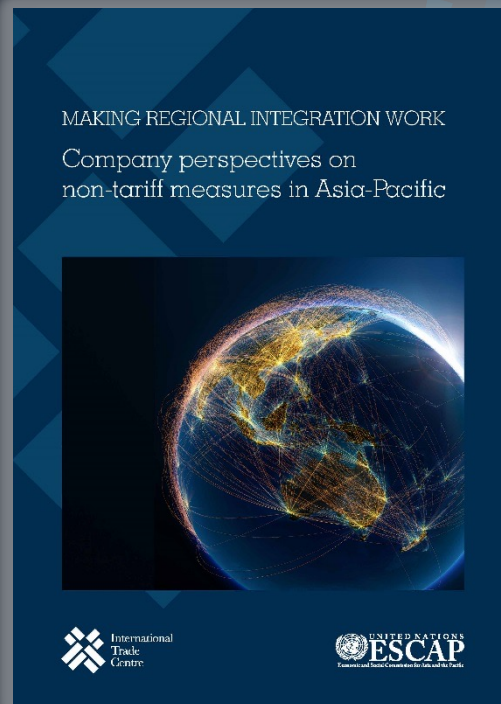


# ESCAP-ITC joint report, “Company perspectives on non-tariff measures in Asia-Pacific”

- 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: 80% of export partner NTMs and 90% of domestic NTMs found to be problematic because of them.

<https://www.unescap.org/resources/company-perspectives-non-tariff-measures-asia-pacific>

(or just Google: “Company perspectives on non-tariff measures in Asia-Pacific”)



# Way Forward

## Streamlining NTMs at the domestic level

- **Sustainability impact assessments of new and existing NTMs** should be systematically conducted.
- **Transparency in NTMs taken – NTM and related procedures to be made easily available**, e.g. through national trade portal

## Trade facilitation as the key to reducing the cost of NTMs

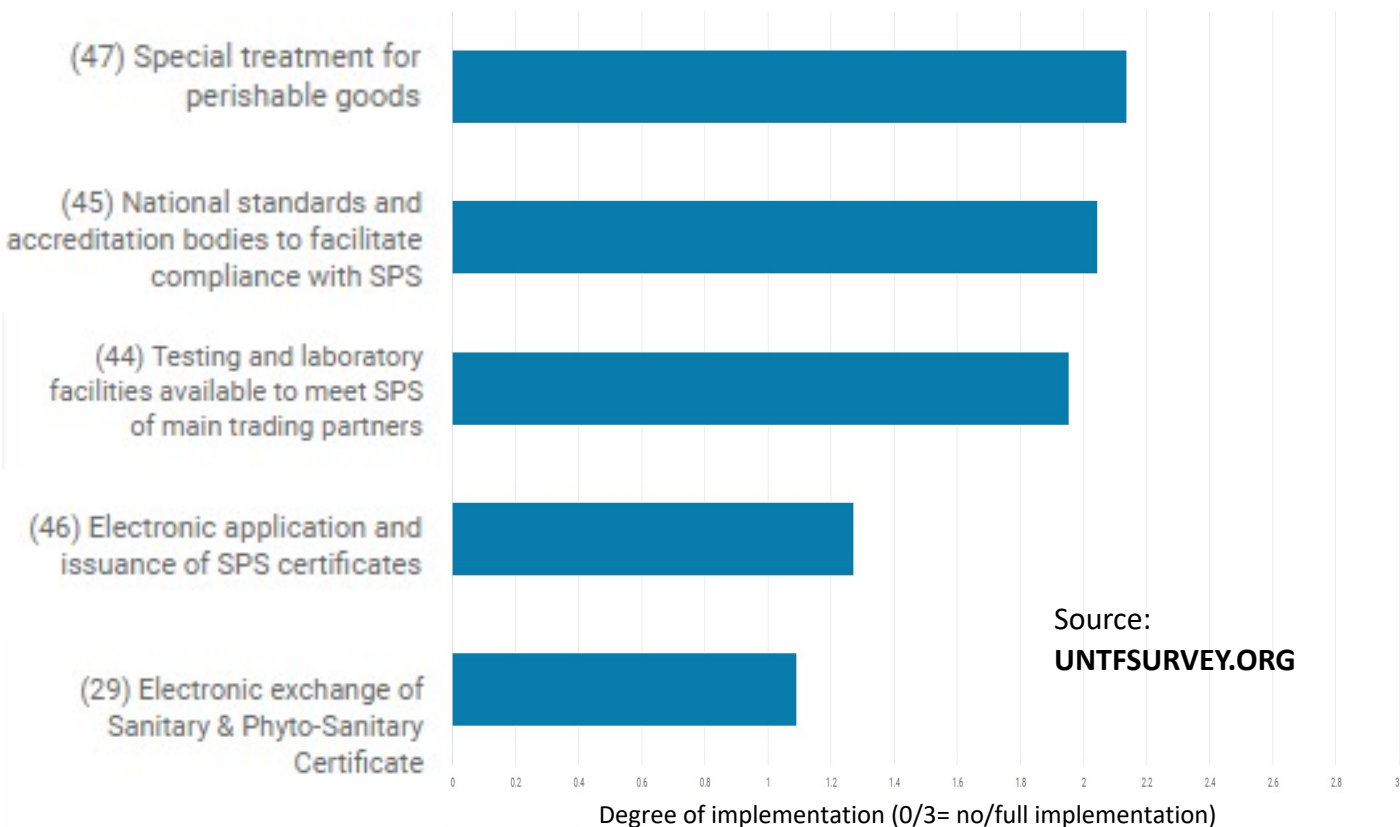
- Effectively addressing procedural obstacles for NTMs will require a broader WTO TFA+ approach.
  - **Digitalization of NTM-related procedures**, such as issuing and exchanging certificates of origin electronically.
  - More inclusive and **sector specific TF measures**.
  - **Development of the quality infrastructure**, supported by mutual recognition of standards and accreditation.





# UN Global Digital & Sustainable Trade Facilitation Survey Results 2021

## Implementation of Agri TF measures (South + SouthEast Asia)



# 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>



# Conclusion & Key Messages

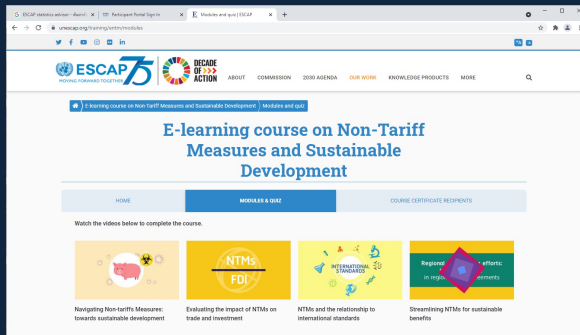
- **NTMs are not inherently good or bad** – they add to trade costs, but can be important instruments in achieving SDGs, and can even promote trade.
- Trade costs of NTMs more than double ordinary customs tariffs.
- **To protect health, safety and the environment, NTMs need to be coordinated or harmonized rather than eliminated**
  - RTAs can be used to support this work
- Digitalization of NTM-related procedures could significantly reduce compliance costs



# THANK YOU

## To learn more:

Online (free) self-paced course on NTMs for Sustainable Development



The screenshot shows the ESCAP website with the following content:

- Header: ESCAP MOVING FORWARD TOGETHER, DECADE OF ACTION, ABOUT, COMMISSION, 2020 AGENDA, OUR WORK, KNOWLEDGE PRODUCTS, MORE.
- Navigation: HOME, MODULES & QUIZ, COURSE CERTIFICATE RECIPES.
- Section: Watch the videos below to complete the course.
- Four video thumbnails:
  - 1. Navigating Non-tariffs Measures towards sustainable development.
  - 2. Evaluating the impact of NTMs on trade and investment.
  - 3. NTMs and the relationship to international standards.
  - 4. Streamlining NTMs for sustainable benefits.

<https://www.unescap.org/training/entm>

[forthcoming] Online (free) self-paced UN course on negotiating RTAs for trade in times of crisis and pandemic



The screenshot shows the ESCAP website with the following content:

- Header: ESCAP MOVING FORWARD TOGETHER, DECADE OF ACTION, ABOUT, COMMISSION, 2020 AGENDA, OUR WORK, KNOWLEDGE PRODUCTS, MORE.
- Section: Knowledge products.
- Diagram: A circular diagram showing ESCAP at the center, surrounded by regional commissions (ECLAC, ESCAP, ESCWA, EUSA, SCA) and the United Nations.
- Section: Initiative on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements.
- Date: 13 May 2020.
- Contact: Trade, Investment and Innovation Division, +86 2 288-1234, unescap@un.org.
- Text: Following the soft of ad-hoc trade measures taken by countries in response to the COVID-19 crisis, the United Nations ESCAP secretariat conducted a rapid review of bilateral and regional trade agreement (RTA) texts to see if they provided any guidance on what partners should do to ensure minimal disruption to trade and supply chains in such crises. As expected, RTAs include clauses in order to permit exception to the agreements in time of emergencies, but for the most part they do not feature provisions that could help deal with trade disruption in emergency or crisis situations. To address this gap and in support of "building back better" after COVID-19, the initiative aims to develop model provisions to promote more trade cooperation and predictability in times of crisis and pandemic – and speed up recovery.
- Text: This United Nations Initiative, coordinated by ESCAP is implemented jointly by UNCTAD and the United Nations Regional Commissions (ECA, ECLAC, ESCAP, ESCWA and UNESD) in cooperation with WTO, OITs and several other organizations from civil society, academia, and the private sector. A Crisis Impact Group has been established to guide the initiative and

<https://www.unescap.org/resources/initiative-model-provisions-trade-times-crisis-and-pandemic-regional-and-other-trade>

Also visit TINA, ESCAP's Trade Intelligence Negotiation Advisor at [tina.trade](https://tina.trade)



# THANK YOU

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# NTMs and COVID-19

COVID-19 trade-related policies implemented by Asia-Pacific economies, by product targeted (October 2020)

