

Chapter 1

Introduction

November 2016

This chapter should be cited as

ERIA (2016), 'Introduction', in Scoles, S.D (ed.), *Harmonization of Standards and Mutual Recognition Agreements on Conformity Assessment in Indonesia, Malaysia, Thailand, and Viet Nam*. ERIA Research Project Report 2015-14, Available at: http://www.eria.org/RPR_FY2015_No.15_Chapter_1.pdf, p.1.

1. Introduction

Standards serve an important function in facilitating international trade as these promote interoperability and ensure product safety. However, overly burdensome measures can increase the cost of trade and reduce competition. Overly burdensome measures can become technical barriers to trade (TBTs) especially when domestic regulators impose mandatory technical regulations or voluntary standards that define specific characteristics and production methods of a product. By extension, conformity assessment procedures – encompassing product testing, inspection, and certification activities to check whether a product complies with these requirements – also represent a TBT.

The significance of TBTs has increased considerably as tariff barriers gradually decline by way of free trade agreements or through unilateral reductions in most-favoured nation tariff rates, which lead governments to introduce regulatory requirements to alter the terms of trade in favour of domestic producers. While TBTs may fulfil a legitimate public policy objective – such as protecting human health and safety or the environment, adjusting products and production processes, and completing conformity assessment procedures to comply with requirements in different markets – these can create challenges and raise certain issues for exporters with limited resources. This situation may increase costs and restrict market access to the detriment of the goals of promoting trade.

Eliminating TBTs and harmonising standards can enhance trade competitiveness, promote market access, and decrease unnecessary trade costs. This effort is imperative for members of the Association of Southeast Asian Nations (ASEAN) to achieve a single market and production base as envisioned under the ASEAN Economic Community (AEC) Blueprint by 31 December 2015. Following its implementation, ASEAN expects simple, harmonised, and streamlined trade and customs documentation and procedures that will facilitate trade in the region. On standards and conformance, ASEAN acknowledges in the AEC Blueprint that ‘systems of standards, quality assurance, accreditation, and measurement are crucial to promote greater efficiency and enhance cost effectiveness of production of intra-regional imports/exports.’

This paper examines the basis of developments surrounding the ASEAN standards and conformance efforts, focusing on the following six sectors: (i) automotive, (ii) cosmetics, (iii) electrical and electronic equipment, (iv) medical devices, (v) rubber-based products, and (vi) wood-based products. This paper also reviews the implementation of such ASEAN initiatives in four selected ASEAN member states – Indonesia, Malaysia, Thailand, and Viet Nam – and identifies public support measures and capacity-building initiatives that the ASEAN or specific member states have received from third parties, including the European Union, the United States (US), Australia, New Zealand, and Germany. Lastly, this paper provides recommendations on where ASEAN could target its efforts to advance its standards and conformance regime in order to meet the commitments set forth in the 2015 AEC Blueprint and the post-2015 AEC agenda.