Non-Tariff Measures in ASEAN

Lili Yan Ing
While tariffs have been reduced, the number of non-tariff measures (NTMs) is increasing, and is often blamed to be a source of the lack of integration in ASEAN.

…unlike tariffs, NTMs could play a role of check and balance for the quality of goods.
2. Findings: Tariffs and NTMs in ASEAN

Source: Ing, Cadot, Anandhika and Urata, based on 2016 ASEAN-ERIA-UNCTAD NTM database, *Non-Tariff Measures in ASEAN, 2016*
## 2. Findings: NTMs in ASEAN

A country with a relatively higher number of measures does not mean it is relatively more protectionist than others

<table>
<thead>
<tr>
<th>Country</th>
<th>Total (number)</th>
<th>SPS (%)</th>
<th>TBT (%)</th>
<th>Export related measures (%)</th>
<th>Others (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei</td>
<td>516</td>
<td>31</td>
<td>56</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Cambodia</td>
<td>243</td>
<td>15</td>
<td>50</td>
<td>29</td>
<td>7</td>
</tr>
<tr>
<td>Indonesia</td>
<td>638</td>
<td>20</td>
<td>51</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>301</td>
<td>13</td>
<td>30</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>Malaysia</td>
<td>713</td>
<td>36</td>
<td>47</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Myanmar</td>
<td>172</td>
<td>44</td>
<td>24</td>
<td>20</td>
<td>12</td>
</tr>
<tr>
<td>Philippines</td>
<td>854</td>
<td>27</td>
<td>42</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>Singapore</td>
<td>529</td>
<td>24</td>
<td>59</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Thailand</td>
<td>1630</td>
<td>48</td>
<td>34</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>379</td>
<td>37</td>
<td>37</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total / average</strong></td>
<td><strong>5975</strong></td>
<td><strong>29</strong></td>
<td><strong>43</strong></td>
<td><strong>16</strong></td>
<td><strong>12</strong></td>
</tr>
</tbody>
</table>

Source: Ing, Cadot, Anandhika and Urata, based on 2016 ASEAN-ERIA-UNCTAD NTM database, *Non-Tariff Measures in ASEAN, 2016*
2. Findings

Does this mean that all NTMs are benign?

Many regulations are poorly designed, failing to protect the public while unnecessarily complicating business, because:

1. Transparency. There is limited information about NTMs.

2. Institution. The governments know little about incentives and even less about how to design market-based regulations, confusing effective with cumbersome.

3. Coordination mechanism. NTMs typically span the competencies of several ministries, with no coordination mechanisms to make the necessary trade-offs.
3. Conclusions

We aim to have transparent and good quality NTMs that could serve as a tool of check and balance for the quality of goods: for health, safety, and environmental protection.

ASEAN should go beyond the ‘trade negotiation’ approach and strive for three approaches:

1. Transparency and better regulations
2. Cooperation in Conformity Assessment Procedures (CAP) and NTM harmonization
3. Dynamic disciplines
4. ASEAN’s Initiative (1): National Economic Council

NEC has a mandate from the president/prime minister. It consists of Ministries and high level government officials and is supported by a technical secretariat.

Source: Ing, Cadot, Anandhika and Urata, based on 2016 ASEAN-ERIA-UNCTAD database, Non Tariff Measures in ASEAN (2016)
### 4. ASEAN’s Initiative (2): Transparent NTMs and regular review

**ASEAN Leader Summit 2016**

NTM Database, [asean.i-tip.org](http://asean.i-tip.org) can be a foundation of national trade repository and an output of ASEAN Summit.

<table>
<thead>
<tr>
<th>Member imposing</th>
<th>Partner affected</th>
<th>Category</th>
<th>Measuredescription</th>
<th>Also domestic</th>
<th>Product description</th>
<th>HS</th>
<th>Source</th>
<th>National legal basis</th>
<th>In force</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>HS Code</th>
<th>Product description</th>
<th>TBT</th>
<th>SPS</th>
<th>INSP</th>
<th>CTPM</th>
<th>QC</th>
<th>PC</th>
<th>EXP</th>
<th>OTH</th>
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<tbody>
<tr>
<td>6206</td>
<td>Women’s or girls' blouses, shirts and shirt-blouses.</td>
<td>36</td>
<td>17</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td>34</td>
<td>1</td>
</tr>
<tr>
<td>620610</td>
<td>- Of silk or silk waste</td>
<td>15</td>
<td>4</td>
<td></td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>620620</td>
<td>- Of wool or fine animal hair</td>
<td>32</td>
<td>17</td>
<td>2</td>
<td>5</td>
<td>34</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>620630</td>
<td>- Of cotton</td>
<td>15</td>
<td>4</td>
<td></td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>620640</td>
<td>- Of man-made fibres</td>
<td>11</td>
<td>2</td>
<td></td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>620690</td>
<td>- Of other textile materials</td>
<td>10</td>
<td>2</td>
<td></td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Non-Tariff Measures in ASEAN and East Asia

NTM database: asean.i-tip.org

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A.1. How much do we know about trade cost?

The structure of trade costs

- MFN tariff rates
- PTA tariff rates
- Transport and logistics costs
- Border clearance costs
- Costs of compliance with RoOs
- Non-tariff measures

Source: Cadot and Ing, 2015
1. Introduction

National team of ASEAN countries (economists and government officials) – ERIA–UNCTAD

Objectives:
1. To upgrade the ASEAN 2009 database and update it regularly
2. To provide insights on NTMs and take necessary policy actions to maintain a conducive trade environment

Project Outputs
1. Phase I: Database (Jan 2016) and Country Report (Apr 2016)
2. Phase II: Analyses on NTMs in ASEAN (Jan 2017)
The main value added of 2016 ASEAN NTM database:

1. Cover all regulations including all international conventions that have been in effect by January 2015
2. Use the national tariff lines (up to 8 digit level for most of ASEAN countries, and can be up to HS 9- or 10-digit level for a number of countries)
3. Use the MAST-Classification February 2012, which makes the data internationally comparable.
4. The work is conducted by national experts (local think tanks) in collaboration with government officials
A.2. ASEAN-ERIA-UNCTAD Team

Project Coordinators:
Lili Yan Ing (ERIA) and Santiago de Cordoba (UNCTAD)

Output 1. NTM Database (January 2016) and Country Report (April 2016)
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4. Indonesia: Wijaya Kusuma University (Ernawati Munadi)
5. Malaysia: University of Malaya (Evelyn Devadason)
6. Myanmar: Yangon Institute of Economics (Daw Zin Zin Naing)
7. Philippines: CATIF, University of Philippines (Loreli deDios)
8. Singapore: SIIA (Hank Lim)
9. Thailand: TDRI (Chedtha Intaravitak)
10. Vietnam: CIEM (Anh Duong)

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