Chapter **7**

Reform to Improve Transparency and Streamline NTMs in the ASEAN-5

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1. Introduction

In the Association of South East Asia Nations (ASEAN), improving transparency of non-tariff measures (NTMs) is mandated by the ASEAN Trade in Goods Agreement (ATIGA). The ATIGA, signed in February of 2009, contains specific articles on NTM transparency (Article 41). The Agreement states that 'Member States shall ensure the transparency of their NTMs and notify new or changes to existing NTMs'. According to the World Bank toolkit on Streamlining NTMs (2012), transparency is a necessary condition to achieve a broader policy objective of NTM streamlining. This chapter intends to collect, synthesise, and analyse the experience of five ASEAN Member States (AMS) – Indonesia, Malaysia, the Philippines, Singapore, and Thailand – in their efforts to make NTMs more transparent and streamline NTMs. The objective of this exercise is to draw common lessons, which should lead to policy recommendations particularly at national level.

Section 2 explains country's experiences in improving transparency and streamlining NTMs. Section 3 describes good practices and lessons learnt for other developing countries. Section 4 draws policy recommendations.

2. Improving Transparency of and Streamlining NTMs in the ASEAN-5

2.1. Indonesia

Within the framework of the ASEAN Single Window declared to be implemented in 2010[1], the Indonesian government has taken an important step to enhance NTMs transparency and reform its trade regulations. The work has been slow, as coordinating and getting strong commitment from 18 government agencies relevant issuance NTMs related regulation and capacity to harmonise all NTMs related regulations take time. It took a year for the relevant government agencies to agree and list their trade-related regulations, then another year to put all documents in a standard format. Access to Indonesia's NTMs has been significantly improved since INSW authority made the regulations and database of Indonesian Import–Export Prohibition and Restriction Regulations (LARTAS database) available online (Cadot et al., 2012).

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[1] The ASEAN Member States finally agreed to implement the NSW in June 2012.

To strengthen the role of INSW, in 2014 Indonesian government created INSW portal administrator (PP–INSW) through the issuance of Presidential Regulation No. 76 year 2014 concerning the PP–INSW, a dedicated INSW authority with full time staff and clear job descriptions, structure, and fits overall Indonesian legal context. PP–INSW is a task force administratively under the Indonesia's Ministry of Finance. Its main task is to run a single national electronic service including licensing and non-licensing surveillance on import–export activities, customs and ports.

As an electronic system aims at improving export import activities and supervision through the integration of licensing between 18 Agencies relates to NTMs, INSW has been mandatorily implemented at 21 Offices of Customs and Excise (KPPBC) and currently serves over 92 percent of the total national export and import transactions. The system has served 20,000 exporter/importer and 200 shipping agencies.

By the end of 2016, the Indonesian government had further strengthened the INSW roles and institution by revising Government Regulation No. 76/2014. It is expected that the new generation of INSW will integrate business processes between Ministries/Agencies, from obtaining licensing to the realisation (flow of documents) as well as managing the movement of goods (flow of goods). Businesses will need to simply open INSW system to process their export and import activities.[2]

Technically, Indonesia is ready to integrate the INSW with the ASEAN Single Window (ASW). Together with Singapore and Thailand, Indonesia has successfully exchanged live data on e-Form D (Sembiring, 2016).

The Indonesia National Trade Repository (INTR) is contained in the e-governance component of the INSW website. The system emanates from Articles 12 and 13 of ATIGA and from Article X of the General Agreement on Tariffs and Trade (GATT)/World Trade Organisation (WTO), which provides a mandate for transparency of import, export, and transit regulations and requirements. The contents of the trade repository are stated in Article 13 of the Agreement, and are listed in Table 7.1 below. INTR provides ready access to all trade-related laws and regulations passed, promulgated, and enforced at the national level. INTR aims to provide transparency. It is based upon Indonesia's LARTAS system, and with several added trade facilitation features. The LARTAS system contains all restrictions and limitations to export from and import into Indonesia. It links HS codes to licenses, and is used by customs in the clearance of important shipments. It also provides information on tariffs, MFNs, preferential tariffs, non-tariff measures, and regulations related to each commodity.

The INTR is managed by the INSW, and it is the final legal source of trade regulations in Indonesia.[3] A preliminary review of Indonesia's INTR is provided in Table 7.1.

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[2] Currently businesses have to go to each government agency to obtain their import license, which involves 18 government agencies.
[3] Presidential Decree No. 35/2012 on the INSW

Table 7.1: Indonesian Trade Repository

Topic	Status	Notes
1) Tariff nomenclature 2) MFN tariffs, ASEAN preferential tariffs and preferential tariffs for other agreements	Under the authority and regularly updated by DG Customs.	Recently updated to BTKI 2017 by Customs. See 'HS code' button.
3) Rules of Origin	General rules of ATIGA and specific rules for each HS code, 40 percent ASEAN content or substantial transformation of HS code contained on INTR.	See 'rules of origin' button.
4) NTMs	INSW portal contains an excellent system for linking HS codes to required permits under LARTAS, including the Trade Simulation Application, which allows one to list all tariffs, permits, etc. needed for a given HS code. The NTMs classification used on LARTAS is not based on MAST Classification.	Must ensure timely updates from agencies so that customs can introduce changes in LARTAS on timely basis. See 'Lartas' button.
5) National Trade and Customs Laws and Rules 6) Procedures and Documentary Requirements	Content manager and format for notifying regulations on NTMs have been developed. NTMs from MOT are already in format via INATRADE; English translations are also available.	See 'Regulatory Repository' Button. There is list of 19 GAs involved on issuing trade permit. See the 'General Information, Laws and Regulations'.
7) Administrative Rulings	n.a.	Check customs website to see what is available
8) ASEAN Trade Facilitation Best Practices 9) Authorised Economic Operators	n.a.	Need agreements from ASEAN before deciding on content.

MFN = most-favoured nation; ASEAN = Association of South East Asia Nations; DG = Directorate General; BTKI = Indonesian Custom Tariff Book; HS = Harmonized System; ATIGA = ASEAN Trade in Goods Agreement; INTR = Indonesia National Trade Repository; NTMs = non-tariff measures; INSW = Indonesia National Single Window   LARTAS = Regulated goods; MAST = Multi-Agency Support Team; MOT = Ministry of Trade; INATRADE = Indonesia Electronic Trade License; GAs = Government Agencies; n.a. = not available.
Source: Updated from 'INSW website: Indonesia National Trade Repository,' accessed on 24 April 2017

Moreover, efforts to streamline NTMs in Indonesia visibly occurred in two different periods. The first effort was undertaken in 2012, championed by the Ministry of Trade, when a new decree on a Non-Tariff Measures Team (Tim KNT) was issued. It removes responsibility for reviewing NTMs from the unit that implements them, and equips the team with adequate capacity to conduct regulatory impact analysis. The Directorate of Foreign Trade's role remained implementing NTMs, while reviewing NTMs was carried out by 'technical unit' composed of staff from various units managed by the Trade Policy Research Unit. The standard operating procedure for reviewing NTMs has also been introduced (Cadot et al., 2012). Unfortunately, it was hampered by changes in leadership, which ultimately altered the Ministry's priorities programme.

The second NTMs streamlining effort was championed by the administration of President Joko Widodo that aims to maintain reform momentum and boost Indonesian economic growth. It involves a range of economic policy packages. From September 2015 to March 2018, 16 economic policy packages were released. The Presidential Instruction (Inpres) No. 12/2015 to enhance competitiveness of the industry was issued.

Of the published 17 economic policy packages, NTMs streamlining is the first step taken to enhance Indonesia's competitiveness and to set under the economic policy package I. It focused on removing regulatory, bureaucratic red tape and limitation through simplified non-tariff policies, amongst others, by (a) removing requirements of recommendation to obtain trade license, producer importer requirement, surveyor report requirement, and obligatory to obtain Indonesia National Certificate (SNI) for certain goods, (b) API as importer identity. In order to achieve this goal, a range of deregulation and bureaucracy policies are implemented (Ministry of Trade, 2016).

Deregulation is undertaken by (a) rationalising rules and removing duplication/redundancy/ irrelevant regulations, and (b) harmonising regulations, and (c) performing regulatory consistency. While 'debureaucratisation' is carried out by (a) simplifying licenses, for example, employer single identity/profile sharing, less license requirements, and (b) clear and firm SOP as well SLA for license mechanism and procedures, and establish a help desk and sustainable internal monitoring, (c) delegation of authority provided to PTSP (place, form, time, cost), (d) application of Risk Management that is in line within license processes, (e) services for license and non-license by way of electronic system.

The target set in the economic policy package I is to perform deregulation and 'debureaucratisation' towards 134 regulations, 32 of them (24 percent) are issued by Ministry of Trade (MoT) and are non-Tariff Measures-related regulations. In addressing such reform policy, MoT then established a Trade Deregulation Team through MOT Regulation No. 793/M-DAG/8/2015 on the Establishment of Trade Deregulation Team to evaluate all policies and regulations in trade sector. In addition, the Trade Minister regulates 121 export–import licenses, 74 licenses involve recommendations from 20 Ministries/Agencies (M/As). In this deregulation package, MoT removed and/or eliminated 38 licenses covering four types of Registered Exporter (ET) licenses, 21 types of Registered Importer (IT) licenses, and 13 types of Producer Importer licenses (Ministry of Trade, 2015).

Indonesia offers a model of transparency in the area of NTMs, and pioneered NTMs streamlining. Indonesian officials attribute this success to three main factors: (1) a 'strong leadership,' from President supported by Ministry of Finance and the Coordinating Ministry for Economic Affairs and strong commitment from other ministries; (2) an external deadline (ASEAN Single Window), reinforced by the presidential directive; and (3) identification of 'quick winners'.

Box 1: Case Study: Imports of Beef in Indonesia

The beef market became a big issue in Indonesia in early 2013 due to inflated beef prices. The beef retail price in early 2013 was USD 7.5 per kg compared to its 2009 price of only USD 5.2 per kg.

The daily *Kompas* on February 2013 also reported high beef prices in Jakarta. The Commissioner of the Business Competition Supervisory Commission (KPPU) claimed the high beef price was due to beef import quota, which has been in force since 2011.

Marks (2015) argues that the relative price of beef was 17.2 percent higher in Indonesia due to the restrictions, mostly NTMs policy, in effect. Up until October 2013 beef importers experienced difficulties importing to Indonesia, particularly importing of prime cuts. Under the Ministry of Trade regulation No. 22 year 2013, imports of animal and animal products:

(1) Can only be done by companies granted as Registered Importer (IT), after getting import approval from the Minister. A recommendation from the Ministry of Agriculture or Indonesia National Agency of Drug and Food Control (BPOM) is required to obtain import approval.

(2) Need to obtain certification (health certificate from country of origin)

(3) Need to comply with labeling requirement

(4) Need to comply with packaging requirement

However, for the import of prime cuts of meat, there are several other requirements, such as:

(1) Port limitation requirement

(2) Pre-shipment inspection

(3) Import of prime cuts meat is only for industry, hotel, catering, and or other special need.

As a result of these requirements, Indonesia received a lot of complaints, mostly about the pre-shipment inspection requirement. Businesses claimed that it failed to protect the public while unnecessarily complicating business. Another requirement that received complaints was the labeling requirement, meaning that imported products must have a label attached before entering Indonesia, which is costly. Import restrictions on beef were eased in October 2013, but were tightened in 2015 (Marks, 2015) through the issuance of MoT regulation No. 41/M-DAG/PER/6/2015. Even though restrictions on the import of prime cuts meat have been relaxed[4], in general import restrictions on beef were tightened.

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[4] As its import was no longer required pre-shipment inspection and no longer subject to port limitation

The government eased restrictions on the import of cattle and its products again in 2016 by issuing economic policy package IX in January 2016. This economic policy package was followed by the issuance of Ministry of Trade Regulation No. 59/M-DAG/PER/8/2016 on the provisions of export and import of animal and animal products which expands the country's access to beef suppliers.

Currently, Indonesian requirements for imports of animal and animal products are as follows:

1. Only companies holding an Importer Identification Number, state-owned companies, and/or regional-owned enterprises can import animals and animal products.

2. Import of animal and animal products to Indonesia previously required two import permits, i.e. IT/IP (importer registration requirement) and import approval (authorisation requirement), but now it is only one, i.e. the authorisation requirement (import approval/SPI).

3. Labeling is required when the goods are traded in Indonesia, whereas previously it was required when entering Indonesian territory.

4. Packaging requirement approved by certificate of examination or importer statement letter explaining that used packaging materials are in accordance with regulation and there is a logo on food tare and a recycle code on the packaging.[5]

5. Certification (health certificate from country of origin).[6]

6. Report on import realisation approved.[7]

The most significant reform under the current regulation is that pre-shipment inspection is no longer required for the import of prime cuts of meat. Under the previous regulation, import of this product was subject to a pre-shipment inspection that took 2 weeks and cost USD 250–300 per shipment (AIPEG, 2014).

Source: Authors

2.2. Malaysia

The Malaysian government has been embarking on NTMs transparency since the 1990s, long before the ASEAN Economic Community (AEC) mandated the use of information communications technology (ICT) to facilitate cross-border trade through the Single Window on December 2005. It was along with the establishment of the Malaysian National Single Window (MNSW). It took 10 years to involve 30 participating permit-issuing agencies, which have led to the full implementation of the ePermit in the MNSW.

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[5] There is no difference with the previous regulation.
[6] There is no difference with the previous regulation.
[7] There is no difference with the previous regulation.

Ministry of International Trade and Industry (MITI) was signed to set up Trade Facilitation Action Council (TFAC) to prepare strategic directions, goals, a vision, and a mission. To improve transparency and efficiency, the private sector was fully involved in enhancing productivity and reduce the cost of doing business.

The MNSW portal, myTRADELINK was launched in September 2012. It is a single point of referral for which six core services: eDeclare (Customs declaration), ePayment (Customs duty payment), eManifest (cargo manifest declaration), ePCO (Preferential Certificate of Origin application), ePermit (permit application) and ePermitSTA (Strategic Trade Act permit application) of MNSW are done (Dagang net technology, 2012). Those six cores have been implemented in MITI's offices nationwide and offer 14 online schemes to manufacturers and exporters (Chan, 2014).

myTRADELINK allows exchange of documents required for import, export, or transit of goods activities via the Internet. The portal guarantees that the electronic exchange of trade documents is safe, secure, and efficient through a single connectivity access. myTRADELINK also serves as a trade information hub and allows users to 4 transactional activities. It connects users and stakeholders through a single connectively access.

Malaysia's NSW serves 166 out of 173 points of entry, and over 9,000 organisations with more than 13,000 users. It connects 26 permit issuing agencies, eight local banks, and 23 ports. Annually, more than 50 million electronic transactions are processed with RM1.8 billion worth in customs duty payments. The MNSW has been operated 24 x 7, 365 days a year and covered nationwide operations within seven regional offices (ASW Website, 2017).

Three factors underlie the success of the MNSW: (1) Support from the government who had championed it; (2) Strong Inter-Agency Collaboration between 30 participating permit-issuing agencies, and (3) Public–Private Partnership. The private sector was given the important role of devising and implementing a paperless system to improve the transparency and efficiency of public delivery (Unnext, 2010).

Intal (2015) argues that Malaysia's NSW is nearly best practice in ASEAN. This is reflected in some performance indicators on the ASW such as percentage coverage of ePCO, eManifest, eDeclare, ePermit, ePermitSTA, and ePayment, where its score is almost 100 percent. It is even acknowledged as being amongst the best performing in trade facilitation globally.

Malaysia has also developed a National Trade Repository (MNTR) to enhance NTM transparency by providing a single platform for accessing trade-related information of ASEAN Member States. It is a legally binding repository of all public regulations currently pertaining to customs, tariff codes, import/export procedures, trade agreements, tariffs and nontariff measures for goods crossing national borders for import, export, or transit. A preliminary review and summary of Malaysia's progress on the NTR are provided in Table 7.2.

Table 7.2. Recent Status of Malaysia's National Trade Repository (MNTR)

Topic	Status	Notes
1) Tariff nomenclature	The website provides links on Tariff nomenclature for AMSs, it looks active only for Lao PDR, Malaysia, Thailand and Indonesia	Malaysia's link to tariff nomenclature is not working
2) MFN tariffs, ASEAN preferential tariffs and preferential tariffs for other agreements	The summary of ATIGA tariff, definition of MFN tariff, and list of regional FTA and Bilateral FTA undertaken by Malaysia is available.	See button 'preferential tariff'
3) Rules of Origin	General rules on non-preferential ROO, preferential ROO, and eight ROO submenu (Wholly Obtained, Change in Tariff Classification, Product Specific Rules, Cumulation, Tolerance de Minimis, Minimal Operation, Direct Consignment, Packing Materials and Containers)	See button 'Rules of Origin'
4) NTMs	The NTMs has been classified based on MAST Classification. Under the SPS and TBT measures, detailed information on background, scope, institutional coverage, standard setting bodies, list of Malaysia SPS and TBT measure are available. For other measure, only general information and definition are available	See button 'Non-Tariff Measures'
5) National Trade and Customs Laws and Rules	The information is not fully available	See button 'National Trade and Customs Laws and Rules'
6) Procedures and Documentary Requirements	The information is not fully available	See button 'Procedures and Documentary Requirements'
7) Administrative Rulings	Comprehensive information on administrative rulings	See button 'Administrative Rulings' to see what is available.
8) ASEAN Trade Facilitation Best Practices	The information is not fully available	See button 'Best Practices in Trade Facilitation' to see what is available.
9) Authorised Economic Operators	The information on AEO is available	See button 'Authorised Economic Operator (AEO)' to see what is available.

AMSs = ASEAN Member States; MFN = most-favoured nation; ASEAN = Association of South East Asia Nations; ATIGA = ASEAN Trade in Goods Agreement; FTA = free trade agreement; MAST = Multi-Agency Support Team; SPS = sanitary and phytosanitary; TBT = technical barriers to trade.
Source: http://mytraderepository.customs.gov.my/, accessed in April 2017.

Furthermore, Malaysia presents an interesting example of streamlining NTMs through a comprehensive approach, driven by enhancing competitiveness. Streamlining NTMs is part of a regulatory changes agenda, which is essential for administrative modernisation. Recently, reform has been driven by a recognition of its impact on and benefits for the economy.

Enhancing the competitiveness was started in 2007, when the World Bank Ease of Doing Business (EODB) Report highlighted regulatory quality issues affecting Malaysia as an investment destination. Malaysia's government capitalised on this as a useful guide to enhancing its competitiveness. A concerted effort was started by setting up PEMUDAH, the Special Task Force to Facilitate Business to address regulatory issues affecting the EODB (MPC, 2016). It comprises of 15 Heads of Government ministries, 10 leaders of the Malaysian business community, and four co-opted members from public sector. PEMUDAH's main tasks are to review the public and private sector delivery system including processes, procedures, legislation, and human resources and to propose new improvement policies.

Subsequently, under the 10th Malaysia Plan (2010–2015), Malaysia Productivity Cooperation (MPC) was signed to improve the government's regulatory management system. It includes provisions to review existing regulations and remove unnecessary rules and compliance costs, and undertaking a cost–benefit analysis of new policies and regulations. The government's took a significant step with regulatory reform in 2013 when it introduced policy and guidelines for implementing good regulatory practice. A circular on National Policy on the Development and Implementation of Regulations (NPDIR) was issued, which requires all federal ministries and agencies to observe good regulatory practice (GRP) and undertake regulatory impact analysis (RIA) in developing new regulations and amend existing ones. Together with NPDIR, the Best Practice Regulation Handbook and the Quick Reference of Best Practice Regulation Handbook were issued to provide guidelines for the ministries and agencies.

Overall, the mandate to improve the government's regulatory management system has been underlined by the Modernising Business Regulations (MBR) programme and carried out by MPC. The MBR aims to enhance productivity as well as competitiveness as reflected in its goals to increase productivity and market growth as well as generate compliance cost savings of up to RM1 billion annually by eliminating unnecessary rules and procedures. To achieve the goals, the MBR focuses on two main areas: improving the quality of existing regulations and ensuring good quality of new regulations to be issued. The MBR has been equipped with institutional support so that now reliable online databases, effective coordination, as well as collaboration on innovation are in place (MPC, 2016).

The National Development Planning Committee (NDPC) worked together with PEMUDAH to ensure good-quality regulations. It is a high-level planning coordination committee chaired by the Chief Secretary of Government to assess the adequacy of compliance with Good Regulatory Practices (GRP). Various initiatives have been introduced on MBR including: (1) Reducing Unnecessary Regulatory Burden (RURB) aimed at modernising business regulations, (2) Facilitating initiatives on EODB indicators aimed at enhancing transparency and accountability of the public and private sectors; (3) Conducting comprehensive scanning of Business Licensing aimed at facilitating ministries, agencies and local authorities in

undertaking MBL projects; (4) Promoting a Business Enabling Framework for 18 services subsectors; and (5) Developing policy and guidelines to improve new regulations quality.

The work on streamlining NTMs is carried out through two different initiatives, (1) RURB, and (2) 'Conducting comprehensive scanning of Business Licensing through MBL'. RURB was led by MPC, which complements PEMUDAH. To achieve sustainability and to ensure a better environment for EODB, a regulatory review was started of regulations that have a significant impact on the National Key Economy Areas (NKEAs) and focused on reducing unnecessary regulatory burdens and improving the regulatory environment.

Through the RURB programmes, regulations that contribute to improving national outcomes are retained, while redundant and outdated regulations are eliminated. During 2014–2015, 23 RURB projects were completed. It is estimated that recommendations from the 2014 and 2015 projects could result in potential savings of RM 1.5 billion and RM 1.0 billion, respectively.

PEMUDAH expanded MBL's initiative by establishing a Focus Group on Business Process Re-engineering (FGBPR). FGBPR has been working with 23 ministries including two departments in the Prime Minister's Department (JAKIM[8] and SPAD) and 13 state governments to review all procedures regarding business license applications. Since then, FGBPR has been working with all federal ministries and state governments including the Malaysia Administrative Modernisation and Management Planning Unit (MAMPU), and the Implementation Coordination Unit (ICU) and MPC which serves as the secretariat. MAMPU manages the Business Process Re-engineering (BPR) lab with the objective of streamlining and simplifying licensing procedures, while the ICU is responsible for monitoring the implementation of the online system.

To simplify processes and procedures, MBL implements a key activity, i.e. a comprehensive scanning or stocktake of all business licenses and reduce them if required. Government ministries and agencies undertake the reviewing regulations process, while MBL adds value and integrity to the public delivery system by introducing simplified business licensing procedures. The final output is shorter processing time; simplified forms; a reduced number of supporting documents; and a reduction in compliance cost.

FGBPR with MPC has adopted the 'guillotine' approach. Licenses that do not meet legislative justification or and are no longer needed are abolished, while those that are not business friendly will be simplified. The impact of this initiative led to the creation of over 1 million job opportunities and resulted in almost USD 36 billion (RM 114.7 billion) in additional foreign direct investment over a 5-year period.

From the first review process (2011–2014), FGBPR has been successfully simplified 767 business licenses and converted them into 454 composite licenses while 29 licenses were abolished. It is expected that this process has achieved a potential compliance cost reduction estimated at RM 729 million.

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[8] JAKIM is Jabatan Kemajuan Islam Malaysia or Islamic Development Department of Malaysia.

Box 2: Case Study: Streamlining Halal Certification in Malaysia

The reform of halal certification was started in 2003, driven by increasing demand of halal products globally, which is expected to reach 2.6 billion by 2050 (MITI, 2015), and the growth of the halal industry. The industry is made up not only of the halal-slaughtered animals, but also includes halal food, lifestyle, and services (Kadir et al., 2016). Nawai et al. (2007) and Zakiyah Samori et al. (2014) argue that not just all raw materials have to be halal, but also how the food is prepared and processed has to be halal.

The streamlining of halal Certification was started in 2003. A uniform halal label was introduced in 2003 and implemented at both the federal and state level. The fifteen different labels used previously by the states and JAKIM had caused confusion amongst applicants and importers. The Malaysian Standard MS 1500 on halal food preparation and operation was also introduced to provide guidelines and reference for halal certification (Yusoff, 2007).

The work on streamlining halal certification aims to make Malaysia a global halal hub. The Halal Development Corporation (HDC) was established in 2006 to promote the overall development of the halal industry in Malaysia by promulgating halal certifications from JAKIM, which leads in the conferment of halal certificates and labels at both the federal and state level. It is responsible for issuing halal certificates for export and import products, while the state governments issue halal certificates for local consumption. In the same year, an e-halal portal was launched to expedite the halal applications, enquiries, recommendations, and complaints by allowing them to be done online. The compliance test, which covers all aspects of preparation, processing, packaging, and distribution, is conducted in a laboratory and needs to be agreed by the Malaysia Halal Certification panel meeting. Once issued, the applicant will receive a notification (Yusoff, 2004; JAKIM, 2014).

The Task Force on Halal Certification was set up on 6 July 2009 to discuss issues in processes and procedures of halal certification in the hotel and manufacturing sectors. To improve and expedite halal certification, JAKIM has undergone a re-engineering of its BPR using four main Processes/stages including identify current business processes, evaluate potential improvements, recommended on its business process, and on automation (OECD Korea, 2017).

As a result, JAKIM is able to reduce time for approval of halal certification to 30 days from the previous 60 days from targeting 14 days for certification for application without NCR. This improvement is due to:

o   Applicants are able to submit all ingredients in the menu, not per dish as previously;

o   The renewal process is not treated as a new application; thus, applicants do not need to resubmit ingredients used unless there are changes or additions;

o   Temporary certification up to 6 months will be given to applications that did not comply to minor requirements that is not involving Syaria requirement or under Non-Compliance Report (NCR);

o   Designating a dedicated desk officer to manage hotel certification application; and

o   Notice for payment is done through email within 14 days.

Source: Authors.

2.3. The Philippines

As of June 2015, The Philippines National Single Window (PNSW) had a total of 17,927 registered traders using the system and 1,282,746 processed transactions. The progress towards a fully-fledged NSW, however, has been somewhat slow. The primary utilisation of PNSW was centred on the facilitation of port and customs procedures. The G-to-G data interchange between the Bureau of Customs, a focal point for PNSW, and other regulatory trade agencies was not yet complete. According to ASEAN Single Window (2013), 'The PNSW system was mainly concerned with the application and processing of permits, licenses and clearances for import and export....'.

The Philippines' Department of Finance and the Department of Information and Communications Technology have recently started developing the Philippine TradeNet as a solution to the stalling PNSW. TradeNet will serve as an automated permit, licensing, and clearance system integrated into one platform for 66 Trade Regulatory Government Agencies (TRGAs) and 10 economic zones. It will cover all the functions of the PNSW. To integrate the TRGAs' processes, the Inter-Agency Business Process Interoperability (IABPI) Project Team from the Department of Finance (DOF) is working with TRGAs to streamline their import and export documentation for regulated products (EDC 2017a).

The government piloted TradeNet in July 2017, aimed at releasing shipments at the country's ports in 3 days (*Inquirer,* 2017). Following the pilot testing, TradeNet went into production in September, after which it was also connected to the Asian Single Window in December 2017. Ten regulatory agencies attached to the Department of Agriculture were scheduled to be the first few on TradeNet as these were 'the most complex'.

In preparation for the country's launch of the ASEAN Single Window, Customs Memorandum Order (CMO) 39-2015 has pilot tested the implementation of the electronic application and issuance of preferential and non-preferential Certificate of Origin (e-CO) to help in the formulation of policies and procedures for electronic data exchange in 2015. The Secretary of Finance has recently signed the Protocol of the Legal Framework to implement the ASW (PLF). The Department of Foreign Affairs is currently conducting domestic ratification of the PLF.

The Ad-Hoc Technical Working Group on Philippine National Trade Repository (TWG–PNTR) under the Committee on ASEAN Economic Community (CAEC) is working on setting up the Portal. The TWG is headed by the Bureau of Import Service (BIS) with membership of 50 TRGAs and Trade Policy Related Agencies.

A preliminary search on the PNTR website shows that the website primarily serves as a link to other relevant government agencies' websites. Some links are under development. Table 7.3 shows information available from the PNTR web portal.

Table 7.3: Available Information from Philippines National Trade Repository

Topic	Information available from the PNTR and authors' comments
1. Tariff nomenclature	The link only provides AHTN (2012) tariff nomenclature in pdf.
2. MFN tariffs, preferential tariffs offered under this Agreement and other Agreements of ASEAN with its Dialogue Partners	The link goes to the Tariff commission website, with details on the tariff schedule for MFN, ASEAN, and ASEAN+ agreements, listed by executive orders.
3. Rules of Origin	The link goes to Philippines Tariff Finder, a newly upgraded tool to find tariff rates and rules of origin under different FTAs. The search adopts the Philippines 2017 version of the AHTN 2017.
4. Non-tariff measures	No information here. The link only leads to the UNCTAD NTM classification 2012 book in pdf.
5. National trade and customs laws and rules	The link leads to 'icons' of trade-related regulatory agencies. Each icon, when clicked, only shows a couple of major trade regulations of that agency.
6. Procedures and documentary requirements	The link leads to 'icons' of trade-related regulatory agencies. Each icon then leads to detailed procedures and documentary requirements for different product categories under their regulation.
7. Administrative rulings	The link provides cases of administrative rulings for Tariff Commodity Classification Rulings in the past with good details. No information on administrative rulings on Custom Protest, Customs Seizure and Forfeiture, or Tax Rulings.
8. Best practices in trade facilitation applied by each Member State	The link only explains the newly upgraded Philippines Tariff Finder and the Bureau of Customs (BOC) self-Certification Project.
9. List of authorised traders of Member States.	The link only explains the objective and benefits of the Authorised Economic Operator (AEO) Program with no listing of AEOs.

PNTR = Philippines National Trade Repository; AHTN = ASEAN Harmonized Tariff Nomenclature; MFN = most-favoured nation; ASEAN = Association of South East Asia Nations; UNCTAD = United Nations Conference on Trade and Development.
Source: http://pntr.gov.ph/#, accessed in April 2017.

In terms of efforts in streamlining, there are separate attempts and initiatives at different levels and by various agencies to streamline NTM and reduce Procedural Obstacles (Pos)[9] in the Philippines. The Philippines' commitment to WTO trade facilitation agreement is for the Department of Trade and Industry (DTI) to implement a functional inter-agency National Committee on Trade facilitation (NCTF) chaired by Bureau of International Trade Relations under DTI. This committee currently exists, but it has not yet put much effort into trade facilitation initiatives (ITC 2016). In principle, this committee would focus on three areas:

1. Improving technical compliance and mitigating expenses for exporting firms' product and conformity assessment requirements.

2. Increasing border transparency and 'clean up' for customs clearance and control procedures.

3. Overcoming domestic Pos by streamlining agencies' trade procedures for export licenses, permits, and Certificate of Origins (Cos).

One promising initiative of public–private collaboration in trade facilitation is the establishment of the Export Development Council (EDC) – a public–private committee[10] to oversee the implementation of the Philippines Export Development Plan (PEDP; the most recent version is 2018–2022). EDC is a major advocate of the acceleration and completion of reforms at the Bureau of Customs through the immediate passage of the proposed Customs Modernization and Tariff Act (CMTA, passed in 2016) as well as modernising the agency by automating customs procedures. The CMTA, which enables full customs automation, should make processes easier for exporters, importers, and traders to comply with complex customs procedures. The EDC has also established a 'Networking committee on trade policy and procedures simplification'. The committee has played a major role in addressing problems related to the Importers Clearance Certificate (see case study below).

The other promising public–private partnership is the National Competitiveness Council (NCC). NCC has a broader objective of regulatory reform at the national level. Llanto (2015) suggests that NCC is a good step towards a development of a formal Regulatory Management System (RMS) in the Philippines. When compared with countries such as New Zealand and Malaysia[11], Llanto (2015) claims that the Philippines has some of the elements of a functional RMS but they are not effectively coordinated and woven into a coherent, requisite RMS implemented by a central oversight body. NCC has nine working groups; two of these are related to NTM streamlining, i.e. Business Permits and Licensing System (BPLS) and the National Single

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[9] According to a survey by ITC (2016) on the Filipino companies' perspectives on NTM, approximately 70 percent of all exporters and importers are confronted with 'procedural obstacles (POs) related to NTM'. Examples of POs are delays, large number of documents, difficulties with translation of documents, and informal payments. Although POs are not officially classified as NTMs (UNCTAD 2012), they present a real burden to traders and efforts to streamline NTMs have to take these issues into account.

[10] EDC comprises of representatives from the DTI, the Export Marketing Bureau (EMB), and the private sector, particularly from the Philippines confederation of exports, Inc. (PHILEXPORT).

[11] Malaysia has PEMUDAH and NDPC as major agencies in regulatory reform; see the case of Malaysia.

Window (NSW). However, the scope of work for NCC is rather broad and, so far, only the BPLS working group has delivered some limited progress.

Two recent NTM measures and their related procedural obstacles represent interesting case studies on NTM streamlining. The first is the newly implemented Importer Clearance Certificate (ICC), issued in 2014, required by the Bureau of Internal Revenue (BIR). The ICC entails numerous documents to process, needs to be renewed yearly, and causes a great deal of inconvenience, including monetary penalties up to PHP 100,000 and time delays of 2–6 months for importers. ICC is an interesting case because it was intended to curb smuggling and 'streamline' the importing process by connecting all of the BIR's internal departments. In reality, it has created more red tape because each department (for instance, Legal, Collections, and the Revenue District Office) now requires importers to submit additional (previously unnecessary) reports such as summaries of sales and former penalties before the BIR can approve the company for certification. Currently, the ICC issue is under review by the 'Networking committee on trade policy and procedures simplification'.

The second measure concerns the implementation of the Philippine National Police (PNP) regulation on chemicals importation. The DTI, the Board of Investments, and the EDC have led the streamlining procedures for the issuance of license and permits in the possession, importation, export, movement, transport, sale and purchase of regulated chemicals. The lists of regulated chemicals have been trimmed down from 101 to 32. The other related issue is the license and permit requirement of the Philippine National Police (PNP) on controlled chemicals. A manufacturer who imports chemicals as raw materials to produce products for either local distribution or export has to secure a license to manufacture, a permit to import, and a permit to unload, and needs a police escort to transport the imported chemical from the port to his warehouse. It takes 1–3 months for the PNP to issue the license and considerable time to issue the permits. We are unable to find publicly available evidence on the progress of the effort to address this problem.

2.4. Singapore

The idea of a National Single Window (NSW) in Singapore originated in discussions in the 1980s. Government agencies, companies, organisations, and voluntary associations all agreed that significant savings would result from reducing the burden of trade documentation handling. Mr. Lee Hsien Loong, the former Minister for Trade and Industry (the current Prime Minister), declared in 1986 that the TradeNet project would be completed within 2 years. The Singapore Trade Development Board (STDB[12], the government agency responsible for trade facilitation) was given the task of mobilising the trade community and became the coordinating point amongst various agencies. A nationwide Electronic Data Interchange (EDI) system was then established.

To enhance the chances of successfully implementing TradeNet, STDB adopted a two-pronged strategy. First, it formed a steering committee comprising chief executive officers of public sector organisations related to international trade and leaders of trade associations.

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[12] The current International Enterprise Singapore; IE Singapore.

This helped STDB gain inter-organisational perspectives on trade administration issues, secure commitments from all parties, and resolve critical problems. Second, STDB set up a private sector organisation, Singapore Network Services Private Limited (SNS, now known as CrimsonLogic Pte Ltd). The rationale behind the creation of an independent profit centre was that the government could avoid the cost of operating a nationwide network infrastructure and services. The main objective of SNS is to implement and market TradeNet (Koh Tat Tsen, 2011; and TEO et al., 1997).

Today, all trade documentations are electronically submitted. The number of permit applications had increased from 10,000 declarations daily in 1987 to between 30,000–40,000 daily currently. This amounts to some 9 million transactions a year. The number of companies using TradeNet has now reached approximately 2,600 companies with over 9,000 users, with usage rate almost 100 percent.

The major upgrade of TradeNet is in 2007, when TradeNet 4.0 or TradeXchange was launched. TradeNet 4.0 further streamlined the trade declaration process and offered a more simplified permit structure, with fewer declaration fields. TradeNet 4.0 also offers a full suite of other permit services. TradeNet is now a core application of TradeXchange. CrimsonLogic Pte Ltd has been appointed by the government through a competitive tender to develop, operate, and maintain TradeXchange.

Beyond TradeXchange, the latest development of Singapore NSW is the National Trade Platform (NTP). Singapore Customs and the Government Technology Agency (GovTech) are developing the National Trade Platform (NTP), a one-stop next-generation trade information management platform to support companies in the trade and logistics industry, as well as adjacent sectors such as trade finance. Scheduled to roll out in the first quarter of 2018, the NTP will replace TradeNet as the National Single Window for permit declaration and TradeXchange as the platform connecting the trade and logistics community. NTP can potentially bring about up to USD 600 million worth of man-hour savings annually for businesses. In other words, NTP, when finished, will be a full picture of the NSW system, where G-to-G, B-to G, and B-to-B data interchange is essentially complete.

There appears to be no single website dedicated to Singapore's National Trade Repository (NTR). From ASEAN Trade Repository website [13], Singapore's website for NTR is www.fta.gov.sg. This link leads to an International Enterprise (IE) Singapore webpage. The nine topics required by a typical NTR structure can be accessed using a different search from ASEAN Trade Repository website.[14] Steps involve choosing 'TOPICS' to select what type of information is needed and select 'COUNTRY' – Singapore. This will direct users to a relevant regulatory agency's website with relatively detailed information and user-friendly interface. Table 7.4 shows different links that provide information for each topic as required by a typical NTR.

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[13] http://atr.asean.org/read/national-trade-repositories/60
[14] http://atr.asean.org/links/search/

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Table 7.4: Links Accessed from ASEAN Trade Repository and Authors' Assessment

Topic	Links from ATR and authors' comments
1. Tariff nomenclature	Linked with Singapore Customs – HS/CA Product Code [https://www.tradexchange.gov.sg/tradexchange/portlets/search/searchHSCA/searchInitHSCA.do] *The link is useful and easy to search.*
2. MFN tariffs, preferential tariffs offered under this Agreement and other Agreements of ASEAN with its Dialogue Partners	Linked with WTO [https://www.wto.org/english/thewto_e/countries_e/singapore_e.htm] *The linked topic 'Goods schedules and tariff data' is useful.*
3. Rules of Origin	Linked with Singapore Customs – Certificates of Origin [https://www.customs.gov.sg/businesses/exporting-goods/ certificates-of-origin] *Very useful and have other information regarding Rules of Origin .*
4. Non-tariff measures	Linked with related regulatory agencies *Useful.*
5. National trade and customs laws and rules	Linked with Singapore Customs [http://www.customs.gov.sg/topNav/leg/index.html] *The link no longer works. But users can search Singapore customs for Business > Compliance for the required information.*
6. Procedures and documentary requirements	Linked with www.customs.gov.sg - Quick Guide on Registration Matters [https://www.customs.gov.sg/businesses/registering-to-trade/quick-guide-on-registration-matters] *The link works and provides useful information from registration to trade of imported, exported and transshipped goods.*
7. Administrative rulings	Linked with Singapore Customs - Harmonized System (HS) Classification of Goods [https://www.customs.gov.sg/businesses/harmonized-system -hs-classification-of-goods#Application%20for%20Customs%20Ruling%20on%20Origin%20 Determination%20of%Imported%20Goods] *The link does not provide any information on Administrative rulings.*
8. Best practices in trade facilitation applied by each Member State	Linked with Singapore Customs [http://www.customs.gov.sg/leftNav/trad/Certificates+of+Origin] *The link no longer works.*
9. List of authorized traders of Member States.	Linked with Singapore Customs [http://www.customs.gov.sg/leftNav/trad/sup/STP-Plus+and+STP+Companies.tml] [http://www.customs.gov.sg/leftNav/trad/sup/Mutual+Recognition.html] *Both links no longer work.*

ASEAN = Association of South East Asia Nations; MFN = most-favoured nation; WTO = World Trade Organisation.
Source: http://atr.asean.org/links/search/, accessed in April 2019.

All in all, Singapore does not appear to have a formal NTR web portal like other ASEAN countries. However, a search on ATR website, in the case of Singapore, will lead to the relevant regulatory agency's website with detailed information and it is quite user-friendly especially in terms of procedures and document requirements. However, only five out of nine categories of information are available from this type of search.

On streamlining front, Singapore's NTMs reflect the non-protectionist stance of the country. The rationales behind most NTMs are benign, i.e. to protect public health and the environment. Recently, an NTM unit was established in Singapore (WTO [1]). The unit's function is two-fold. First, to identify and address NTMs faced by companies based in Singapore, and second, to ensure that Singapore's trade measures are consistent with its international obligations. The NTM unit's work complements the work of the United Nations Conference on Trade and Development (UNCTAD) and the Economic Research Institute for ASEAN and East Asia (ERIA) on the collection and cataloguing of ASEAN's NTMs.

The major effort by the government of Singapore is geared towards developing a good regulatory management system (RMS). The following discussion draws heavily on Dato' Abdul Latif Bin Haji Abu Semam et al. (2016), speech [1], and APEC [1]. Singapore started its initiatives in regulatory reform in 2000 with the 'Cut Red Tape' campaign, a regulatory guillotine initiative to remove regulations that were no longer needed. The setting up of the Pro-Enterprise Panel (PEP) and the Rules Review Panel (RRP) during the 2000s marked the emergence of the country's strategy for improving regulatory quality. Singapore relies primarily on committees or commissions that represent various important stakeholders as its core institutions. This is vastly different from most countries whose RMS is anchored on government agencies and ministries. This distinctive institutional innovation appears to be well suited to the city-state.

The Pro-Enterprise Panel (PEP) was set up to solicit feedback and suggestions from the public on rules and regulations that hinder businesses and entrepreneurship. Following an online request from importers of food with non-meat ingredients, for example, the Islamic Religious Council of Singapore (MUIS) has exempted importers from applying for a halal certificate for non-meat based ingredients.

In 2002, the Rules Review Panel (RRP) was established to oversee the rules review process in the public sector. The RRP adopted a proactive approach to reviewing rules, examining the rationale that lay behind them. In 2005, the RRP was reconstituted as the Smart Regulation Committee (SRC) with a broader mandate. It was to shift the mindset of the public service from being merely a regulator to that of a facilitator, and develop a regulatory system that is friendly to business and investment. The SRC is shaped by the following principles:

o Agencies should foster self-regulation and market discipline as far as possible.
o New regulations should take into account the views of relevant stakeholders and potential implications for existing regulations.
o The cost of regulation should not exceed the intended benefit.

o Regulations should adopt a risk management approach instead of a zero tolerance approach.
o Regulations should facilitate a competitive and innovative climate.

We believe a key lesson learned from Singapore is the importance of becoming more customer-centric. When adopting this approach, the regulatory agencies must be mindful of the implications of the rules for business operations. The impetus to change and improve rules and regulations is driven by the internal dynamics of public administrators and facilitated by institutional feedback mechanisms from businesses and the public to achieve well-defined policy objectives.

2.5. Thailand

The development of the Thailand National Single Window (NSW) is a major attempt to facilitate trade. It is still far from completion and has limited usage. Thailand's customs service was upgraded from paper-based to paperless, starting use of the Electronic Data Interchange (EDI) in 1998, which has become fully operational nationwide in 2000. The system has slowly evolved into the full-fledged e-customs system in 2008, which has reduced trade cost by 20–25 percent (World Bank 'Doing Business' 2007 and 2008). The cabinet passed a resolution on 6 December 2005 on the establishment of National Single Window. The Thai Customs Department was assigned the administration agency and focal point for this initiative.

Despite an early start in an attempt to facilitate customs procedures, the progress towards a truly National Single Window, has been relatively slow. Currently, the Thai NSW is still lacking in many respects. We can classify data interchange through NSW into three categories: G-to-G, B-to-G and B-to-B. The Thai NSW has achieved some success in G-to-G data exchange. As of 2017, 26 agencies have completed their electronic data linkage 'for any kinds of goods or any types of documents'. Five agencies have completed their electronic data linkage 'for some kinds of goods and documents'. Two agencies are using a combination of electronic data linkage and paper-based documents. According to the newly constructed Thailand NTM database (2015),[15] 66 percent of NTM measures are under the supervision of the first 26 agencies with complete electronic data linkage. An almost complete G-to-G electronic data exchange allows a regulatory agency to have real-time access to information on how much of each imported product is entering the country; which in the past took about a month to establish. The G-to-G data exchange is primarily about the three basic documents used in customs formalities: import/export declaration form, entry form, and permit form. Most importers/exporters are using this service. They enjoy the benefits of cost and time savings from a one-time electronic filling out of these forms, and they are no longer required to provide these documents when contacting different government agencies.

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[15] Thailand NTM database (2015) is a result of a research project to classify NTMs in each ASEAN country supported by ERIA–UNCTAD.

Although the G-to-G data exchange is almost complete, the B-to-G data exchange is far behind. Businesses still have to fill out the online forms of each government agency to qualify for their import license and meet other requirements. For some products, this involves up to eight to 10 forms from eight to 10 agencies. Five strategic goods – sugar, rice, rubber, frozen food, dangerous articles – are identified as targets to unify and harmonise their import license forms. So far only dangerous articles, which involve eight forms from eight agencies, have successfully integrated their forms. As for the B-to-B platform, there is none. B-to-B data exchange is much more difficult as documents required by shipping agents, logistics providers, and importers/exporters differ widely.

It is worth mentioning that, for the time being, the G-to-G electronic data exchange is more akin to an elimination of unnecessary customs formalities. The real cost saving of NSW should come from B-to-G and B-to-B platforms. The progress of the B-to-G platform is slow due to the lack of commitment from higher administration and insufficient budget for each agency to upgrade their information technology infrastructure and train qualified staff.

As for the progress towards ASEAN Single Window (ASW), the ten ASEAN countries have not yet ratified the protocol of the legal framework to implement ASW. The system infrastructure is linked and a pilot test has been completed by Thailand, Singapore, Malaysia, Indonesia and Viet Nam. For the Thai private sector, ASW as of today has limited usage. The system only helps to verify that Form D and other certifications are authentic. Also, the customs at the destination country can check whether the goods imported match those actually exported.

Turning now to the National Trade Repository (NTR), the Thai cabinet assigned the Department of Trade Negotiations, Ministry of Commerce as the agency responsible for the development of Thailand NTR and to further integrate it with other ASEAN countries' NTR to establish the ASEAN Trade Repository (ATR).

The Thailand NTR website currently has very limited usage due to its incompleteness and insufficient information. A sample search for NTM reveals that data on NTMs is highly incomplete, for example, the search results show that there is no NTM regulated by the Ministry of Public Health, whereas, in the new Thailand NTM database (2015), the ministry controls about 43 percent of NTMs in Thailand. We also suspect that Thailand NTR's NTM classification is not based on the latest UNCTAD (2012) system. The web is also not user-friendly. The search for NTMs on shrimp imports, for example, will result in a list of many related Ministerial Notices. These laws are related to shrimp import in a very complicated manner. Importers would have to 'decipher' all these regulations all by themselves. Instead, an NTR should list NTM measures, not laws, and, better yet, outline the step-by-step import procedure for shrimp.[16]

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[16] In principle, the NTR should provide easy-to-understand details on NTMs. A case in point is Malaysia's NTR, where, on the Sanitary and Phytosanitary Measures and Technical Barriers to Trade, MNTR has put very comprehensive information about those two measures including the background, scope, institutional coverage, standard setting bodies, detailed measures on each category and a list of Malaysia's SPS and TBT measures (see section on Malaysia experience).

A search of 'National Trade and Customs Laws and Rules' also result in a list of laws with no detail on what the traders should do to follow these rules. A search of 'Procedures and Documentary Requirement' for import results in a list of seven basic documents that importers already know. Not enough detail is provided in the import declaration and clearance documents. Generally speaking, Thailand NTR is in a preliminary stage and has not been useful in practice. Interviews with traders and related government officials also confirm this point.

To recap what has been discussed, we found that Thailand NSW has been making some progress on the G-to-G electronic data exchange. A lack of B-to-G and B-to-B platforms is the major obstacle to Thai NSW attaining its full potential. Thailand NTR is very preliminary and has very limited usefulness.

In summary, it is fair to say that we lack a strong commitment and mandate, especially from high level administration, to make trade rules/regulations (and all business regulations for that matters) more transparent in Thailand. This lack of a clear policy directive results in insufficient resources devoted to this purpose. Without a strong mandate, agencies at the operational level are not committed to pursuing this objective on a long-term basis.

Despite its efforts to improve transparency on regulations related to trade, Thailand has been rather passive in its efforts to streamline NTMs. In the past, ad-hoc committees would be formed when NTM issues arose. Interviews with government officials who are listed issuing NTMs, conducted by authors in August 2017, indicate the need for Thailand to be more proactive. Findings from these interviews are indicative of real, on-the-ground institutional circumstances in Thailand. Since there has essentially been no systematic effort on NTM streamlining in Thailand, we attempt to build on the insights derived from the interviews and refer to the World Bank toolkit for NTM streamlining (2012) (from here on WB toolkit 2012) for experiences and recommendations. What follows is a preliminary suggestion on how Thailand should handle NTM issues in general and how the process of NTM streamlining could be kicked off.

Thailand needs an independent institution to handle NTMs with a clear mandate (supported by laws or decree) and strong support from the highest levels of administration. This institution should have two sub-units, one to handle short-term NTM issues and the other to carry out medium-term to long-term objectives.

The unit to handle short-term NTM issues could be a one-stop NTM help desk that serves as a focal point for exporters and importers to file their complaints. There is currently no one clear focal point for traders to report the NTMs they face in the course of carrying out their business. This one-stop help desk must be sufficiently funded and staffed. The staff should have enough technical capability to clarify and explain basic NTM issues to complainants. If the issue is very technical, they should act as a coordinator to dispatch a clearly defined question to the appropriate specialised agencies.[17] Importantly, they should have a mandate to request answers within a time limit. The desk should also closely follow the development of new NTMs issued by major trading partners and new emerging markets. They should disseminate this information in a timely manner to all stakeholders.

As for the unit that carries out medium- to long-term objectives, their main agenda is to review and streamline existing NTMs and set up and enforce a standard operating procedure in case a new NTM is being considered. They should seek private consultation such as with the Thai chamber of commerce and the federation of Thai industry, which represent the majority of business sectors. A platform to seek comments from all stakeholders must be established. This public–private consultation could start off with a 'low hanging fruit'. The process of NTM streamlining should start with 'low hanging fruit' – goods that are not too sensitive politically and economically. Most importantly, this NTM review unit should have a mandate that requires relevant government agencies, who also are members of the committee, to amend the laws under their supervision in accordance with the decision of the committee. This final suggestion implies that the appropriate level of regulation this unit can handle is sub-ministerial; for example licenses that serve similar purposes and require similar documents should be unified. We believe this setup is sufficient as a starting point and follows the gradualism principle as recommended in the WB toolkit (2012).

On a broader perspective, NTM streamlining could be part of the regulatory reform agenda. Thailand has never been successful with this agenda due to resistance from operating agencies and it lacks strong leadership to overcome this obstacle.

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[17] Currently, exporters and importers have to decide, on their own, which specialised agencies they should consult and, often these agencies are not the ones whose advice they should seek. As an example, shrimp importers who are also owners of shrimp processing plants, when faced with NTM problems, would first seek help from the department of industrial works because they think the problems are related to factory processing. In fact, their issues are too technical and they should seek the help of the department of fisheries instead.

Box 3: Case Study: Imports of Maize in Thailand

Thailand has, in fact, not implemented NTM streamlining for maize or for any other products. So there is no case study on NTM streamlining process and procedures. However, we believe that choosing maize as a case study would exemplify the many constraints Thailand is facing in its efforts to streamline NTMs. The case[18] should also yield insights on the policy and institutional environment that should be improved if we were to conduct a systematic NTM review. Currently, Thailand is imposing the following NTMs on maize imports.

1. Seasonal prohibition (E312) and State-trading enterprise (H11)

The seasonal prohibition is a measure aimed at blocking maize imports from Cambodia, Lao PDR, and Myanmar (CLM) into Thailand during the months of abundant domestic maize supply following the annual harvest, when the domestic price tends to be low. The import period has been uncertain and has changed over the years. Since 2012, the Public Warehouse Organization (PWO), a state enterprise under the Ministry of Commerce, has been authorised as the sole importer of maize from CLM all year round.

Using the framework presented in the WB toolkit (2012), this measure clearly does not pass the two basic tests of NTM review. It is inconsistent with WTO rules and not clear on the market failure issue. The market for animal feed in Thailand can be characterised as an oligopsony market, a kind of market failure. A few animal feed producers can exert their market power on the purchasing price of maize from farmers. However, the problem should be addressed, as suggested by the WB toolkit (2012), by competition policy rather than through use of NTMs.

2. The complexity of import permits and registration of maize importers.

The process of obtaining permits for maize import is rather complicated, costly, and slow. Moreover, the registration is only valid for 1 year so needs to be renewed annually. This is not only burdensome, but also creates uncertainty for importers, who must invest a lot of resources to establish an import business. Four agencies from three ministries are involved in this complicated licensing measure. This is a good example of too many licenses that simply reflect the fact that 'each ministry/agency wants to ensure that the restrictions that fall under its mandate are respected, irrespective of what other ministries/agencies do (WB toolkit 2012)'. Perhaps, the sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT), and Good Agricultural Practice (GAP) should adequately regulate trade of maize for the purpose of protecting people, animals, plants, and the environment.

3. Post-import regulations.

After importing maize, importers have to file reports on the quantity of import, usage, distribution, and leftovers to the Department of Foreign Trade. This post-import requirement serves as a device to monitor and regulate the flow of maize from CLM and prevents it from competing in Thailand's domestic market. In reality, it is not necessary because Thai maize has been developed over decades to meet high quality standards, such that maize from CLM is not truly competitive in Thailand's domestic market. On the other hand, these reports add time and unnecessary costs for importers.

Source: Authors' assessment.

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[18] This case is based primarily on Pupphavesa et al. (2016).

3. Lessons Learnt from the ASEAN-5 for other Developing Countries

Our exercise indicates that the ASEAN-5 have achieved rather different levels of development of the NSW and NTR. Regarding NSW, we believe the coverage and depth of data exchange between stakeholders are the most important criteria in determining the efficiency gain and level of regulatory transparency as a result of NSW. We can classify data interchange through NSW into three categories: G-to-G, B-to-G, and B-to-B. G-to-G data exchange is a common data-sharing platform so documents submitted at one government agency can be accessed by another agency, if needed. This platform avoids the duplication of submitting the same documents to different agencies. The G-to-G platform is the first level of achievement in NSW development.

Most of the five countries have almost completed their G-to-G platform. B-to-G data interchange is more difficult. It refers to different government agencies requiring different licenses/permits and businesses have to apply for all these licenses or permits. In some cases, businesses have to apply to more than 10 agencies. Although most of these applications are done online, they still represent a huge burden. A complete B-to-G platform would standardise applications of different agencies and require single submission. Perhaps due to the difficulty in standardising applications due to the different nature of the work of different agencies, most of the five countries have made only limited progress on this front.

While Singapore has completed the system, Malaysia has made good progress and Indonesia's B-to-G platform is a work in process; currently, businesses must still contact around 18 agencies to get their licenses. Thailand and the Philippines are followers. Perhaps the greatest efficiency gains from NSW are made with the B-to-B data exchange platform. This platform refers to sharing trade documents between private companies involved in the whole chain of cross-border trade such as exporters/importers, shipping agents, forwarders, logistics providers, and trade financers/insurers. Singapore's current TradeXchange and their upcoming National Trade Platform (NTP) is best positioned to have the complete B-to-B platform. Malaysia's myTRADELINK and Indonesia's INSW are upgrading their system in this direction. The Philippines' TradeNet and Thailand's NSW is still lacking on this front. Table 7.5 compares different aspects of the five countries' NSWs.

Table 7.5: Comparison of the Five Countries' National Single Window

	Indonesia (INSW)	Malaysia (myTradelink)	The Philippines (PNSW)	Singapore (TradeXchange)	Thailand (NSW)
Responsible Agency	Independent INSW Portal administrator (PP-INSW)	Private company: Dagang Net; under supervision of Ministry of Finance (owner), Ministry of Trade and Finance, and customs dept.	The government expert project implementation team	Private company: CrimsonLogic Pte Ltd	IT dept. under Dept. of Customs
Development of B-to-G and B-to-B data exchange (For most countries, the G-to-G data exchange is almost finished)	Work in process: On B-to-G data exchange, for some products, business must contact 18 agencies to get their licenses.	Good progress: On B-to-G data exchange, connecting 26 permit issuing agencies, 8 local banks, 23 ports.	Work in process: We could not find evidence that the current PNSW provides B-to-G and B-to-B data exchange functionalities.	The newly developed TradeXchange have an almost complete B-to-G and B-to-B data exchange.	Work in process: On B-to-G data exchange, for some products, business must contact 8-10 agencies to get their licenses.
Utilisation	Widely used: 92 percent of trade transactions, 20,000 traders, 200 shipping agencies	Widely used: 9000+ organisations, >13,000 users	Not clear: We only found that 17,927 registered traders are using the system.	The usage rate is almost 100 percent.	Widely used: Most traders and shipping agencies are using the system.
Further development	Very promising with revision of Government Regulation No.76: Many new features will be introduced.	Very promising with 6 core services and upcoming new services.	PNSW is being upgraded to TradeNet, which covers all PNSW features and more.	The upcoming National Trade Platform (NTP) is supposed to be a complete NSW system with added features.	Rather slow due to the lack of strong commitment from higher administration.
Support by higher administration	Full support by Presidential Regulation No. 76/2014 and its revision in 2016	Full and continuous support from cabinet and Ministry of Trade and Finance despite initial resistance from other agencies and business.	Under the leadership of Export Development Council, the Dept. of Finance and the Dept. of ICT are working actively with 66 Trade Regulatory Government Agencies to develop TradeNet.	Singapore Trade Development Board (STDB) supervises the operation of CrimsonLogic.	One-time cabinet's resolution in 2005 and little support after then.

B = business; G = government.

Source: Authors' compilation.

4. Policy Recommendations

There are four keys that we would like to highlight in improving transparency and streamlining NTMs:

- Strong and continuous support from higher administration is essential. The outstanding case as shown by Singapore.

- Strong inter-agency collaboration is key: the NSW requires full collaboration of trade-related government agencies to synchronise their information technology system, exchange information, and standardise application forms.

- A dedicated, independent agency appropriately mandated (supported by law) is needed to implement and further develop NSW. The agency should have full-time staff, sufficiently funded with clear duties and structure. Indonesia's INSW portal administrator (PP–INSW) is a good case. Malaysia and Singapore have gone one step further by outsourcing this activity to private companies, under government supervision.

- Public–Private Partnership: A successful NSW requires strong support from the private sector for information, suggestions, and collaboration, in particular for the development of B-to-G and B-to-B data exchange platforms.

As for the development of NTR, the five countries differ even more widely in their interpretation and implementation of their NTR. Article 13 of the ASEAN Trade in Goods Agreement (ATIGA) has specifically identified the nine categories of information for AMS to use as a framework. All countries, except Singapore, have developed dedicated NTR websites that contain the nine categories. However, when tested, the information accessible from these websites is inaccurate, incomplete, and, typically, not very useful. The five countries also differ in their interpretation of 'ASEAN Trade Facilitation Best Practices', 'Administrative Rulings', 'National Trade and Customs Laws and Rules', and 'Authorized Economic Operators (AEOs)'. The information provided for these categories are thus not consistent across countries. Information on NTM is also lacking for most countries. Malaysia's NTM classification is based on MAST classification, while those of Indonesia and Thailand are not. Most countries do not provide enough information on NTM.

From our findings of the five countries' NTR, we propose the following:

- Ensure consistency of information required of the ATIGA's nine topics across countries. This includes a common and agreed-upon interpretation of each topic, e.g. scope, coverage, comprehensiveness, format, classification standards, etc. A regional technical workshop should enhance common understanding, highlight the differences, and suggest ways towards harmonisation.

- AMSs should develop a common platform for NTR from the beginning. Since we already have ATIGA's designated common framework, it should be feasible to develop a platform that in the future would easily link each country's NTR into the ASEAN Trade Repository (ATR).

- Developers of NTR should keep end-users' views in mind and develop information for each topic accordingly. Information on 'Procedures and Documentary Requirements' is a prime target here. The information should list easy-to-understand, step-by-step procedures and documents required for each good imported and exported.

- Creating a comprehensive and updated database of NTM in the region; published and easy-to-access database; building up countries' NTR and ATR.

In terms of streamlining NTMs, the following lessons recommendations could be derived from the experiences of the ASEAN-5:

- NTM streamlining should be part of a broader context of regulatory reform agenda. This evidence is consistent with experiences of other countries that have been successful at taking advantage of simultaneously liberalising trade and reforming regulations (see Cadot et al., 2012). Malaysia's Modernising Business Regulations (MBR) programme aimed at improving the quality of existing regulations and ensuring good quality of new regulations is a good example. Indonesia's economic package I aimed at deregulation and 'debureaucratisation' is another. Singapore's Smart Regulation Committee (SRC) is also a prime example of a dedicated organisation initially mandated to take stock and evaluate which rules can be simplified or removed. The establishment of the Philippines' National Competitiveness Council (NCC) with a broad objective of regulatory reform at national level is an effort in the right direction, although NCC's working groups and projects need to address NTM issues more specifically.

- A dedicated and independent agency on regulatory reform appears to be a good model for NTM streamlining. The agency needs to have the following characteristics:

  o Fully supported by higher administration. The fact that there has never been a systematic regulatory reform agenda in Thailand is due to the lack of strong commitment from higher administration to overcome resistance from operation agencies. Strong political leadership is particularly important in sensitive cases such as Thai maize imports.

  o Appropriately mandated (supported by law with clear and specific objectives), permanent, with long-term objectives.

  o Appropriately structured: The agency's executives should comprise of high-ranking officials from different regulatory bodies. Its administrative structure should be set so that it can efficiently coordinate different agencies and stakeholders. The agency should also have a dispute settlement mechanism capable of resolving disputes for common good.

  o All stakeholders involved. Malaysia's halal certification is a good example of public-private collaboration.

  o Technically competent.

  o Sufficiently funded.

Malaysia's PEMUDAH and NDPC, Singapore's SRC, the Philippines' NCC are good model examples of this type of agency.[19] The Philippines' inter-agency National Committee on Trade Facilitation (NCTF) has good potential for the task but it is currently not operational.

On this front, Ing et al. (2016) has proposed that each country establish a National Economic Council (NEC) that has a direct mandate from the president or prime minister. It consists of related in-line ministers and high-level government officials with a technical secretariat. The mandate is to review and design strategic trade and investment policies and regulations. The NEC consists of divisions of trade facilitation, NTMs, national single window, investment procedure and regulations, and free trade agreements/ economic cooperation. Each AMS should consider the structure of the proposed NEC and its divisions and apply/modify it to their existing organisations or create new ones. For example, in the case of Indonesia, the task force called 'an acceleration and effectiveness of the implementation of economic policy' can be transformed into a NEC with appropriately designed divisions. The current NTM division can be the NEC's technical secretariat.

- Procedural Obstacles (POs) are as costly as (if not more than) the NTM itself. The case of the Philippines exemplifies this type of issue. Trade related regulatory agencies should attempt to reduce delays, redundant documents, too many administrative windows involved, etc.

- Each country should consider establishing an NTM focal point or enquiry point. New regulations or changes to existing regulations should be publicised and ample opportunity for comments and suggestions from domestic and international interested parties are provided. The case in point is Thailand, where there is no clear focal point for NTM issues.

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[19] Although, as mentioned above, NCC's working groups have too broad mandate particularly those pertaining to trade facilitation.

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