CHAPTER 1

Integrative

August 2021

As mandated in the ASEAN Economic Community (AEC) 2025 Blueprint, the Association of Southeast Asian Nations (ASEAN) is undertaking a Midterm Review of the Blueprint to take stock of achievements and identify remaining gaps and issues to be addressed in realising the AEC by 2025. At this mid-point, an important issue is an assessment of how implementation of the ASEAN Trade in Goods Agreement (ATIGA) has performed, especially in terms of its impact on trade flows. ATIGA is the successor to the agreement on the Common Effective Preferential Tariff (CEPT) Scheme of the ASEAN Free Trade Area (AFTA) and entered into force in 2010. The ATIGA consolidates and streamlines the provisions in the CEPT Agreement and other relevant ASEAN agreements, and broadens its scope. The ATIGA goes beyond tariff reductions and contains specific provisions on rules of origin (ROO), non-tariff measures (NTMs), trade facilitation, and sanitary and phyto-sanitary (SPS) measures. It is the main instrument in realising the goal of establishing a single market and production base in ASEAN, a key pillar of the AEC.

The Coordinating Committee on the Implementation of ATIGA (CCA) assists the Senior Economic Officials' Meeting (SEOM) and the AFTA Council in ensuring the effective implementation of the ATIGA. The CCA oversees and monitors the implementation of ATIGA, particularly on tariff liberalisation commitments, ROO, NTMs and trade facilitation, and other activities related to the realisation of free flow of goods in the AEC. In 2019, the Economic Research Institute for ASEAN and East Asia (ERIA) was tasked by the CCA to conduct a quantitative assessment of the impact of ATIGA on intra-ASEAN trade. This report presents results of that analysis. This chapter integrates and summarises the key issues, themes, and findings of the report.

The remainder of the chapter is organised as follows. Chapter 2 provides an outline of the report, with a brief overview of each of the chapters. The key results of the quantitative analysis, the main output of the report, are presented in Chapter 3. Chapter 4 considers how these results should be interpreted in the context of ASEAN. It looks more closely at the underlying factors that might be driving the results, and what this means for the

assessment of the performance of ATIGA. In light of this, it looks to the way forward, with regard to changes that need to be implemented to ensure that ATIGA realises its objectives.

A. Structure of the Report, and Overview of Chapters

The report is organised in seven chapters. Chapters 2 to 4 provide background and set the stage for the key chapters of the report that provide a quantitative assessment of the performance of ATIGA on trade in ASEAN. Chapter 2 sets out the objectives of the study, as well as the approach taken in realising the objectives, and provides a brief history and context of ATIGA. In Chapter 3, the theoretical underpinnings for the analysis are provided, focusing on trade creation and trade diversion effects, as well as a literature survey of the empirical work previously undertaken. In particular, it looks at issues that need to be considered in analysing the possible ways in which ATIGA can affect trade flows, and what this means for the efficacy of different methodologies. A special feature of trade in ASEAN is the high share of product fragmentation as a result of pervasive supply chains that link the countries of the region together. Therefore, Chapter 4 considers the role that ATIGA can play in the growth and development of supply chains, in light of other arrangements that are already in place.

Chapters 5, 6, and 7 present the results of the original quantitative analyses undertaken in the study. In Chapter 5, the results from a primary analysis of the margin of preference, defined as the difference between ATIGA and MFN rates, using a combination of confidential data provided by ASEAN Member States (AMS) and publicly available information, is presented. This includes findings relating to various correlations between changes in margins of preference, utilisation rates, and trade flows. Chapter 6 reports on the results of gravity model analysis, the key methodology employed in assessment exercise. The objective of the analysis in this section it to try and isolate the impact of reductions in ATIGA tariffs on the evolution of intra-ASEAN trade. Finally, Chapter 7 presents more detailed and disaggregated results from an analysis of nine key product groupings within ASEAN's eleven Priority Integration Sectors (PIS). The PIS initiative was adopted in 2004 to fast-track integration towards the realisation of the AEC.

B. Key Findings of the Study

Margins of Preference and Utilisation Rates of ATIGA

A direct measure of how ATIGA may be affecting trade flows is to measure its utilisation rate. The utilisation rate is a measure of the percentage of intra-regional trade that is undertaken using the preferences of the agreement and can provide a relatively simple and tractable approach to assessing how a trade agreement seems to be influencing trade flows. In this study, ATIGA's utilisation rate is measured as the amount of intra-regional imports undertaken using Form D as a (percentage) share of total intra-regional imports, for tariff lines where the margin of preference is positive and non-zero. It has become increasingly common in the literature to exclude tariff lines that have zero or negative margins and to focus instead on tariff lines where there is a positive margin of preference that can potentially be utilised.

The analysis of utilisation rates also partly overcome the so-called attribution problem – to link any changes in trade directly to the existence of ATIGA. It does not, however, indicate that the associated trade would not have taken place in the absence of ATIGA. In other words, while it cannot overcome the perennial problem associated with the 'unobserved counterfactual,' the fact that trade takes place using the ATIGA strengthens the case for a possible causal relation, especially in the presence of a strong correlation between free trade agreement and trade flows. It is also, at best, a partial indicator as there may be other factors at play that a bilateral correlation may not be able to capture. Notwithstanding these limitations, it is nevertheless a useful starting point.

The decision on whether to utilise an FTA is basically an outcome of a cost–benefit calculation. Therefore, it is important to first identify and measure the factors affecting benefits and costs of utilising the ATIGA. On the benefit side, margins of preference (MOPs) for ATIGA should be measured as the difference between preferential ATIGA tariff rates and the lower or lowest of other FTA preferential and MFN rates. The presence of multiple and often overlapping FTAs further erode the MOP of ATIGA when MFN rates are non-negligible. However, the measurement of MOPs in this study is based on the difference between ATIGA preferential rates and MFN rates, due to lack of data on other tariff preferences and utilisation of other FTAs by ASEAN countries. So, these represent the most optimistic scenario in terms of MOP offered by ATIGA. On the cost side, often complex ROO, burdensome documentary requirements, and limited information and lack of firm-level skills to comply with requirements can discourage the use of ATIGA. As a rule of thumb, previous studies that have tried to consider factors affecting utilisation rates of FTAs estimate that these costs usually equate to about a 5% MOP or higher. This can of course vary by FTA, and the analysis in this study points to a slightly lower cut-off of

about 3%. After weighing expected benefits against potential costs, a firm decides to use an FTA if there is a net benefit in doing so.

The findings of this study are broadly consistent with the existing evidence of relatively low utilisation rates at the aggregate level. This is explained by several facts about intra-ASEAN trade. First, a large fraction of trade takes place in products where MFN is zero or MOP is very small. The number varies across countries but is quite large (above 80%) for Brunei Darussalam and Malaysia, and above 40% for Indonesia, the Philippines, Thailand, and Viet Nam. While Cambodia, Lao PDR, and Myanmar have greater MOP, their share in total ASEAN trade is still very small. Second, products that do have large MOP tend to constitute a small fraction of AMS imports. Only about 20% of AMS imports have MOP over 10%. Third, even if products have high MOP, the ASEAN share of these products are not necessarily high. The decision of whether to source from within ASEAN depends on many factors such as availability of suppliers, supply chain decisions by manufacturers, etc. MOP is one of many factors firms have to consider. These facts explain why overall ASEAN shares and FTA utilisation rates are not very high in ASEAN. Nonetheless, recent surveys by JETRO show that Japanese multinational firms based in ASEAN are increasingly using FTAs, which is encouraging.

Although ATIGA utilisation rates may be low on average, the study highlights a few interesting aspects that differ from this general finding. First, there is strong evidence that reduction in ATIGA tariffs did stimulate FTA utilisation. This is confirmed by examining what happened to products that were liberalised due to ATIGA during a major liberalisation episode in 2015 mostly by Cambodia, Lao PDR, Myanmar, and Viet Nam. As shown in Figure 5-15, the greatest increase in FTA utilisation between 2014 and 2016 was observed in products for which MOP was zero in 2014 but had increased by 2016 due to reductions of ATIGA tariffs to zero in 2015. Second, as demonstrated in Figure 5-13, utilisation rates have been increasing over time for countries such as Malaysia, Myanmar, Thailand, and Viet Nam. Third, there is significant variation in utilisation rates across product categories. At the 2-digit HS level, there are a number of products with utilisation rates above 90%. This is related to a small but quite heavily traded group of products for which the MOPs are quite significant. Some examples include: fertilizers (HS Chapter 31) imports by Indonesia; beverages, spirits and vinegar (HS Chapter 22) imports by Cambodia; preparations of cereals, flour, starch or milk (HS Chapter 19) imports by Malaysia and the Philippines; edible vegetables (HS Chapter 7) imports by Thailand; and edible fruit and nuts (HS Chapter 8) imports by Viet Nam. Fourth, the study finds that a greater share of products with the highest margin of preference within 2-digit HS levels are positively correlated with the average annual growth in intra-ASEAN imports. This correlation is further supported by the regression analysis that finds an average positive

coefficient for these product categories. Thus, ATIGA's tariff liberalisation does seem to have encouraged intra-ASEAN trade in some product groups.

Econometric Analysis

The time series and cross-sectional data employed in the gravity model attempts to isolate the impact of reductions in ATIGA tariffs (or alternatively, increases in the margin of preference) on changes in intra-ASEAN trade flows. The empirical analysis employing the gravity approach consists of two steps. The first step is to quantify the impact of ATIGA on intra-ASEAN trade by estimating a gravity equation that includes data for 222 countries at the 3-digit HS level (for analytical convenience) covering the period 1995–2018. Dummy variables are introduced to represent pairs of countries that are members of the AFTA/ATIGA, as well as those that are members of other FTAs/RTAs. Although this allows us to estimate the magnitude of the trade creation effect of the AFTA/ATIGA, it does not link it to the utilisation of the agreement. This is done in the second step, where the trade creation effects are related to the actual utilisation of the ATIGA regime in intra-ASEAN trade through regression analysis. None of the ASEAN+1 FTAs are considered at this stage, because data on utilisation rates are only available for ATIGA. The data enables computation to be undertaken at the 3-digit HS level for the years 2010, 2014, and 2018.

The aggregate results for the first step are mixed, with ATIGA and ASEAN+1 FTAs with Australia and New Zealand, and India reporting negative mean values in both 2010 and 2018. The standard deviation for ATIGA is quite high, however, indicating that there may be significant difference in the magnitude of the coefficients across products. These results indicate that large trade creation effects are present with the FTAs with the so-called 'Plus Three' countries (China, Japan, and the Republic of Korea) compared to ATIGA, at the aggregate level.

Looking more closely at the industry level results, the study finds that the mean value of coefficients remains negative in sectors where supply chains dominate, such as machinery and other electrical and electronic equipment. Most of the product fragmentation trade in ASEAN involves these sectors, and trade emanating from them are already travel duty-free or at very low tariffs across the region because of the Information Technology Agreement (ITA), a plurilateral agreement of the World Trade Organization (WTO) implemented on a most-favoured nation (MFN) basis. Therefore, ATIGA and other FTA preferences for these products do not provide any additional benefit to firms and may account for the negative values reported. Given the size and importance of these sectors in total trade, they may also be affecting the negative results in the aggregate. If this is the case, then the negative coefficient at the aggregate level should not be surprising and should not be interpreted negatively as far as ATIGA's performance is concerned.

We now turn to the second step, where the study examines how computed utilisation rates affect trade creation. At the aggregate level, we find a positive and significant coefficient for the utilisation variable, implying that an increase in its rate leads to greater trade creation effects. The results suggest that changes in the utilisation rates of ATIGA and other FTAs account for the increase in intra-ASEAN trade of around 15% in 2010, around 25% in 2014, and about 35% in 2018. Most of this increase in intra-ASEAN trade between 2010 and 2018 is based on the increase in the utilisation rate of ATIGA rather than the other FTAs. Looking more closely at the sectoral breakdown, the study finds that a few key product categories are driving most of these results. The highest utilisation effects are found for agricultural goods and food products, sectors where many countries have comparative advantage. Chemical products and plastic/glass products also have relatively high utilisation effects. This again reinforces the notion that ATIGA's success should be assessed on a narrower set of products rather than aggregate intra-ASEAN trade.

The results suggest that on average, a one-percentage-point rise in tariff preference margins raises the ATIGA utilisation rate by about 0.2 percentage points. The results also provide an indirect estimate of compliance costs associated with using ATIGA tariff preferences. It appears that firms require a tariff margin to be greater than at least 3% before they are willing to consider using ATIGA. As noted earlier, this is lower but broadly in line with previous studies that estimate compliance costs of using FTAs.

One of the issues that need to be considered is the sharp increase in trade with China over the estimation period, which may have introduced downward bias in the estimated coefficients. For instance, other studies have found that increases in ASEAN imports from China between 2000 and 2015 reduced intra-ASEAN trade by around 20%. Does this apparent displacement effect also affect the second step results of this study? It appears that these results are robust enough not to be affected by the China factor. When we adjust for this effect by introducing the average share of imports from China out of total imports from the world, we find that the overall results for utilisation is not significantly changed.

Priority integration sectors

Finally, in Chapter 7 of the study, a closer examination is undertaken of nine sectors from ASEAN's Priority Integration Sectors. These sectors are: (1) agriculture, (2) processed agriculture, (3) electronics, (4) automotive, (5) textiles & apparels, (6) fisheries, (7) healthcare, (8) rubber-based products, and (9) wood-based products. These nine sectors can be broadly grouped into either supply-chain related sectors or agriculture/resource-

based sectors. (Healthcare is the exception as a service-related sector, however, and falls outside these two broad group.) Amongst these, processed agriculture, automotive, electronics, and textiles & apparel are the largest in terms of trade volume, with electronics making up about 30% of the trade. The fact that electronics is also the sector with lowest MFN tariffs is another reason for low overall impact of ATIGA, as ATIGA is unlikely to have a large impact on this sector in presence of other trade provisions. In addition, the relative importance in trade of these sectors vary across AMS, which also means that ATIGA's effect on these sectors would depend on country-specific situation.

Agriculture remains one of the most heavily protected sectors in ASEAN, as well as globally. High levels of protection can also be found in a number of the resource-based sectors. Although a regional FTA like ATIGA can play a role in liberalising sectors such as these, the issues are complex and progress can be slow. Nevertheless, the study finds that FTA utilisation rates in agriculture increased dramatically between 2012 and 2018 in Philippines, Thailand, and Viet Nam where MOPs were significant.

MOPs are higher still for some processed agricultural products, leading to high rates of FTA utilisation. For processed agriculture as a whole, utilisation rates were above 60% in 2018 in Cambodia, Malaysia, the Philippines, Thailand, and Viet Nam. The high MOPs were due mainly to MFN tariffs remaining stubbornly high. They were above 17% for five ASEAN countries, with sharp increases between 2010 and 2018 for Indonesia and Thailand. Just as ATIGA should not be judged a failure for not promoting regional trade when MFN rates are low, it should equally not receive too much credit for high utilisation rates if it is mainly driven by high MFN rates. In these cases, the real challenge for reform lies in bringing down MFN rates over time. A multilateral effort involving the WTO would be better suited to addressing issues standing in the way of this kind of reform. It may also be worth noting that some sectors or sub-sectors will always remain sensitive and so the extent of overall liberalisation possible may be lower than that feasible with other sectors.

We noted earlier how the perverse negative result for machinery and electronics-related products may have been due to the ITA, which provides duty-free treatment for trade in parts and components related to the electronics sector. There are weak or unexpected signs for variables in the results for some of the sectors other than electronics where product fragmentation trade also dominates. Products not covered by the ITA may still enjoy preferential treatment or duty-exemption if multinational corporations involved operate out of export processing zones (EPZs), free trade zones (FTZs) or industrial estates. In order to attract FDI into the country, these zones or estates usually provide quite generous incentives to foreign firms, including tax holidays of varying durations but which almost always involve duty free import privileges. Many of the electronics and non-

electronics firms involved in the processing of parts and components within supply chains can be found in the numerous EPZs, FTZs or industrial estates throughout ASEAN.

Even if they do not operate out of EPZs, FTZs or industrial estates, various duty-drawback or bonded warehouse schemes that provide for duty-free trade in parts and components may be available as countries compete to attract FDI.

All of these factors suggest that tariff preferences may have a limited role to play in promoting product fragmentation trade. Once again, the fact that other schemes operate to provide the same benefits as ATIGA should not be judged as a failure of ATIGA to perform.

Conclusion and way forward

In assessing regionalism, it has become customary to look to the European experience to serve as a benchmark against which all other regional integration programmes are judged. This is probably because Europe is the most highly integrated region in the world, and therefore serves as a de facto model, worthy of emulation. But ASEAN is different. Compared to Europe, it is outward- rather than inward-looking, market rather than government driven, and institution light rather than heavy. There are other differences as well. All of these differences reflect the separate motivations and objectives of the two regional programmes. ASEAN's success lies in its almost unique achievement of using regionalism to promote globalisation. This being the case, the metrics that we use to assess regionalism must reflect these special features. For instance, widely used indicators such as changes over time in the shares of intra-regional trade and investment not only fail to capture the real story, but they can point in the wrong direction.

The same is true when it comes to trying to link intra-regional flows to a programme of preferential liberalisation such as ATIGA. The fact that the econometric analysis may not produce the expected results is neither a failure of the methodology nor of the performance of the liberalisation programme. ASEAN could be using ATIGA as a means towards greater ends. It could be using regionalism to pursue globalism. This occurs when preferential tariffs are multilateralised and offered to non-members on a non-discriminatory basis. This could account for the preponderance of tariff lines with MOPs of zero. In addition, it should be noted that ATIGA negotiation helped AMS prepare for engagement with ASEAN Plus One partners. For instance, in the area of ROO, the reforms that were earlier made contributed to AMS being more open or engaging in the application of a more trade facilitative ROOs.

If this is the case, then ATIGA could be indirectly inducing the increase in trade with non-members as well. Whether the reductions in MFN rates in line with ATIGA rates are causal or coincidental, the traditional metrics and conventional methods to assess the impact of FTAs may be inappropriate in the case of ATIGA. That is, even if the reductions in MFN rates have not been driven by rapidly falling ATIGA rates, the fact that they have taken place concurrently still implies that traditional ways of assessing performance may not be appropriate in this case.

Traditional measures such as changes in intra-regional trade flows or shares that we use in the econometric analysis are useful as a starting point, but may not fully or accurately capture the trade changing impact of ATIGA. In fact, in this case, a lack of association between ATIGA and intra-regional trade over time may be a positive outcome, reflecting the absence of trade diversion. If the results were not interpreted in a broader context by taking these special features into account, it could also provide a misleading overall assessment of the performance of ATIGA.

That is, while multilateralisation of preferences may have subdued or limited the increase in intra-regional trade, it may have promoted rapid growth in overall trade, raising ASEAN to be the fourth largest exporting region in the world, next only to the European Union, North America, and China. Although ASEAN accounts for only about 3.5% of world gross domestic product (GDP), it produces more than double that in terms of world exports. Therefore, to the extent that the ATIGA has contributed to the overall reduction in tariff rates, then it can claim some of the credit for increasing overall trade, even if intra-regional trade flows have remained relatively stagnant.

In this regard, the utilisation of preferences is no longer the only, or the main, factor in determining the trade impact of ATIGA. In fact, to the extent that low utilisation rates are a result of low MOPs from multilateralisation of preferences, they actually contribute to an overall increase in total trade. That is, the increase in extra-regional trade as a result of the decline in overall tariff rates more than offsets the lack of increase in intra-regional trade because MOPs are often low or zero. But if ATIGA is not driving the fall in MFN rates, then at the very least the lack of increase in intra-regional flows is not a failing of ATIGA, even if it cannot be credited with the growth in external trade.

This study has also demonstrated that different products or sectors may be better analysed and understood using different approaches. For example, although FTA utilisation analysis may not be particularly relevant in the aggregate when most tariff lines have an MOP of zero, there are still some heavily traded products where MOPs are quite high. For these products, understanding issues affecting FTA utilisation may complement

other approaches, and provide a better overall picture of the impact of ATIGA on these products or sectors.

As noted above, a lot of the trade that takes place within ASEAN consists of product fragmentation trade as a result of pervasive supply chains. We also noted that tariff preferences provided by FTAs like ATIGA have a very limited role to play in promoting this type of trade because they are largely redundant, having been superseded by the ITA, duty-free privileges of EPZs or FTZs and various other duty-drawback or bonded warehouse schemes.

So, how can ATIGA be expected to promote product fragmentation trade, going forward? Even though ATIGA may not have much of a role to play in supporting product fragmentation trade through its tariff reduction programme, it can play a potentially bigger role by addressing NTBs and barrier effects of NTMs in the region. This is particularly important going forward because there is evidence that suggests that while tariffs have been falling in ASEAN, NTMs have been rising concurrently. Whether or not NTBs and NTMs have been rising because tariffs have been falling, in an attempt to restore protection, is unclear. Whatever the reason for the rise in NTBs and NTMs, addressing them should be a priority for ATIGA.

ATIGA deals with some but not all NTBs. With regard to NTBs, ATIGA focusses mainly on trade facilitation. The evidence suggests that reducing trade costs by addressing trade facilitation and logistic costs can have a significantly greater impact on product fragmentation trade than tariffs. But progress with trade facilitation with ATIGA has been ongoing but with room for improvement. This needs to be highlighted in a mid-term review of ATIGA. There is potential to significantly increase its impact on product fragmentation trade if reforms in this area can be accelerated.

ASEAN is not the only forum trying to address trade facilitation issues or the myriad of other behind-the-border reforms. The recently signed Regional Comprehensive Economic Partnership (RCEP) agreement has simplification of ROO, harmonisation of rules and standards and regulatory convergence as key objectives. In RCEP, there were some notable improvements like providing more options to traders in complying with the product specific rules, alternative and co-equal rules, and simplification of procedures such as declaration of origin. On the ROO, there are agreed product specific rules that will provide more options for the traders to use, such as the chemical reaction and process rule. On simplification and streamlining of procedures and documentary requirements, there is implementation of declaration of origin by approved exporters, where the requirements are streamlined that will lower the cost of compliance. These enhancements are significant improvement that could eventually be considered and adopted in ATIGA

that will encourage utilisation and reduce the cost for traders, especially because, with tariff reductions of RCEP, MOPs will reduce further. Therefore, even though product fragmentation trade can be increased by addressing trade facilitation and other behind-the-border issues more so than by focusing on tariffs, it need not be done by ATIGA alone. Working with other forums like RCEP and the WTO in a complementary fashion and as part of a joint effort is likely to produce a better outcome in the long run.

An important conclusion of this study that should guide future policy formulation in relation to ATIGA is to look beyond traditional metrics and focus on impacts and outcomes, and how they affect welfare. After all, it is how much trade that takes place, and on what terms, that matters for welfare, and not necessarily who you trade with. Who you trade with can matter, but usually in an undesirable way, when the trade is driven by artificial preferences, which is welfare-reducing. ASEAN has been able to largely avoid this and should not reverse its approach simply to hit targets on metrics such as intra-regional trade shares, which are not only inappropriate, but can be counterproductive.

If the share of intra-ASEAN trade is to increase in the future, it should be driven by factors other than just preferences. When intra- or extra-ASEAN trade increases as a result of factors such as efficiency or productivity gains resulting in comparative cost advantage, through enhanced product differentiation or increased economies of scale or scope, then this growth is welfare enhancing. There is also great potential to increase trade in services by reducing barriers, that remain the second highest in the world, in a non-discriminatory manner. Any increase in intra-ASEAN trade resulting from these factors would be welfare-enhancing. And this is how the performance of ATIGA thus far should be assessed and should guide how changes to the programme are made, going forward.

At the same time, AMS must continually work to improve the working of ATIGA. Because discussion of ASEAN integration can be overly dominated by global sectors due to its large volume, it is worth emphasising that ATIGA can play an important role in enabling small and medium-sized enterprises to expand their market regionally. These firms have smaller profit margins, so any reduction in tariffs they can obtain by accessing preferential tariffs will be immensely beneficial. While further liberalisation of MFN tariffs would certainly be the first best option for micro, small, and medium-sized enterprises (MSMEs) as they do not need to incur the cost of compliance, a better functioning ATIGA in the meantime is still something that can be aimed at. Our study indicates that focusing on possible issues in implementation of ATIGA in sectors that do not have high volume of trade, but nevertheless provide opportunities to SMEs, should be investigated and solved. The issues often tend to be trade partners and product-specific, so a thorough investigation using both qualitative and quantitative methods is warranted to ensure that ATIGA is working as envisaged.

Finally, effective monitoring of ATIGA requires not only examining the patterns of trade flow, but directly looking into firm behaviour related to utilisation of the FTA, their cost of compliance, and how they use the FTA in their production and output decisions. At the national level, this requires coordination between the different agencies that collect relevant data. Firm data is collected by national statistical agencies, trade data including FTA utilisation is collected by Customs, and certificates of origin (CO) data is collected by issuing agencies. Currently, there is no system for combining the three sets of information to investigate how ATIGA is affecting the economy. Thus, AMS should work towards a system that creates a uniform national database that can be analysed to understand how ATIGA is working going forward. Furthermore, a regional level agreement on common data collection approach for monitoring of ATIGA could be established for comparability across AMS.