

High Level Policy Dialogue
Jakarta, 7 March 2016

Indonesia's initiatives in moving forward ASEAN integration

Non Tariff Measures in ASEAN

Lili Yan Ing

1. Introduction

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

...unlike tariffs, **NTMs** could play a role of check and balance for **the quality of goods**.

1. Introduction

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

Objectives:

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

Project Outputs

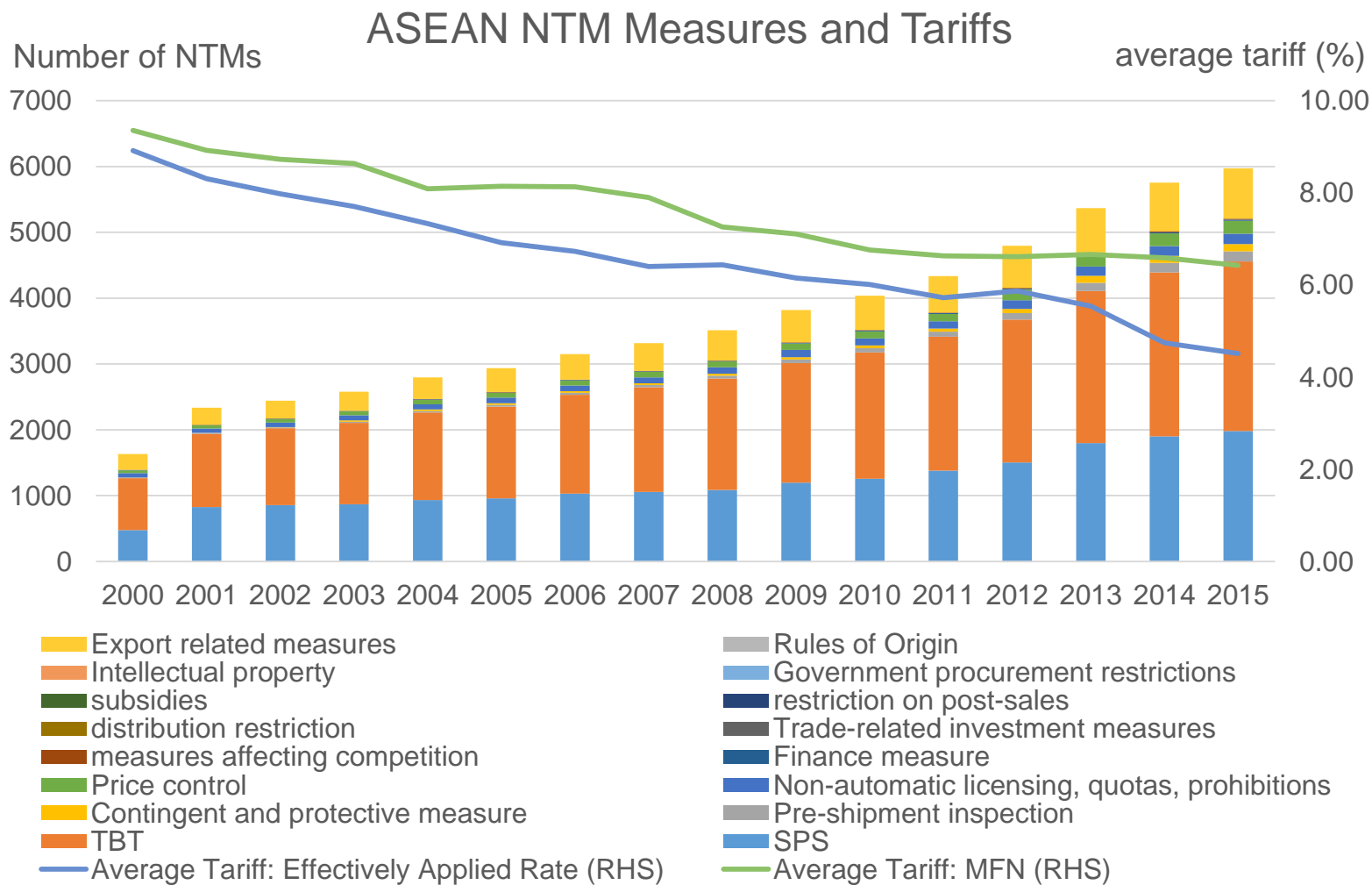
1. Phase I: Database (Jan 2016) and Country Report (Apr 2016)
2. Phase II: Analyses on NTMs in ASEAN (Jan 2017)

2. Review

The main value added of 2016 ASEAN NTM database:

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

3. Findings (as of 3 March 2016) --not for quotation



Source: Ing, Cadot, Anandhika and Urata, based on 2016 NTM database, asean.i-tip.org, *Non-Tariff Measures in ASEAN*, forthcoming in April 2016

3. Findings (as of 3 March 2016) --not for quotation

Country	Total (number)	SPS (%)	TBT (%)	Export related measures(%)	Others (%)
Brunei	516	31%	56%	9%	4%
Cambodia	713	36%	47%	10%	7%
Indonesia	638	20%	51%	12%	18%
Laos	301	13%	30%	27%	30%
Malaysia	713	36%	46%	10%	7%
Myanmar	172	44%	24%	20%	12%
Philippines	855	27%	42%	17%	14%
Singapore	522	24%	59%	10%	7%
Thailand	1630	48%	34%	8%	10%
Vietnam	379	37%	37%	17%	8%

Source: Ing, Cadot, Anandhika and Urata, based on 2016 NTM database, asean.i-tip.org, *Non-Tariff Measures in ASEAN*, forthcoming in April 2016

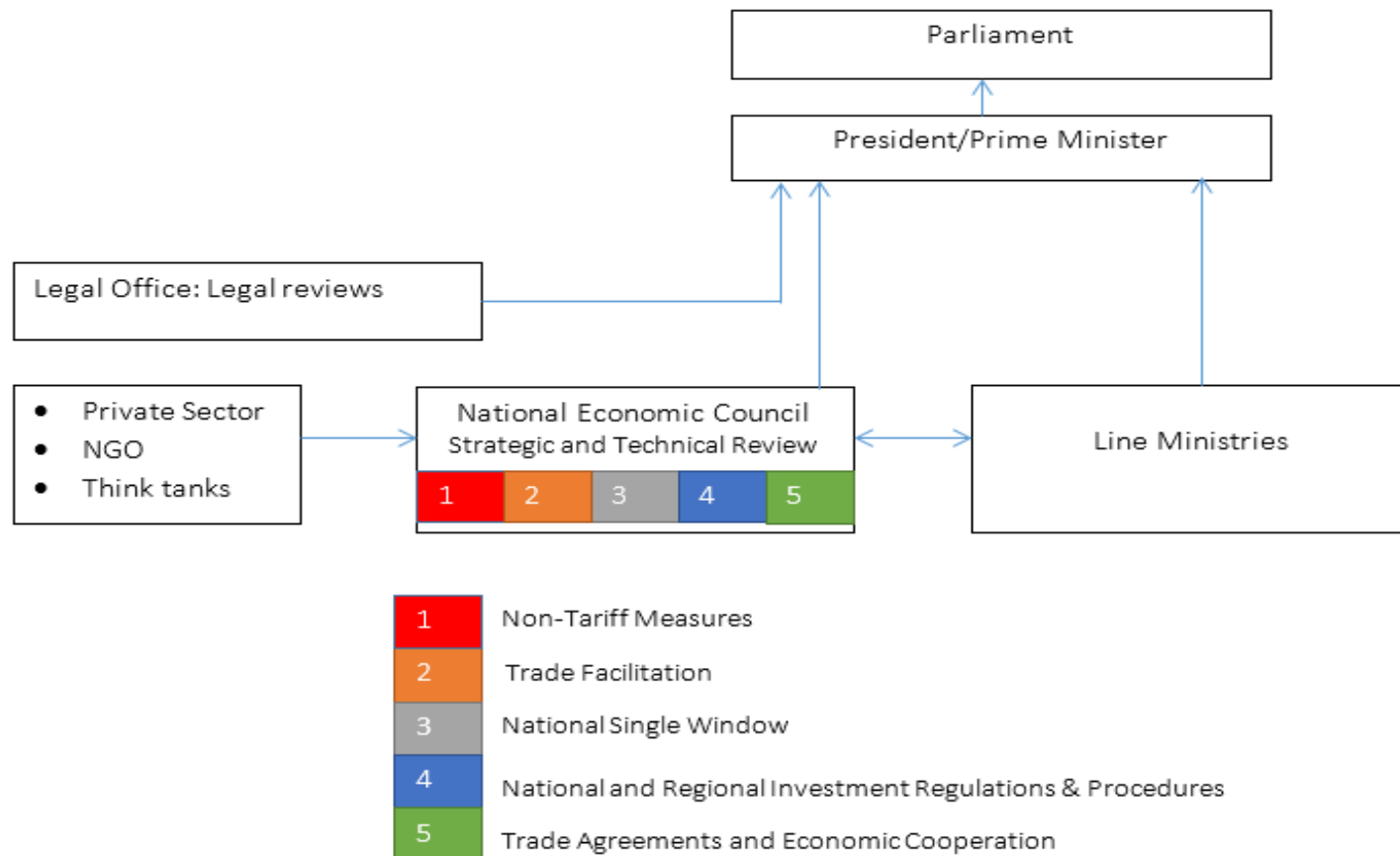
3. Findings

Does this mean that all NTMs are benign?

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

1. The governments know little about incentives and even less about how to design market-based regulations, confusing effective with cumbersome.
2. Regulations are often enforced in punitive ways, reflecting the anti-business culture of many administrations.
3. NTMs typically span the competencies of several ministries, with no coordination mechanisms to make the necessary trade-offs.

4. Indonesia's initiative (1): Establish an Independent Economic Council



Source: Ing, Cadot, Anandhika and Urata, based on 2016 ASEAN-ERIA-UNCTAD database, ERIA-UNCTAD Report on Non Tariff Measures in ASEAN (on-going process)

4. Indonesia's initiative (2): Update NTM database regularly

NTMs in ASEAN

- a. 2016 Database: asean.i-tip.org
 - (i) ASEAN Leader Summit (ASEAN's Output)
 - (ii) The database can be adapted into national trade repository
- b. Review NTMs regularly

5. Conclusions

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

ASEAN should break from the 'trade negotiation' approach and strive instead for three approaches:

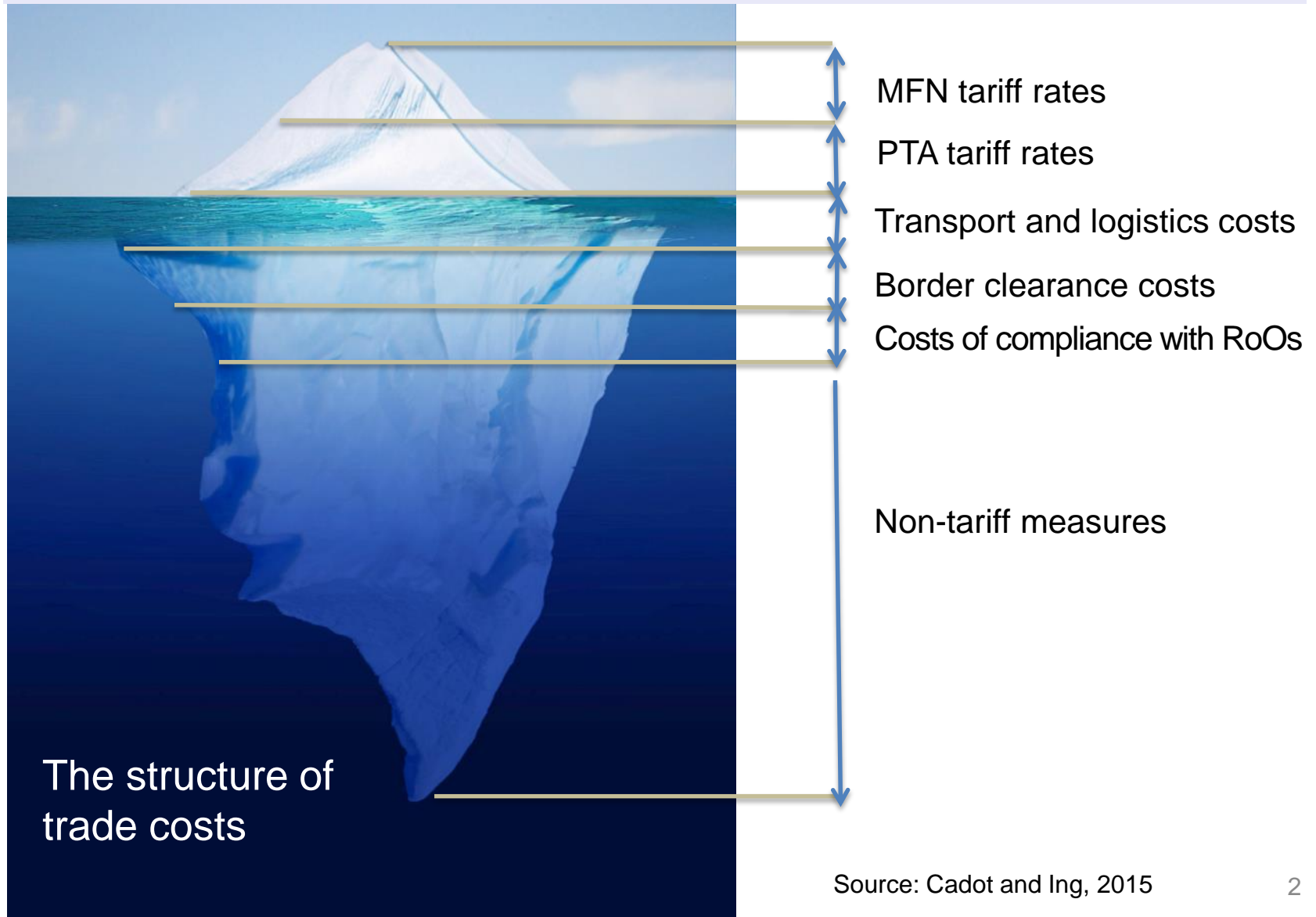
- (1) Transparency
- (2) Cooperation in conformity assessment procedures
- (3) Dynamic disciplines

Non-Tariff Measures in ASEAN

2016 NTM Data for ASEAN: asean.i-tip.org

Project Secretariat: ntm.asean@unctad.org

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



A.2. Team

Project Coordinators:

Lili Yan Ing and Santiago de Cordoba

Output 1. NTM Database (January 2016) and Country Report (April 2016)

National team (10 ASEAN countries: economists and government officials)

1. Brunei: MOFA (Yusri Yahya) and Prasetya Mulya (Ruth Elisabeth)
2. Cambodia: CACP (Chap Sotharith)
3. Laos: NERI (Amphaphone Sayasenh)
4. Indonesia: Wijaya Kusuma University (Ernawati Munadi)
5. Malaysia: University of Malaya (Evelyn Devadason)
6. Myanmar: Yangon Institute of Economics (Daw Zin Zin Naing)
7. Philippines: CATIF, University of Philippines (Loreli deDios)
8. Singapore: SIIA (Hank Lim)
9. Thailand: TDRI (Chedtha Intaravitak)
10. Vietnam: CIEM (Anh Duong)

The core team: Lili Yan Ing, Santiago de Cordoba, Rizqy Anandhika, Fabien Dumesnil, Denise Panello Rial, Michelle Kristy, Maxim Gubarev, Chi Le Ngo

A.2. Team

Report Editors:

Olivier Cadot and Lili Yan Ing

“How NTMs will Affect Trade in the Region?”

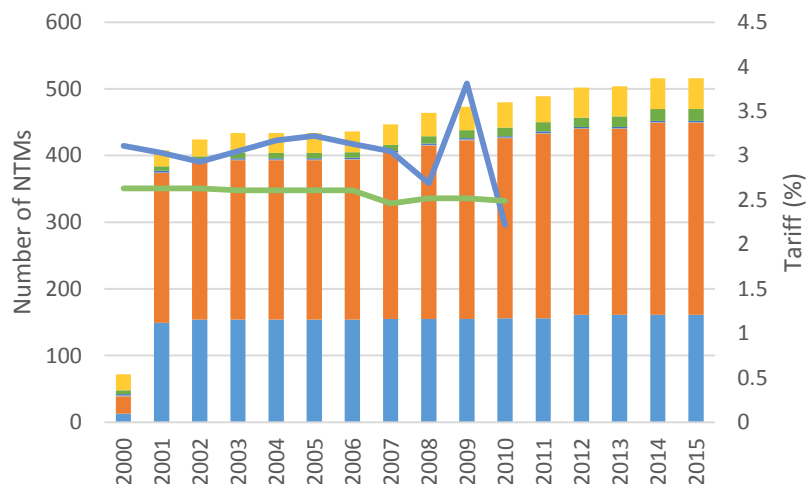
Output 2. NTM Analyses (January 2017)

1. Olivier Cadot
2. Lili Yan Ing
3. Jaime de Melo
4. Ralf Peters
5. Shujiro Urata
6. Ponciano Intal Jr
7. Santiago de Cordoba
8. Rizqy Anandhika
9. Christian Knebel
10. Ken Itakura
11. Chedtha Intaravitak
12. Fabio Artuso

A.3. Preliminary Findings (as of 19 Jan 2016)

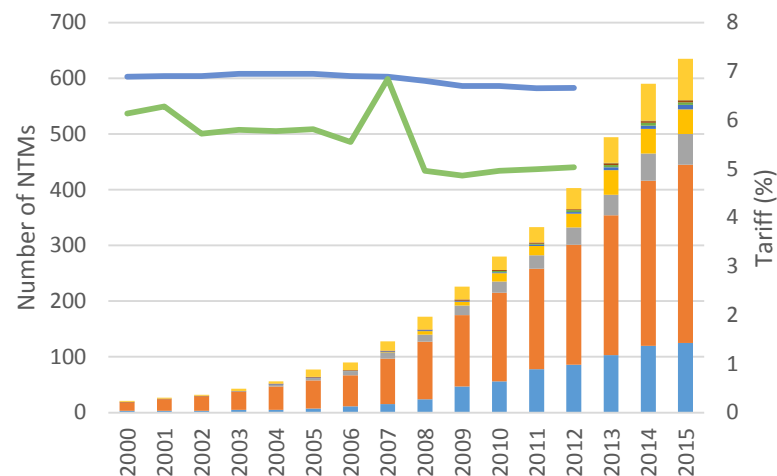
Review of tariff and non-tariff measures

Brunei NTMs and Tariffs



- Export related measures
- Rules of Origin
- Intellectual property
- Government procurement restrictions
- subsidies
- restriction on post-sales
- distribution restriction
- Trade-related investment measures
- measures affecting competition
- Finance measure
- Price control
- Non-automatic licensing, quotas, prohibitions
- Contingent and protective measure
- Pre-shipment inspection
- TBT
- SPS
- Tariff: AHS (RHS)
- Tariff: MFN (RHS)

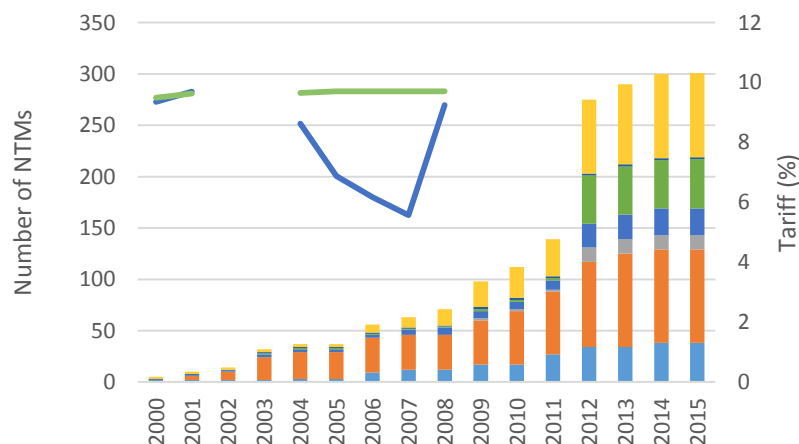
Indonesia NTMs and Tariffs



- Export related measures
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- SPS
- Tariff rate (AHS), RHS
- Tariff rate (MFN), RHS

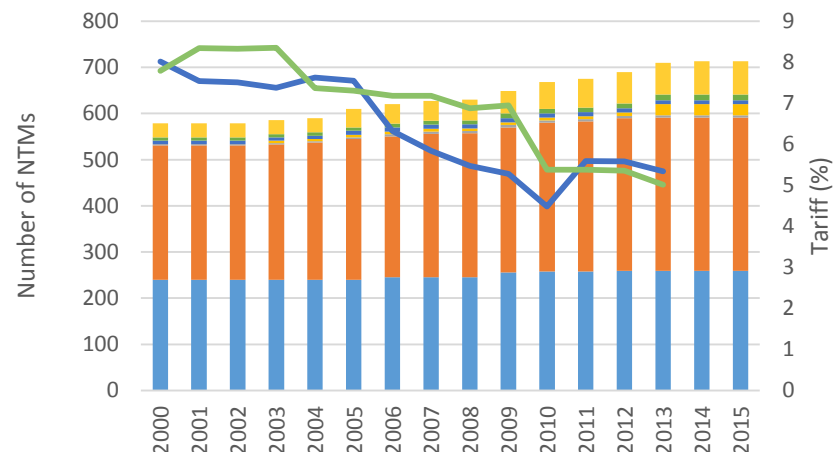
A.3. Review of tariff and non-tariff measures

LAO PDR NTMs and Tariffs



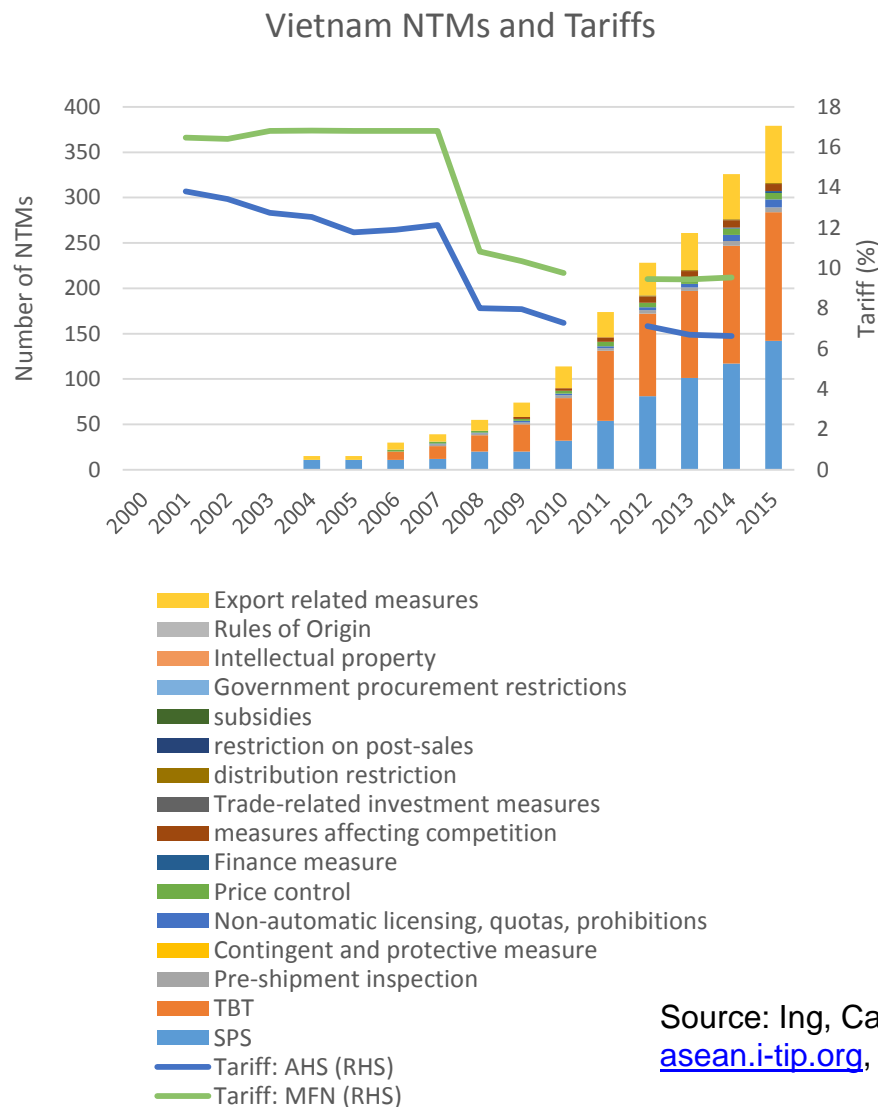
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- Tariff: MFN (RHS)

Malaysia NTMs and Tariffs



- Export related measures
- Rules of Origin
- Intellectual property
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- Pre-shipment inspection
- TBT
- SPS
- Tariff: AHS (RHS)
- Tariff: MFN (RHS)

A.3. Review of tariff and non-tariff measures



The full coverage
will be in
**NTM Country
Report**

forthcoming in
April 2016

Source: Ing, Cadot, Anandhika and Urata, based on 2016 NTM database,
asean.i-tip.org, *Non-Tariff Measures in ASEAN*, forthcoming in April 2016