

In collaboration with



HIGH LEVEL DIALOGUE
ON ASEAN ITALY
ECONOMIC RELATIONS

HIGH LEVEL DIALOGUE ON ASEAN ITALY ECONOMIC RELATIONS

Digital Round Tables

4° digital Round Table

Thursday, January 21, 2021

PRESENTATION BY HA THI THANH DOAN

Regulatory cooperation on non-tariff measures

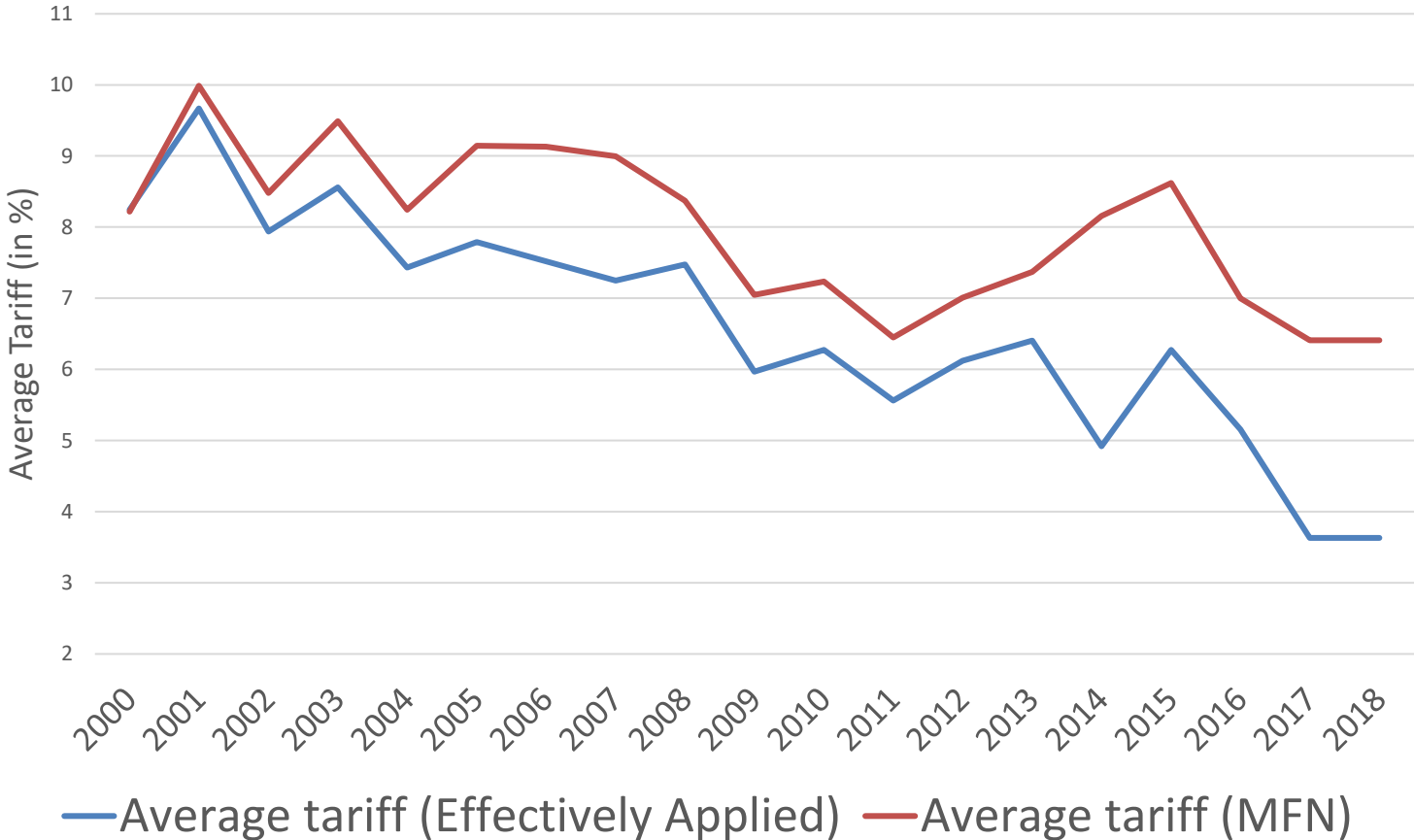
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Economic Research Institute for ASEAN and East Asia

High-level Dialogue on ASEAN- Italy Economic Relations
Digital Round Table, January 21, 2021

Tariffs have declined...

ASEAN Tariff, 2000-2018



Source: Author's calculation from World Bank's World Integrated Trade Solutions Database.

Yet, trade cost remains sizeable

Trade Cost in ASEAN, 2018

| | Trading Across Borders - Ranking | Export - Documentary compliance (Hours) | Import - Documentary compliance (Hours) | Export - Border compliance (Hours) | Import - Border compliance (Hours) |
|--------------------|---|--|--|---|---|
| Brunei | 163 | 155.0 | 132.0 | 117.0 | 48.0 |
| Cambodia | 125 | 132.0 | 132.0 | 48.0 | 7.5 |
| Indonesia | 129 | 61.3 | 106.2 | 62.6 | 99.4 |
| Lao PDR | 82 | 60.0 | 60.0 | 13.0 | 13.5 |
| Malaysia | 63 | 10.0 | 10.0 | 45.0 | 69.0 |
| Myanmar | 184 | 144.0 | 48.0 | 141.7 | 230.0 |
| Philippines | 110 | 36.0 | 96.0 | 42.5 | 72.0 |
| Singapore | 47 | 2.0 | 3.0 | 10.0 | 33.0 |
| Thailand | 64 | 11.3 | 4.0 | 51.0 | 50.2 |
| Vietnam | 106 | 50.0 | 76.0 | 55.0 | 56.0 |

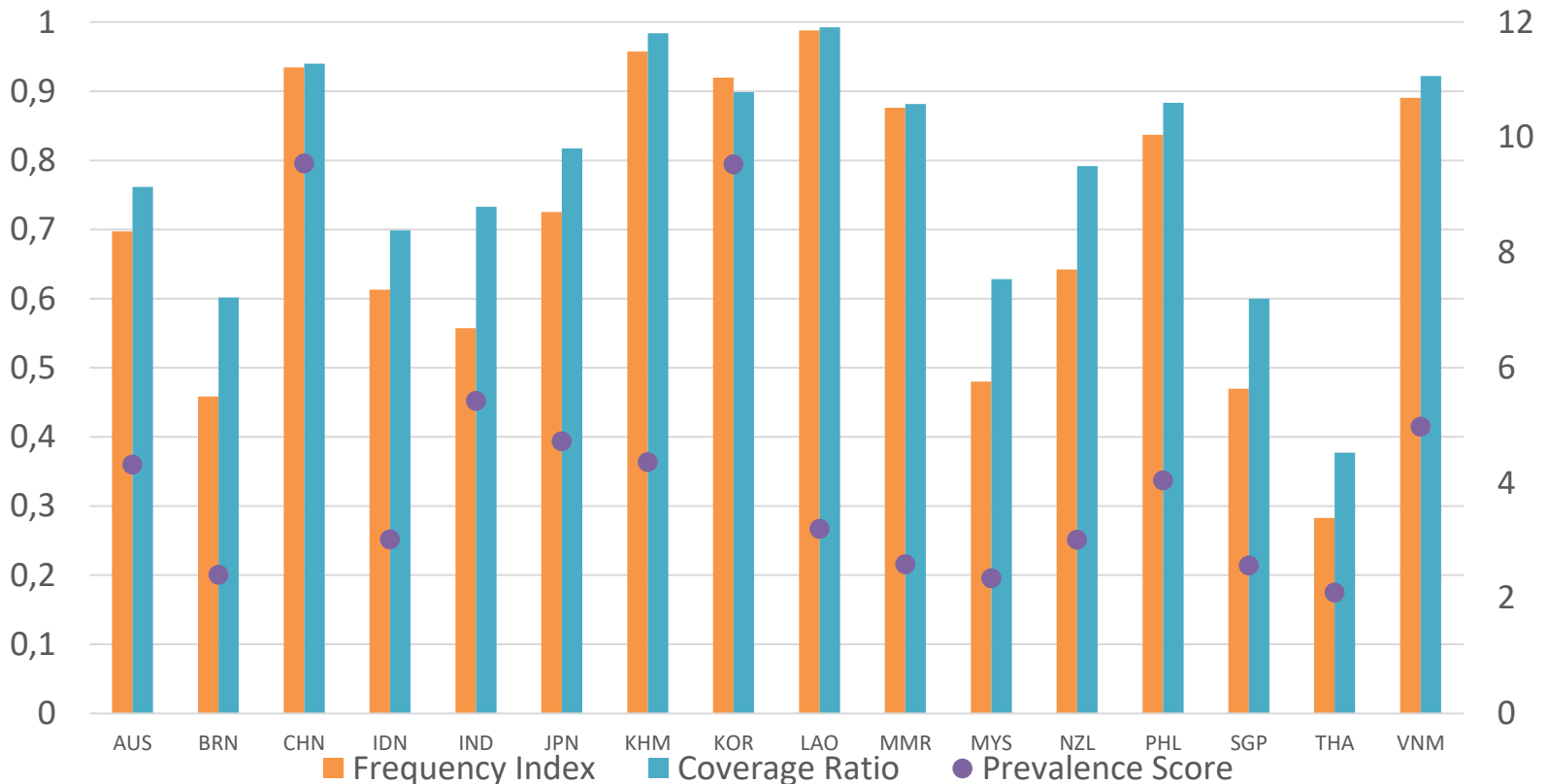
Source: World Bank's Trading Across Borders Database.

New generation of FTAs emphasizes collaboration beyond tariffs

- RCEP: customs procedures and trade facilitation, standards, technical regulations and conformity assessment, consultations etc.
- CPTPP: customs administration and trade facilitation, SPS, TBT, environment etc.

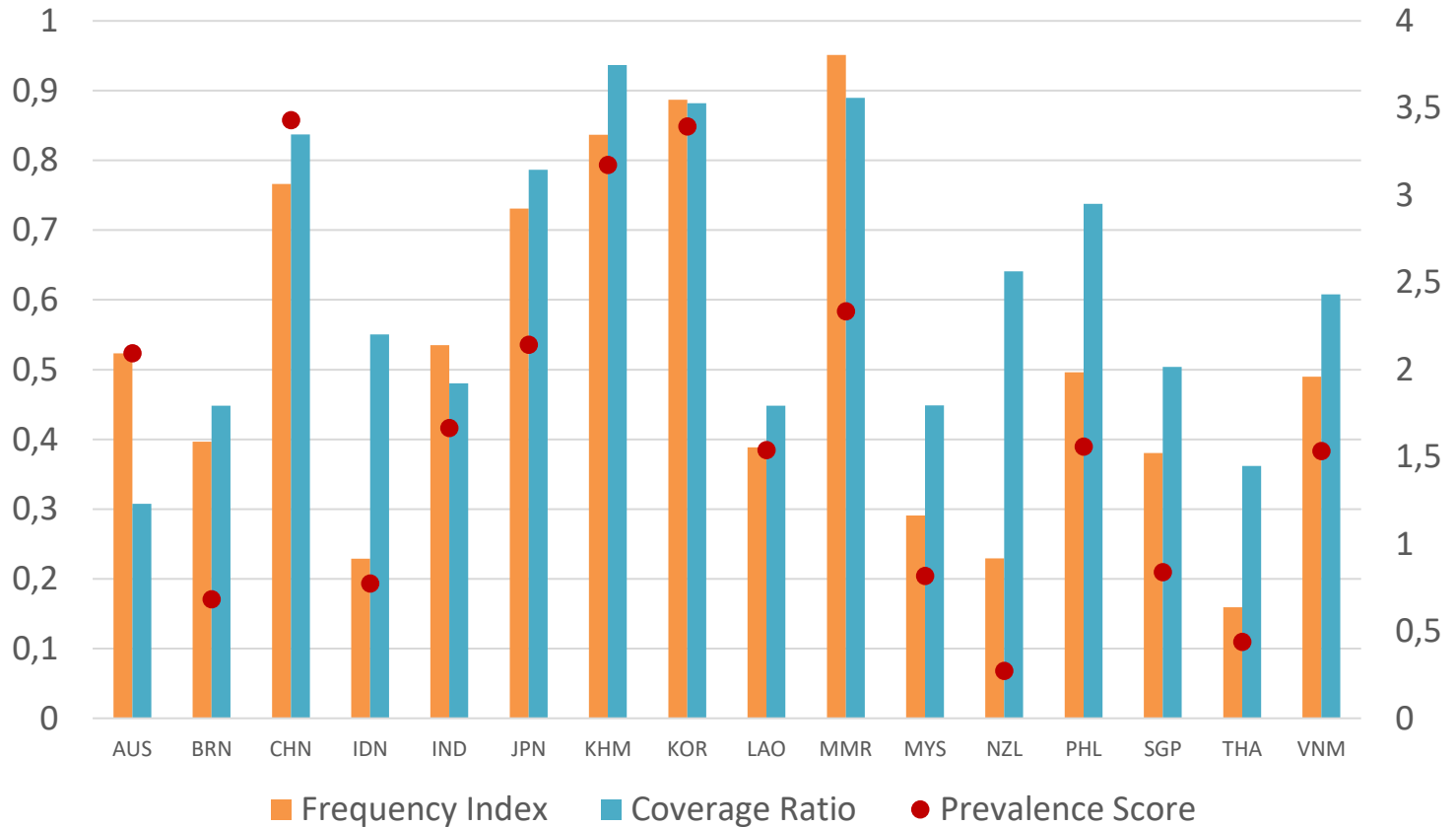
NTMs could significantly hinder trade by increasing compliance cost

Incidence and Prevalence of import NTMs, ASEAN +6



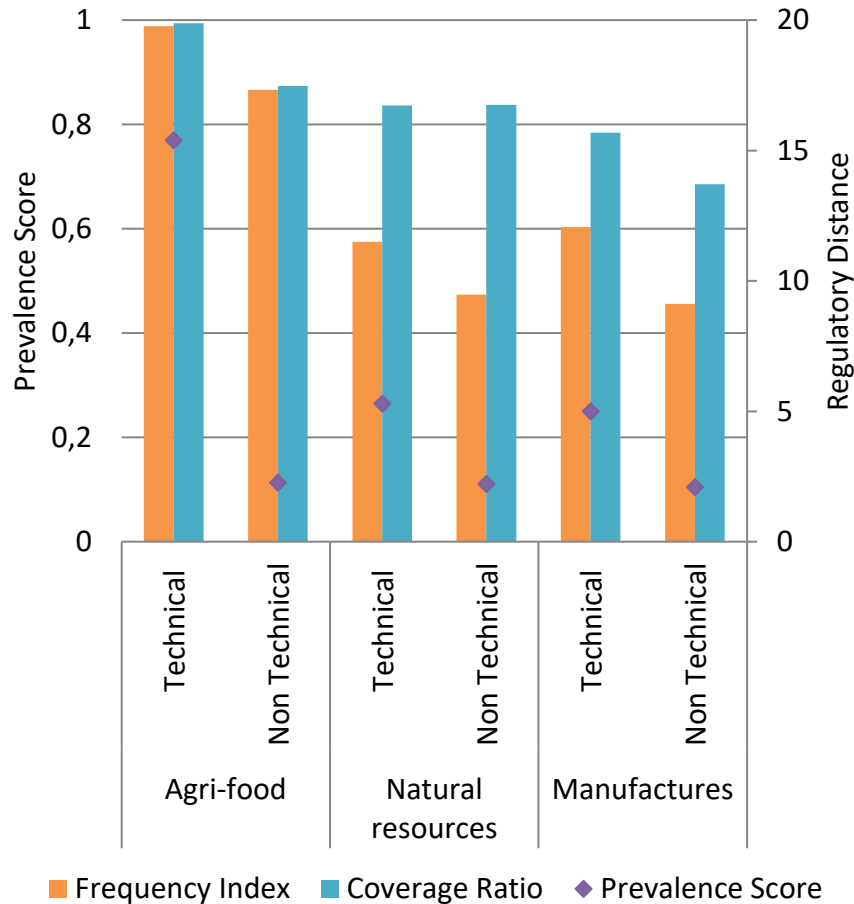
Source: ERIA-UNCTAD NTMs in ASEAN+6 database, at unctad.trains.org

Incidence and Prevalence of export NTMs, ASEAN +6



Source: ERIA-UNCTAD NTMs in ASEAN+6 database, at unctad.trains.org

NTM prevalence by NTM type and sector, ASEAN +6



- Agri-food products are highly regulated, both by technical and non technical measures.
- Prevalence score has the highest values for agri-food products
 - on average around 15 different technical measures, some of them are SPS and others are TBT
- Manufactures are in general more regulated by TBT, but also by Licenses in chapter E, and price NTMs, apart from Export measures

Source: ERIA-UNCTAD NTMs in ASEAN+6 database, at unctad.trains.org

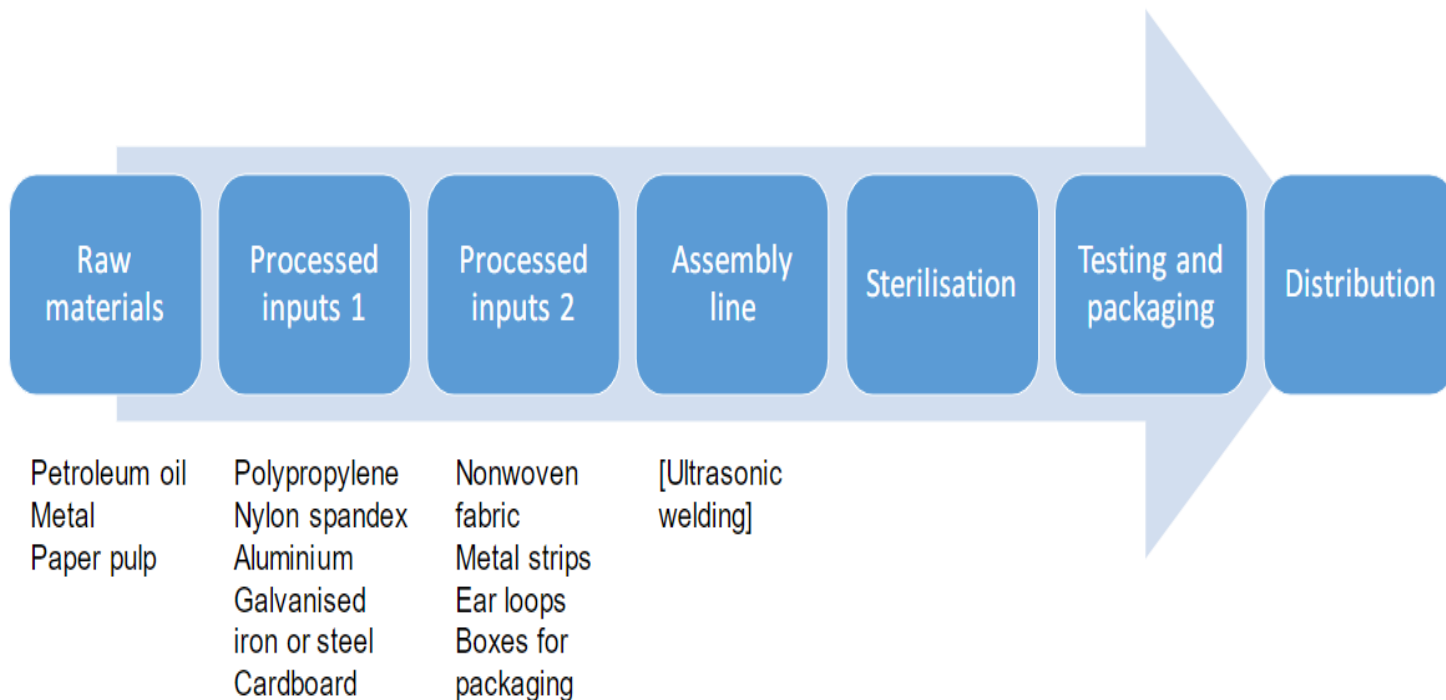
The collapse of world trade and GVC disruption following covid-19 crisis stresses the urgency to reduce trade costs



Source: UNCTAD (2020). https://unctad.org/system/files/official-document/ditcinf2020d4_en.pdf

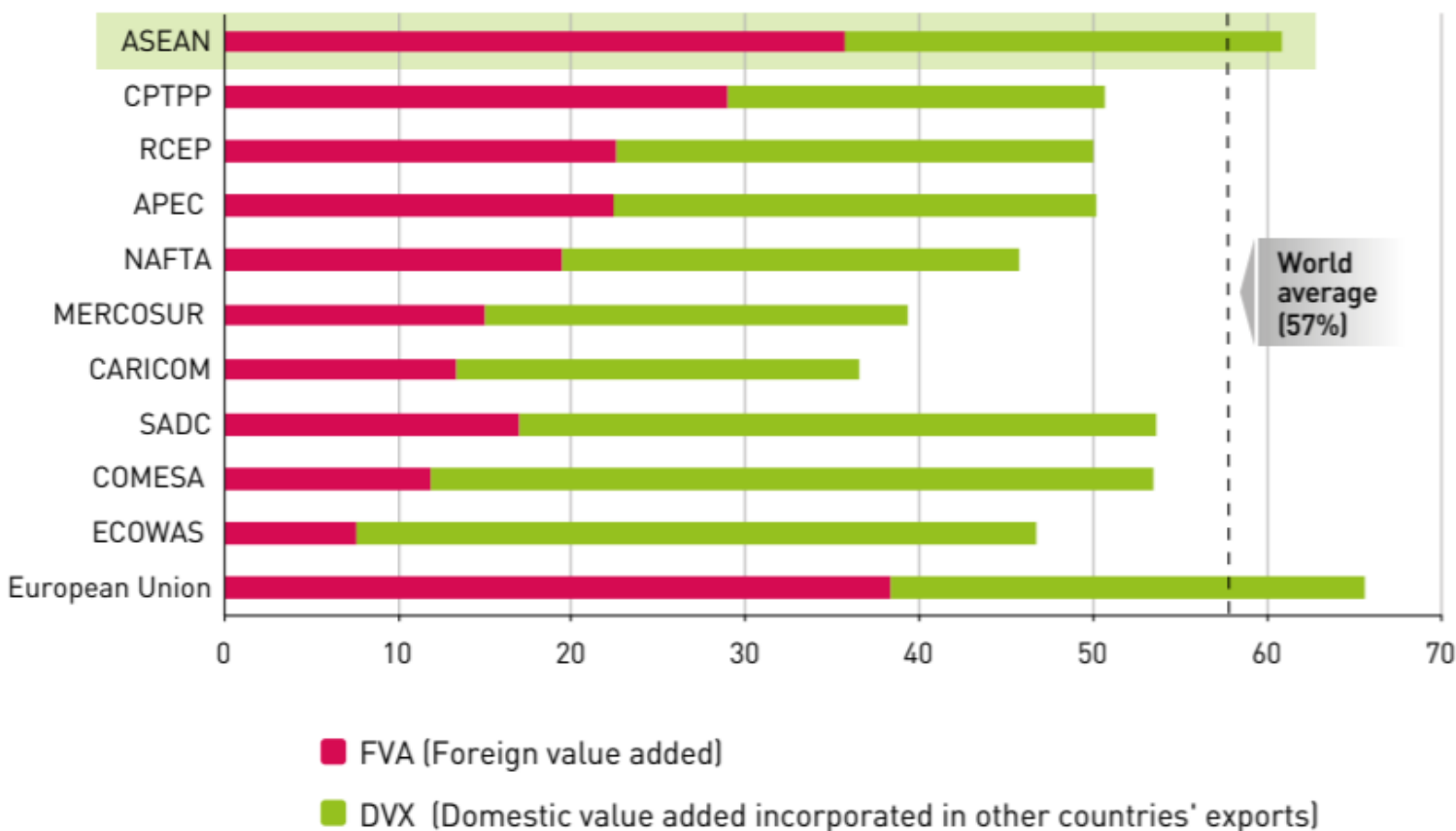
Policy spillovers along the value chain

The face mask value chain



Source: OECD (2020), https://read.oecd-ilibrary.org/view/?ref=132_132616-14i0j8ci1q&title=The-Face-Mask-Global-Value-Chain-in-the-COVID-19-Outbreak-Evidence-and-Policy-Lessons

GVC participation



Source: ASEAN-Japan Center (2019), Global Value Chains in ASEAN, A Regional Perspective

Regulatory cooperation

- Knowledge sharing
- Identification of areas of mutual interest
- Regulatory convergence: Harmonisation, Development of international standards, Mutual recognition agreements



THANK YOU