



ARTNeT Dialogue on “Analyzing Non-tariff measures: collating evidence and setting research agenda”

Exploring NTM impact: Micro-level evidence

Impacts on French exporters

Bangkok– April 26, 2017

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Facilitating market access for French
companies : organization and roles of
the French embassies

Organization of the French embassies (1/3)

- Market access issues – under the responsibility of the Economic Departments of the embassies
- ≠ Trade Mission (Business France) : market analysis and information (including regulation) and BtoB networking

Organization of the French embassies (2/3)

- In ASEAN :
 - 1 Regional Economic Departement (SER) based in Singapore
 - 8 Economic Departments (SE) in each ASEAN country
 - Exception : Brunei directly followed by SER Singapore

Organization of the French embassies (3/3)

- In SER Singapore : several technical experts (from different administrations) on agriculture, transportation/energy, IP,...
- In other SE in ASEAN : staff with a more generalist economic background (from the ministry of economy)
- Technical support provided by SER to SE

Focus on Agriculture

- For Agriculture :
 - 2 people based in Singapore
 - 1 person based in Hanoi, focusing on Vietnam, Cambodia and Laos
- Scope : agricultural & food products (including beverages)
- Market access issues : all problematic governmental measures with a negative impact on French exports (generally collective impact on exporters)

Market access activities mainly related to SPS regulations

Questionnaire +
country audit



Zoo/phyto
sanitary situation

Food safety

« Country Agreement »



Pre-listing
Documentation audit
On site audit



Establishment
Agreement



National regulation:
food safety (additives,
microbiological
criteria, ...),
labelling, etc.

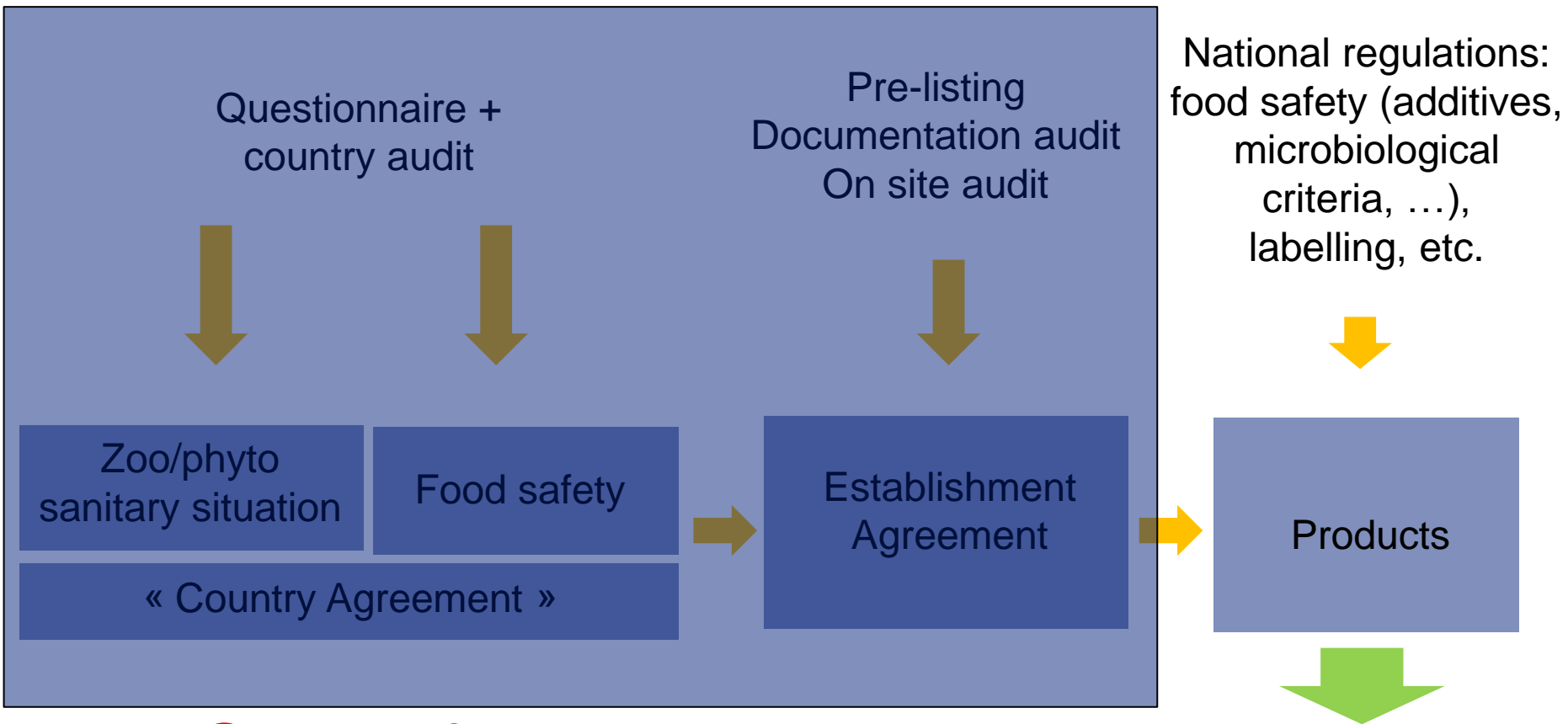


Products



EXPORTATION

Market access activities mainly related to SPS regulations



= Core of our activities

EXPORTATION

But not only...

- Other regular topics:
 - Excise tax and other regulations on alcoholic beverages
 - Import licensing
 - Labeling
 - Product registration
 - GI regulations/infringements
 - etc.

Observations and lessons drawn from past cases in ASEAN

A few preliminary precautions

- Regulation of trade is needed, notably for consumer protection
- It is particularly true for developing or emerging countries which have to go through a significant sophistication of their regulatory frameworks
- Most new regulations are not an issue and, often, welcomed by exporters

Main causes of market access issues

- Non compliance with WTO rules and international standards (Codex, IPPC, OIE)
- Lack of inter/intra-ministerial consultations and lack of stakeholders consultations (importers, exporters,...)
- Unclear rules/regulations leaving room for arbitrary decisions
- Abrupt transition btwn old/new regulation
- Limited or no communication / low accessibility of new regulation

Case 1 : WTO - import restriction on wheat for animal feed

- Measure : import license for wheat (feed) + criteria : 1 t imported wheat vs 3 t locally purchased corn
- WTO : import licenses possible but notification needed + specific rules detailing possibilities
- This measure: no notification and obvious trade distortion between domestic/imported products
- Discussion opened at Geneva

Case 2 : OIE standards (regionalisation)

- HPIA (avian flu) epidemic in France
- OIE (chapter 10.4 – terrestrial animals code) : possible to continue exportations from areas where disease absent
- France :
 - open, transparent and timely communication on epidemic evolution
 - + bilateral discussions to provide details on measures to control and monitor the epidemic
- Several ASEAN countries : refusal to apply regionalization – discussions on going

Case 3 : OIE standards (BSE status)

- Measure : import of bovine meat only from countries with a status of “negligible risk” for BSE at OIE
- OIE (article 11.4.11 – terrestrial animals code) : possible to also import from countries with a “controlled risk” status, notably France
- WTO : possibility of more stringent rules if based on risk analysis
- But, in concerned country : no risk analysis and no BSE status at OIE

Case 4 : lack of internal/external consultation

- New labeling regulation for alcoholic beverages – strong restrictions on the use of images and words with a positive connotation
- Objective : consumer protection
- Multiple conflicts with international and domestic IP regulations + lack of objectivity of criteria to assess conformity of label
- No implementation of regulation

Case 5 : no smooth transition between old/new regulation

- New regulation : obligation to submit a PRA to get access to market for vegetables/fruits
- Before : no PRA requested
- Existence of trade flows before introduction of new regulation – no past interception of shipments with pests
- Smooth transition : PRA requested for all vegetables/fruits but delay granted for goods already exported in the past
- Abrupt transition : PRA requested immediately – trade flow interrupted

When protectionism backfires : self sufficiency vs food security

- Policy of self sufficiency for multiple agricultural goods (mainly through import restrictions) : price support to farmers
- Official objective : food security
- Problems :
 - Rice : high price compared to international market – low accessibility for the poor
 - Beef : strong demand during festive season – leading to price hike : dairy cows sold for meat by smallholders undermining increase of milk production

When protectionism backfires : Taxes on alcoholic beverages

- Excise taxes on alcohol : very high level of taxation and discrimination between local and imported products
- Official objective : consumer protection
- But taxes based not only on alcohol content but also ad valorem + low taxation on cheap/strong alcoholic beverages made from industrial alcohol
- Problems :
 - High accessibility of products of poor quality and high alcohol content
 - Massive smuggling to avoid taxation

Conclusions

Conclusion

- Regulation of trade is needed and most new regulations are welcome.
- Good regulations based on WTO and international standards + good practices
- Causes for “bad regulations” : not always voluntary - protectionism... and corruption
- In the long run, low confidence of foreign investors – loss of FDI

Thank you for your attention !

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