

Subregional Workshop on Non-Tariff Measures in Armenia and North and Central Asia, 10-11 June, Yerevan

Operationalizing work on NTMs: Accelerating Trade Facilitation & Digitalization in Asia-Pacific

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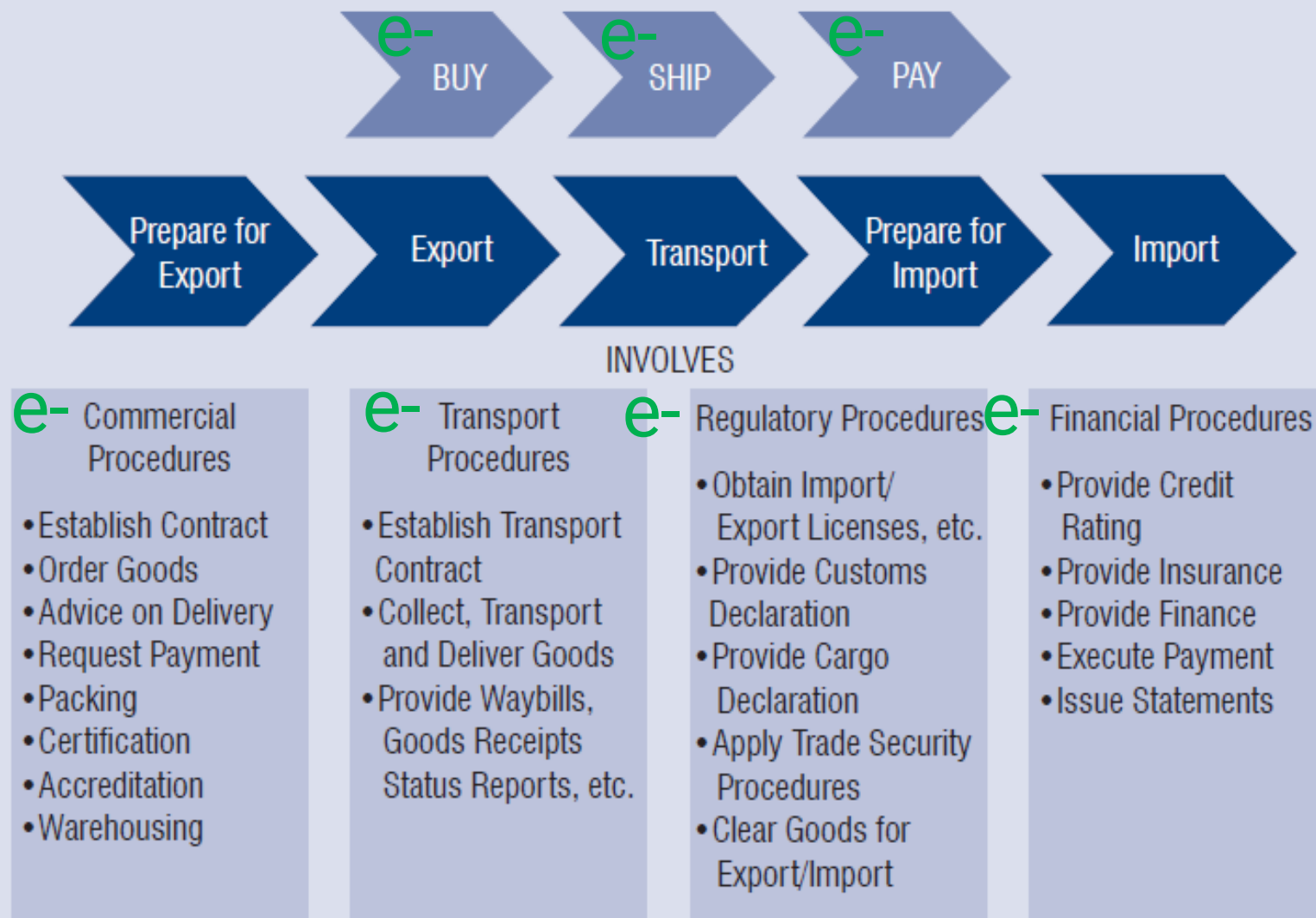
Agenda

- Introduction
- What is the state of trade facilitation and implementation in Asia and the Pacific?
 - 2019 results of UN Global Survey on trade facilitation (TF)
 - Highlights of few TF measures particularly relevant for reducing cost of SPS/TBT
- Towards cross-border paperless trade
 - (short video)



Trade Facilitation? → Making trade procedures more efficient

Trade Digitalization? → Digital or e- Trade Facilitation



Trade Costs in Asia and the Pacific

Table 1: Intra- and extra-regional comprehensive trade costs in the Asia-Pacific region (excluding tariff costs), 2010-2015

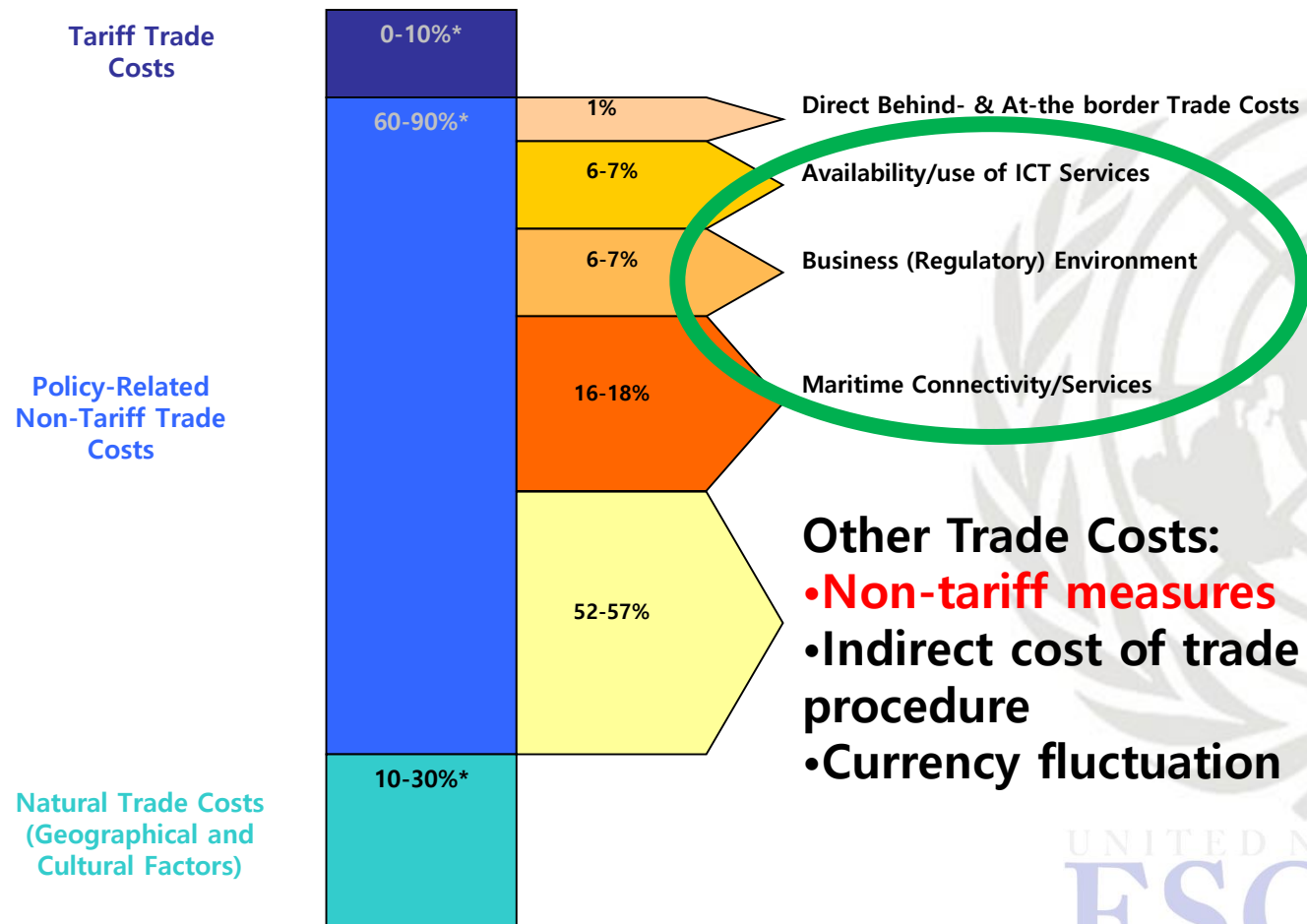
Region	ASEAN-4	East Asia-3	North and Central Asia - 4	Pacific Islands Developing Economies	SAARC-4	AUS-NZL	EU-3
ASEAN-4	76% (6.7%)						
East Asia-3	76% (4.1%)	51% (-2.9%)					
North and Central Asia - 4	343% (5.4%)	167% (-9.9%)	116% (-0.9%)				
Pacific Islands Developing Economies	172% (-9.0%)	173% (-3.1%)	370% (21.6%)	130% (-8.8%)			
SAARC-4	130% (3.5%)	123% (-2.1%)	302% (7.7%)	300% (-4.6%)	119% (12.9%)		
AUS-NZL	101% (2.9%)	87% (-5.4%)	341% (-4.9%)	82% (-8.9%)	136% (-6.7%)	51% (-4.9%)	
EU-3	105% (-3.4%)	84% (-3.4%)	150% (-7.1%)	204% (-7.1%)	113% (0.3%)	108% (-2.3%)	42% (-8.1%)
USA	86% (8.0%)	63% (0.4%)	174% (-3.5%)	161% (-5.4%)	112% (6.7%)	100% (2.9%)	67% (0.4%)

Source: ESCAP-World Bank Trade Cost Database (June 2017 update). Available at:

<http://www.unescap.org/resources/escap-world-bank-trade-cost-database>

Key factors in lowering trade costs – Asia-Pacific Perspective

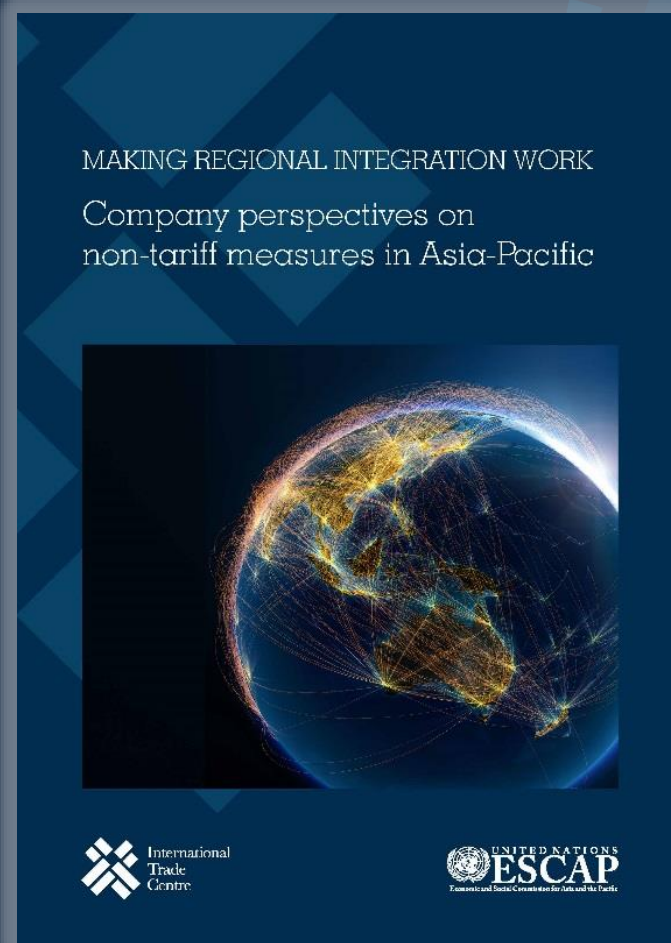
Contribution of natural barriers, behind-the border facilitation and trade-related practice to trade costs



* Illustrative based on casual observation of the data only. Natural trade costs for landlocked countries may be outside the range shown for natural trade costs.

ESCAP-ITC joint report, “Company perspectives on non-tariff measures in Asia-Pacific”

- 56 per cent of all interviewed firms report burdensome NTMs
- Intraregionally applied “burdensome” NTMs account for half of all reported “burdensome” NTMs
- Almost 90 per cent of all export partner “burdensome” NTMs are either: TBT, SPS or rules of origin.
- More than 40 per cent of all domestic “burdensome” NTMs relate to either: export certification, inspection, or licensing.
- ***Domestic* procedural obstacles are the primary reason why NTMs are found to be burdensome, with more than 80 per cent of export partner NTMs and more than 90 per cent of domestic government NTMs found to be problematic because of them.**



Economies that report higher rates of trade facilitation implementation generally tend to report less burdensome NTMs by traders



Source: UN Global Survey on Trade Facilitation and Paperless Trade Implementation, 2017; International Trade Centre, 2015-2018.

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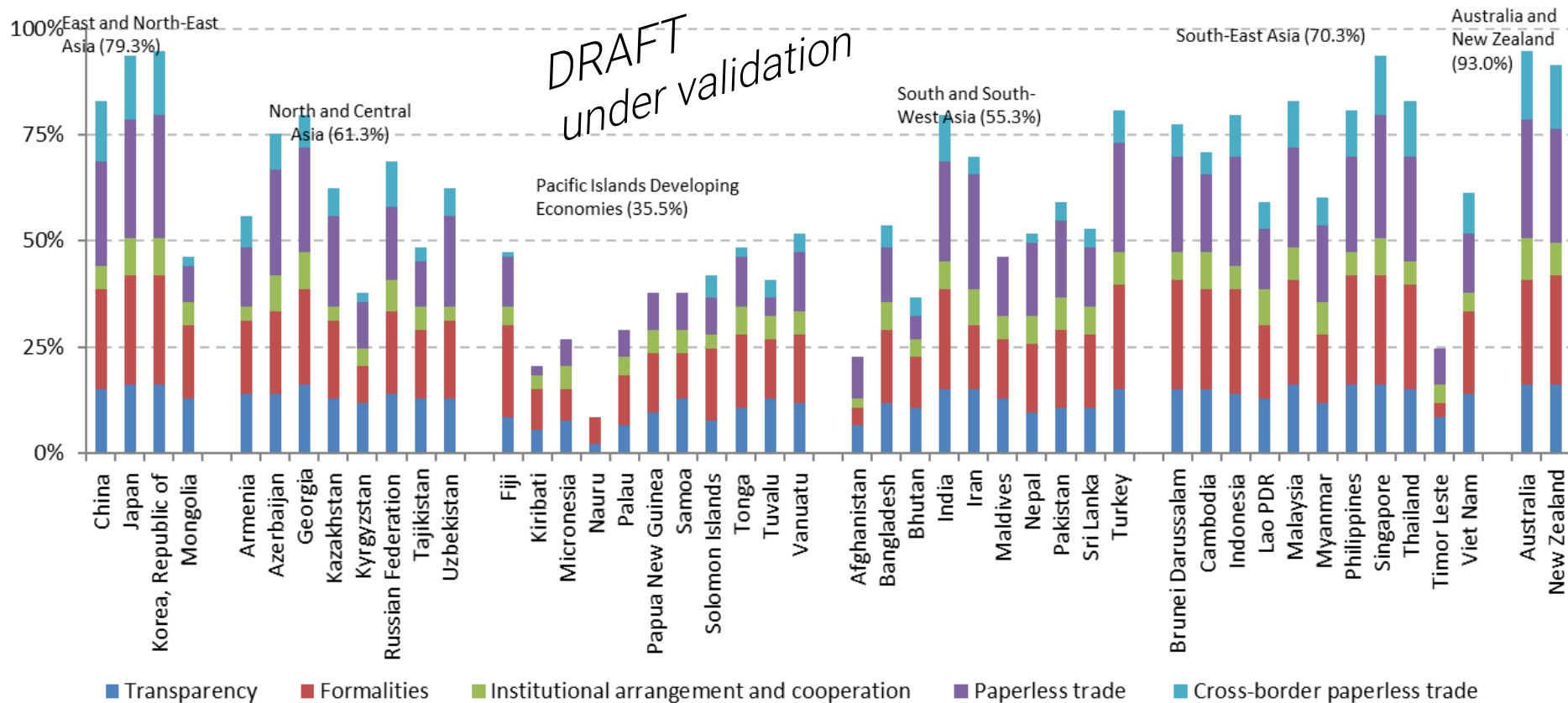


Partial & preliminary early results of the
**UN Global Survey on Digital and Sustainable Trade
Facilitation 2019** for Asia and the Pacific

- Survey Scope:
 - WTO TFA +
 - Paperless trade / Digital TF +
 - Sustainable TF
- Based on responses received until April/May 2019
- “Not for quotation”: Data & responses under final validation
 - official release to take place in July 2019
- Results to be available at UNTFSURVEY.ORG



Overall Implementation of Trade Facilitation Measures (46 Asia-Pacific countries)

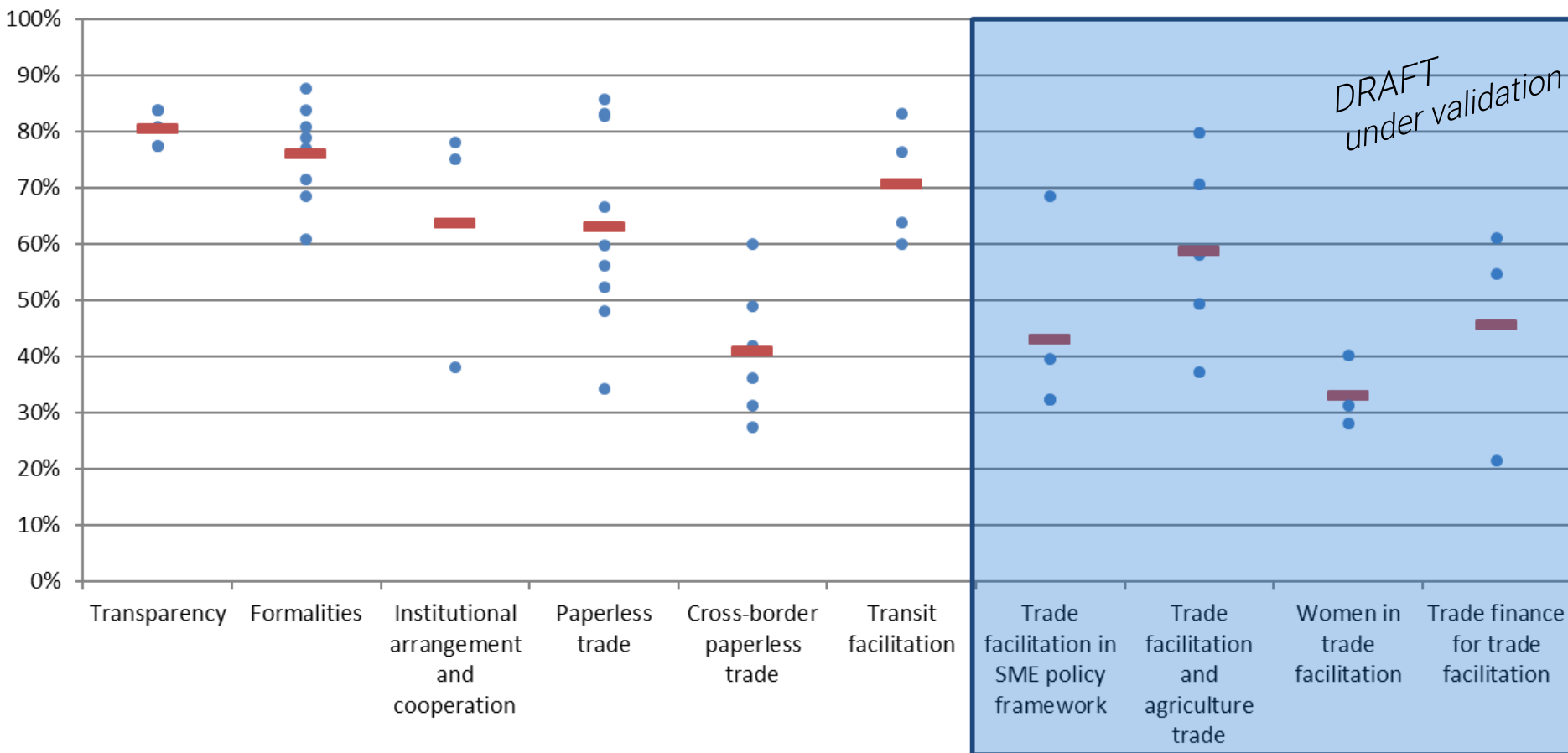


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



Implementation of Different Groups of Trade Facilitation Measures in Asia and the Pacific

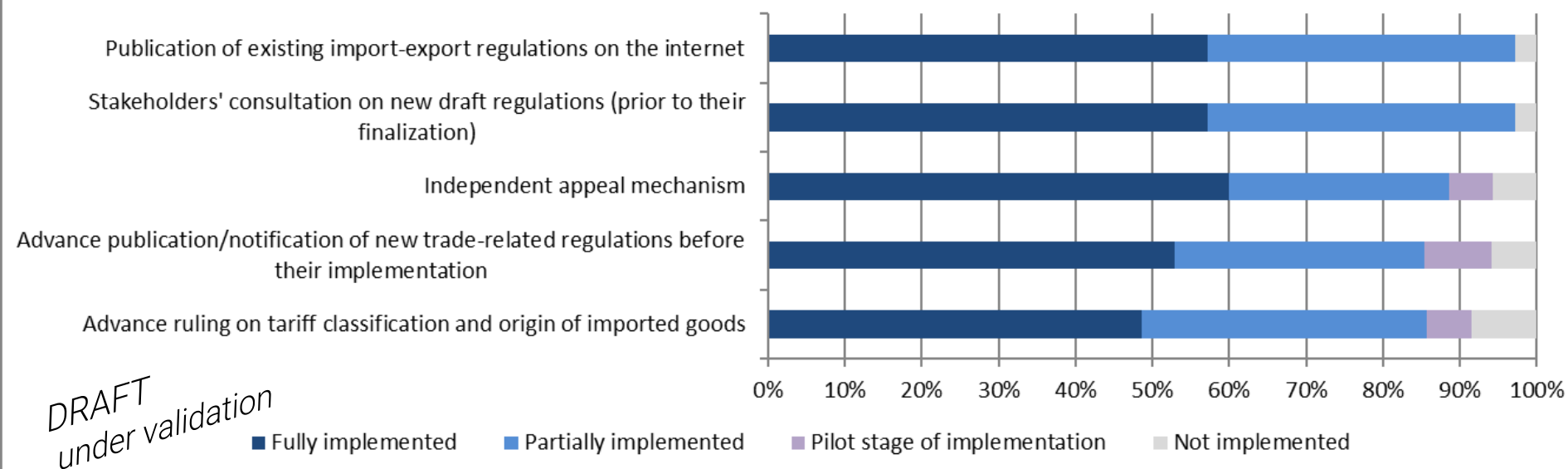


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

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State of implementation of trade facilitation measures in Asia and the Pacific: Transparency

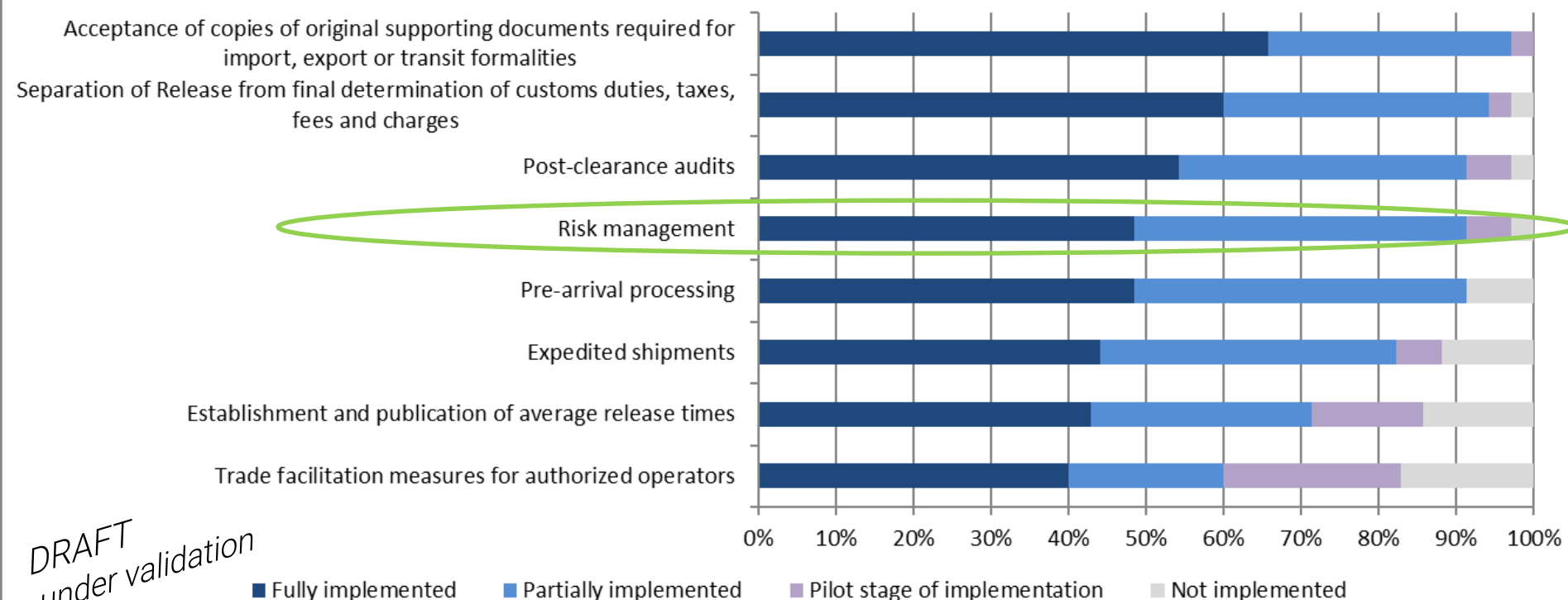


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

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State of implementation of trade facilitation measures in Asia and the Pacific : Formality

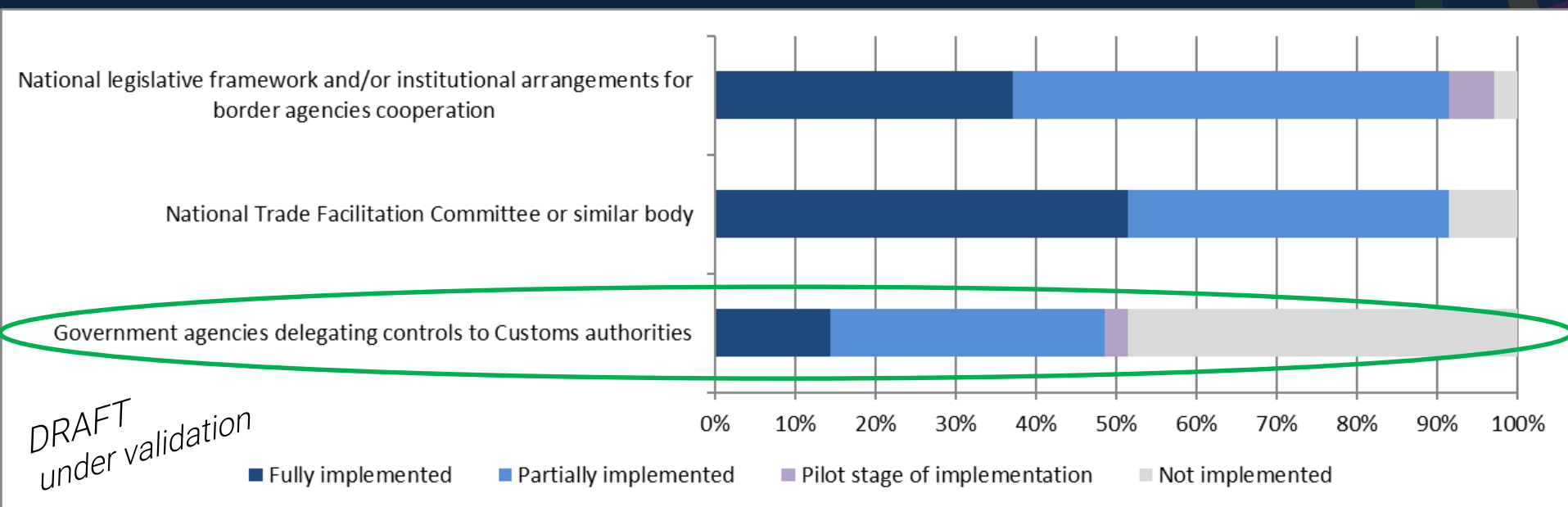


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



State of implementation of trade facilitation measures in Asia and the Pacific : Institutional arrangement and cooperation



Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.

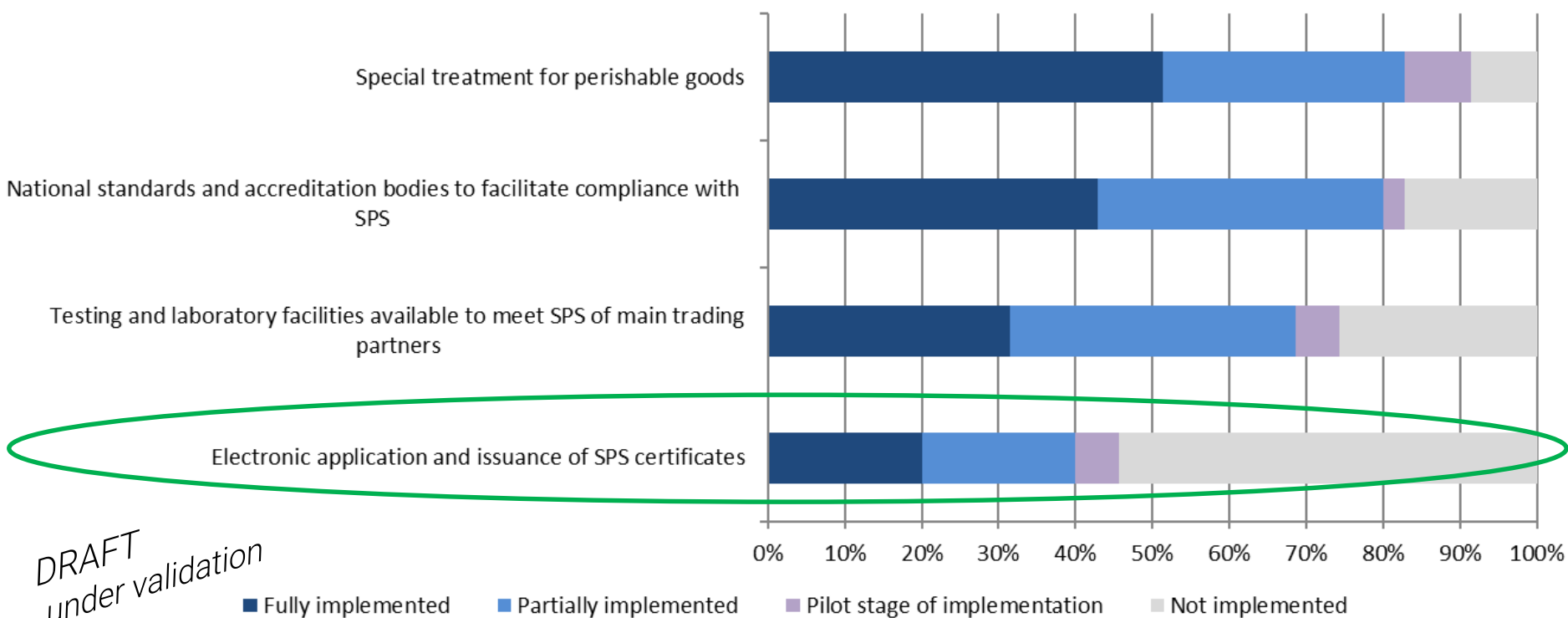


Sustainable trade facilitation measures

- **for transit**
- **for SMEs**
- **for agriculture**
- **for Women**



State of implementation of trade facilitation measures in Asia and the Pacific : Trade facilitation and agriculture trade



Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



Trade facilitation and agriculture/food trade

Measure: *Special treatment to perishable goods*

Most of the countries surveyed give priority to perishable goods when scheduling physical examinations. However, very few countries provide cold storage facilities at border crossing.

Good Practice

In the China-Pakistan Economic Corridor (CPEC), Food storages and facilities will be constructed to reduce significant post-harvest food loss. A cold storage center near the Khunjerab Pass has been built, from which seafood imports to Xinjiang region and for sale is managed. The storage center would also process orders that would arrive at Gwadar Port en-route to China.



Trade facilitation and agriculture/food trade

Measure: *Testing laboratory facilities equipped for compliance with SPS in main trading partners*

- Most (Over 60%) countries surveyed have implemented this measure by establishing laboratory facilities to certify agri-food products.
- However, implementation is incomplete due to limited technical and human resource capacity, as well as financial constraint.
- 22 (out of 46) countries can certify agri-food products in a timely manner. (sub-question)
- 21 (out of 46) countries have their laboratory facilities internationally accredited (ISO 17025) and use testing methods accredited in accordance with ISO. (sub-question)



Trade facilitation and agriculture/food trade

Measure: *Electronic application and issuance of SPS certificate*

- There is significant activity around pilots of electronic SPS certificate processes (24/46 countries) albeit the paper SPS certificate may still be provided (only 8 countries have reached full implementation).
- In 11 countries (sub-question) paper documents are not required for SPS application. (sub-question)
- In some countries, SPS certificate can be issued electronically, but hard-copies are still required for submission; and in some countries, vice versa.

Good Practice: China and Netherland can issue health certificate (SPS) electronically and fully paperless exchange for dairy products between the two countries are in place.

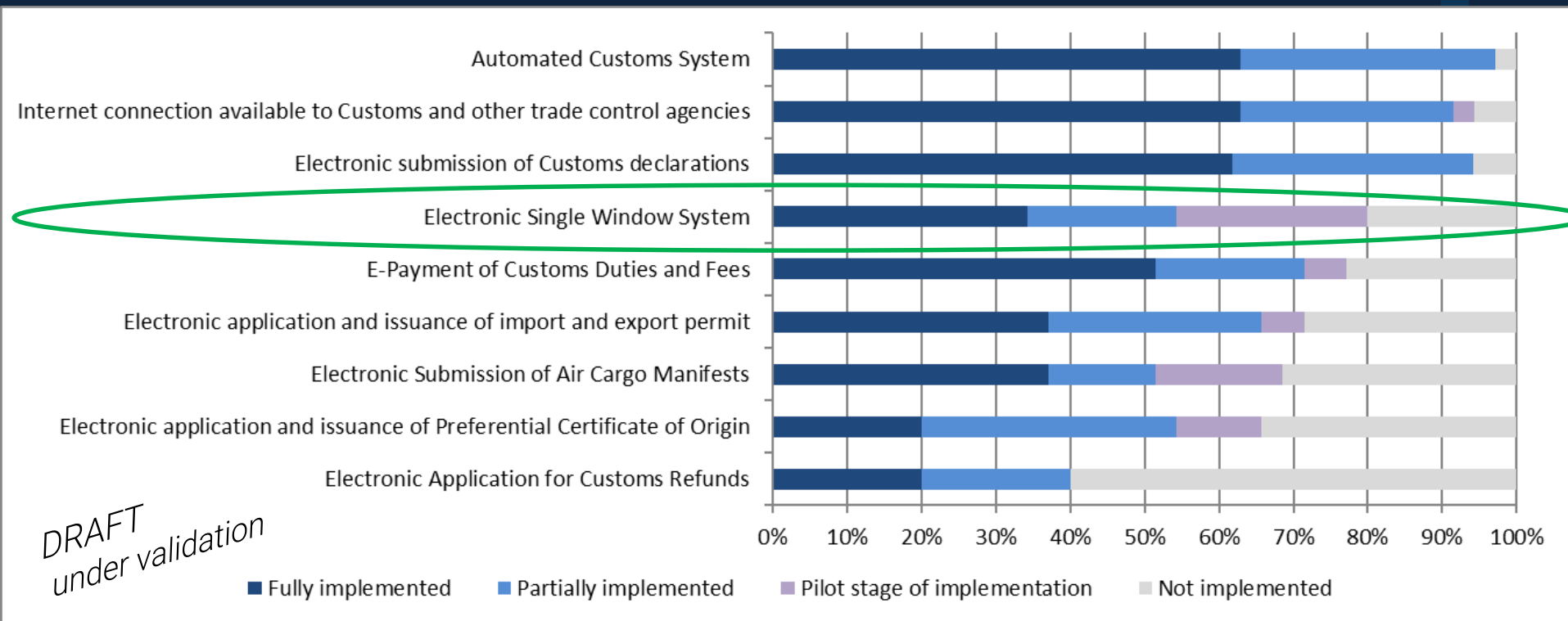


Digital trade facilitation measures

- Paperless trade
- Cross-border paperless trade



State of implementation of trade facilitation measures in Asia and the Pacific : Paperless trade

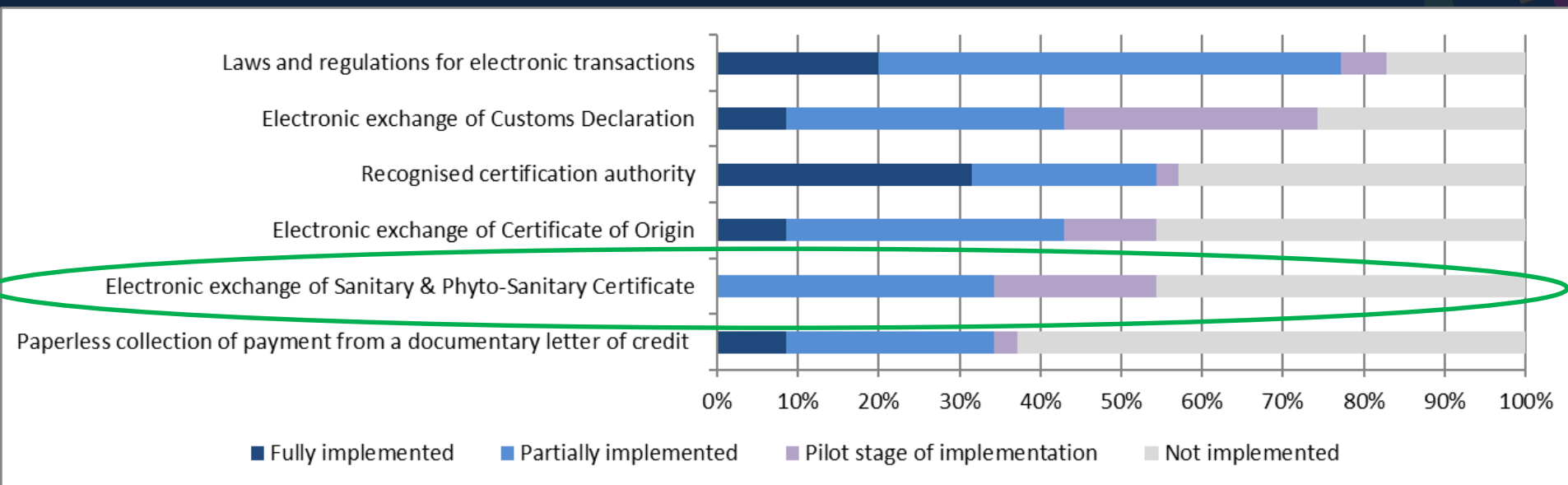


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

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State of implementation of trade facilitation measures in Asia and the Pacific : Cross-border paperless trade

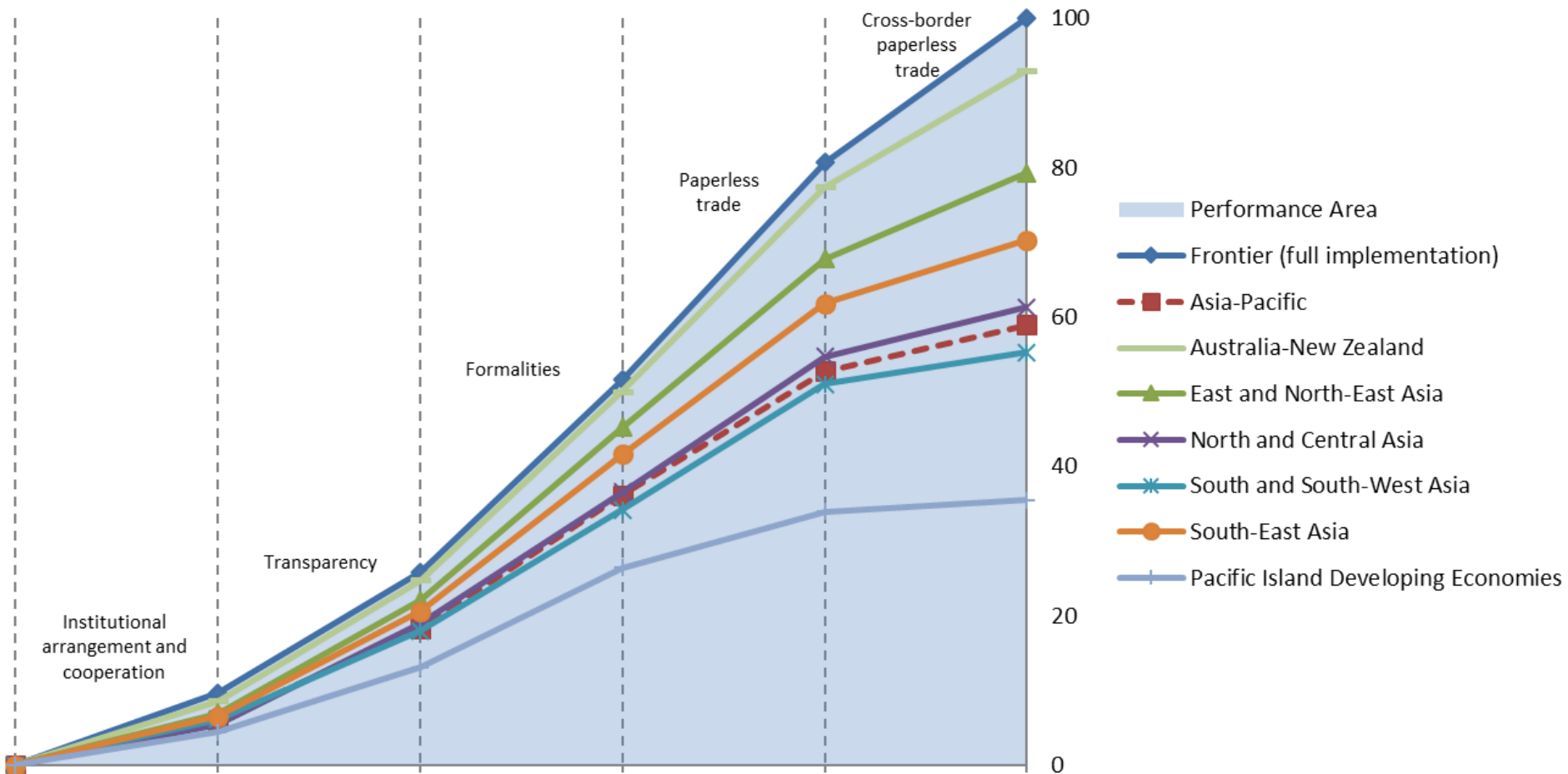


Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

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Moving up the trade facilitation ladder towards seamless international supply chains



Source: The third regional survey on trade facilitation and paperless trade implementation (2019)

Note: ESCAP is still receiving feedback from some member countries on data validation. Therefore, the results may be further – probably slightly – revised in the final report to be issued in the coming months.



Cross-border paperless trade as a way forward to reduce trade costs

- Trade cost reductions almost double if full implementation of binding + not binding measures (-10%)
- ICT applications in TF (i.e. paperless trade measures) have high trade cost reduction potential (additional 7%)

Table 7: International Trade Cost Changes in Asia and the Pacific Resulting from World Trade Organization Trade Facilitation Agreement Implementation

Asia and Pacific	WTO TFA (binding only)		WTO TFA (binding + non binding)		WTO TFA+ (binding + non binding + other paperless and cross-border paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Model 1						
Overall TFI	-2.70%	-5.74%	-4.64%	-9.45%	-10.37%	-16.37%
Model 3						
Transparency	-0.81%	-1.74%	-1.29%	-3.27%	-1.29%	-3.27%
Formalities	-1.67%	-2.93%	-2.26%	-4.00%	-2.26%	-4.00%
Institution	-0.41%	-1.35%	-0.41%	-1.35%	-1.37%	-2.44%
Paperless and cross-border paperless	-	-	-1.39%	-2.24%	-6.73%	-9.26%

On-going ESCAP work/support on reducing the cost of NTMs

- Capacity building of member states
 - Regional workshop on *Evidence-Based Trade Policy Making for Sustainable Development* (focus on NTMs)
 - NTM week 2018 & Workshop on Reducing the Costs of NTMs in North and Central Asia (Geneva)
 - Research capacity building on NTMs in Uzbekistan & Kyrgyzstan
- NTM data collection in Armenia, Azerbaijan & Tajikistan
- Regional analysis of private sector perspective on NTMs in Asia-Pacific (with ITC)
- Database on the costs of NTMs
 - Estimation of NTMs' ad-valorem equivalents (AVEs) – at HS6 product and bilateral level
- Development of indicators to link NTMs and SDG
 - Micro-level assessments to be conducted in Bangladesh and Lao PDR

On-going ESCAP work/support on reducing the cost of NTMs

The Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

- Newest UN treaty on trade and development (2016)
- Aims to accelerate implementation and interoperability of single window and other paperless trade systems
- Complements and supports digital implementation of WTO TFA
- **Great potential to reduce the cost of NTMs + increase compliance to NTMs**
- Already signed by 5 countries (incl. **Armenia** and China), and ratified by Azerbaijan



THANK YOU

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ANNEX – More details on ESCAP data initiatives on NTMs on SDGs



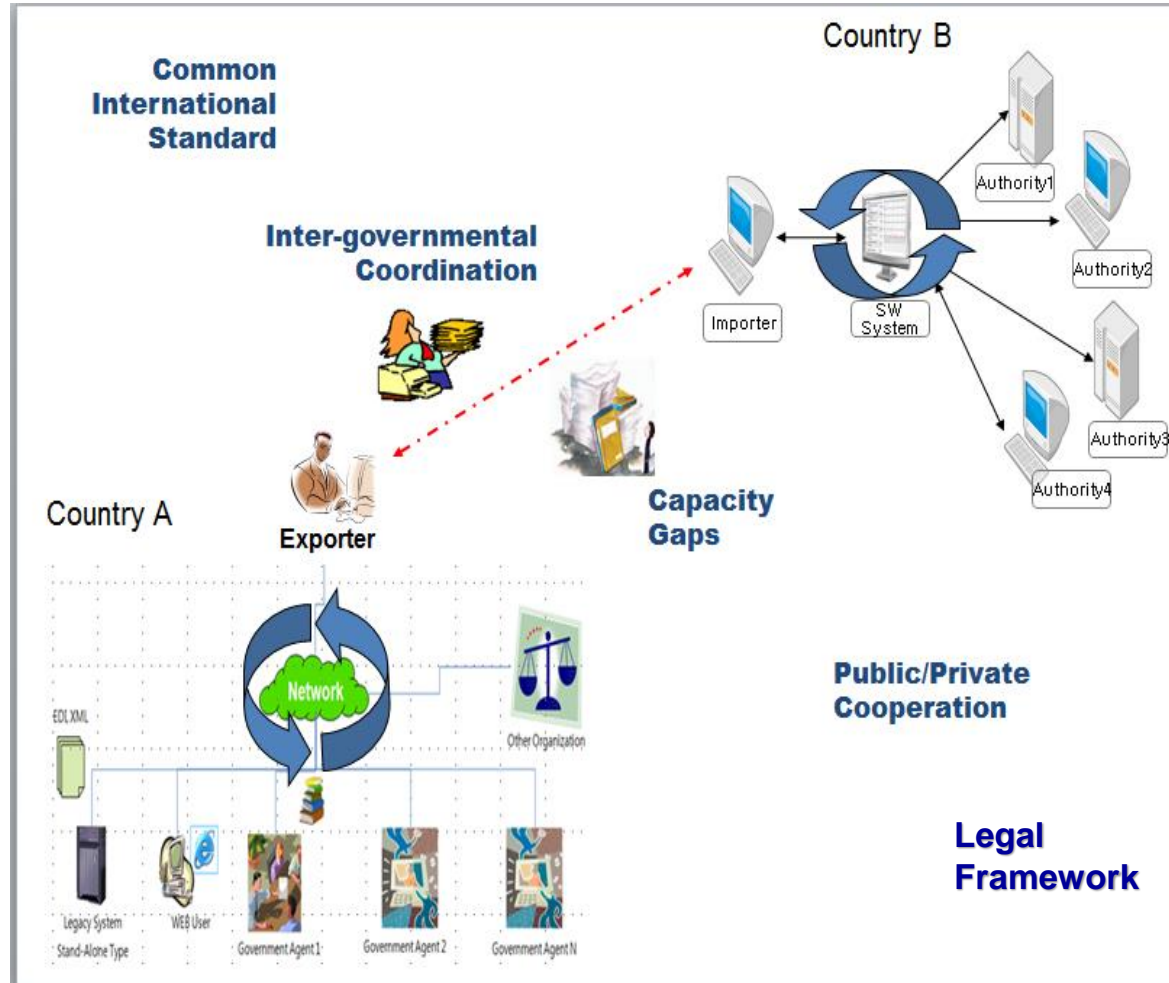
Least implemented measures in Asia and the Pacific (also true globally)

- *WTO TFA-related measures*
 - Advance rulings
 - Authorized operators programs
 - [Electronic] Single Window systems
- *Cross-border paperless trade measures*
 - **E-exchange of SPS certificates**
 - Paperless letters of credit
- *TF measures targeted at SMEs and Women*



Challenges to moving forward on cross-border paperless trade

- Adoption of common International Standards
- Harmonization of legal frameworks
- Capacity gaps among the parties (infrastructure & HR)
- Cooperation between public and private sectors
- Lack of intergovernmental coordination mechanism



NTMs and Sustainable Development

- Relate NTMs to SDGs
- Would need to go measure-by-measure (description) to see what measures may affect what – NTMs are not explicitly mentioned
- No clear matching between NTMs and SDGs, e.g.:

Imports	Technical measures	A SANITARY AND PHYTOSANITARY MEASURES B TECHNICAL BARRIERS TO TRADE C PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES
	Non technical measures	D CONTINGENT TRADE-PROTECTIVE MEASURES E NON-AUTOMATIC LICENSING, QUOTAS, PROHIBITIONS AND QUANTITY-CONTROL MEASURES OTHER THAN FOR SPS OR TBT REASONS F PRICE-CONTROL MEASURES, INCLUDING ADDITIONAL TAXES AND CHARGES G FINANCE MEASURES H MEASURES AFFECTING COMPETITION I TRADE-RELATED INVESTMENT MEASURES J DISTRIBUTION RESTRICTIONS K RESTRICTIONS ON POST-SALES SERVICES L SUBSIDIES (EXCLUDING EXPORT SUBSIDIES UNDER P7) M GOVERNMENT PROCUREMENT RESTRICTIONS N INTELLECTUAL PROPERTY O RULES OF ORIGIN
	Exports	P EXPORT-RELATED MEASURES



NTMs and Sustainable Development

- NTMs are by definition product specific, e.g.:

reporter	partner	ntmcode	ntm_chapter	hs6
LAO	WLD	A140	A	010121
LAO	WLD	A830	A	010121
LAO	WLD	A840	A	010121
LAO	WLD	C300	C	010121
LAO	WLD	F610	F	010121
LAO	WLD	F650	F	010121
...

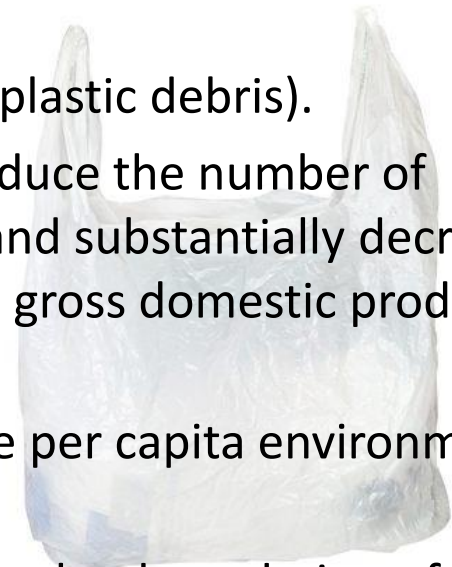
- So the key is to link the SDGs to NTMs via **product codes**

Examples

- NTMs affecting importation of plastic bags (HS 392690, 392310) are clearly linked to SDG 14 (Oceans) indicator 14.1.1 (floating plastic debris).
- NTMs affecting antiques and art (HS97) are likely to contribute to safeguarding world's cultural heritage (target 11.4).
- Arms-related NTMs (HS93) will relate to SDG 16 (Peace and Security), target 16.1 (Significantly reduce all forms of violence and related death rates everywhere) and related indicators.

Some NTMs affect a number of SDGs

- In many cases, measures affecting one product are likely to contribute to a variety of SDGs.
- In the case of measures targeting plastic bags, they are also likely to positively contribute to
 - SDG 14 (Oceans) indicator 14.1.1 (floating plastic debris).
 - SDG 11 (Sustainable cities), Target 11.5 (reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters)
 - Less plastics would also reduce the adverse per capita environmental impact of cities (Target 11.6)
 - Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species (Target 15.5)



NTM/SDG/Target matching

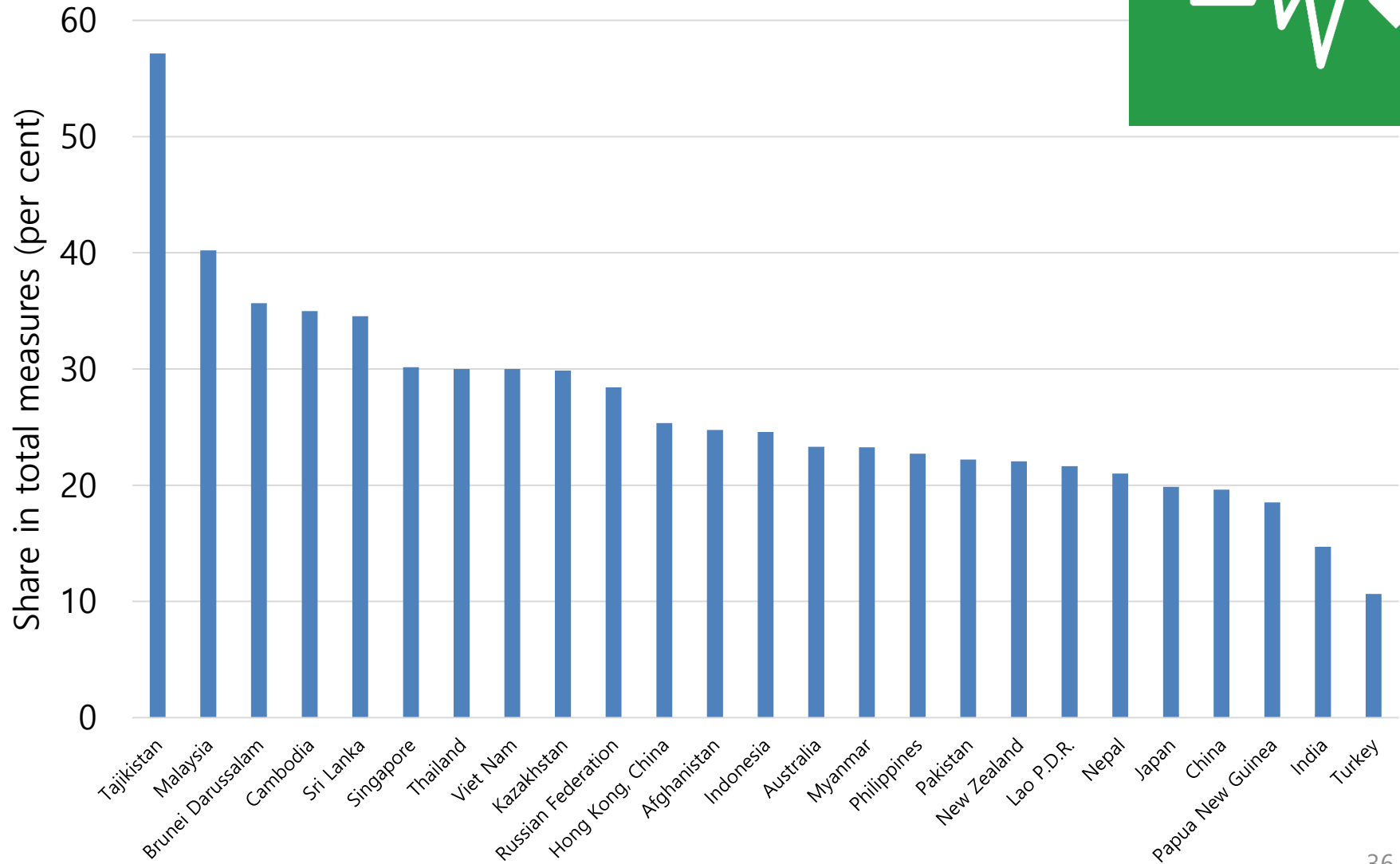
- HS 6 code
- NTM code
- Keywords

Country imposing	Partner affected	Cat	NTM Coc	Measure description	HS
Lao People's Democratic Republic	All Members	EXP	P14	Ozone Depleting Substances (ODS) and ODS-based equipment business operators that wish to	285290, 290314, 290319, 290339, 290371, 290372, 290373, 290374, 290375, 290376,
Lao People's Democratic Republic	All Members	EXP	P13	Prior to the import or export of ODS and ODS-based equipment, the business operators shall	285290, 290314, 290319, 290339, 290371, 290372, 290373, 290374, 290375, 290376,
Lao People's Democratic Republic	All Members	EXP	P5	Goods that are required to pay for export duty and their duty rates are specified in the following table	060220, 060230, 06029010, 0908, 130120, 13019010, 13019020, 1401, 2505, 2513, 2514,
Lao People's Democratic Republic	All Members	PC	F11	Goods and services that are subject to value added tax include imported goods, goods and	02, 0301, 0302, 0303, 0304, 0305, 0306, 030711, 030719, 030721, 030729, 030731, 030739,
Lao People's Democratic Republic	All Members	SPS	A82	To apply for the import permit the importer shall provide the following data for Pest Risk Analysis	06021090
Lao People's Democratic Republic	All Members	SPS	A82	Article 6. If the shipment is accompanied by a quality certificate or a testing certificate issued by	020110, 020120, 020130, 020210, 020220, 020230, 020311, 020312, 020319, 020321,
Lao People's Democratic Republic	All Members	SPS	A84	Article 6. If quality certificate or testing certificate issued by exporting country is accompanied the	020110, 020120, 020130, 020210, 020220, 020230, 020311, 020312, 020319, 020321,
Lao People's Democratic Republic	All Members	TBT	B31	All types of ODS-based products to be imported into Lao PDR shall be inspected. If the products	285290, 290314, 290319, 290339, 290371, 290372, 290373, 290374, 290375, 290376,
Lao People's Democratic Republic	All Members	TBT	B31	- Safety Data Sheet shall be attached with imported or sold dangerous substances and	252410, 252490, 270791, 280540, 282911, 282919, 283329, 285210, 285290, 285300,
Lao People's Democratic Republic	All Members	TBT	B81	Ozone Depleting Substances (ODS) and ODS-based equipment business operators that wish to	285290, 290314, 290319, 290339, 290371, 290372, 290373, 290374, 290375, 290376,

SDG	Target	Product description	HS	NTM	Keywords
SDG_12	Target_12.2	Water-using equipment and appliances for commercial	392210; 392220; 392290; 691010; 691090; 732410; 732421; 732429;	B31; B32; B7; B8; B11; E316	water efficiency; water consumption; water use; water conservation; water and energy conservation; maximum water use; water use
SDG_12	Target_12.2	Electricity and fuel using appliances, equipment,	840110; 840120; 840130; 840140; 840211; 840212; 840219; 840220;	B31; B32; B7; B8; B11; E316	energy performance; energy efficiency; energy conservation; energy class; energy conservation; fuel consumption; fuel efficiency; fuel economy
SDG_12	Target_12.2	Raw and intermediate inputs to production of non-food	250200; 250300; 250310; 250390; 250410; 250490; 250510; 250590;	A33; A51; A52; A53; A64; B33; B42; A32; B32	spoilage; spoil; damage; contaminate; contaminant; preserve; breakage; freezing; heat; sterilization; refrigeration; cooling; pre-cooling; temperature control; irradiation
SDG_12	Target_12.2	All products except wild live animals, guns and works of	0106; 93; 97	B42; B7; B8; B31; B32; B11	sustainable; life-cycle; ecodesign; eco-design; conservation; resource efficient; resource efficiency; environmental management; energy management; energy use; water use
SDG_12	Target_12.3	Foodstuffs and agricultural products intended for their	020110; 020120; 020130; 020210; 020220; 020230; 020311; 020312;	A33; A51; A52; A53; A64; B33; B42; A32; B32	spoilage; spoil; damage; contaminate; contaminant; preserve; breakage; freezing; heat; sterilization; refrigeration; cooling; pre-cooling; temperature control; irradiation
SDG_12	Target_12.4; Target_12.5	Goods regulated under Basel Conv (A list), Stockholm	051199; 252410; 252490; 262019; 262021; 262029; 262030; 262040;	B11; B14; B15; B19; B31; B32; B33; B42; B81; B82;	ODP; Basel; carbon tetrachloride; CFC; chemicals; Chlorofluorocarbon; cooling agents; electronic waste; e-waste; fluorocarbons; halons; hazardous; hazardous chemicals
SDG_12	Target_12.4; Target_12.5	Commonly used household and commercial appliances	630110; 841451; 841460; 841510; 841581; 841582; 841583; 841810;	B11; B22; E316; E112; B85	scrap; waste; e-waste; electronic waste; disposal; recycling; recovery; second-hand
SDG_12	Target_12.4;	Goods that can be sources of	290610; 290640; 290711; 290719;	B11; B32; E316; E112; B85	mercury; mercury added; Minamata

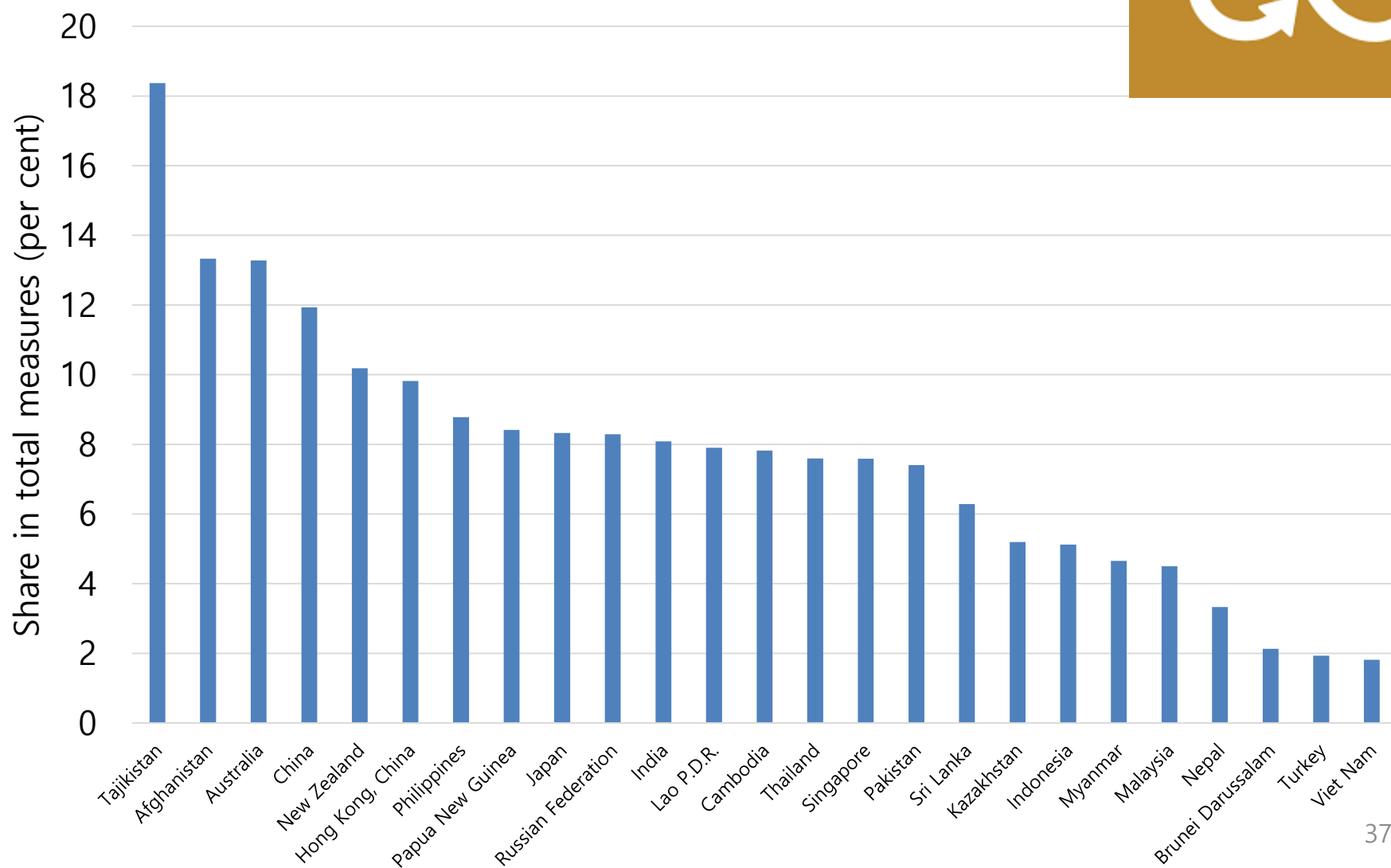
Share of measures that “match” SDG 3

3 GOOD HEALTH
AND WELL-BEING

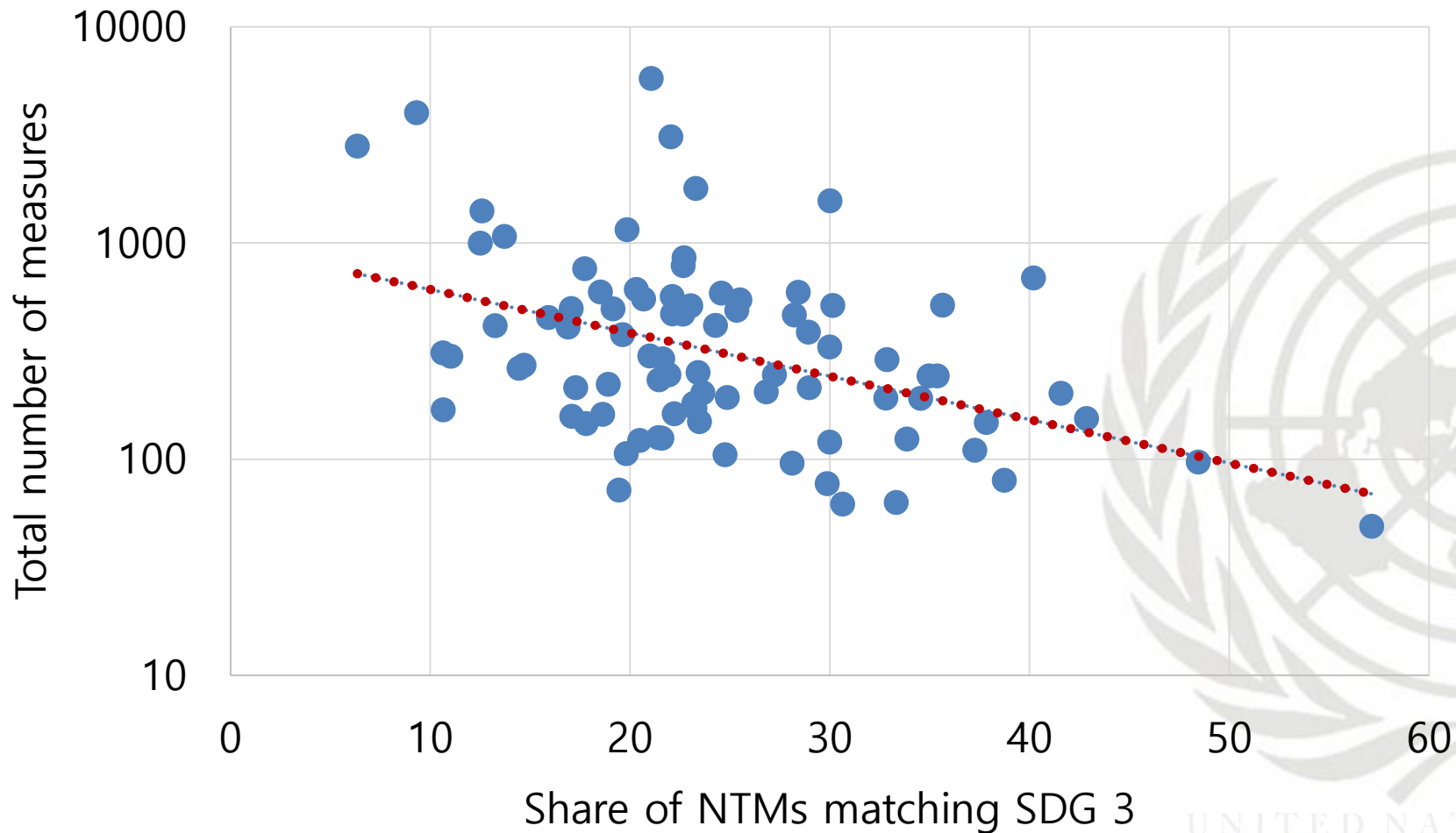


Share of measures that “match” SDG 12

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



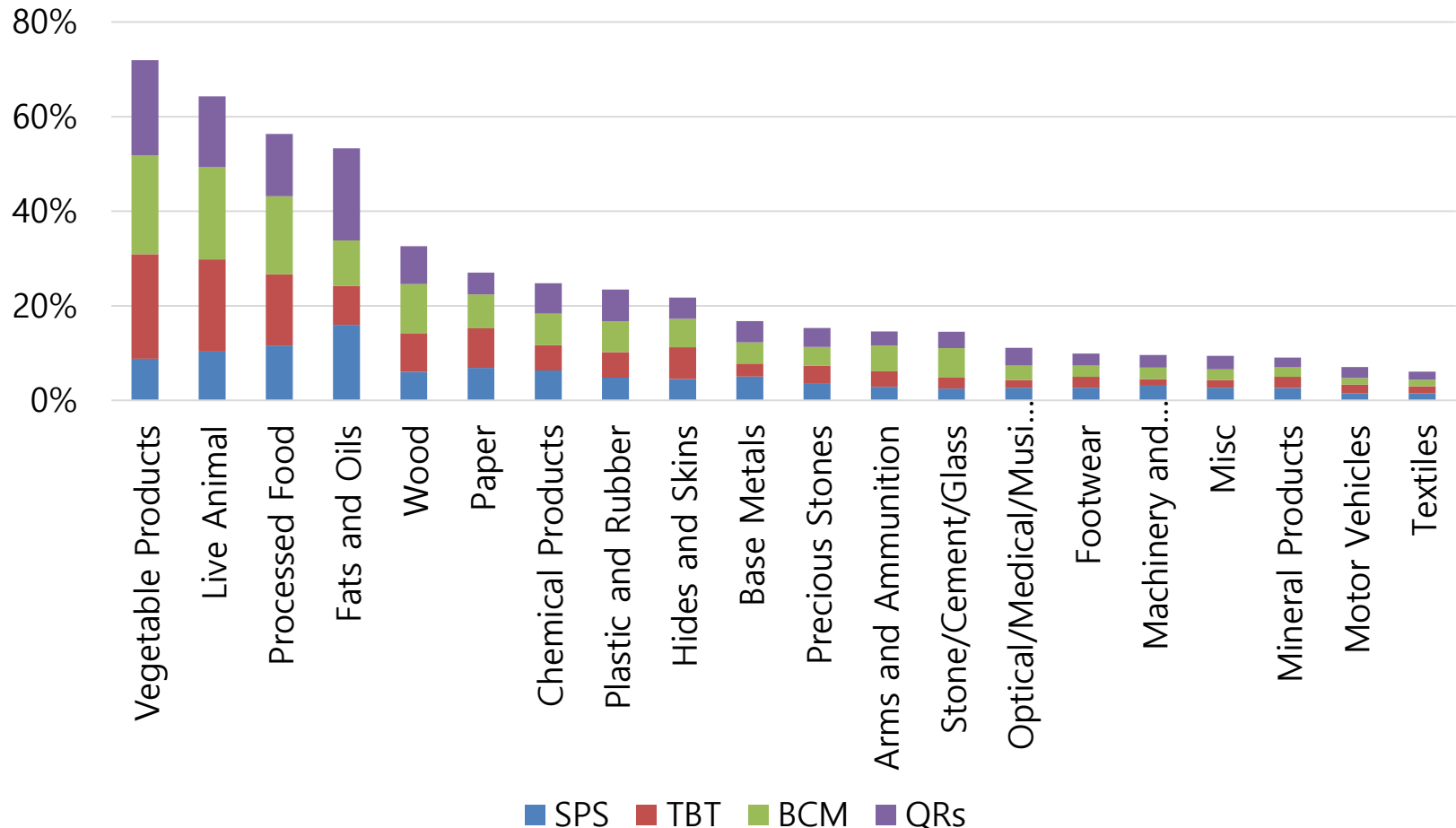
More measures = less focus?



The Cost of Non-Tariff Measures (NTMs):

ESCAP Price-Based Model Estimations of AVEs

Model (1) : average AVEs of NTMs by sector



Online gravity modelling tool for capacity building: now incorporating NTMs

ESCAP Trade Analytics Portal



Information

Reporters

Partners

Variables

Years & Effects

Welcome to the ESCAP Trade Analytics Portal. In the subsequent steps of this form you will have the option to choose economies of interest, a dependent variable, multiple independent variables, as well as a period of interest. After submitting the form, a regression will run on our server and return the results to you. You then have the options to determine the trade potential or to generate a trade simulation. To get started, please select a dataset and click on the blue "Continue" button below. If you would like to learn more about the Trade Analytics Portal, please [download the user note](#). Should you have any questions or comments on this Portal, please do not hesitate to reach out to escap-tiid@un.org

STEP 1: Please select a preferred **dataset** below:

☐ **Generic Gravity Model of Trade**

Dataset designed for policy researchers or trade experts to do their impact analysis on overall trade flows as a result of the change in policy implications. This dataset provides bilateral trade and policy indicators ranging from tariff, RTA and behind-the-border infrastructure from 1995-2016 on 200+ economies.



☒ **Gravity Model of Trade with NTMs**

This dataset expands policy scope to cover non-tariff measures in impact analysis on imports. This dataset provides bilateral imports and policy indicators ranging from tariff, RTA, non-tariff measures and behind-the-border infrastructure from 2012-2016 on 100+ economies. Add-on coverage of this database allows policy researchers and trade experts to conduct an analysis at sectoral level, including agriculture, manufacturing and overall goods sector.



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