

# Analysing and evaluating the effect of NTMs on trade and Sustainable Development

*Subregional workshop on non-tariff measures in Armenia and North and Central Asia*

*10-11 June 2019, Yerevan*

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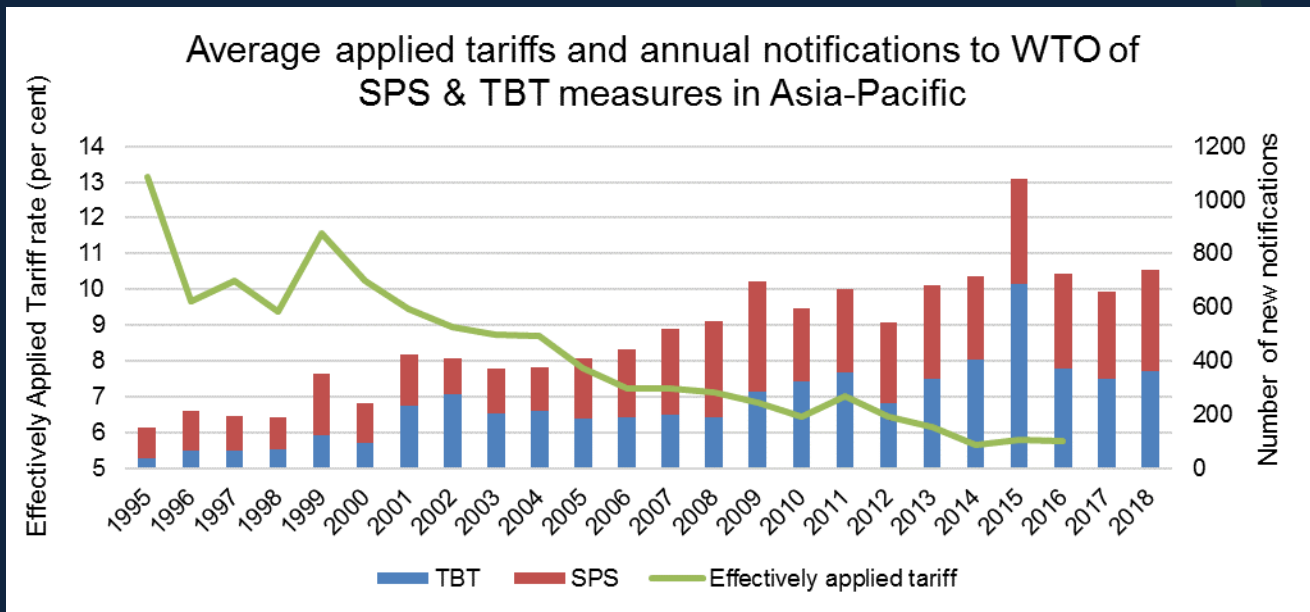
United Nations Economic and Social Commission for Asia and the Pacific



UNITED NATIONS  
**ESCAP**  
Economic and Social Commission for Asia and the Pacific

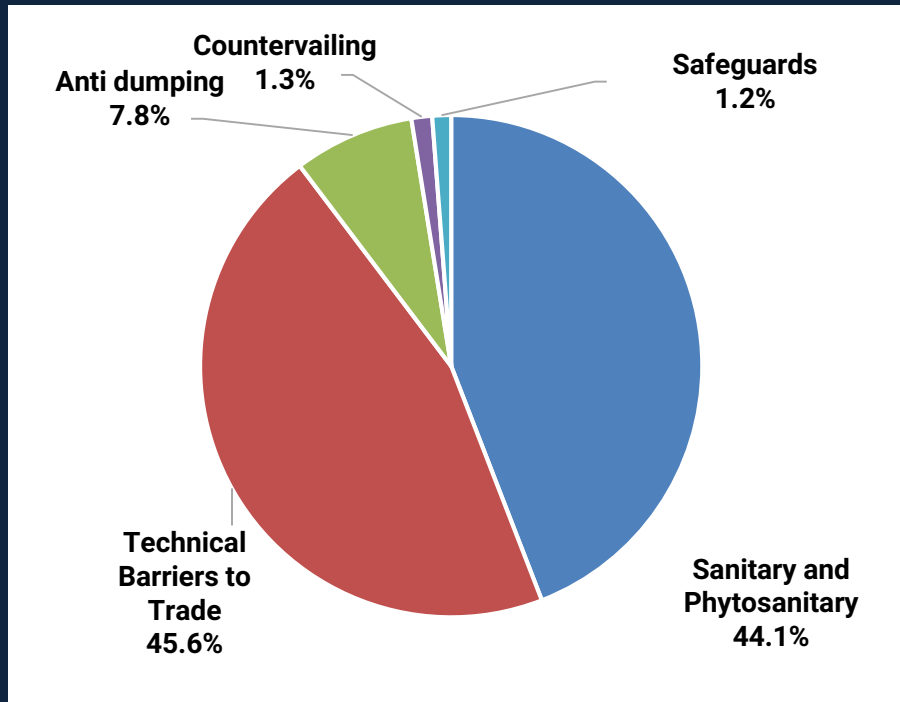


# Declining (ordinary) tariffs & increasing notifications of new NTMs

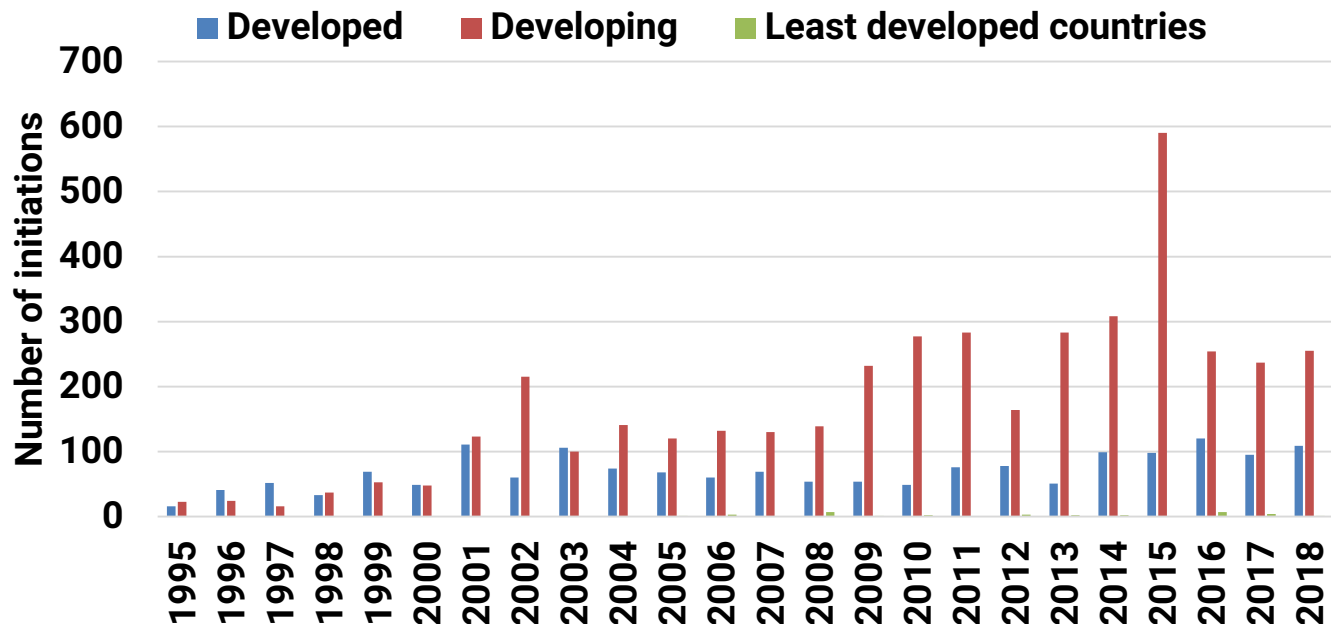


Source: ESCAP, based on data from WTO and World Bank, WITS

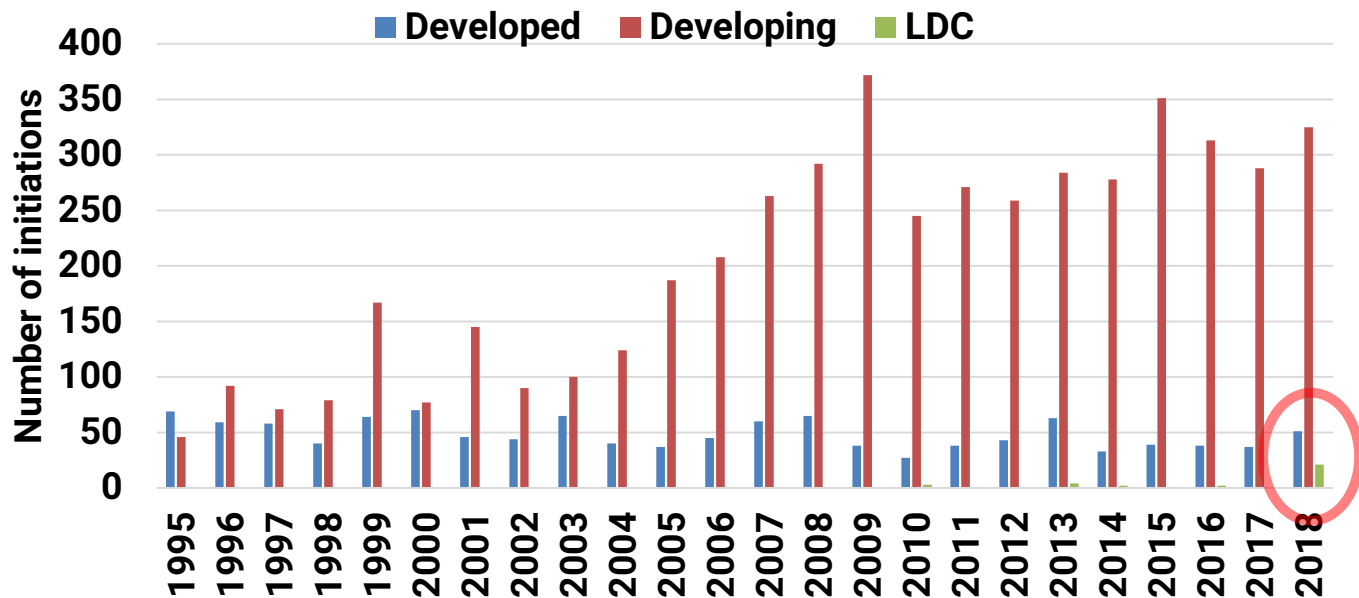
# Notifications to WTO by Asia-Pacific economies, 2018



# Notifications of TBT initiations to the WTO by Asia-Pacific economies



# Notifications of SPS initiations to the WTO by Asia-Pacific economies



# Problems with relying on WTO data

- WTO notification mechanism is designed to allow members to comment on upcoming new or changed regulation
  - Not designed as repository of all measures
- Only those measures that differ to international standards
- Only for WTO members
- Sometimes just draft versions are available



# Non-tariff measures – MAST classification and UNCTAD TRAINS database

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



<https://unctad.org/en/Pages/DITC/Trade-Analysis/Non-Tariff-Measures/NTMs-Classification.aspx>



# Non-tariff measures – MAST classification and UNCTAD TRAINS database

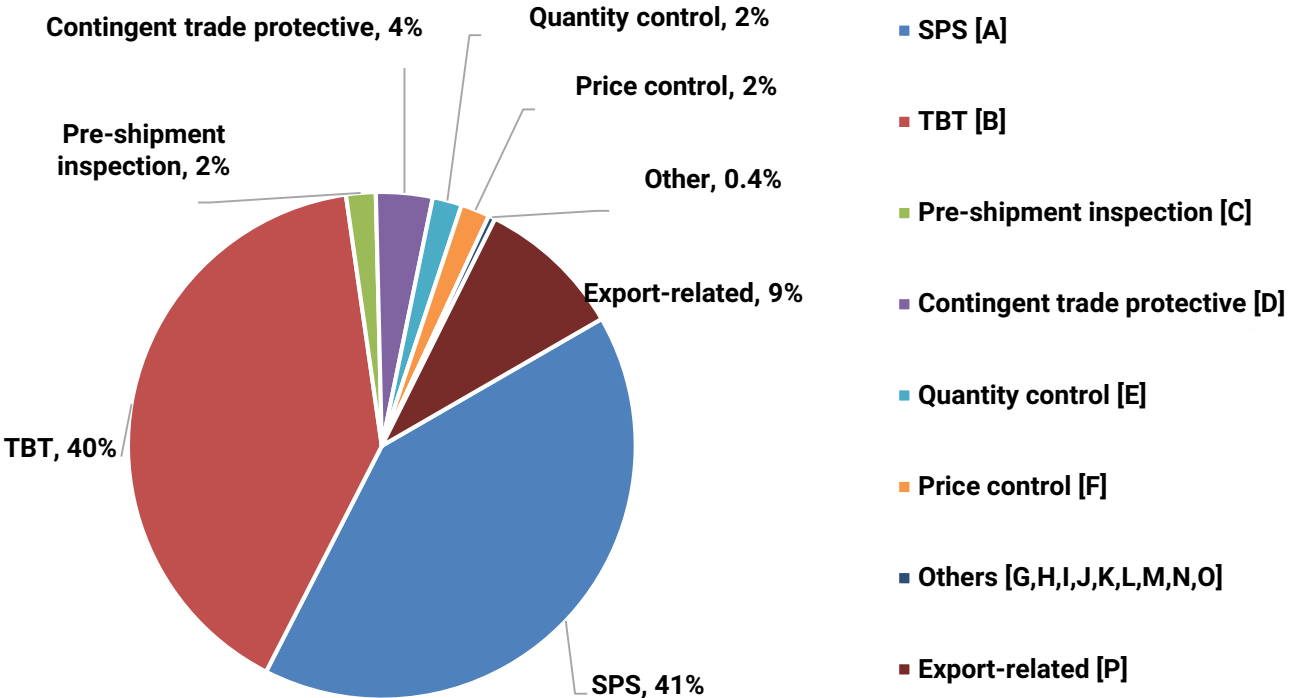
The screenshot shows the UNCTAD TRAINS database website. The main heading is "TRAINS" with the subtitle "The global database on Non-Tariff Measures". It features logos for UNCTAD, ALADI, ERIA, International Trade Centre, GRIPS, The World Bank, and WTO OMC. The navigation menu includes "Home", "TABLES by PRODUCTS", "TABLES by MEASURE", "TABLES by COUNTRIES", "DETAILED QUERY", "ANALYSIS", and "About". The main content area is titled "TRAINS: Non-Tariff Measures (NTMs) based on official regulations" and includes a "QUICK SEARCH" section with dropdown menus for "Country imposing", "Partner affected", and "Product affected", along with a "Search" button. Below the search section, there are three options: "TABLES by PRODUCTS", "TABLES by MEASURE", and "TABLES by COUNTRIES", each with a brief description of what users can do. An "ABOUT" section on the right lists links like "Home To", "Available Countries", and "Map of the Application". A "WHAT'S NEW" section lists "TPP Project", "APEC Project", and "ASEAN Project". The contact information is "Contact us: tsb@unctad.org".

<https://trains.unctad.org/>

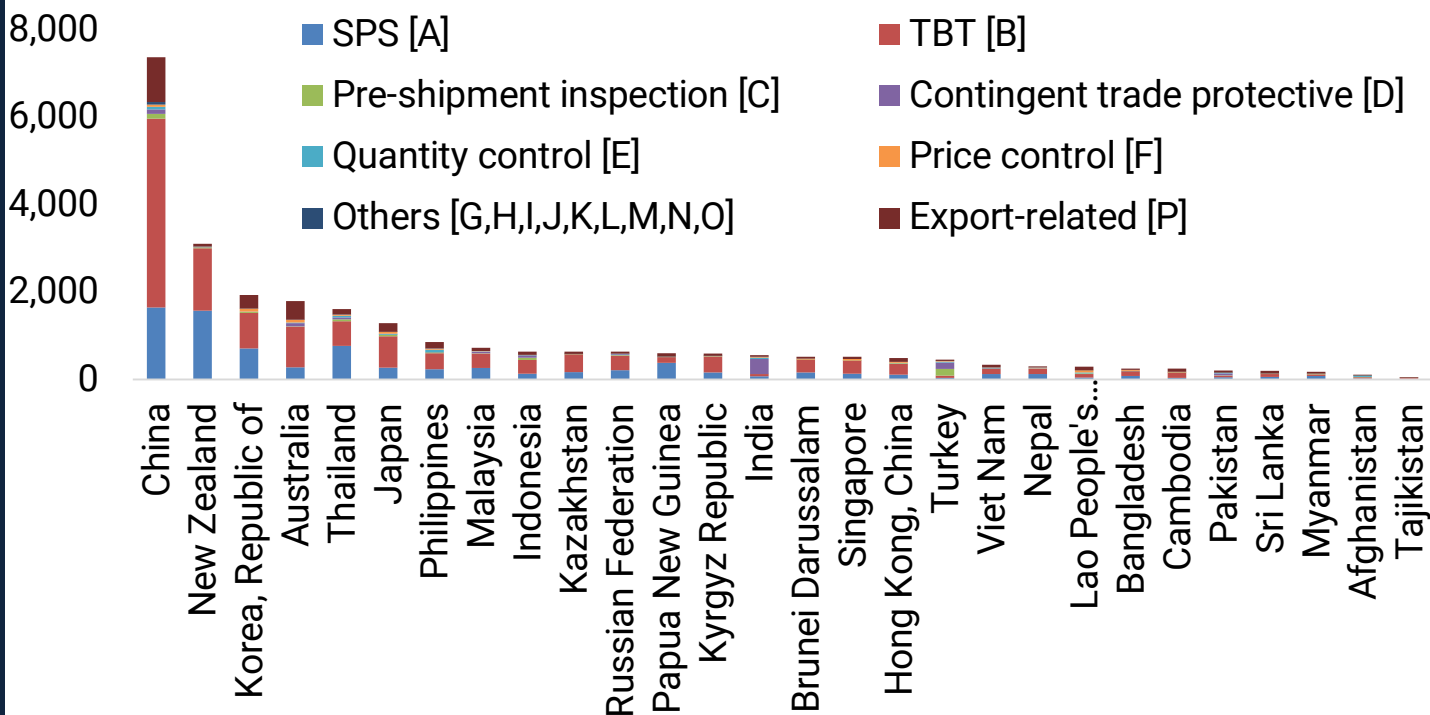




# NTMs in Asia-Pacific and globally, by type

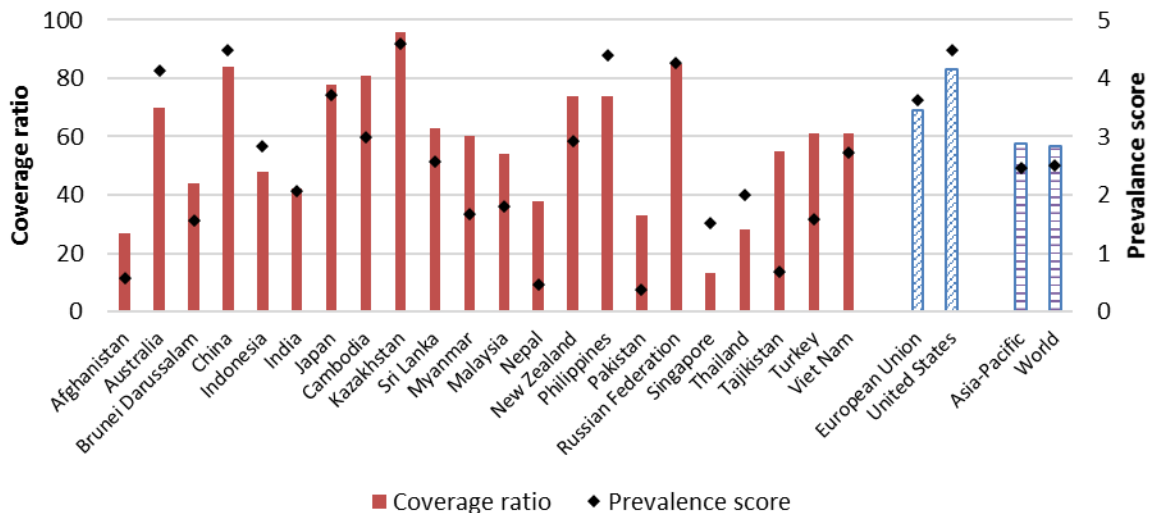


# NTMs in Asia-Pacific, by economy



# NTMs cover more than 50% of the world's imports, with each imported product, on average, facing more than 2 NTMs

Coverage ratios and prevalence scores of NTMs

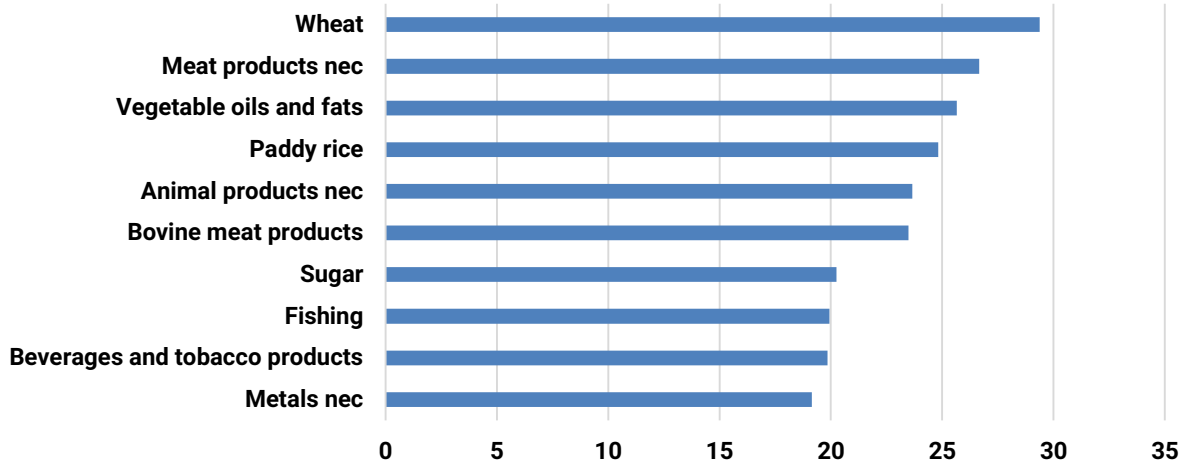


Source: UNCTAD. 2018. NTM hub: Data on non-tariff measures. Available from <https://unctad.org/en/Pages/DITC/Trade-Analysis/Non-Tariff-Measures.aspx>

# Impact of NTMs on the trade

- NTMs add, on average, more than 10% to the price of imports, with imports from some countries and sectors disproportionately affected.

## Product categories with highest AVEs of technical NTMs



Source: ESCAP calculations



# Economic impact of NTM policy changes

- Using the ad-valorem equivalents (AVEs) of NTMs, we can estimate their impact on trade, GDP and employment
- If we remove all technical NTMs (SPS, TBT and Border Control Measures), global GDP will increase by 2%!
- We do NOT advise that... NTMs serve important public policy objectives, but 2% is the global cost of achieving those objectives



# How to measure public policy objectives?





# SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



SUSTAINABLE DEVELOPMENT GOALS

# Quick SDG Quiz

- How many SDGs are there?
  - 17
- How many Targets are there?
  - 169
- How many Indicators are there?
  - 241... (230)





# NTMs and Sustainable Development

- No clear matching between NTMs and SDGs
- Would need to go measure-by-measure (description) to see what measures may affect what – NTMs are not explicitly mentioned in SDGs

Imports	Technical measures	<p>A SANITARY AND PHYTOSANITARY MEASURES</p> <p>B TECHNICAL BARRIERS TO TRADE</p> <p>C PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES</p>
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	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** (and keywords)





## Example: Alcohol-related NTMs

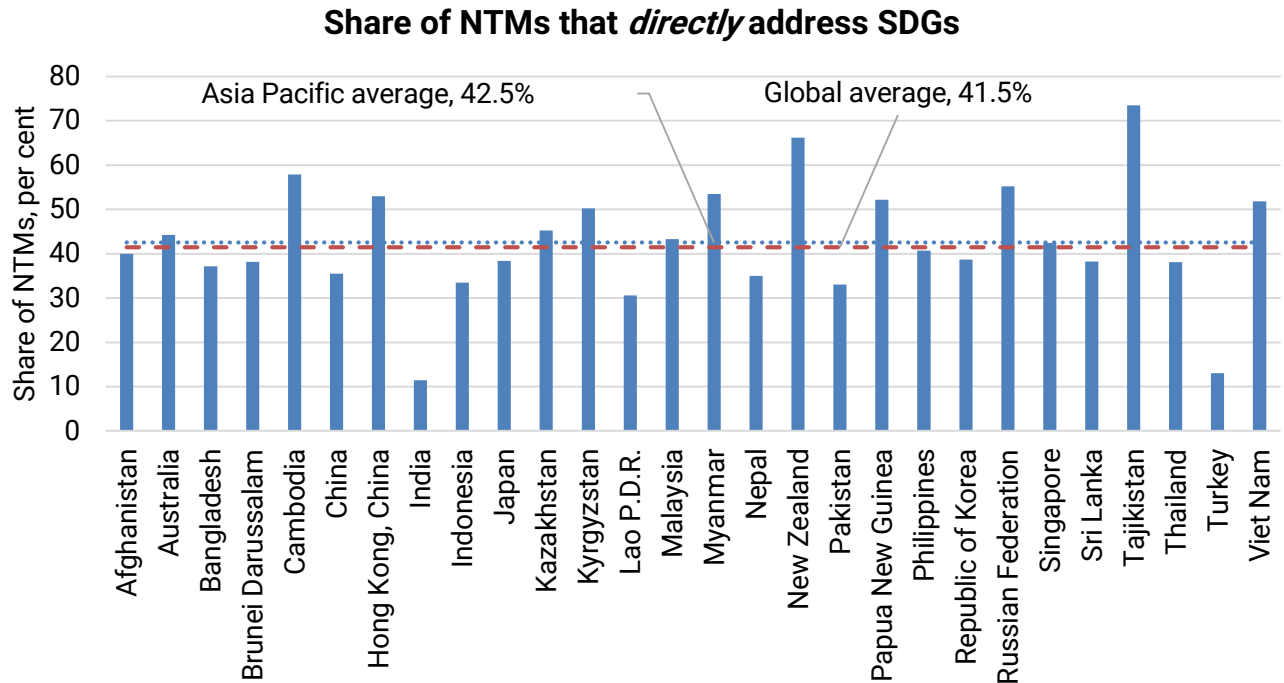
### SDG3. Ensure healthy lives and promote well-being for all at all ages

- **Target 3.5** Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol
  - **Indicator 3.5.2** Harmful use of alcohol, defined according to the national context as alcohol per capita consumption (aged 15 years and older) within a calendar year in litres of pure alcohol

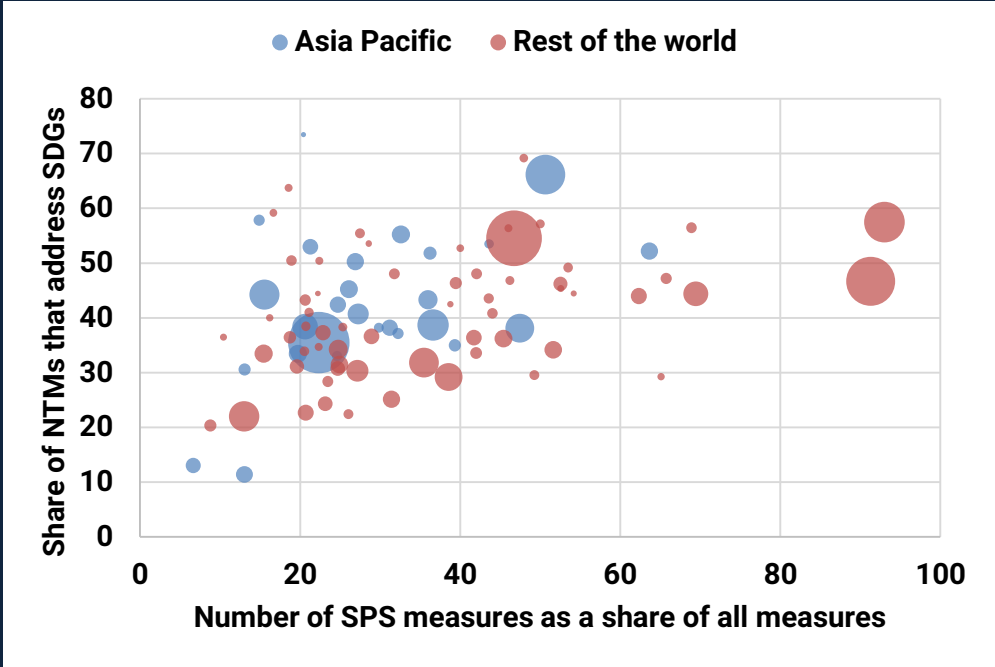


# NTMs and SDGs

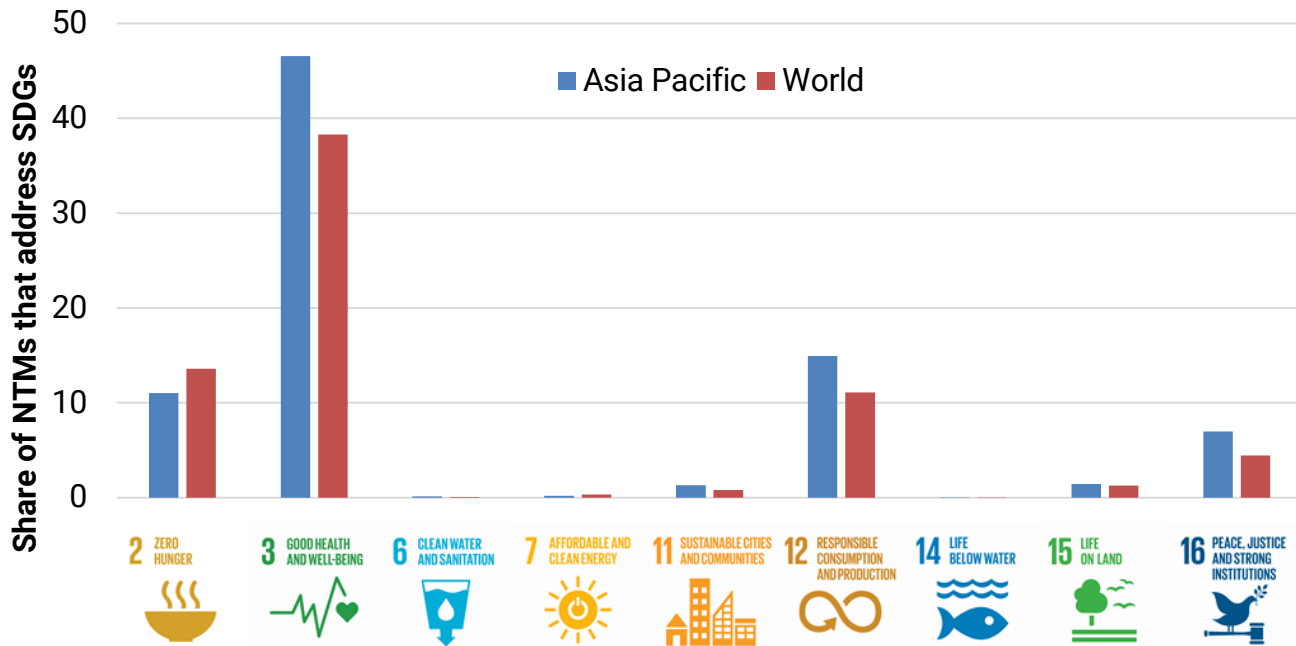
On average, 42.5% of NTMs in Asia-Pacific have a direct link to SDGs



# Share of SPS measures vis-à-vis share of NTMs that address SDGs



# Share of NTMs that directly address SDGs, by Goal



# Goal 3: Good Health and Wellbeing

- Access to and safety of medicines and healthcare products
- Products for human consumption that are undeniably harmful to human health (i.e. narcotics, alcohol and tobacco)
- Characteristics of products intended for human consumption or of providing relevant information to the consumer (i.e. food quality and labelling)
- Reducing injuries and deaths on roads (i.e. motor vehicle safety)
- Maintaining a safe living environment and reducing exposure to harmful substances (i.e. hazardous chemicals)



# Goal 12: Responsible consumption and production

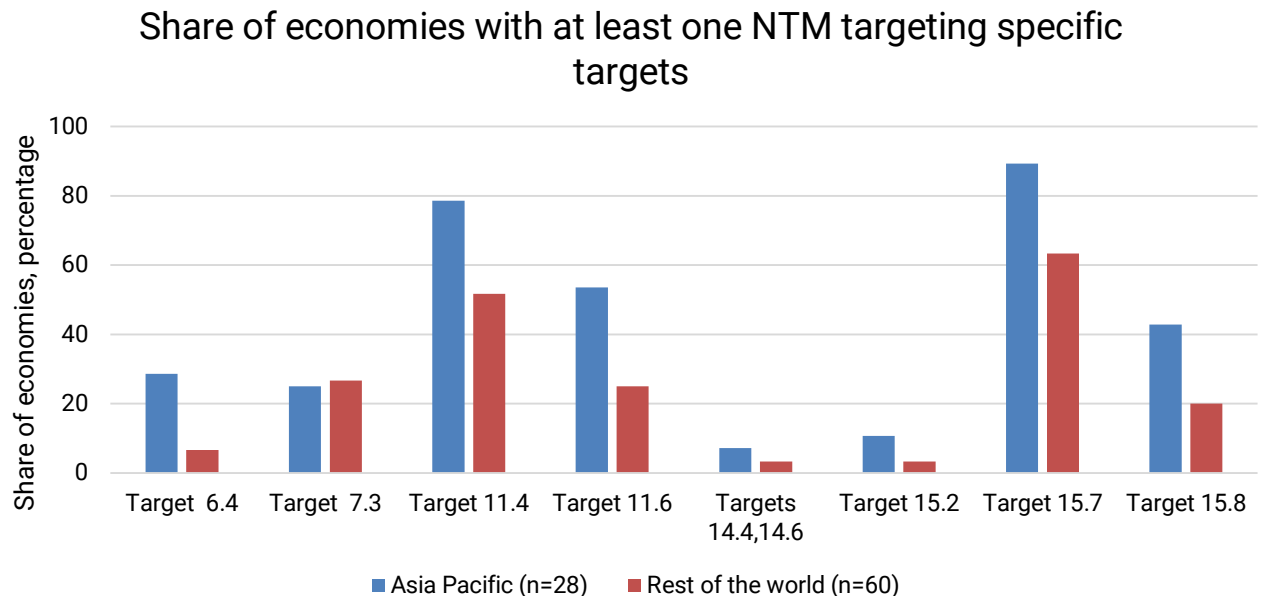
Trade in hazardous substances and hazardous waste

- Montreal Protocol (Ozone depleting substances)
- Basel Convention (on transboundary movement of hazardous waste),
- Stockholm Convention (on persistent organic pollutants), Rotterdam convention (on trade in certain hazardous chemicals and pesticides)





# Other Goals



**Q: Do NTMs reduce trade?**

**A: Yes and No**



# Example: Georgia & EU

- Deep and Comprehensive Free Trade Area (DCFTA), since 1 July 2016
- Part of the Agreement required Georgia to adopt legislation in line with that of the EU
- Before DCFTA SPS regulation was mostly lacking
- This “approximation process” involved adoption of 366 separate acts of legislation, of which 97 concerned food safety, 183 were veterinary and 86 were phytosanitary
- Between 2016 and 2018 Georgia’s total exports have increased by 28 and 59 per cent to the European Union and the world, respectively.



# Private sector perspective



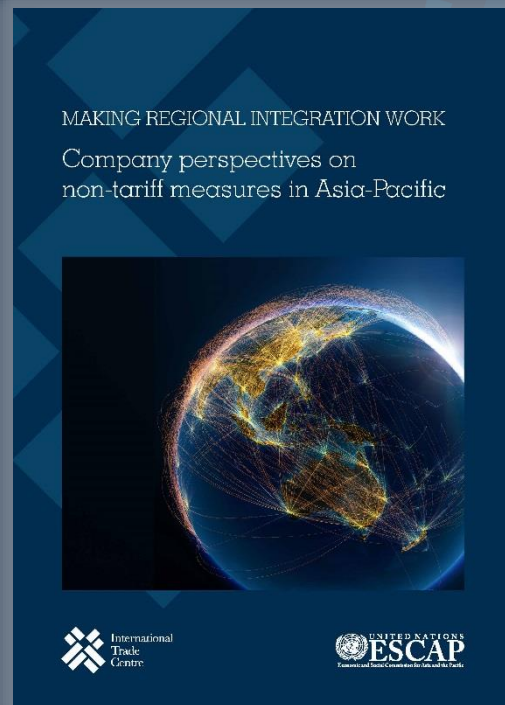
# ESCAP-ITC joint report, “Company perspectives on non-tariff measures in Asia-Pacific”

- **Domestic procedural obstacles are the primary reason why NTMs are found to be burdensome: 80% of export partner NTMs and 90% of domestic NTMs found to be problematic because of them.**

## Final Draft:

<https://www.unescap.org/resources/company-perspectives-non-tariff-measures-asia-pacific>

(or just Google: “Company perspectives on non-tariff measures in Asia-Pacific”)



# THANK YOU

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