

Global Value Chains and Preferential Trade Agreements

Thomas Bernhardt

Myanmar Center for Economic and Social Development (CESD)

ARTNeT Training Workshop on Regional Cooperation and Integration

11 May 2016, Yangon, Myanmar



Asia-Pacific Research and Training
Network on Trade



Presentation Outline

- **Global Value Chains (GVCs): An Introduction**

- ❖ *GVC – what is that?*
- ❖ *Drivers and dimensions of GVCs*
- ❖ *The increasing importance of GVCs*
- ❖ *Implications of GVCs for developing countries: opportunities and risks*

- **Preferential Trade Agreements (PTAs) in a GVCs world**

- ❖ *Magnification effects of trade barriers in a GVC world*
- ❖ *A case for trade facilitation and “deep” FTAs?*
- ❖ *“Deep” PTAs and development objectives – A balancing act*

- **Relevance for Myanmar**

- ❖ *GVCs and PTAs: current situation in Myanmar*
- ❖ *Key features of Myanmar’s trade and FDI policy*
- ❖ *Potential policy areas for future PTAs*

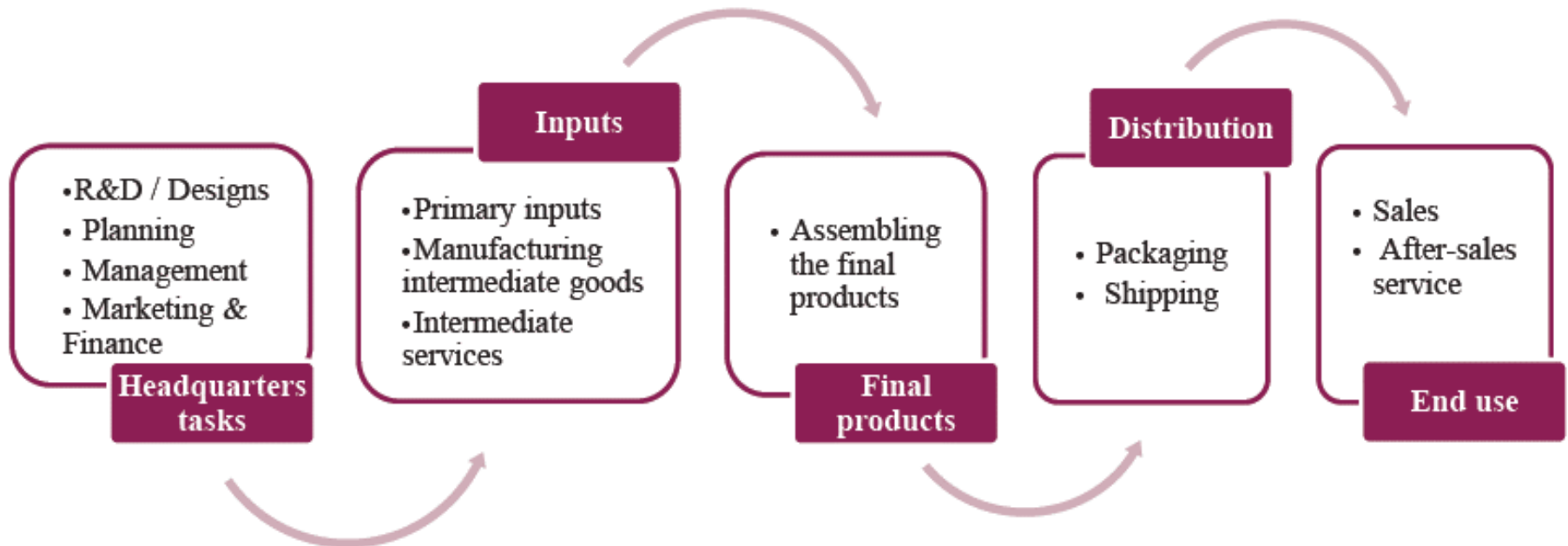
PART 1:
Global Value Chains –
An Introduction

What is a Value Chain?

*The concept of a “value chain” refers to the **full range of functions (or activities)** undertaken by economic actors (incl. firms and workers) **to bring a product from its conception to its end use.** This includes activities such as research & development (R&D), design, production, assembly, marketing, distribution and support to the final consumer. All these activities are part of the value-adding process.*

What is a Value Chain?

Illustration: A simplified generic value chain (VC)

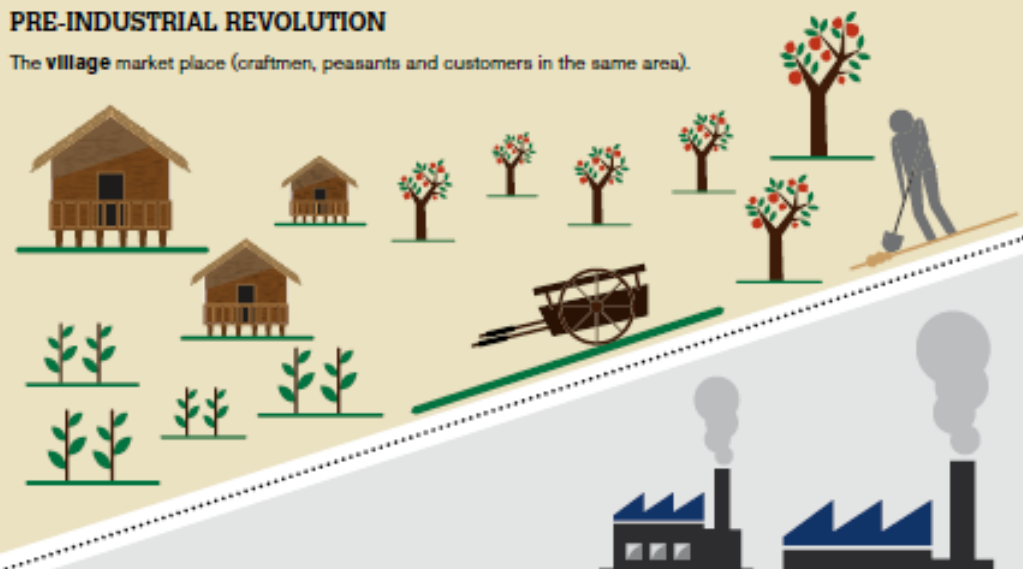


Source: ESCAP.

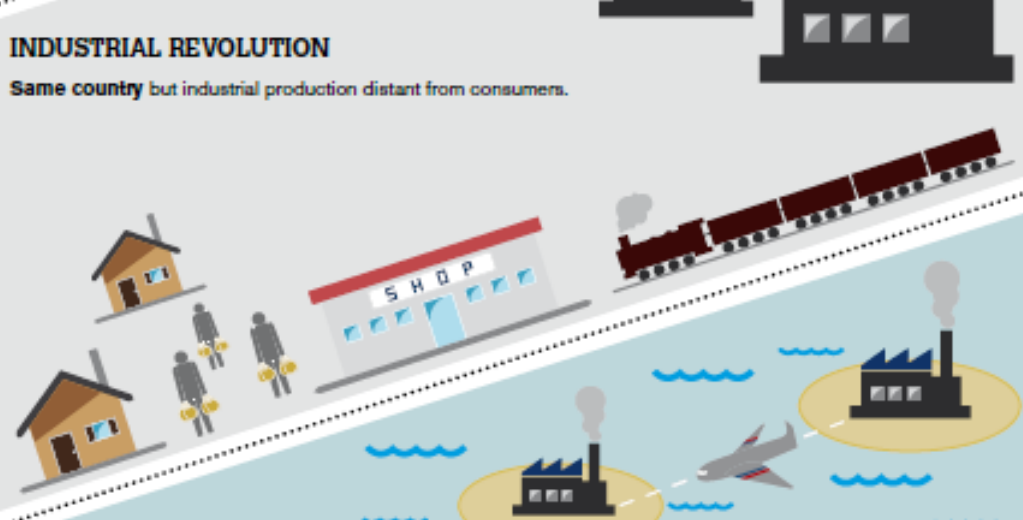
*The **activities** that comprise a VC can be contained within a single firm or divided among different firms. VC activities can produce goods or services, and can be carried out within a single geographical location or spread over wider areas.*

PRE-INDUSTRIAL REVOLUTION

The **village** market place (craftmen, peasants and customers in the same area).

**INDUSTRIAL REVOLUTION**

Same **country** but industrial production distant from consumers.

**POST-INDUSTRIAL REVOLUTION**

Trade in Tasks

Various **countries** with fragmented production chain.



Value Chains – Going Global

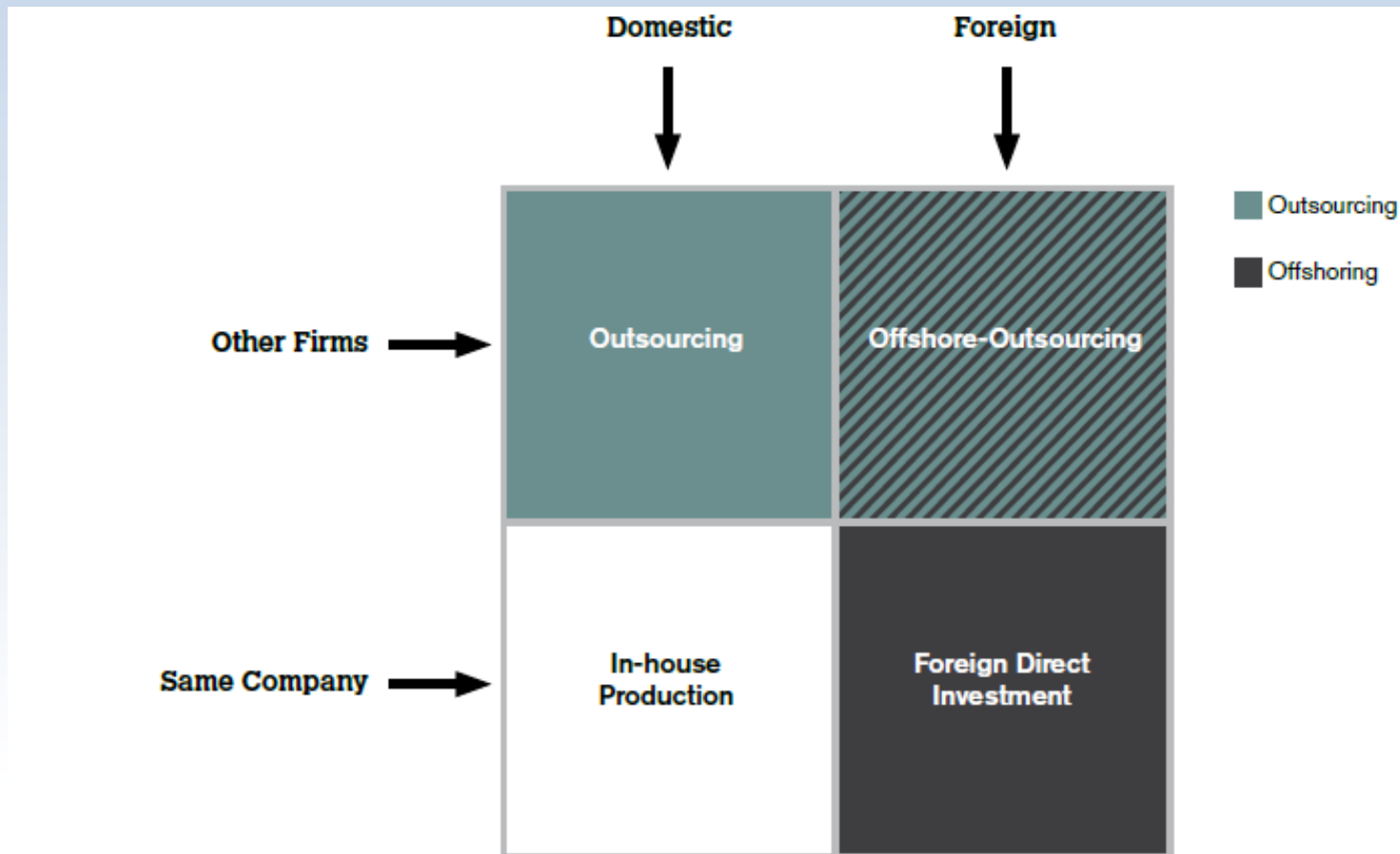
From local to global
markets (trade!) and
production (GVCs!)

Drivers of Globalization of Value Chains (1)

- **Policy: Liberalization of international trade and investment**
 - Multilateral, regional, bilateral, unilateral
- **Technological progress:**
 - Transportation and logistics
 - Information and communication technologies (ICTs)
 - Brought down costs of international trading, and transaction costs more generally
- **Business strategies of lead firms (especially multinational corporations, MNCs):**
 - Increasing focus on 'core competencies'
 - Increasing use of outsourcing and offshoring towards global sourcing strategies

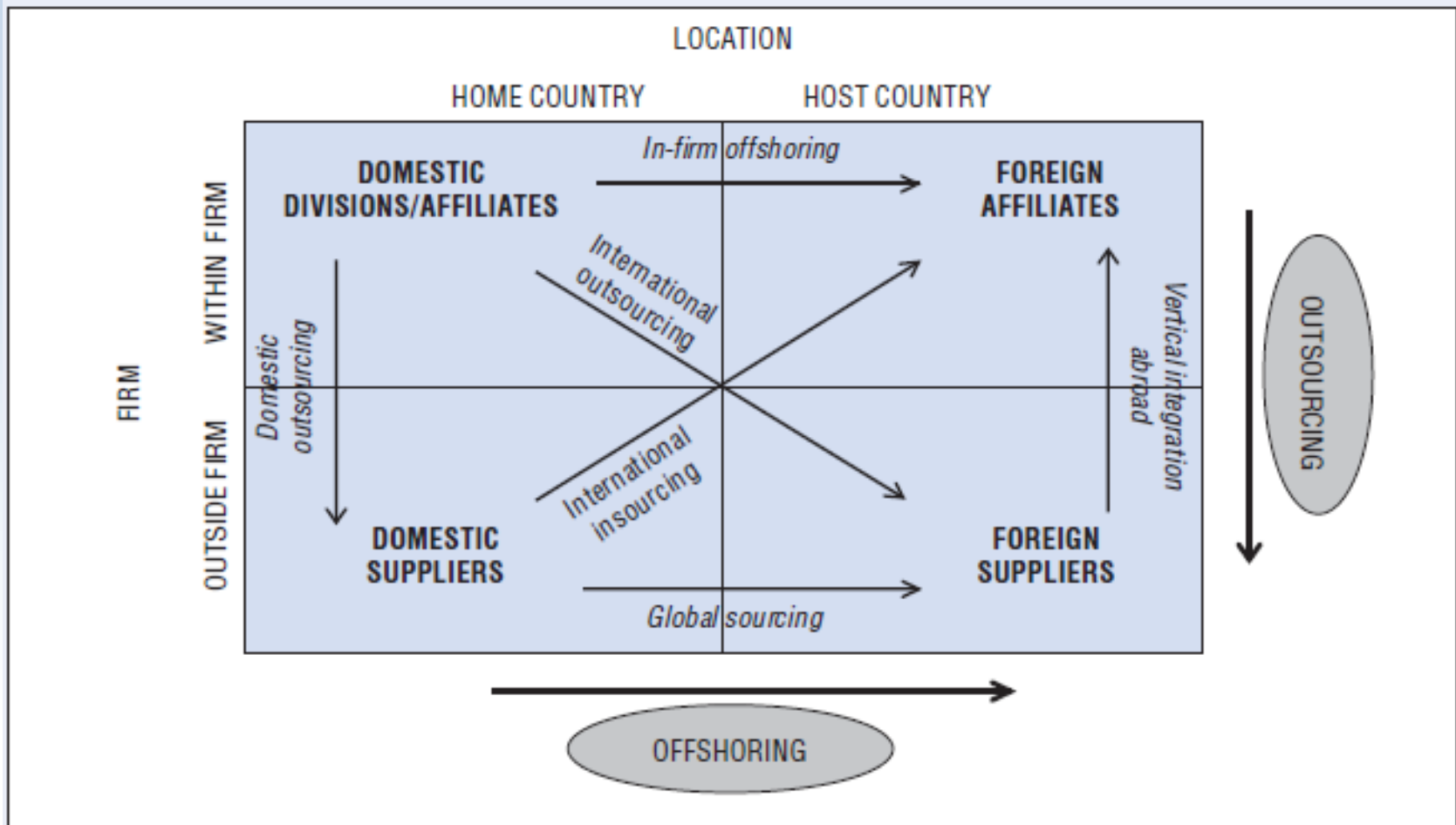
Drivers of Globalization of Value Chains (2)

Firms' strategies of outsourcing and offshoring (*typology*)



Drivers of Globalization of Value Chains (3)

Firms' strategies of outsourcing and offshoring (*examples*)



Dimensions of Global Value Chains

1. Input-output dimension:

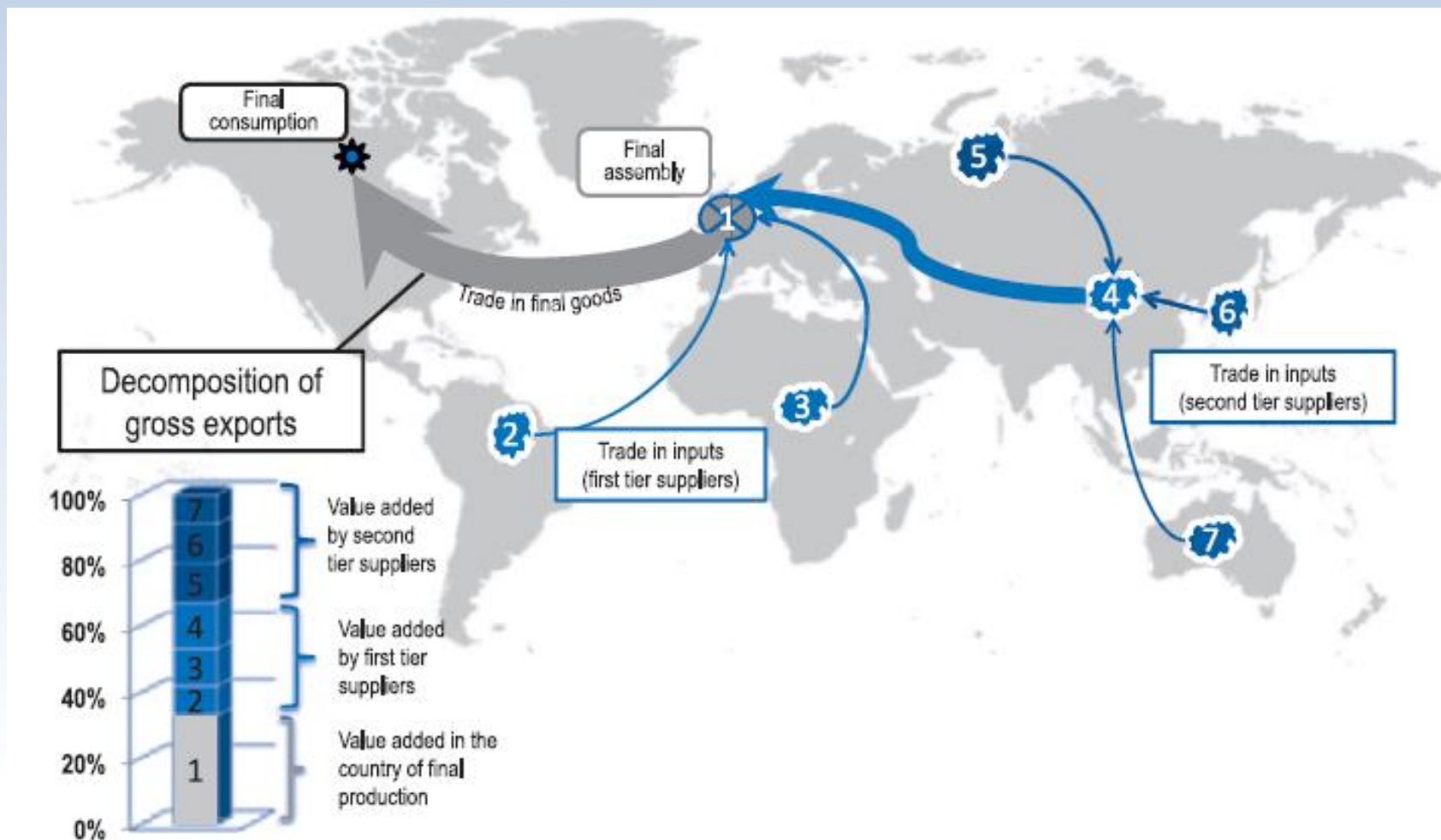
- Focus on international fragmentation of production
- Other terms related to GVC phenomenon: global production networks, international unbundling / sharing / disintegration of production, vertical specialization, trade in tasks
- This dimension particularly relevant from trade policy perspective

2. Governance dimension:

- Focus on **role of lead firms** in coordinating and governing GVC activities and shaping conditions of production (e.g. decisions on price, quality, quantities and location)
 - Focus on lead firms' strategic decisions on vertical integration vs. outsourcing/offshoring
 - Highlights **strong nexus between trade and investment (FDI)**
-
- **Trend towards globalization (or regionalization) of VCs differs between sectors / VCs**, with the two dimensions being pronounced to different degrees
 - Strong **regional dimension of value chains (VCs)**, especially in Asia
 - **Prominent examples of global(izing) value chains:**
 - Garments, automobiles, aircrafts, electronics (e.g. laptops, cell phones), agro-business

Input-Output Dimension of GVCs (1)

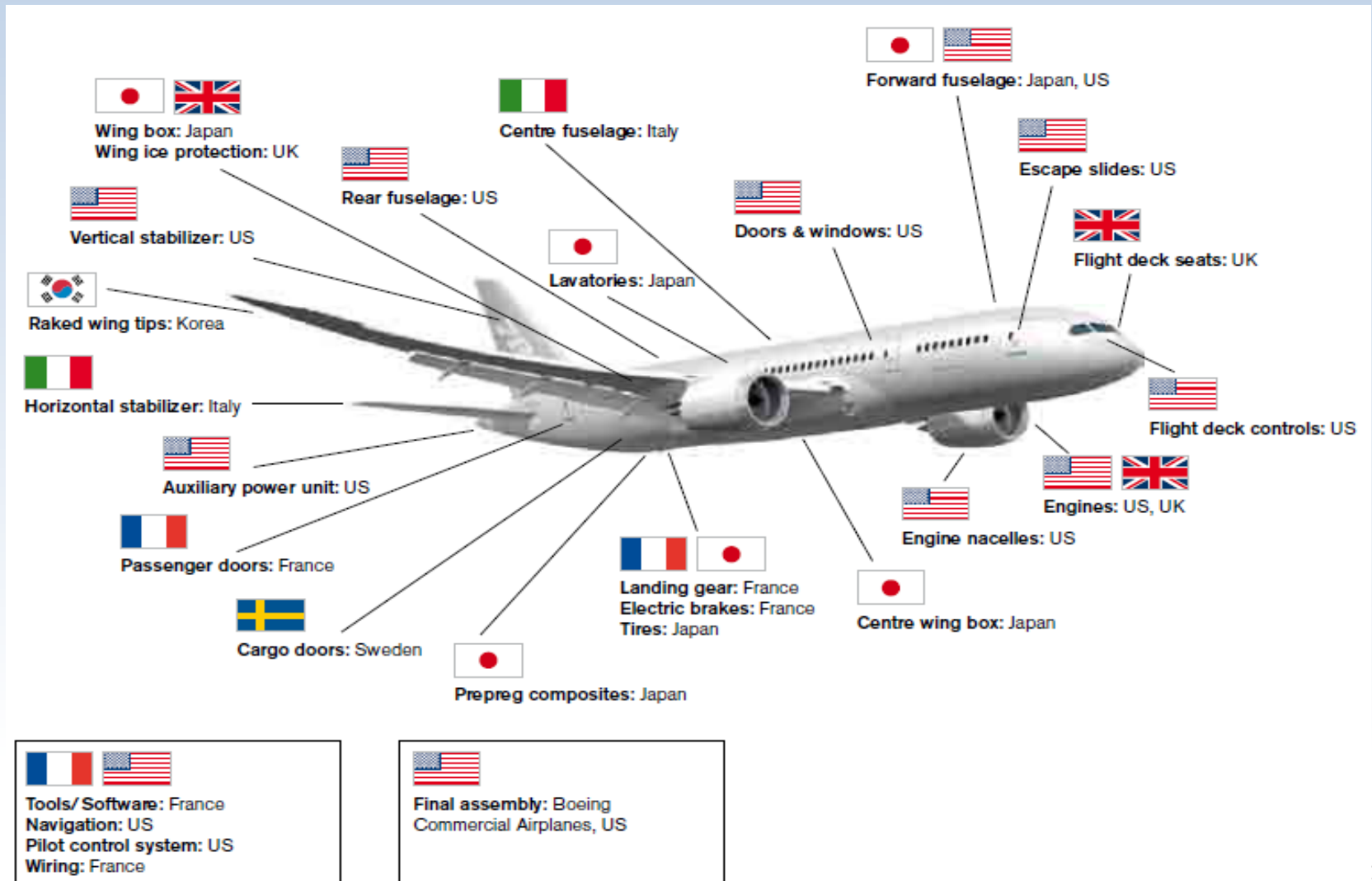
International fragmentation of production – simplified representation



Source: OECD (2013); Note: 2, 3 and 4 represent intermediate products which are combined into 1 (i.e. the final product); 4 as an intermediate product itself is composed of inputs 5, 6 and 7.

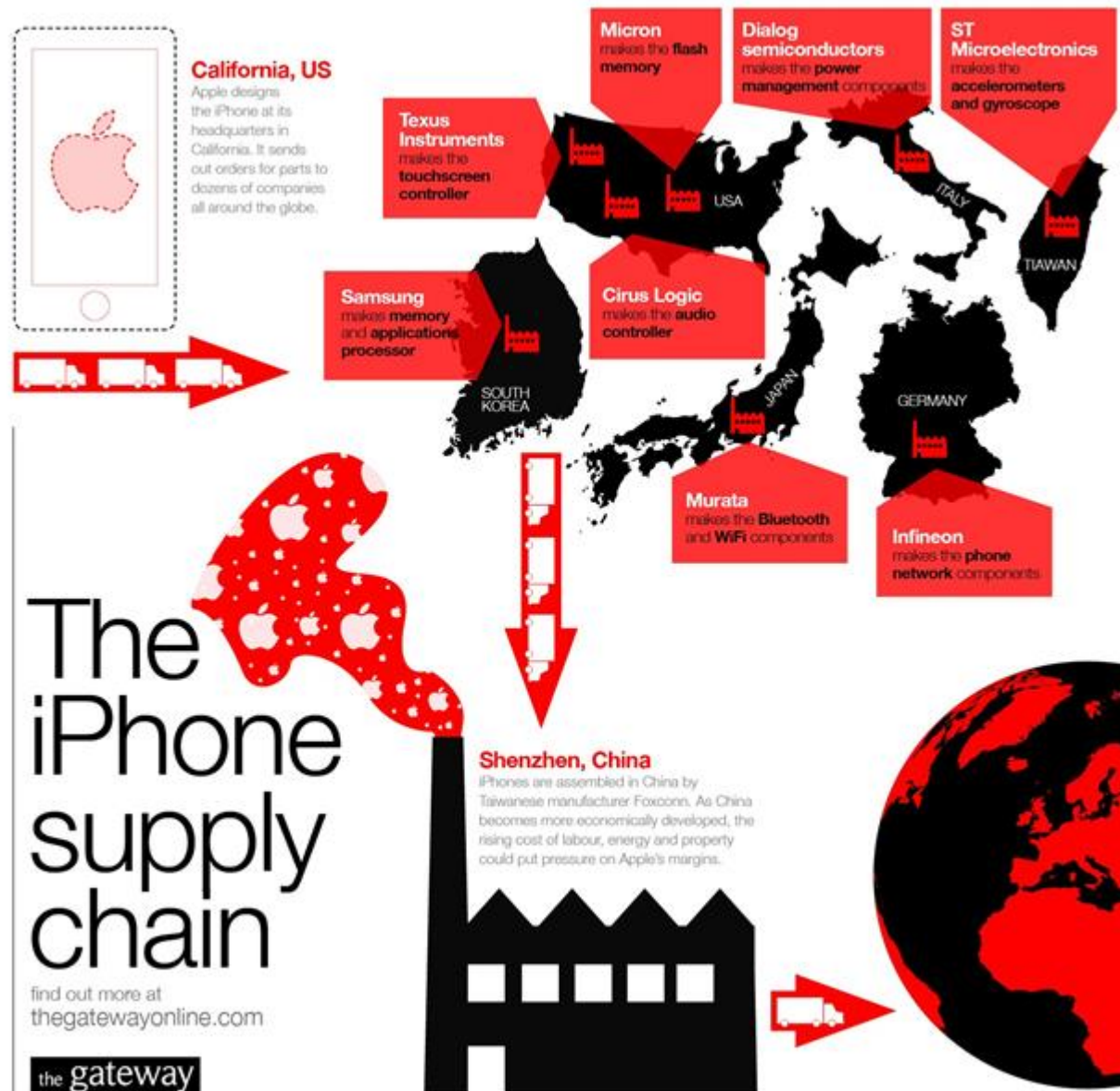
Input-Output Dimension of GVCs (2)

International fragmentation of production – example: Boeing 787



Input-Output Dimension of GVCs (3)

International fragmentation of production –
Example: iPhone 6



In summary: Towards “Made in the World”

Let's look at a short video clip produced by the World Trade Organization (WTO) for an illustration:

www.wto.org/english/ress/statistics/miwi/miwi_e.htm

<https://www.youtube.com/watch?v=KMkJu8S8ztE>

Implications of the Rise of GVCs

- Growing trade in **intermediate goods** (parts and components); goods crossing borders multiple times
- Increased **intra-industry trade**
- Increased importance of service in production (“**servicification**”) and increased **trade in (embedded) services**, e.g. financial (banking, insurance), communication, transportation, business, etc. services
- Important role of **FDI** (strong trade/investment nexus: becoming increasingly complements rather than substitutes) and **MNCs** (coordinating and governing GVCs)
- Typically also enhanced **importance of** (technical but also social and environmental) **standards**, codification of specifications, etc.
- Double-counting in **traditional trade statistics** (inflation of trade flows); shift towards “trade in value-added” as more meaningful measure

The increasing importance of GVCs

Some facts and figures:

- UNCTAD (2013) estimates that **MNC-coordinated GVCs account for some 80% of global trade** today
- Relatedly, international **trade of intermediate goods and services** has grown rapidly; the IMF (2013) estimates that today it **accounts for almost two thirds of world trade**
- **FDI stocks have risen more than six-fold since 1990**, outpacing even the growth in international trade
- UNCTAD (2013d) estimates that, in 2010, **more than 25% of global gross exports** was **double-counted** because intermediates are recorded several times in trade statistics, while they should be counted only once as “value added in trade”

Implications of GVCs for developing countries (DCs)

Stages of GVC participation:

(1) Securing entry to GVCs

- Join GVCs and participate in GVC activities

(2) Expanding participation in GVCs

- Increase number of firms and workers that participate in GVC activities

(3) Upgrading within GVCs and creating new GVCs

- Increase value capture of GVC activities
- Promote various types of upgrading

Implications of GVCs for DCs - Opportunities

- Entry gate for participation in international trade (e.g. as suppliers of parts and components or assembler of final goods)
- Access to markets (eliminating the scale and purchasing power limitations of the domestic market)
- Access to networks (business, distribution, etc.)
- Access to capital and trade finance
- Access to knowledge and technology (transfers and spillovers)
- Springboard for industrialization: countries no longer need to develop capabilities to produce entire (final) products, but can specialize in certain tasks / functions; i.e. they can industrialize by joining value chains instead of building whole chains themselves
- Allows for niche specialization
- Chance for industrial upgrading
- Employment creation; allow entry into job market for previously marginalized social groups (e.g. women, youth, ethnic minorities)

Implications of GVCs for DCs - Upgrading

Typology of (economic or industrial) upgrading within GVCs:

1. **Process upgrading:** increase efficiency through the reorganization of production or introduction of new technologies,
2. **Product upgrading:** move towards more sophisticated or higher-quality product lines,
3. **Functional upgrading:** increase the range of functions performed or changing the mix of activities towards higher-value tasks,
4. **Inter-chain upgrading:** capitalize on capabilities acquired in one chain to enter another, technologically more advanced chain.

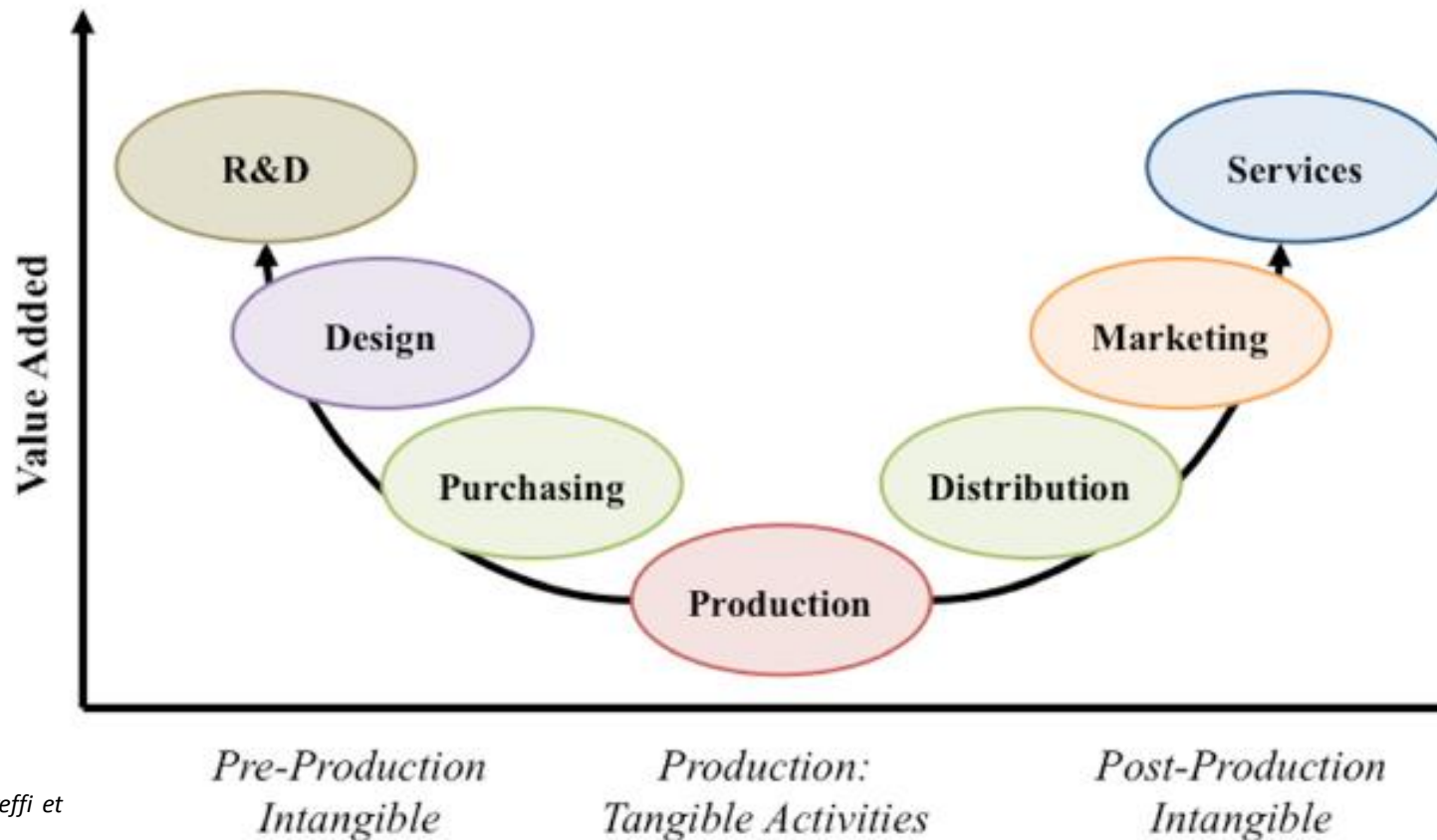
Implications of GVCs for DCs – Risks (1)

- **Risk of contagion:** close interconnectedness in GVCs means that shocks in one location can easily spread to the rest of the network, generating cascade effects (e.g. earthquake in Japan 2011 and transmission of its effects through the value chain, e.g. on Thai automotive industry)
- **Power asymmetries:** small number of lead firms (oligopoly) vs. large number of suppliers in activities with low entry barriers (intense competition)
- As a result, there can be a **“ceiling” for upgrading**, i.e. obstacles to upgrade beyond a certain point (as lead firms control those activities that yield the highest rents)
- Upgrading is not automatic; it is a complex and often contested process
- **“Thin industrialization”:** Risk of being **trapped** in activities with low skill and technology content, few linkages to local economy, and **little local value addition**

Implications of GVCs for DCs – Risks (2)

- Precarious work and **social “downgrading”** (e.g. low pay, poor working conditions, irregular employment, occupational health and safety) due to pressure from lead firms in the context of less stringent national labor standards and regulation, and lax enforcement
- **Environmental pollution and degradation** due to lead firms exploiting less stringent environmental standards and regulation, and lax enforcement
- **Footloose capital** with no intention to build long-term economic linkages with host economy (supply linkages, training of local managers, transfer of technology): ability of MNCs to shift production across countries can **increase economic volatility**

The “Smiley Curve” – Illustrating both Opportunities and Risks



Source: Gereffi et al. (2011)

However, shape of the curve is not the same in all GVCs, and some argue that for some sectors (e.g. petrochemicals, where the manufacturing process requires large investments) the curve is not even smiley-shaped

GVC example: Myanmar's garment sector

Legend

National component

National & international component

International component

Inputs

Thread and accessories

Foreign fabric, natural & synthetic (95% of supply)

Domestic fabric, cotton (5% of supply)

Machinery

Diesel fuel

Electricity

Land

Water

Labour

Finance

Design

Inspect fabric

Sizing

Manual marking

Sample for buyer confirmation

Washing

Sewing

Pressing

Embroidery/ printing

Cutting

Trimming

Quality check

Drying (for Japanese buyers)

Ironing

Packing

Sometimes subcontracted

Metal (pin) detector

3rd party quality check (buyer-designated)

Yangon airport (rush)

Yagon port

Trans-shipment through Malaysia or Singapore

Buyers

Japan, Rep. of Korea (\$192m)

Brand apparel companies

Overseas buying offices

Trading companies

Specialty stores

Department stores

Mass merchandise stores

Georgia (\$35m)

Garment factories

Trading companies

Re-export (mostly Turkey)

Retailers

Spain, United Kingdom (\$46m)

Brand apparel companies

Overseas buying offices

Re-export (mostly Turkey)

Department stores

Mass merchandise store

Turkey, Malaysia, China, Italy, Thailand (\$31m)

Garment factories

Re-export

Training

JICA-garment manufacturing training

MGMA/JICA-QC, supervisor, sewing machine operator training

Japanese buyers-Technical training for 1st orders

Chinese technicians-CAD training

MoLESS-Supervisor, electrical, and welding training

Support services

MoL-Enterprise registration, CoC, wastewater treatment

Commercial banks-Business loans

MoFR- Financial regulation

MITS-Inspection, testing, and certification

MoT-Ports and airports

MGMA-Sector advocacy, endorsing export, import licenses

UMFCCI-Certs. of Origin, B2B meetings, trade fairs

MIC-Investment approvals

DICA-Company registration and investment promotion

MoIP-Work permits for foreign technicians

MoC-Trade information and trade promotion

Providers of technical services

eTrade Myanmar-Trade information

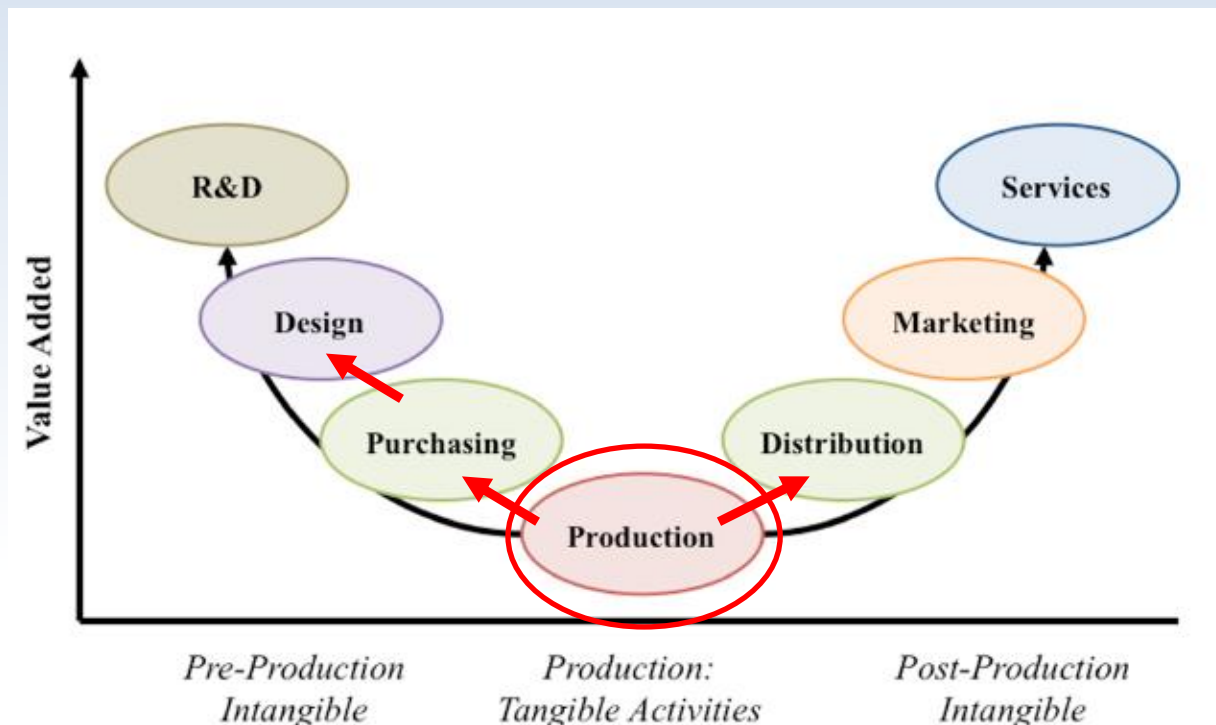
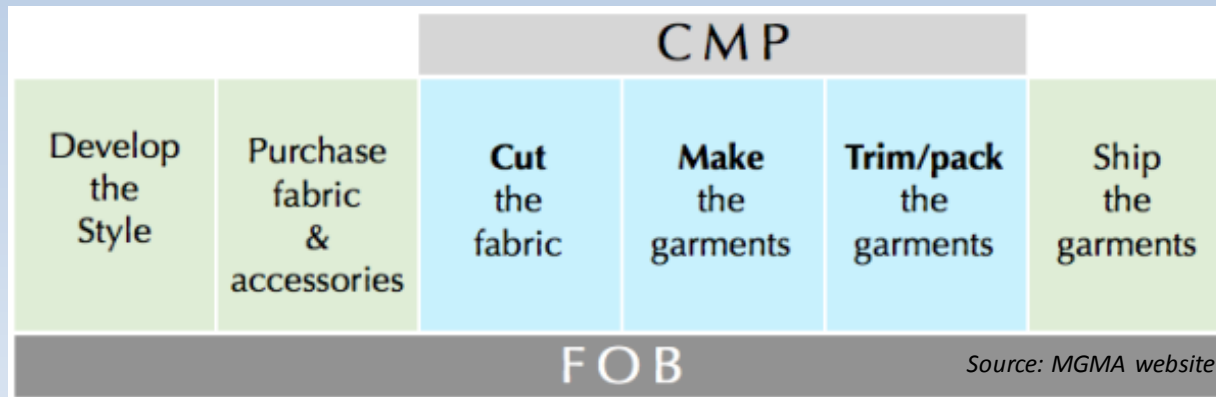
MoEP-Electricity

MoRT-Roads

Source: MoC and ITC (2015)

GVC example: Upgrading Myanmar's garment sector

From Cut-Make-Pack (CMP) to Free-on-Board (FOB) Production



PART 2:
Preferential Trade Agreements
(PTAs) in a GVCs world

Why enter into PTAs?

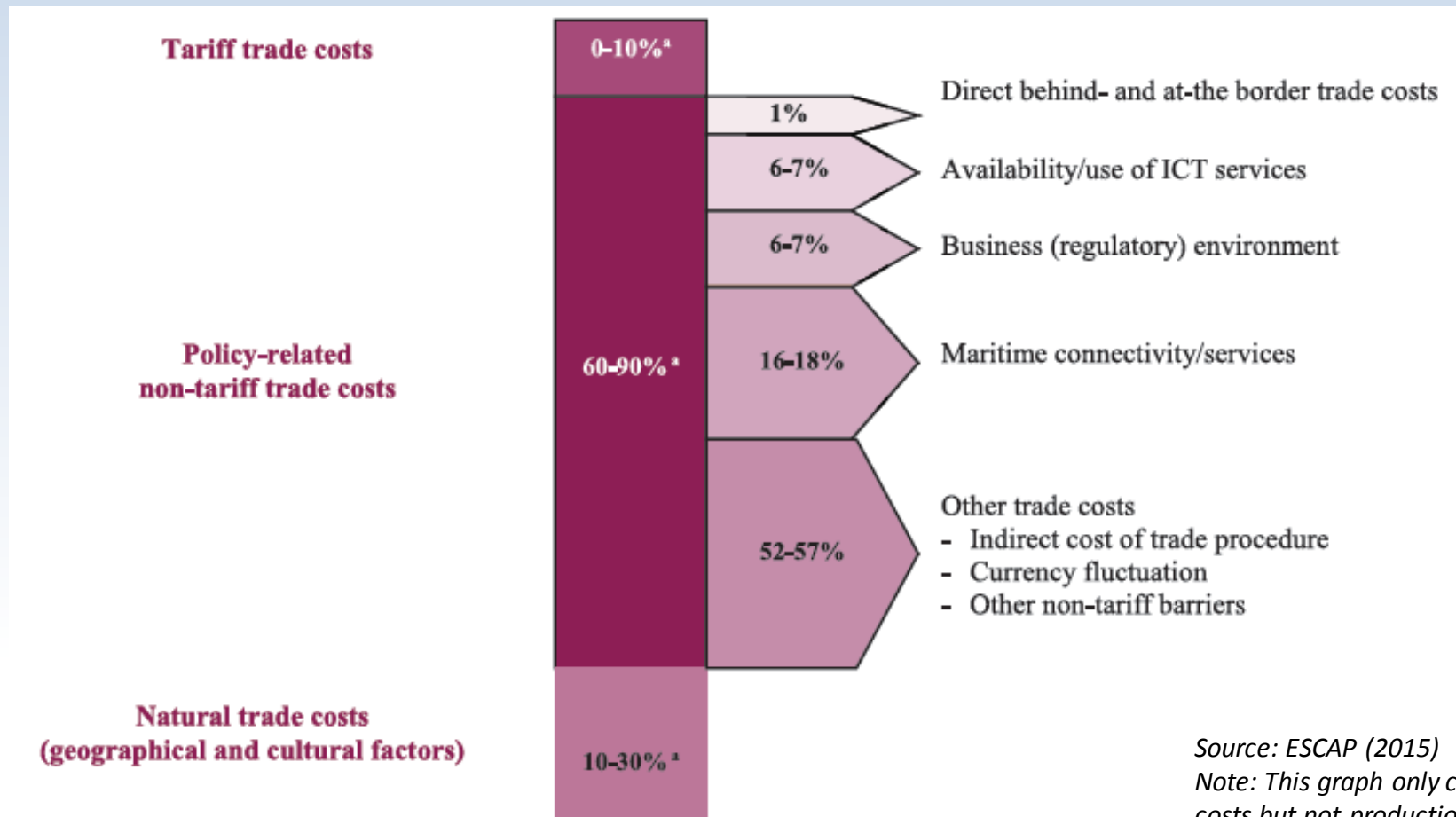
- Facilitate access to foreign markets by reducing trade barriers
- In a GVC world: Facilitate access to inputs
 - Importance of regional / global sourcing
 - Access to inputs and intermediate goods at competitive price and quality is crucial for the competitiveness of a country's own industry
- Establish rules and disciplines for cross-border trade (and behind-the-border measures) and thereby create predictability and stability for investors and businesses
- Intensify economic linkages for mutual benefit (e.g. encourage spread of cross-border value chains)
- Indirect effects when companies from third countries want to benefit from free flow of goods between PTA signatories as well:
 - Example: Investment of car producers (e.g. China's Chery Automobile Co.'s investment in Malaysia – access to markets and network of suppliers in ASEAN)

Trade barriers in a GVCs world

- **“Magnification effect” of tariff costs**
 - Multiple border-crossing of inputs/intermediate goods implies that tariffs accumulate (as tariffs are levied on imports’ gross value, not just the value added)
- **“Magnification effect” of customs procedures and non-tariff barriers on transaction time and costs**
 - Multiple border-crossing of inputs and intermediate goods in GVCs implies that time needed for customs clearing accumulates
 - Spreading VC activities over diff. countries means dealing with diff. regulatory regimes: quality and safety standards and related testing and certification requirements vary across markets
 - Implies that upstream firms supplying intermediate inputs to several destinations may have to comply with conflicting standards, or incur conformance procedures multiple times
- The increasingly global nature of VCs would actually call for **multilateral** approach; however, little movement in WTO negotiations (Doha Round)

Composition of trade costs in Asia

- **Sourcing decisions** of lead firms depend on **production *and* trade costs**
- PTAs can reduce trade costs and, thus, impact on the location of GVCs
- Contribution of various policy-related factors to bilateral **trade costs in Asia**:



GVCs world: A case for trade facilitation and “deep” PTAs?

- In a GVCs world, growing importance of “**trade facilitation**” (TF):
 - Multiple border-crossing implies accumulating (transaction) **costs and delays** if **customs** and administrative **procedures** at border are inefficient and time-consuming
 - **Lead times** (e.g. just-in-time manufacturing) and lean inventories very important in GVCs
 - PTAs can include specific TF measures and objectives, e.g. related to transparency and predictability of processes, simplified documentation, automation, single window, etc.
- **PTAs** act as **signaling and commitment device** that can offset deficiencies in local institutional setup and provide **predictability and certainty** to investors and trade partners
- “**Deep**” PTAs
 - go beyond tariff elimination (the focus of more “traditional” PTAs),
 - and often also exceed commitments made in multilateral negotiations (including so-called “WTO+ provisions”), e.g. in areas such as (*see next slide*):

GVCs and “Deep” PTAs areas (1)

1. Trade in services

- Generally less liberalized; often barriers for market entry and regulatory hurdles
- Services important along the value chain, supporting smooth functioning
- According to ESCAP (2015), Asia-Pacific industrial exports have a service content of 29.4%, of which more than one third (11.1%) is contributed by foreign providers

2. Trade-related investment measures

- Given strong linkage betw. trade and investment in GVCs, policies should be coherent
- More and more PTAs have investment chapters, containing provisions on market access, non-discrimination, investment protection, dispute settlement mechanisms

3. Standards and technical regulation

- WTO Agreements on SPS and TBT provide disciplines on how standards can be applied
- Consistency in standards allows a firm to plug into more chains in diff. countries
- PTAs can include provisions on **harmonization of standards** (e.g. many EU trade agreements (TAs)), **convergence** of testing and certification requirements, and/or **mutual recognition** or **equivalence** of standards, certificates, qualifications

GVCs and “Deep” PTAs areas (2)

4. Intellectual property rights (IPRs)

- Many PTAs (esp. those concluded by EU and US) go beyond WTO TRIPS obligations
- Aim at protecting intellectual property rights of foreign investors to reward R&D efforts
- Lead firms and foreign investors can be reluctant to locate production in a country that does not offer protection to intellectual property through strong IPRs

5. Public procurement

- WTO plurilateral Agreement on Government Procurement: signed only by a subset of member states, using positive list approach
- Majority of PTAs notified to WTO since 2000 include provisions on public procurement, often using negative approach, signaling more ambition for liberalization
- Objective is mostly to establish non-discrimination in public procurement

6. Competition policy

- Provisions aiming at ensuring competition and preventing excessive market power

GVCs and “Non-Deep” PTAs areas

“Non-deep” areas of relevance:

1. Tariff reduction:

- PTAs can go beyond WTO commitments (e.g. in sensitive areas) to provide preference margin to PTA partner(s)
- Tackle “tariff escalation”: can escalate tariff costs along the VC, making it difficult for lead firms to source products from most competitive location; can also be obstacle to upgrading

2. Rules of Origin (RoO):

- PTA signatories want to make sure that only PTA members receive benefits (lower tariffs); however, “origin” more difficult to determine in GVC world; thus, risk of increasing “red tape”
- RoO can differ across TAs and products: GVC lead firms need to think carefully about where to source different inputs and intermediate goods to meet the RoO of the final market
- If set at the right level and designed well (e.g. if they are simple, based on a transparent formula, not requiring complex documentation), RoO can promote GVC/regional integration
- However, RoO can also hinder GVC/regional integration if rules are too complex or if regional value content (RCV) is set too high

“Deep” PTAs and development objectives – A balancing act (1)

- **Developing country objectives in GVCs:**
 1. Entry into GVCs
 2. Expand participation in GVCs
 3. Wider developmental objectives: Upgrade and increase value capture in GVCs
- (Deep) PTAs are likely to help with achieving objectives 1 and 2
- Effects on objective 3 are less straightforward (e.g. risks of failure to upgrade due to power asymmetries, GVC disintegration due to footloose capita, etc.)
- Deep PTAs tend to reduce the range of policy instruments available, implying trade-offs between GVC-related objectives and the objective of governments to **retain “policy space”** (i.e. autonomy over domestic policy decisions)
- Promoting GVC participation through deep PTAs is, thus, a **“double-edged sword”** (Bruhn 2014)

“Deep” PTAs and development objectives

– A balancing act (2)

Examples of how deep PTAs can reduce policy space:

- PTAs typically require **reciprocal commitments**, unlike multilateral agreements (e.g. WTO agreements: many exemptions for LDCs, “Special and Differential Treatment” for developing countries)
- **Performance requirements for foreign investors** can be a means for promoting industrial development (e.g. through linkages, spillovers).
- **Investor-state dispute settlement mechanisms** can deter governments to introduce policies that increase social, health or environmental standards for fear of being sued by foreign investors (e.g. Philip Morris suing Uruguay on cigarette labeling)
- **Public procurement** can be a tool to promote domestic value creation/addition and local companies (e.g. SMEs)
- **Strong IPRs** restrict developing countries in copying and adapting technology-intensive products while such imitating and adapting can be an important means for learning from existing technology, frugal innovation, and developing technological capabilities which can help entering higher value-added segments of VCs

The balancing act – policy implications

- Key question for policy makers: **How deep** should PTA be?
 - Need to weigh pros and cons, consider short-term and long-term effects, undertake cost-benefit analyses, and strengthen negotiation capacity
- If there are concerns about policy space, check if key issues can be addressed through **alternative measures** as well:
 - e.g. tariff magnification effect can also be tackled with duty drawback schemes
- **Sourcing decisions** of lead firms depend not only on **trade costs** but also on **production costs** (productivity!) and other considerations (e.g. relating to quality or supply capacities). This implies a **need for complementary policies** beyond trade policy, e.g.:
 1. Hard and soft infrastructure (transportation, ICT, energy, quality infrastructure)
 2. Human capital development
 3. Science and technology policies
 4. Smart industrial policies

PART 3:
PTAs and GVCs –
Relevance for Myanmar

GVCs and PTAs – Current situation in Myanmar

- After long years of isolation, low degree of integration into international trade and GVCs
- Myanmar is an original Member of the WTO (and GATT)
- All the FTAs that Myanmar has signed and that are in effect are related to ASEAN;
- Within those FTAs, Myanmar has been granted longer transition periods for full implementation
- Three more FTAs are in the pipeline, two again related to ASEAN
- As an LDC: preferential access to a number of markets through Generalized System of Preferences (GSP), incl. through the EU's “Everything But Arms” scheme (its most favorable GSP regime)

Myanmar's Trade Agreements (in force and under negotiation)

FTA name	FTA partner countries	Status
ASEAN Free Trade Area (AFTA)	Brunei, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Vietnam	Signed and in effect since 1992
ASEAN-Australia and New Zealand Free Trade Agreement (AANZ)	ASEAN + Australia and New Zealand	Signed and In Effect since 2010
ASEAN-India Comprehensive Economic Cooperation Agreement (incl. AIFTA)	ASEAN + India	Signed and In Effect since 2010
ASEAN-Japan Comprehensive Economic Partnership (incl. AJFTA)	ASEAN + Japan	Signed and In Effect since 2008
ASEAN-People's Republic of China Comprehensive Economic Cooperation Agreement (incl. ACFTA)	ASEAN + China	Signed and In Effect since 2005
ASEAN-Korea Comprehensive Economic Cooperation Agreement (incl. AKFTA)	ASEAN + Republic of Korea	Signed and In Effect since 2010
ASEAN-Hong Kong, China Free Trade Agreement	ASEAN + Hong Kong	Negotiations launched in 2014
Regional Comprehensive Economic Partnership	ASEAN + Australia, China, India, Japan, Korea, and New Zealand	Negotiations launched in 2009
Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Free Trade Area	Bangladesh, Bhutan, India, Nepal, Sri Lanka, Thailand	Framework Agreement signed in 2004 and negotiations launched
Myanmar-US Trade and Investment Framework Agreement	USA	Framework Agreement signed in 2013

Source: ADB (<http://aric.adb.org/fta-country>); UNESCAP (http://artnet.unescap.org/APTIAD/agg_db.aspx)

Key features of Myanmar's trade and FDI policy (1)

INSTITUTIONAL SETUP:

- Trade negotiating and implementing mandates split between two different ministries: MoC on WTO, and MNPED (*now MoPF*) on ASEAN
- No inter-ministerial committee on trade policy formulation and implementation

TARIFFS:

- 18.5% of all tariff lines (at HS 8-digit level) are bound, incl. all agricultural lines but only 5.7% of non-agricultural lines
- Bound tariffs range from 0% (e.g. electrical machinery or transport equipment) to 550% (e.g. chemicals, beverages, and tobacco, and cereals and preparations)
- In 2013, simple average **bound** rate was 87.2%; average **applied** MFN tariff was 5.5%
- This significant difference (82 percentage points), and the fact that only 18.5% of tariff lines are bound, gives authorities considerable scope to raise tariffs, implying a certain unpredictability for traders
- Average tariffs on agricultural products are higher than those for non-agricultural products: 8.9% vs. 5%.

Key features of Myanmar's trade and FDI policy (2)

NON-TARIFF MEASURES (NTMs):

Customs procedures are time-consuming and costly: Myanmar stands at 140 out of 189 in the World Bank's *Ease of Trading Across Border* ranking

To be able to **import**, a company must:

- register with DICA (Directorate of Investment & Company Administration)
- register as a "trader" with Ministry of Commerce (MoC)
- join UMFCCL (Federation of Chambers of Commerce and Industry)
- for most products, obtain an **import license** issued by MoC
 - In 2013, import licensing requirements were abolished for 166 products (over 1,900 tariff lines)

To be able to **export**, a company must:

- register as company with DICA and as an exporter with MoC
- for most products, obtain an **export license** from MoC
 - Reform in 2013, but currently only 152 types of goods no longer require export licenses
- for certain products, obtain a recommendation from relevant ministries or UMFCCL

Key features of Myanmar's trade and FDI policy (3)

TRADE IN SERVICES:

- WTO GATS: Myanmar made commitments in tourism, travel-related services, and transport services; it has not made horizontal commitments or listed any MFN exemptions
- In general, services are characterized by state involvement and restrictions on private-sector and foreign involvement
- For ex., FDI is restricted in banking or insurance; by contrast, it is allowed, with foreign ownership up to 100%, in hotels and related businesses

STANDARDS:

- Standardization Law is pretty new (enacted by parliament in 2014)
- Only few standards exist in Myanmar (around 65)
- None of Myanmar's current PTAs contains a chapter on standards and technical regulations

Key features of Myanmar's trade and FDI policy (4)

FDI:

- Foreign Investment Law 2012 lists activities where foreign investment is prohibited (e.g. defense, electricity trading, air control management services) or restricted (e.g. certain manufact. activities, financial services)
- Certain activities are reserved for the State (e.g. extraction and sale of teak; cultivation of forest plantation; sale/export of petroleum and natural gas; extraction, and export of pearl, jade, and precious stones; etc.)
- In certain sectors, foreigners are not allowed to engage only in trading activities (but have to also be involved in productive activities)
- 100% foreign ownership is allowed in all except certain prohibited or restricted activities
- Local employment requirement for FDI:
 - Foreign employers must employ Myanmar citizens for **100% of unskilled labor**.
 - Minimum share of citizens for **skilled jobs** must be: 25% within the first two years; 50% within the second two-year period; 75% within the third two-year period

Potential policy areas for future PTAs by Myanmar

- **Institutional setup** for trade policy making: remove fragmentation of responsibilities for trade negotiations and implementation of trade agreements; formalize a national inter-ministerial committee
- Reform **NTMs regime**, incl. export/import licensing requirements
- **Trade facilitation** (facilitate customs procedures, e.g. through “single window” or “fast lane” for companies from PTA partners with a certain positive track record)
- Modernization, and possibly harmonization, of **standards** and technical regulations
 - Possibly include clauses for transition towards mutual recognition, e.g. of standards, certification but also educational certificates, diplomas, qualifications, etc.
- Targeted commitments on **trade in services**
- Facilitate **FDI** in sectors with potential for regional/global VC integration
- **Rules of Origin** (RoO) that facilitate market access and regional integration
- Request **Aid for Trade** (AfT), especially in PTAs with more advanced PTA partners, to help implementation of PTAs and mediate negative effects

Thank you for your attention!

Questions?

Contact: t.bernhardt.cesd@gmail.com

Website: <http://myanmarcesd.org/>