Tackling Non-Tariff Barriers in RCEP

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Non-Tariff Measures in ASEAN

Trends of Tariff and Non-Tariff Measures in ASEAN, 2000-2015

Source: 2015 ASEAN-ERIA-UNCTAD Database, Compiled by Lili Yang Ing, Santiago Fernandez de Cordoba, and Olivier Cadot, “Non-Tariff Measures in ASEAN”
Distinguishing Between NTMs and NTBs

• Often difficult to distinguish between non-tariff measures (NTMs) and non-tariff barriers (NTBs)
• Government tends to claim all are “measures”
• Business often says all are “barriers”
• The point is that RCEP needs to have mechanism to address these issues
  – Both to discuss and define NTMs and NTBs
  – And to remove as many NTBs as possible
    • Now and into the future
    • Especially given relationship to falling tariffs and rising barriers to trade of all types
  – RCEP gains at risk if nothing done about NTBs for goods
SPS and TBT Biggest Hurdles

• Chart shows clearly biggest challenges in SPS and TBT (STRACAP) areas in ASEAN
  – Likely to be true for AFPs as well
• Hence RCEP must have mechanisms in place to address NTBs in both SPS and STRACAP
• Some basic principles should be embedded into RCEP texts to limit scope for NTBs
• Create specific rules in areas where problems are known to lurk
• Craft future work program to address additional barriers in RCEP members over time
• Include overall commitment to transparency and good regulatory practices
For SPS, RCEP Should Commit:

• To follow regulatory practices in line with best international principles
• To use fair and transparent procedures
• Which are subjected to a rigorous impact assessment prior to implementation
• Craft individual regulations based on sound, scientifically based criteria
• Applied consistently
• Using clear, proportionate, non-discriminatory rules
• With open consultation with industry and other stakeholders
• No more restrictive than necessary to achieve purpose
For STRACAP, RCEP Should:

• Follow similar good regulatory practices
• Clear and transparent rules
• Changes announced in advance with time for consultation and adjustment by firms
• Peg rules to international standards whenever possible
• Clarification in RCEP rules on biggest obstacles: like labeling, certification, product registration, testing procedures
  – Example: Firms allowed to use certificates for multiple shipments or consignments of same products
• Eliminate duplicative testing and certification procedures
• Everything to be put online wherever possible
Sectoral Annexes

• RCEP needs to be responsive today and tomorrow
• Hence the need for sectoral annexes to craft rules for future
• We recommend at least 3 at outset:
  – Cosmetics
  – Wine & spirits
  – Toys
• Government not always best positioned to discuss details of industry sector
• Could create additional annexes or sectoral groups in future as RCEP deepens in time to address new issues and sectors
Creation of RCEP
NTB Working Committee

• Committee to meet regularly and report back to leaders on the progress addressing and removing NTBs
• Firms, trade associations and law firms should be allowed to submit complaints, feedback, and recommendations directly to committee
• Given that NTBs hit small businesses hardest, committee should seek out MSME inputs as well
• Committee could consider use of Mutual Recognition Agreements in future for such measures as standards, testing and licensing
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