

# EABC RCEP Business Stakeholders' Consultations

## Session 2

### **NTBs to Trade in Services**

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# ABAC Cross-Cutting Principles for NTMs/NTBs

## *Information*

- Business needs information about import and other regulations **that is clear and readily available**, preferably through an online portal;

## *Processes*

- Processes for the development of non-tariff measures should be **transparent & timely**;
- Business should be able to participate in **consultation on the development of standards**;

## *Measures*

- Measures should be **transparent, coherent and non-discriminatory**;
- Measures should be **based on sound science or closely aligned with international norms** such as Codex, ISO and APEC;
- Measures must **not discriminate against imported goods or services**;
- The application of non-tariff measures should be **timely, predictable and coherent**;

## *Underpinning philosophy*

- Measures must be developed consistent with **the principle of “least-trade restrictive”**;
- The emphasis should be on desired or **equivalent outcomes** rather than prescriptive processes or production methods.

# Sectoral examples: Services and digital trade

- **Burdensome technical requirements**
  - Arbitrary or burdensome standards
  - Strict requirements for recognition of qualifications
  - Restrictions on data flows across borders, forced data localization.
- **Procedural obstacles**
  - Opaque domestic regulations
  - Slow or unpredictable administrative measures e.g. licensing procedures, approvals
- **Discriminatory measures**
  - Standards that discriminate against services provided by foreign suppliers
  - Restrictions on the kinds of services that foreign suppliers can offer
  - requirement to establish a local commercial presence before providing digital services
  - Discriminatory tax treatment, corporate governance or financial structures (e.g. requirements for joint ventures and equity limits on investments for the supply of services, restrictions on the number of foreign nationals on Boards etc.)
  - Visa and other entry restrictions, nationality or residence requirements for foreign services suppliers

# Possible approaches on services

## Possible solutions

- mutual recognition of standards, licensing, qualifications
- designating a single point of contact for services trade information
- greater use of digital channels and tools, including region-wide rules on cross-border data flows
- The ABAC Principles to be used in FTAAP and other trade agreements.

**Business** clearly has an important role to play in:

- **identifying** problems with NTBs
- **advocating** for solutions to NTBs
- **engaging in the development** of NTMs and ongoing dialogue about their implementation – a collaborative approach

# ABAC's NTB Work Programme for 2018



- We must keep pushing APEC economies and Leaders hard on this
  - The ABAC Cross-Cutting Principles must be our reference-point
- Our 2018 work programme should focus on exploring further examples from across members' economies and different sectors
- That will enable us to engage in detail in relation to:
  - Specific trade barriers that arise
  - As part of our contribution to FTAAP, where NTBs is a key area of collaboration between ABAC and APEC