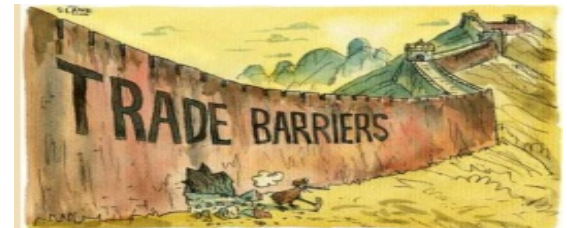


NON-TARIFF BARRIERS IN THE CONTEXT OF ASEAN ECONOMIC INTEGRATION

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CHAP: 1



INTRODUCTION

1.1 Background of the study



In **2007**, **ASEAN's economic agenda** was meaningfully developed when ASEAN Member States determined of making the region a **'single market and production base'**



AEC was officially launched in November 2015 including the AEC 2025 Blueprint

Through the progressive reduction in barriers to trade and investments – **ASEAN** is now offering an **integrated market, closely-linked ASEAN & improved business environment**



1.2 Problem Statement

- The progressive removal of tariffs in ASEAN has expanded the merchandise trade in the region from US\$1.6 billion to US\$3.0 billion in 2018
- **NTMs/NTBs remain a major obstacle** in expanding intra-regional trade and investment within ASEAN
- Since the announcement by ASEAN to form a single market, efforts have been taken by ASEAN to address the issue of NTMs/NTBs.
- However, **NTBs** in the region have **persisted** and subsequently affected the economic integration of the region.



1.3 Research Questions



Issues and Challenges Faced by ASEAN Member States in eliminating Non-Tariff Barriers (NTBs)?



Effects of NTBs on regional integration?



Is protectionism hindering the process of mitigating NTBs among the ASEAN member states?

CHAP: 1



INTRODUCTION

1.5 Significance of the Study

1.4 Research Objectives

To **examine** the **issues and challenges** to eliminate Non-Tariff Barriers (NTBs) by ASEAN Member States;

To study **effects** of **NTBs** towards regional integration

to deliberate the type of **protectionism measures** implemented by ASEAN Member States.

Review of **existing work** on non-tariff barriers **indicates** a **bias** towards the **influence on trade** and limited studies on the effect on economic integration

this study examines NTBs and provides timely **academic analysis** on the **link between trade factors** and **regional economic integration**

CHAP:2

LITERATURE REVIEW

2.1

Focused on the definitions which had assisted in developing the theoretical framework of the study

2.2

Definition of regionalism and regional integration

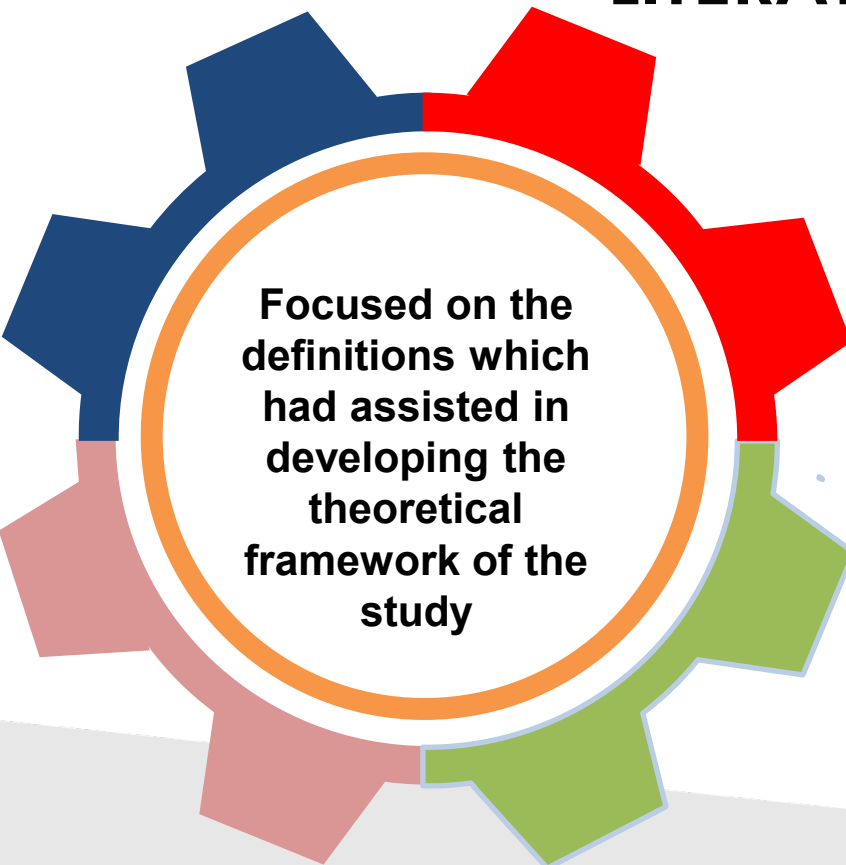
- 2 factors linked to regionalism:
 - regions are **no longer limited to the borders** but became an actor of international politics and trade; and
 - the **competition among the state** in the region could turn into a systematic economic development or liberalisation era.

2.3

Importance of ASEAN Economic Integration

- To **transform ASEAN** into a **single market and production base**, create a highly competitive economic region, promote equitable economic development within the region and fully integrate the region into the global economy.

LITERATURE REVIEW



Focused on the definitions which had assisted in developing the theoretical framework of the study

2.4

ASEAN Centrality

- Key principles of ASEAN is to **maintain** the **centrality**.
- primary driving force in its relation and collaboration with its external parties – **open & transparent**.

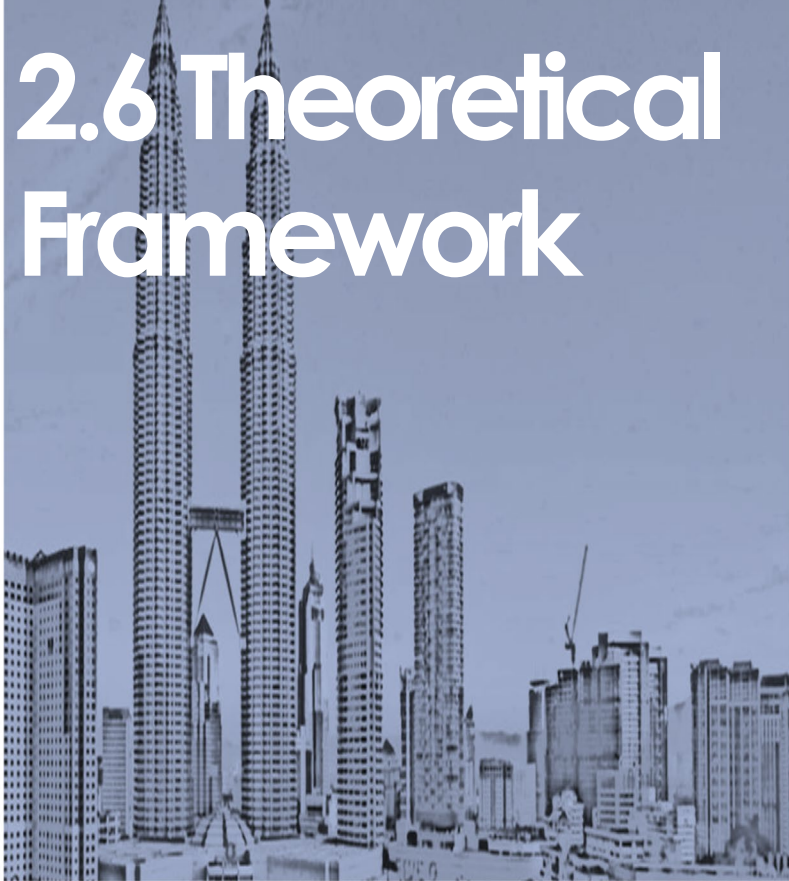
2.5

Defining NTBs and NTMs

- A nontariff barrier is a **form of restrictive trade** where barriers to trade are set up and take a form **other than a tariff**.
- NTMs is a **policy measure** that distorts/influence trade.

CHAP:2

2.6 Theoretical Framework



- This section provides an in-depth presentation and discussion of the theoretical concepts used in this study.
- Inter-relations theory was used to theorise AEC and NTBs
- Conclusion - **NTBs** and **NTMs** are **not focused** in many **economic initiatives** while **liberalisation process is on-going**. There is **lack of coordination mechanism** between the economic integration process and NTBs and NTMs in ASEAN.

Lays out the detailed methodology used in this study including research setting, research design, target groups, data collection, data analysis procedures and limitations.



a) **qualitative** (in depth interviews, focus groups discussions, content analysis and case study research, ASEAN statements such as press release, media statement etc.)”



b) **quantitative** (statistics, data analysis, survey etc.)

RESEARCH METHODOLOGY

Data Collection

Method

Questionnaires - experience of exporters doing business in ASEAN countries, list of documents required for export / import, issues and challenges faced etc.



Data Analysis Techniques

- descriptive statistics was used based on the intra-ASEAN trade, list of tariff eliminated etc.

CHAP:4



DATA PRESENTATION AND FINDINGS

4.1 ASEAN Milestone



The strategic measures under the **5 characteristics** in the AEC Blueprint 2025 will be operationalised through the **sectoral work plans** and their implementation monitored through the **AEC 2025 Monitoring and Evaluation Framework**.

CHAP:4



DATA PRESENTATION AND FINDINGS

4.2 ASEAN Performance



Population

649.1 Million (2018)

8.55% of World Population in 2018

Youth (Age 0-19 years) 33.9%

Number of Tourist

135.3 Million (2018)

49.7 million – Intra ASEAN

Foreign Investment

USD154.7 Million (2018)

USD24.5 Million of Intra-ASEAN (15.9%)



GDP

USD 3.0 Trillion (2018)

GDP per Capita USD4,601.3 (2018)

ASEAN GDP was 3.5% of World GDP in 2018

5th Largest Economy (Predicted 4th Largest in 2030)

Total Exports USD1.432 Trillion (2018)

Intra-ASEAN 23%



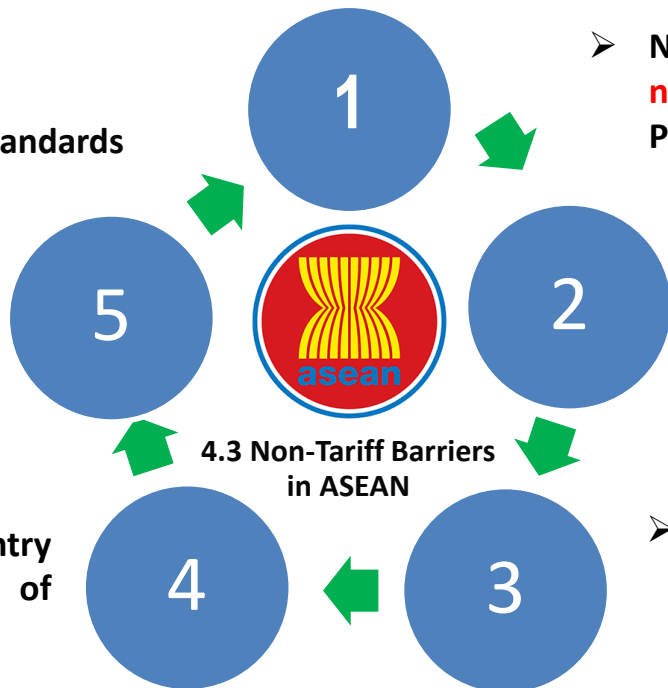
ASEAN's Dialogue Partners (Australia, Canada, China, EU, India, Japan, New Zealand, RoK, Russia and United States)





DATA PRESENTATION AND FINDINGS

- **repetitive testing** for standards certificates



- No notification of NTMs being introduced/
non-compliance to Article 11 (Notification Procedures) of ATIGA.

- Introduction of **import restrictions**, import quotas, antidumping measures, non-automatic licensing requirements and countervailing charges

- **Restricting ports** of entry for certain categories of exports.

- frequent **verification requests** on Certificates of Origin Forms - resulting in MFN duties being paid.



DATA PRESENTATION AND FINDINGS

No reliable database on NTBs



Regulations are not properly coordinated within Member States



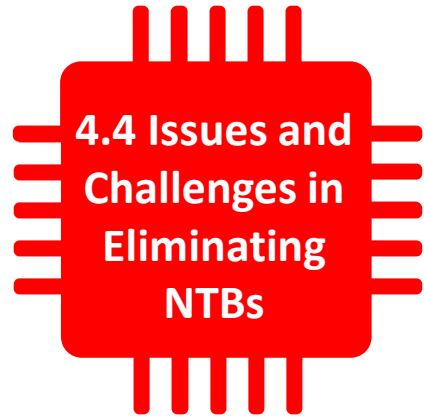
Lack of notification of newly adopted NTMs which can be categorised



Various government agencies and bodies involved in introducing NTMs



Insufficient information given by private sectors





DATA PRESENTATION AND FINDINGS

4.5

Effects Of NTBs Towards Economic Integration

Higher cost in doing business within the region

Low intra-ASEAN trade performance

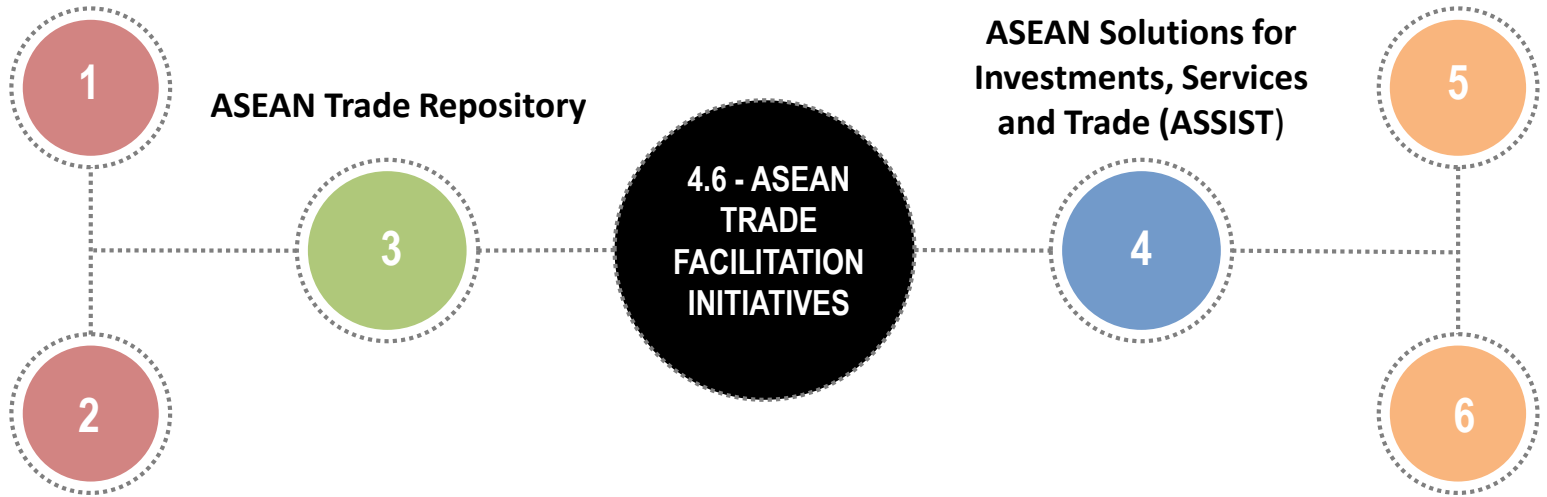
ASEAN credibility / centrality



DATA PRESENTATION AND FINDINGS

ASEAN Wide Self-Certification Scheme

ASEAN Tariff Finder



ASEAN Trade Repository

ASEAN Solutions for Investments, Services and Trade (ASSIST)

Full implementation of the ASEAN Single Window (ASW)

ASEAN Customs Transit System (ACTS)

CHAP:5

LIMITATIONS OF THE STUDY

✓ The research was based on the information and theories available online, hence it may be arguable by others

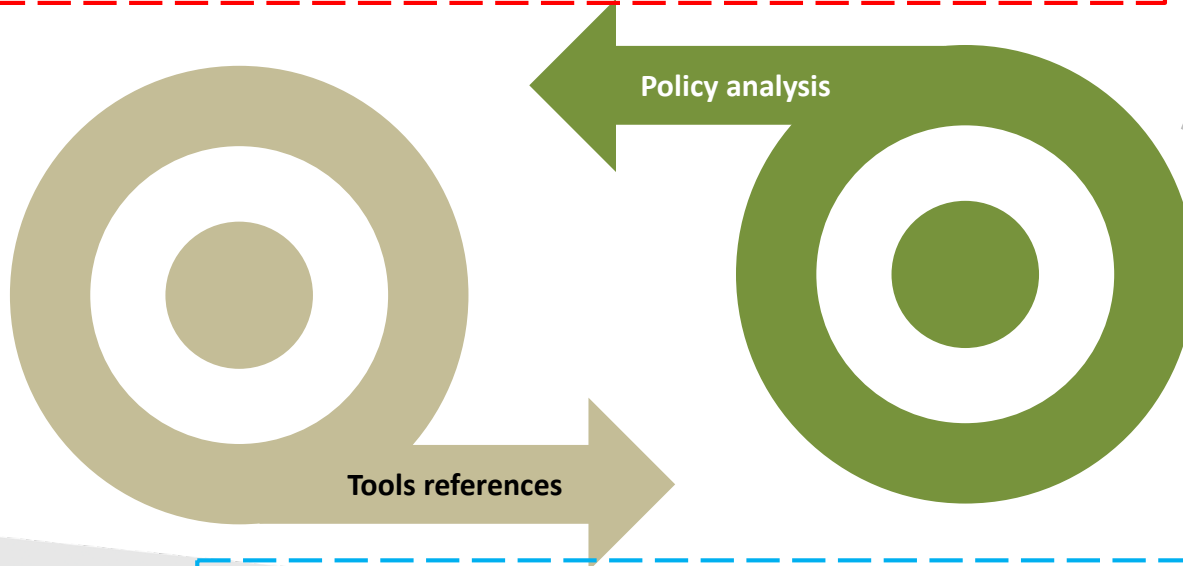
✓ some of the information such as the list of NTBs / NTMs available online were outdated hence not accurate for the current time. This also could not confirm whether the NTBs are present on the ground and type of effects to the economic integration process.

✓ Data or statistics were difficult to source due to the confidentiality and only meant for internal circulations



CHAP:6 BENEFITS OF THE STUDY TOWARDS PUBLIC SERVICE

Improves the policy analysis, policy planning abilities and to deepen understanding on the advantages and disadvantages on regional integration



Assist to develop mechanisms to avoid incidents in areas of competing / disputes among ASEAN Member States



CHAP:7 CONCLUSION & RECOMMENDATIONS

1

The **rising protectionism** among some of the ASEAN Member States is **not a strong signal by ASEAN** to the world particularly when it comes to the regional integration concept. The fact is that, ASEAN is already at the next phase of integration and addressing NTMs/NTBs is crucial and must be addressed as soon as possible

2

The **major NTBs that still exist in the region** include Rules of Origin, customs formalities, testing and certification arrangements, technical regulations and standards, sanitary and phytosanitary, specific limitations such as quantitative restrictions etc.

CHAP:7 RECOMMENDATIONS TO ADDRESS NTM/NTBs

Member states to agree on a definition or criteria of measures which could be categorised as NTBs

establish a credible ASEAN NTMs/NTBs database

ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC) to compile the list of NTBs

to expand the notification procedures under ATIGA to include counter notification

Member states to strictly adhere to provisions in ATIGA

introduce and improve the system for engaging the private sector.





THANK YOU

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