

# ARTNeT Capacity Building for Trade Policy Researchers

Supporting Equitable Development in ASEAN:  
Impact of Regional Integration on CLMV Countries

**Measuring the  
economic impacts  
of NTMs  
  
(Part 2)**

- 1. Policy discussion**
- 2. AVE introduction**
  - Practical quick example

## Session 10

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UNITED NATIONS  
UNCTAD

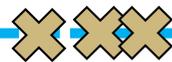
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- Some may need streamlining
  - Some may need improving regulation to upgrade industrial capacities
    - Not done isolated in government departments
    - Pay attention to international standards
    - Work together with business sector
      - Consult
      - Program for businesses to help the to comply
  - Infrastructure
    - Laboratories



# Convergence: how? towards where?

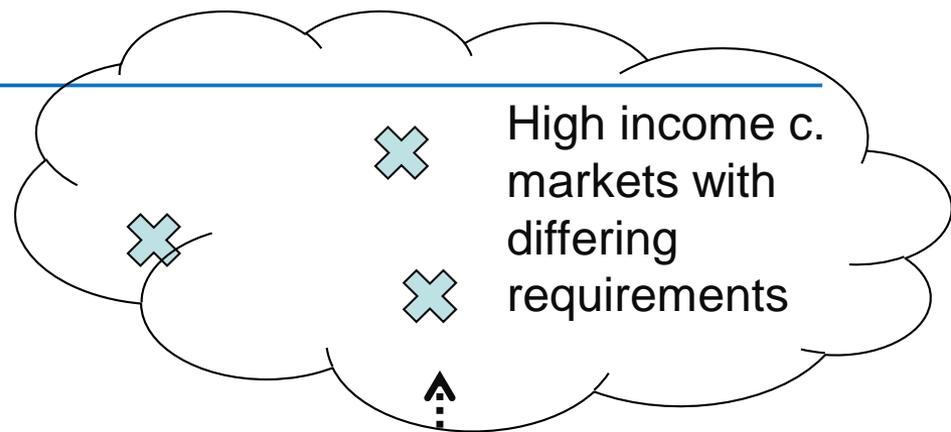
Level of NTM stringency

Regional group of developing countries can adopt international standard to enhance intra- and extra regional trade + sustainability



International guidelines  
e.g. Codex Alimentarius  
for food safety

Developing country adopting Northern standard as domestic requirement can harm South-South trade



High income c.  
markets with  
differing  
requirements



# Policy design

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## What

- Work on common conformity assessment
  - Mutual recognition
- If there is no possibility for integrating into harmonization

## Which products

- Concentrate on those products that are more relevant in the export basket, especially those that are traded within the region of integration (ASEAN)
- Or those with export potential as represent an 'expertise' of the country
  - Same for an intermediate product to be part of value chain
- Or those with higher skilled labor or technology (preferably those with some processing)
- Or those that employ more population



# Malaysia report

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- 4.4 Harmonization of Food Trade in ASEAN: Some Thoughts
- ASEAN Members have begun to recognize the desirability of having **common measures**. For trade purposes, harmonization of standards enables food companies to adhere to one set of regional regulations instead of adjusting to a diverse array of regional standards of Member countries. Following which, ASEAN members have expressed their intention to use **global food standards as a basis for harmonization efforts** in the food sector at the regional level. Yet, there has not been much progress in this regard (AFBA, 2012).
- One reason is that the diverse regulations that govern food and nutrition labelling across ASEAN rest on the different International Guidelines followed by Member countries when preparing national regulations. Kasapila and Sharifudin (2011) point out that for **food and nutrition labelling, Singapore, Malaysia, Brunei, Laos, Vietnam and Cambodia have followed the Codex guidelines** in preparing their regulations. Conversely, **Thailand and the Philippines, to some extent have adapted the United States nutrition labelling guidelines**. Further, Member countries with more developed food safety systems have also adopted the **'hazards' based-approach, which do not allow for regulatory convergence**, as there is no common basis for the adoption of common food safety standards. **What is needed is a shift towards a 'risk' based approach, which comes with a scientific basis (see also Henson and Caswell, 1999) to adopt common safety standards.**



**AVE**  
**Ad Valorem Equivalents**

# Introduction: AVEs of NTMs

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Definition ad valorem equivalents (AVEs)

- **AVE: tariff equivalent** which has the same impact on trade
- AVE: gap btw. product's price with and without the NTM
  - Ex: price without NTM: 100.  
If AVE: 5% price with NTM: 105

Why do we compute AVE?

- Quantification of NTMs' effects difficult: diversity of NTMs; no simple metric; few data
  - AVEs solve (partially) these issues

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# Introduction (cont'd)

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Based on AVEs of NTMs, one should be able to:

- Distinguish btw. protectionist and non protectionist NTMs
- Rank NTMs according to their stringency

## Examples of questions investigated using AVEs (non-exhaustive list)

- Which countries have the most stringent NTMs?
- Which are the most affected products?

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_3088](https://www.yunbaogao.cn/report/index/report?reportId=5_3088)

