

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 1)

1. Gravity
2. Other. Substitution/
complementarity:
empirical evidence

Session 9



UNITED NATIONS
UNCTAD

Still a new area of study

Still building knowledge !

- Descriptive
- Gravity (Ex-post estimation)
 - Incidence measures
- General Equilibrium (Ex-ante estimation)
 - AVE
- Welfare



Economic analysis of NTMs

- Existing investigations
 - “Mercantilist” assessments
 - Limited welfare analyses

- Limits
 - Insufficient data
 - Few studies on private standards

- Future:
 - Improve NTM impact measurement,
 - Better account for microeconomic effects



Conceptual discussion

- NTMs (even non-protectionist ones) may affect trade
- **Facilitate trade** – Increasing demand for foreign products:
 - Better quality of products
 - Reduction in informational asymmetries btw. domestic consumers and foreign producers
- **Eliminate trade** – NTM may:
 - Exclude some (non-complying) varieties from the market
 - Exclude some firms (e.g. small DCs' producers) from the market (additional cost: NTM compliance cost)
 - Effect exacerbated if NTMs differ among countries & if they are implemented in a way that favors national industry



Import or export obstacles

	Export Measures	Import Measures
My country's policies	<p>Obstacle to Export Caused within my country / because of national policies</p>	<p>Obstacle to Import Caused within my country / because of national policies</p>
Other CEFTA partner's policies	<p>Obstacle to Export Caused in another CEFTA party / because of other party's policies</p>	<p>Obstacle to Import Caused in another CEFTA party / because of other party's policies</p>

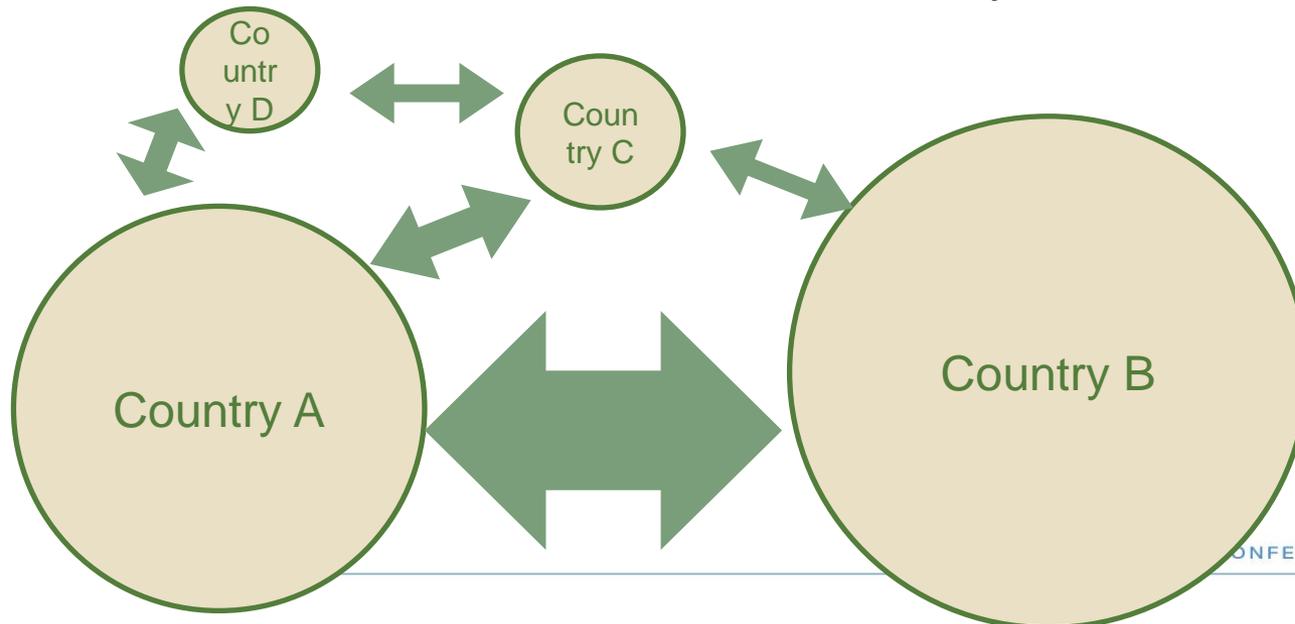


Gravity estimations based on empiric verification but do not contradict theory

Trade theories explain why there is trade.

Different Reasons and benefits (impact)

- Efficiency differences (technology)
- Endowments of productive factors
 - comparative advantage , inter industry trade
- Products are different (love for variety)
- Firms are different
 - Economies of scale, intra industry trade

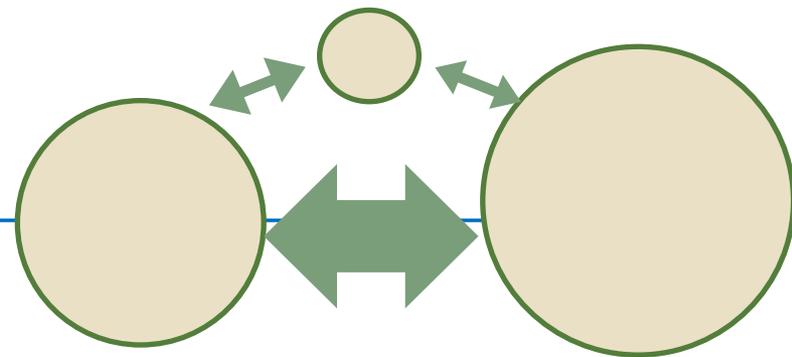


Gravity

- Was based on empiric verification



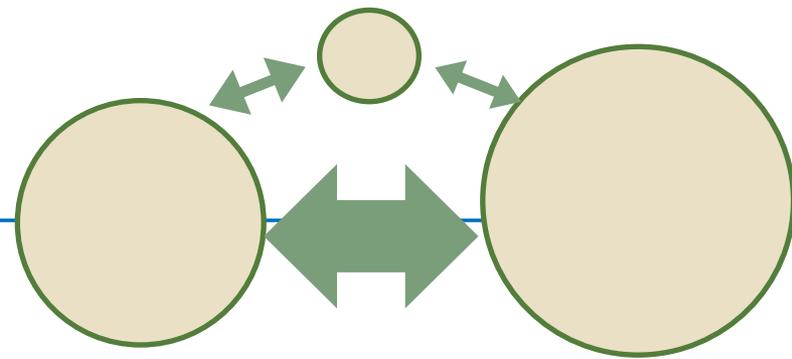
The gravity model of international trade



- The gravity model has gone from a theoretical orphan to being the favoured child of all main theories of international trade
- Why so popular?
 - High explanatory power (R^2 between 0.65 and 0.95)
 - Easy access to relevant data
 - Estimation standards and benchmarks clearly established



Gravity estimations



Geographical variables

- Size of economy
- Geographical closeness (proxy for transport cost)
- Neighbours? Island?

Institutional variables, historical and political features

- Language and other cultural or historical ties
- Common currency or other institutional relationships
- Same FTA?

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_3090

