

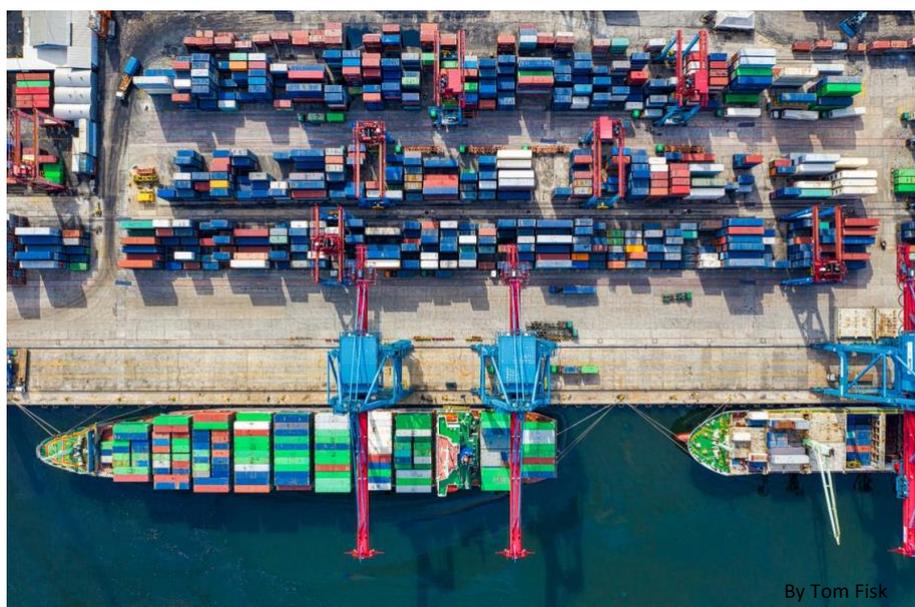
ASEAN FOR BUSINESS

Bimonthly Bulletin

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In Focus: Non-Tariff Measures Cost-Effectiveness Toolkit



About the Bulletin

ASEAN for Business is a bulletin published by the Enterprise and Stakeholder Engagement Division of the ASEAN Secretariat.

This bimonthly bulletin provides quick updates on specific topics related to the ASEAN Economic Community (AEC) for businesses operating in the region.

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Non-Tariff Measures (NTMs) are defined by UNCTAD as policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods by changing quantities traded, or prices, or both. While most NTMs are created to achieve public policy objectives or other social and development goals, NTMs may cause foreign sourcing to be more costly. This will further impact productivity growth, the creation of regional value chains (RVCs), and country's competitiveness. In this note, reviewing NTMs becomes critical to ensure the NTMs in place is well designed, effectively implemented, and not trade distortive.

ASEAN has acknowledged the need to address NTMs to enhance trade through endorsing several initiatives. ASEAN Trade in Goods Agreement (ATIGA), the ASEAN Economic Community 2025 Trade Facilitation Strategic Action Plan, and the Good Regulatory Practice (GRP) Core Principles have in principle regulated NTMs issues. Additionally, ASEAN under Brunei Darussalam Chairmanship put comprehensive assessment to streamline NTMs as one of its priority economic deliverables in 2021. Finally, the 53rd ASEAN Economic Ministers Meeting endorsed the NTMs Cost-Effectiveness Toolkit (NTM Toolkit).

The Key Pillars of the NTM Toolkit

The NTM Cost-Effectiveness Toolkit – Handbook for ASEAN is designed to support ASEAN Member States (AMS) in reviewing NTMs applicable to “imported intermediate inputs” at 6-digit level of the Harmonized System nomenclature (HS6-digit) which are relevant to specific value chain of interest that hold important implication for market access, international competitiveness, and RVCs. The NTM Toolkit derives insights from the OECD literature on Regulatory Impact Assessment, World Bank literature on NTMs, ITC business surveys and other national government programs and academic literature.

The NTM Toolkit’s end goal is to encourage good regulatory practice through enabling users to review NTMs in terms of the three key pillars of the NTM review process as follow:

- **NTM Design:** evaluates how suitable the NTM has been/can be for meeting the stated objectives.
- **NTM Implementation:** assesses the efficacy of procedures and costs of implementing the NTM.
- **NTM Compliance:** measures how burdensome the NTM is on the private sector.

The Five Steps of NTM Toolkit

The implementation of the NTM Toolkit involves five steps as follow:

- **Step 1. Product Selection and NTM Mapping:** products are selected within a critical national value chain of interest.
- **Step 2. Stakeholder Identification:** stakeholders are all government agencies responsible for designing and implementing the NTMs under consideration, and the regulated firms who comply with them. The mapping of the applicable NTMs is done using the UNCTAD Trains Database.
- **Step 3. Stakeholder Engagements:** stakeholder engagement is conducted through surveys, focus group discussions, in-depth interviews and detailed compliance and implementation cost assessment. This is when all stakeholders provide their views.

- **Step 4. Stakeholder Input Analysis:** data and information collected in step 3 is synthesized and analyzed to identify main issues and challenges regarding design, implementation and compliance. Insights drawn may be substantive or procedural.
- **Step 5. Policy Options:** concludes the toolkit through generation of policy options to address the identified problems and drive an NTM reform agenda.

Benefits of the NTMs Toolkits for Businesses

- **Resourceful Toolkit:** enables users to generate policy options towards implementing well-designed NTMs that meet economic and non-economic policy objectives, while minimizing the burden on the private sector.
- **Flexibility:** the design of the toolkit is flexible, and users are free to adapt it based on their needs, available time and budget, and political interests.
- **More Accommodating:** The NTM Toolkit provides more opportunities for the private sector’ inputs to be considered and accommodated in the NTM Review Process.

More Information

- The full text of the NTM Toolkit Handbook is available at this [link](#).
- For more information please send your queries to TF@asean.org

Unlocking RCEP for Business Webinar Series: Trade in Goods II

The ASEAN Secretariat, in collaboration with the East Asia Business Council, organised the [second webinar on Regional Comprehensive Economic Partnership](#) on 3 September 2021, focusing on Rules of Origin (ROO) and Customs Procedures and Trade Facilitation (CPTF) Chapters of the RCEP Agreement. The webinar discussed how the chapters streamline different rules into a single set of rules for businesses to navigate RCEP preferential tariff treatments. The video recording of the webinar is available at this [link](#).

ASEAN Investment Report 2020-2021: Investing in Industry 4.0

The Virtual Meeting of the ASEAN Economic Ministers – 24th ASEAN Investment Area Council (AEM – 24th AIAC Meeting) launched “the ASEAN Investment Report (AIR) 2020 - 2021: Investing in Industry 4.0”. The report features FDI’s role in the digital transformation in ASEAN and how ASEAN Member States (AMS) are adopting Industry 4.0 to step up industrialisation and economic development. The report provides policy options to attract FDI in supporting digital transformation in ASEAN including the strategic direction and identifying the bottlenecks that hinder the transformation. The AIR is prepared under a technical cooperation between the ASEAN Secretariat and the United Nations Conference on Trade and Development (UNCTAD) with inputs from members of the ASEAN Coordinating Committee on Investment (CCI) and supported by the ASEAN-Australia Development Cooperation Program Phase II (AADCP II). The full report is available at this [link](#).

The 53rd ASEAN Economic Ministers (AEM) Meeting and Relating Meetings.

[The Fifty-Third ASEAN Economic Ministers \(AEM\) Meeting was held on 8-9 September 2021 via video conference.](#) The Meeting, among others, endorsed the Bandar Seri Begawan Roadmap (BSBR): An ASEAN Digital Transformation Agenda to Accelerate ASEAN’s Economic Recovery and Digital

Economy Integration, adopted in principle the ASEAN Investment Facilitation Framework, which contains principles and actions to facilitate the investment to ASEAN, endorsed the Work Plan on the Implementation of the ASEAN Agreement on Electronic Commerce 2021-2025, which seeks to establish a common and harmonized approach to operationalize the ASEAN Agreement on Electronic Commerce, and welcomed the development of the Framework for Circular Economy for the ASEAN Economic Community. The full Joint Media Statement of the meeting is available at this [link](#).

The Expansion of tariff lines to support the COVID-19 Recovery in ASEAN

[The 35th ASEAN Free Trade Area \(AFTA\) Council endorsed 107 additional tariff lines](#) consisting of agricultural and food products to ensure free flow of essential goods in the region and provide support to the private sectors. The additional tariff lines of essential goods have been added to the Memorandum of Understanding (MoU) on the Implementation of the Non-Tariff Measures on Essential Goods under the Hanoi Plan of Action on Strengthening ASEAN Economic Cooperation and Supply Chain Connectivity in Response to the COVID-19 pandemic. The list of 107 additional tariff lines of essential goods is available at this [link](#).

The Post-COVID-19 Recovery Plan for ASEAN Tourism

The ASEAN Tourism Ministers has endorsed the [Post-COVID-19 Recovery Plan for ASEAN Tourism](#). The Plan provides a harmonised approach for the AMS to safely reopen the industry in a coordinated manner. The Recovery Plan articulates ASEAN’s responses through three stages, including reopening, recovery, and resilience covering the period 2021 until 2025. The Plan focuses on the following five pillars: (i) supporting tourism business with recovery and adaptation to the requirements, (ii) enabling safe and seamless restoration of intra-ASEAN and international travel, (iii) ensuring the recovery is sustainable and inclusive, (iv) reinventing tourism to drive competitiveness, and (v) preparing for long-term resilience and crisis preparedness.

Upcoming Events

ASEAN Economic Community (AEC) Council Meeting

Virtual,
11
October 2021

44th ASEAN Air Transport Working Group (ATWG) and Related Meetings

Virtual,
18-22
October 2021

38th and 39th ASEAN Summits and Related Summits

Virtual,
26-28
October 2021

12th ASEAN Coordinating Council on Micro, Small, and Medium Enterprises (ACCMSME) Meeting and Related Meetings

Virtual,
2-5
November 2021

27th ASEAN Transport Ministers (ATM) Meeting and Associated Meetings

Virtual,
8-11
November 2021