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The U.S. Government's Global Hunger & Food Security Initiative



NONTARIFF BARRIERS TO TRADE RATE Summary

This document presents the findings of the Regional Agricultural Trade Environment (RATE) assessment conducted in the ASEAN region in 2012 by the Maximizing Agricultural Revenue through Knowledge, Enterprise Development, and Trade (MARKET) Project.



USAID
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NON-TARIFF BARRIERS TO TRADE

Regional Agricultural Trade Environment (RATE) Summary

USAID Maximizing Agricultural Revenue through Knowledge, Enterprise
Development and Trade (MARKET) Project

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On the cover: A warehouse in Laos filled with products bound for countries in the region
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In Brief

NONTARIFF BARRIERS TO TRADE

Why Nontariff Barriers to Trade?

The term “nontariff barriers” encompasses a variety of government actions affecting trade. NTBs may be overtly protectionist, at the expense of traders from other countries; they may aim to support domestic industries, with no direct intent to undermine international competition; or they may be nonprotectionist but still deliberately restrictive of certain trade. With respect to agriculture, NTBs include quotas, health and environmental regulations, licensing requirements, and mandatory product inspections. Certain of these measures—particularly food standards—help protect consumers and preserve the environment. But when NTBs are imposed primarily to protect domestic industry they may be disputed through the WTO and the imposing country will likely lose.

ASEAN's Approach

In the 2009 ASEAN Trade in Goods Agreement, Member States agreed to eliminate NTBs in three tranches: Brunei, Indonesia, Malaysia, Singapore and Thailand (January 1 of 2008, 2009 and 2010); the Philippines (January 1 of 2010, 2011 and 2012); Cambodia, Lao PDR, Myanmar, and Viet Nam (January 1 of 2013, 2014 and 2015, with flexibilities up to 2018). Working groups, ministerial understandings, and consultative committees are addressing health and safety regulations, quality standards, and SPS measures that are widely applied to agricultural products. Still, progress on NTBs has been slow. In August 2012, the AFTA Council found that the number and scope of NTBs has actually increased in recent years.

Regional Findings

Most Member States have legal frameworks for quality standards associated with food, plants, animals, and animal products that put domestic and international producers on equal footing. Their food standard regimes are implemented with varying results. Traders identify a number of national rules and regulations as significant NTBs in the food and agricultural sectors. In addition, stringent domestic rules tend to undercut trade in services throughout the region. Lack of some human resources, such as veterinarians and food scientists, could be remedied by liberalizing trade in services. In some Member States, business licensing and other bureaucratic hurdles constitute costly and unproductive barriers to trade.

Opportunities for ASEAN and Regional Entities

- Strengthen institutional cooperation and transparency in identifying and addressing NTBs.
- Streamline and accelerate food standard harmonization.
- Coordinate food standard harmonization with implementation of the ASEAN Single Window.
- Promote public dialogue and local research on GMOs.
- Continue to promote trade in services, including agriculture-related services.

Opportunities for Member States

- Participate in the ASEAN NTB database.
- Continue to streamline business licensing processes.

AT ISSUE: MANAGING AGRICULTURAL TRADE CONSISTENTLY, TRANSPARENTLY, AND IN ACCORDANCE WITH REGIONAL AND INTERNATIONAL COMMITMENTS

To stimulate trade, countries have reduced tariffs through rounds of the World Trade Organization (WTO) and through regional trade pacts, such as the Association of Southeast Asian Nations Free Trade Area (AFTA).¹ At the same time, many domestic laws, regulations, and practices still restrict imports. Many “nontariff” measures legitimately assist citizens and protect health, safety, and the environment. Others are so restrictive and difficult to comply with—and go so far beyond internationally accepted standards—that they amount to deliberate, anticompetitive restrictions on trade.

The term “nontariff barriers” (NTBs) encompasses a range of government actions pertaining to trade. For example, policies may be overtly protectionist and at the expense of traders from other countries; or they may aim to support domestic industries, with no direct intent to undermine international competition; or they may be nonprotectionist, but still deliberately restrictive of certain trade.² NTBs in agriculture include quotas, health and environmental regulations, compulsory licenses, and mandatory product inspections. Certain of these—particularly food standards—play a legitimate role in protecting consumers and preserving the environment. But when NTBs are imposed primarily to protect domestic industry, they are subject to dispute through the WTO and the imposing country is likely to lose.

Characterizing NTBs: Purposes, Examples, and Consequences

	Purpose	Examples	Potential Consequence
Protectionist policies	To help domestic firms and enterprises at the expense of other countries.	Import quotas; local content requirements; public procurement practices	Challenges levied at WTO and other trade forums
Assistance policies	To help domestic firms and enterprises, but not at the expense of other countries.	Domestic subsidies; antidumping laws; industry bailouts.	Adversely affected countries may respond to protect themselves (i.e., imposing countervailing duties and subsidies).
Nonprotectionist policies	To protect the health and safety of people, animals, and plants; to protect or improve the environment.	Licensing, packaging, and labeling requirements; sanitary and phytosanitary (SPS) rules; food, plant and animal inspections; import bans based on objectionable fishing or harvesting methods.	Limited formal consequences lead to efforts to establish common standards or mutual recognition of different standards.

SOURCE: Alan Deandorff, “Easing the burden of non-tariff barriers” (International Trade Center, October 1, 2012).

The impact of tariffs—taxes or duties charged on particular classes of imports or exports—is readily apparent. But the impact of NTBs is generally difficult to measure and quantify. For example, calculations of the impact of extra licensing requirements, duplicative health certificates, or distribution restrictions can be imprecise and strongly disputed. Still, NTBs are widely understood to raise the cost of doing business and to be more challenging to remove than tariffs. Countries can usually reduce tariffs with relative ease, but the unique regulations, health requirements, and licensing procedures underlying each country’s NTBs may involve multiple ministries and constituencies. Harmonizing nontariff measures on agricultural and food products can be especially difficult, not only because of such unique concerns but also because of the primacy of agriculture as a domestic industry. Thus, agriculture and food

tend to be the sectors with the most NTBs. Indeed, the lack of consensus over NTBs relating to agricultural products halted the Doha Round of WTO trade negotiations launched in 2001.

The U.N. Conference on Trade and Development (UNCTAD) defines NTBs as “policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both.”³ NTBs can be divided into technical and nontechnical measures. Technical measures may include SPS standards; rules for product weight, size, or packaging; ingredient or identity standards; mandatory labeling; shelf-life restrictions; and import testing and certification procedures. Nontechnical measures may include bureaucratic restrictions, subsidies or other legal measures that hinder trade, such as failure to provide adequate and effective intellectual property protection. Both types may have legitimate purposes, especially in the eyes of enforcers, but both can also be misused to covertly impede trade.

UNCTAD's Classification of Nontariff Measures

	Technical Measures	Nontechnical Measures
Imports	<ul style="list-style-type: none"> Sanitary and phytosanitary (SPS) measures Technical barriers to trade Preshipment inspection and other formalities 	<ul style="list-style-type: none"> Contingent trade and protective measures Nonautomatic licensing and quantity control Price control measures, additional taxes and charges Finance measures Measures affecting competition Trade-related investment measures Distribution restrictions Restriction on post-sales services Subsidies Government procurement restrictions Intellectual property Rules of origin
Exports	<ul style="list-style-type: none"> Export measures 	

SOURCE: UNCTAD, *Classification of non-tariff measures* (February 2012).

Increasingly, discussion of NTBs focuses on genetically modified organisms (GMOs). Most ASEAN Member States have not decided whether the sale and distribution of genetically engineered agricultural inputs (such as seed) or food products will be allowed. As summarized by the WTO, “Trade problems arise when countries have different regulations regarding the testing and approval procedures necessary to place GMOs and their products on the market, or when they disagree about labeling and identification requirements.”⁴ And there is no consensus on how international trade agreements—such as the WTO Agreement on Technical Barriers to Trade and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs)—apply to GMOs.

Although definitions of NTBs tend to center on goods, NTBs also affect trade in services. Trade in services, including agriculture-related services, is a growing portion of ASEAN’s gross domestic product. Constraints on flows of services, including professional licensing restrictions and complex visa laws, are believed to hinder ASEAN’s GDP growth.

This paper summarizes the status of NTBs in ASEAN Member States and related issues in trade in food and agricultural goods and services (e.g., law and practices pertaining to NTBs, food standards, trade in services). It also suggests opportunities for action, so that ASEAN can continue to strengthen itself as an economic community that, for the most part, trades according to one set of rules.

WHAT IS ASEAN'S APPROACH TO NTBs AND TRADE IN SERVICES?

Total trade in ASEAN tripled between 2000 and 2010, growing from \$759 billion to \$2.046 trillion.⁵ Intra-ASEAN trade expanded over the same period, from \$166 billion to \$520 billion—that is, from about one-fifth to about one-quarter of total trade⁶—reflecting significant progress on tariff liberalization. Most intra-ASEAN tariffs are at 0 percent, and certainly less than 5 percent. However, the share of intra-ASEAN exports of agro-based products has increased relatively slowly, and represents less than 15 percent of exports of agro-based products.

ASEAN has been discussing the reduction of NTBs since 1977, but over-reaching NTBs continue to hinder trade. A 2006 study for the ASEAN Secretariat found that NTBs pervade the fisheries and agro-based sectors, in particular by way of non-automatic licensing restrictions and technical regulations.⁷ Despite repeated commitments to reducing NTBs, progress in Member States is lacking. The matter of NTBs and other extraneous trade restrictions is of considerable interest to ASEAN leaders as the region approaches 2015, the date set for realization of the ASEAN Economic Community (AEC).

NTBs and Trade in Goods

Created in 1987, the ASEAN Free Trade Area (AFTA) set 2003 as the deadline for NTB reduction. At the 2004 ASEAN Ministerial meeting, ministers re-emphasized the importance of eliminating NTBs and called on senior officials to develop a plan to eliminate them for consideration at the next AFTA Council. The ministers also asked senior officials to prioritize the elimination of NTBs.⁸ In 2004, the ASEAN High-level Task Force on Economic Integration made recommendations on the topic. These included the following:

- Ensure transparency on nontariff measures and eliminate those that impede to trade.
- Establish an ASEAN database of nontariff measures by mid-2004.
- Set clear criteria for classifying measures as barriers by mid-2005.
- Set a clear and definitive work program for the removal of the barriers by 2005.
- Adopt the WTO agreements on technical barriers to trade; sanitary and phytosanitary and import licensing procedures, and develop implementation guidelines by end-2004.

How NTBs Relate to Other RATE Topics

Intellectual Property. Lack of protection for IP rights deters foreign investment and trade.

Food Security. Unnecessary trade barriers raise prices on traded food, affecting the poorest and the most food insecure.

Competition. From the perspective of outsiders, state interference in domestic agricultural markets often amounts to NTBs that violate the spirit and letter of regional and international trade agreements.

Trade Facilitation. Illegal fees, permits, and delays at borders restrict the free trade of goods in ASEAN.

Transparency & Accountability. NTBs are often used to circumvent the impact of lowered tariffs and continue impeding international competition.

Informal Economy. Excessive and expensive licensing and permitting requirements discourage participation of smaller actors in formal regional markets.



Currently, very few food standards are harmonized across ASEAN, leading to lower intraregional trade and investment, delays at borders, etc.

These recommendations renewed interest in how ASEAN should approach NTBs. In 2005, the 19th AFTA Council endorsed criteria for identifying and eliminating “unjustifiable and unnecessary” nontariff measures. The Council identified three categories of measures, using the red/amber/green box system:

- Measures that are nontransparent, discriminatory in application, without scientific basis, and for which a less restrictive measure is available should be eliminated immediately (red box).
- Measures that are transparent but discriminatory in application and that nullify or impair some benefits or obligations of the country, that affect highly traded products in the region or that are in the nine priority sectors, that cannot be clearly justified or identified as a barrier, will be subject to negotiation (amber box).
- Measures that are transparent, applied without discrimination, have no alternative, have a scientific basis, are imposed for reasons of public health and safety, religion, and national security, and are WTO-consistent and reasonable (e.g., SPS and environmental regulations) may be maintained (green box).

These categories sharpened consensus in ASEAN about NTBs and how public policy should address them, and helped formalize regional objectives for NTBs. At the ASEAN Summit in November 2007, Member States endorsed the AEC Blueprint, which recognizes progress in tariff liberalization and calls on ASEAN to focus on eliminating NTBs by 2015 as follows: ⁹

- Enhance transparency by abiding by the Protocol on Notification Procedure and setting up a surveillance mechanism

- Abide by the commitment to freeze and roll-back NTBs.
- Remove all NTBs by 2010 for ASEAN-5, by 2012 for the Philippines, and by 2015 with flexibilities to 2018 for CLMV, in accordance with the agreed work program on NTB elimination.
- Make nontariff measures more transparent.
- Make regional rules and regulations consistent with international best practice.

Through the 2009 ASEAN Trade in Goods Agreement, groups of Member States further agreed to eliminate NTBs in three tranches as follows:

- Brunei, Indonesia, Malaysia, Singapore, and Thailand (January 1 of 2008, 2009 and 2010).
- The Philippines (January 1 of 2010, 2011 and 2012).
- Cambodia, Lao PDR, Myanmar and Viet Nam (January 1 of 2013, 2014 and 2015 with flexibilities up to 2018).¹⁰

Despite these plans and initiatives, progress remains slow. At the Meeting of Economic Ministers in August 2012, the AFTA Council found that the number and scope of NTBs has actually increased¹¹ and that almost half the tariff lines in ASEAN are subject to NTBs.¹² Of all sectors, agriculture is the most restricted. Member states were urged to reduce obstacles that might inhibit the free flow of trade and development of single set of technical standards similar to that in place in the European Union was recommended for ASEAN.¹³ The Economic Ministers endorsed greater transparency with respect to NTBs, including proper notification and adequate consultation among Member States.

In October 2012, an independent midterm review of ASEAN's progress on AEC Blueprint goals by the Economic Research Institute for ASEAN and East Asia (ERIA) identified a systematic regional approach to dealing with NTBs as a top priority. The review noted that if there were no major achievements addressing NTBs or progress towards outstanding tariff and trade liberalization commitments, "there cannot be an AEC even if there is tremendous progress in the rest of the AEC measures."¹⁴

With respect to the relationship between trade in agricultural products and NTBs, working groups, ministerial understandings, and consultative committees at the ASEAN Secretariat are addressing health and safety regulations, quality standards, and SPS measures. Key initiatives that address food safety include the following:

- Signed in 1993, the **Ministerial Understanding on ASEAN Cooperation in Food, Agriculture and Forestry** provides a framework for ASEAN to work in the agro-food sector and covers such activities as food safety and disease prevention.¹⁵
- The **ASEAN Expert Group on Food Safety**, which is under the Senior Officials Meeting on Health Development, developed the ASEAN Food Safety Improvement Plan 2010-2015 and is intended to ensure adequate access to food and improved food safety through regulatory harmonization.
- The **ASEAN Food Safety Network**, coordinated by Thailand, is a forum for information exchange on food trade facilitation and consumer health, and discussion of NTBs by countries affected by them on a bilateral or multilateral basis.

- The **ASEAN Consultative Committee on Standards and Quality (ACCSQ)** is trying to harmonize national standards with international standards and implement mutual recognition arrangements (MRAs) on conformity assessment to achieve its goal of “One Standard, One Test, Accepted Everywhere.”¹⁶ The committee’s work plan incorporates ASEAN’s Good Regulatory Practice Guide, which describes best practices in making technical regulations consistent and transparent in order to minimize obstacles to trade.¹⁷
- The ACCSQ’s **working group on prepared foodstuff products** is harmonizing food sector regulations and is responsible for the transparency of related regulatory regimes, MRAs, technical infrastructure, and food safety standards. The working group has task force on MRA development and food safety standards harmonization.¹⁹

To date, Member States have harmonized standards for the 20 priority products and 81 standards for safety and electromagnetic capability. The ACCSQ has harmonized standards for traditional medicine and health supplement products and has developed ASEAN Common Food Control Requirements. Traders in agricultural and food products, however, believe that harmonization of food standards among Member States is still much too slow. In a 2012 report, Food Industry Asia, an association of food and beverage companies formed in 2010, called product standards and certifications “the most significant obstacles to expanding intra-ASEAN trade.”²⁰

In 1999, ASEAN endorsed the *Guidelines on Risk Assessment of Agriculture-Related Genetically Modified Organisms*, agreeing that “the Guidelines would focus on a science-based risk assessment of agriculture-related GMOs and would provide a common framework for ASEAN Member Countries to undertake risk assessment of agriculture-related GMOs.” Like all other ASEAN initiatives, the guidelines are not legally binding and may not take precedence over national legislation.

ASEAN and Trade in Services Related to Agriculture

In 1995, ASEAN Economic Ministers (AEM) formalized ASEAN’s commitment to integrating trade in services when they signed the ASEAN Framework Agreement on Services (AFAS). Since September 2001, liberalization of services in agriculture, fishery, forestry, manufacturing, and mining and quarrying has been subject to the ASEAN Investment Area (AIA) Framework Agreement instead of

Food Standards

ASEAN Member States have adopted or are considering ways to harmonize food standard principles and practices. These include the following:

A task force on CODEX, which pertains to harmonized international food standards, guidelines, and codes of practice to protect the health of the consumers and ensure fair trade practices in the food trade.

ASEAN Food Security Information System.

ASEAN Food Security Reserve Board, including the ASEAN-Plus-Three Emergency Rice Reserve, with China, Japan, and Korea contributing.

An expert working group on harmonization of phytosanitary measures in ASEAN

A preparatory committee for regulatory coordination on animal health and zoonosis.¹⁸

An expert working group on harmonization of maximum residue limits of pesticides among AMS.

A number of agricultural subsector working groups.

With USAID support, agriculture ministers have met regularly with private sector actors to plan interventions in keeping with the six strategic thrusts of the ASEAN Integrated Food Security Framework and Strategic Plan of Action on Food Security, 2009-2013 (food security arrangements, markets and trade conducive to food security, food security information systems, sustainable food production, investment in food and agro-based industry, impact of emerging issues, such as biofuels and climate change)

AFAS. The Coordinating Committee on Investment, which reports to the AEM through the Senior Economic Officials Meeting, is now responsible for services liberalization.²¹

The AEC Blueprint identifies service sectors to be addressed by way of thresholds for modes of supply (as defined in the WTO's General Agreement for Trade in Services), including cross-border supply (Mode 1), consumption abroad (Mode 2), and commercial presence (Mode 3). The Blueprint also speaks to foreign participation in services; overall flexibility of service regimes; and MRAs that facilitate the free movement and employment of qualified and certified personnel between and among Member States. The Blueprint further anticipates liberalizing national treatment limitations on services, addressing the presence of natural persons as service-providers (Mode 4), and identifying limitations on horizontal commitments.²²

An important issue related to trade in services is ASEAN's designation of priority integration sectors. In July 2003, the AEM identified 11 sectors for which liberalization was to be completed by 2010. Four of these include a services element: air travel, e-ASEAN, healthcare, and tourism. In 2006, AEM identified logistics for liberalization by 2013. Roadmaps to integrate these sectors were then incorporated into the AEC Blueprint. All other sectors are supposed to be liberalized by 2015. The Blueprint also mentions the development of MRAs for engineering, nursing, medical, and dental services.

In its mid-term review of ASEAN's progress on the Blueprint, ERIA calls for "deeper services liberalization," including greater consistency of domestic laws with AEC commitments and allowances for "at least majority foreign ownership in much of the services sectors."²³ ERIA shows that liberalization of services, with an emphasis on trade in skilled professions, promises greater economic return than further reduction of tariffs on goods.²⁴

From the outset of the development of the AEC, citizens were led to believe that they would eventually be able to work in any state of their choice. As a practical matter, trade in services remains a source of confusion for citizens, particularly those offering services valued in the agriculture sector. These include agronomists, crop specialists, veterinarians, food-safety scientists, agricultural finance professionals, and even professors, lawyers, and business experts who specialize in agricultural trade. From country to country the rules are not clear. At the same time, as revealed by the RATE assessment (and discussed below), certain Member States face shortages of human resources in the agriculture sector. Cambodia and Laos have very few formally trained veterinarians to meet the needs of livestock owners or food scientists to perform food safety and certification testing, while other Member States have a surfeit of these professionals. A lack of trade in services and MRAs hinders these professionals from working or setting up businesses where they are most needed.

NONTARIFF BARRIERS IN ASEAN: HIGHLIGHTS OF THE RATE ASSESSMENT

The RATE assessment reviews NTBs in ASEAN in four areas: legal framework, implementing institutions, supporting institutions, and social dynamics. RATE questions focused on formal legal and institutional frameworks for NTBs, as well as on other trade-related issues in the agricultural sector, including food quality standards, GMO regulation, and trade in services. Key findings of the RATE inquiry are set forth below.

Food Standards across ASEAN: Rising Demand for Harmonization

Most ASEAN Member States have legal frameworks for standards for food, plants, livestock, and livestock products. In addition to establishing national standards for safety and health, these laws and regulations establish ground rules for domestic and international producers to compete on equal footing.

Food laws generally address food safety, food standards, food labeling and packaging, and food import and export regulations. Plant variety protection laws create exclusive rights in new varieties, which include newly domesticated wild varieties. These laws codify intellectual property rights pertaining to certain plants and crops and address plant varieties and testing. Livestock and livestock product laws address issues related to most meat products. GMOs can be addressed under food, agriculture, or GMO-specific laws.

On the one hand, each of these legal regimes can safeguard food security and safety; on the other hand, if administered inconsistently or unfairly, they can constitute an NTB that discourages regional and international trade. In its 2009 Socio-Cultural Community Blueprint, ASEAN committed to harmonizing laws on food safety and thereby reducing NTBs on food products throughout the region. As described below, the RATE assessment found that food standards regimes have mixed results across Member States.

Current Food, Plant Laws in ASEAN Member States

	Brunei	Burma	Cambodia	Indonesia	Laos	Malaysia	Philippines	Singapore	Thailand	Vietnam
Food safety law	•			•	•	•	•	•	•	•
Plant Variety Protection			•	•	•	•	•	•	•	•
Animal (livestock) law				•		•		•		
GMO/Biosafety law, regulation, or decree			•	•		•	•		•	•

Notes: Most Member States have a variety of regulations, decrees, and draft laws pertaining to all these matters. Only Singapore and Vietnam are members of the International Union for the Protection of New Varieties of Plants. In the Philippines, GMOs, biosafety, etc., may be addressed by the draft Food Safety Law.

Malaysia

Malaysia imports a great deal of its food while also encouraging the growth of a domestic food industry and food exports; it has a clear and consistent food standards regime. Since 2001, the country's Food Safety and Nutrition Council has met to resolve issues in food safety, including issues involving cross-border trade. Malaysia's food safety systems may be bureaucratically complex but they do cover the supply chain, beginning with inputs (e.g., fertilizers and pesticides), to farms and fisheries, to primary (i.e., grain mills, dairies, and abattoirs) and secondary processors (canning, freezing, drying, brewing), to domestic and international distributors, to food retailers and caterers. Agencies involved include the Ministry of Health, the Ministry of Agriculture and Agro-based Industry, the Ministry of Industry and Trade, Customs, local authorities, and others. Like all countries, Malaysia is concerned about the quality of foodstuffs coming from other countries, and is continuously taking steps to prevent the import of dangerous items. The recently consolidated Malaysian Quarantine and Inspection Service (MAQIS) aims

to perform its functions in accordance with international standards pertaining to the import of food products.

Thailand

Thailand's commitment to net exporter status means it is always mindful of international trade standards and best practices. The Food and Drug Administration (FDA) and Plant Protection Office of the Ministry of Agriculture are responsible for ensuring the health and safety of agricultural products. Their work is widely regarded as reliable and on par with international standards. Specific codes of hygienic practice for domestic manufacturers and importers are elaborated by the FDA's Food Control Division. Food standards are adequate for exported products, but products intended for domestic consumption are less likely to meet safety and quality standards.

Vietnam

Despite rapid growth in its exports of agricultural products, Vietnam struggles with its international reputation for product quality and with food safety in the domestic market. The legal and regulatory environment for food standards and product quality remain fragmented and difficult for producers to understand. In the mid-2000s, Vietnam enacted the Law of Goods Quality and the Law on Standards and Technical Regulations to bring order to the system, then upgraded its SPS standards to international standards before WTO accession in 2007. In 2010, these laws were supplemented by the new Law on Food Safety. The actual obligations of food safety and standards authorities, including the Vietnamese Food Authority and government laboratories involved in product testing and approval, are not clear.

Cambodia

Cambodia's Law on the Management of Quality and Safety of Products and Services (2000) addresses a number of food safety issues, in conjunction with a number of sub-decrees on industry standards, food hygiene for human consumption, phytosanitary inspection, animal health and products derived from animal production inspection, and agricultural materials standards. A number of pre-1993 regulations are still in place, including those governing registration of industrial products, standards for labeling of food products, standards on general for a model third-party certification system for products, and quality control and safety of food. According to the Ministry of Agriculture, Forestry, and Fisheries, a draft law on food safety has been in the works since at least 2004.

Laos

In Laos, a group of new animal health regulations, including government decrees on animal movement control, animal disease control, and slaughterhouse management are considered fundamental to improving implementation of SPS requirements and facilitating trade. Their full implementation necessitates reaching out to and training rural and farm communities.

Philippines

As part of its national development plan (2011-2016), the Philippines aims to pass a food safety and food labeling law; to put in place a coordinated food safety and certification system, clearly defining the functions and mandates of the agencies concerned; to establish a system for public laboratories to ensure

the credibility of test results; and to strengthen the participation of food supply industries in the global food trade, among others.

As long acknowledged in ASEAN, harmonization is especially warranted for food standards so citizens can have better quality food and importers can have ready access to clear and specific requirements and obligations. A number of ASEAN-wide committees and taskforces have been established to move this effort forward. But progress has been slow, with certain initiatives lacking follow-through. For example, the ASEAN Expert Group on Food Safety set out to publish online information about each Member State's food safety regime, including copies of laws and regulations and other resources that would serve as a one-stop reference point for producers and traders. Unfortunately, this effort has been abandoned, and a comprehensive repository of food safety-related information does not yet exist in ASEAN.

Application of Food Standards: A Region-wide Source of NTBs

Each Member State has unique standards pertaining to the import and export of food and other agriculture-related products, including fertilizer and machinery. Importers to the region find that each country poses its own set of challenges, and navigating these can be time-consuming and expensive. Approval procedures and timelines are not consistent across Member States. And traders blame diverse national rules and regulations for significant NTBs in food and agriculture.²⁵



Private sector associations have called for consistency among ASEAN Member States on food labeling requirements.



A family in Laos rushes to fill a truck of cabbage for delivery across the border to Thailand. Border officials charge an additional fee if the truck arrives at the border after 6 pm.

Indonesia in particular has been promulgating new trade restrictions on agricultural products. Prospective importers consider the country's strict labeling and onerous inspection requirements for foodstuffs NTBs. For example, Indonesia requires original labels be part of the packaging and forbids the use of sticker-labels common throughout the world. By regulation, each shipment of processed food, food raw materials, food additives, processing aids, food ingredients, etc., must be approved for import by the food safety agency (BPOM). A local agent or importer registers food products, but registration is costly and usually takes far longer than the legally mandated 45 days, sometimes up to 9 months according to traders interviewed during the RATE assessment. In addition, pending regulations discussed during the RATE assessment will likely ban the import of finished products (including fertilizers, animal feed, processed sugar, and other food ingredients) by companies that manufacture finished products. Traders assert that new policies such as these are put in place without consulting trading partners and could end or severely obstruct certain imports.

In 2011, Indonesia introduced legislation to restrict the quantity of fresh and processed fruits and vegetables admitted into the country, as well as the ports through which horticulture imports may flow. This legislation could have redirected 90 percent of Indonesia horticulture imports. Although implementation was pending as of October 2012, the government had issued a regulation stipulating that countries with recognized food-safety systems—Canada, Australia, the United States, and New Zealand—could retain their right to the Jakarta port. The government also unveiled new import licensing procedures, restricted the number of entry and exit points, and applied higher import and export duties. It

introduced further restrictions on exported raw materials, such as cocoa beans, in addition to the already existing export tax of 25 percent on raw exports. Importers have a difficult time understanding the process for moving forward with food production and importation in Indonesia. The National Biosafety Institution reportedly conducts 11 different product-approval processes for food.

In January 2013, the United States requested consultations with Indonesia, a first step in settling a dispute through the WTO regarding Indonesia's complex import licensing system. The United States believes that with its nonautomatic import licensing requirements, Indonesia is not acting in accordance with WTO Agreements on Tariffs and Trade, Import Licensing and Agriculture. Horticulture imports are the most affected (fruits, vegetables, flowers, dried fruits, vegetables, and juices).²⁶

In 2012, the European Commission reported that Indonesia had the fourth highest number of new potentially restrictive import and export measures in the world.²⁷ Indonesia's draft Trade Law contains troubling elements along the same vein, such as the statement that authorities shall promote the use of domestic products; that National Indonesian Standards are compulsory, without reference to international standards; and that Indonesian authorities can restrict imports and exports depending on national interests.

Malaysia's conditions for import and export of food products are generally consistent with international standards, with certain notable exceptions. First, Malaysia has tariff-rate quotas for 17 tariff lines, including live poultry, poultry meat, milk and cream, pork, and round cabbage. These products incur in-quota duties between 10 percent and 25 percent and out-of-quota duties between 40 percent and 168 percent.²⁸ Second, the country is known for stringent standards for Halal certification and uses its leadership in the field as an economic opportunity, both with respect to export promotion and in assisting other countries in certifying their own foods. But companies wishing to import meat products into Malaysia view enforcement of Halal standards as an NTB, particularly because a significant portion of the country is not religiously obliged to consume Halal products. In 2012, the European Union raised the issue of meat imports into Malaysia—including those used as ingredients for processed food products—as facing “increasingly serious nontariff barriers in the form of new and stricter (but nontransparent) Halal requirements, a cumbersome, costly and nontransparent inspection regime ... and unclear and often contradictory information from the competent authorities.”²⁹ Third, sugar licensing requirements also hinder trade, as permission or licenses must be obtained to purchase, store, or sell sugar.

Compared to other ASEAN Member States, Vietnam is relatively hospitable to imports of agricultural inputs, including seed and fertilizer, and most food ingredients and products. On the other hand, private companies indicate that Vietnam's many state-owned enterprises (SOEs) enjoy preferable conditions for import. For example, a state-owned dairy company importing cattle reportedly faces fewer administrative burdens than wholly independent companies.

Among ASEAN Member States, Cambodia is considered to have the fewest formal restrictions on imports of inputs and food. According to the U.S. Foreign Commercial Service, the government “has eliminated most nontariff barriers to trade.”³⁰ Unlike several of its neighbors, Cambodia does not impose quotas on the import or export of rice. However, the absence of a food safety regime that is harmonized with that of its neighbors means that Cambodia suffers from a different problem—namely, some products of poor quality are being “dumped” into its borders and the quality of domestically produced goods is not sufficiently monitored.

Trade in Services: Opportunities Abound

As noted, services are important in the agricultural sectors of ASEAN Member States. Veterinarians, food technologists, trade lawyers, and even university faculty can be considered “service providers” who could benefit from a free flow of services across borders. For example, Cambodia and Laos have very few formally trained veterinarians to meet the needs of livestock owners. If there were mutual recognition or a “free flow of skilled workers” agreement in place, citizens of other states could meet the needs in Cambodia, improving that country’s standing in the regional trade system.

Vietnam has committed to participate in MRAs for major services to facilitate free movement of professional/skilled labor in ASEAN. But, like most Member States, it has yet to embrace free trade in services to the extent envisioned by the ASEAN Framework Agreement on Services. Vietnam lacks a clear regulatory framework providing for mutual qualification recognition in professional services. In addition, it continues to limit foreign ownership in certain services, such as telecommunications.

In 2011, Malaysia formally liberalized three service sectors—healthcare, education, and professional services—and removed foreign equity restrictions on service providers. Trade in services remains constrained by professional licensing restrictions and cumbersome work-permitting procedures; meanwhile, the country’s manufacturing and agricultural sectors rely heavily on foreign unskilled laborers. Such laborers are supposed to be documented, but documentation procedures are costly and time consuming, in effect constituting a barrier to market entry that has resulted in a significant population of undocumented workers who have few if any rights and are vulnerable to abuse. Many of these workers are from other ASEAN Member States.

In Indonesia, the percentage contribution of trade in services to GDP dropped from 12 percent in 2004 to 6 percent in 2012. The situation is not expected to change; in 2012, Indonesia issued a decree prohibiting wholly Indonesian-owned companies from hiring foreign staff for senior positions.

In Thailand, the Bureau of Investment has set up a one-stop shop to facilitate the issuance of work permits. Thailand has also developed MRAs in engineering, architecture, nursing, and medical and dental services, and is working on a framework for surveying and accountancy. Many occupations remain reserved exclusively for Thai nationals, however. Occupations closed to foreigners include law, architecture, and engineering.

All over the world, the issue of trade in services in a single economic community prompts domestic concerns over “foreigners” holding jobs traditionally held by local citizens. The challenge of regulating the flow of services is one that other regional organizations—including the European Union and the Caribbean Community—have addressed and their lessons will continue to be instructive for ASEAN.

Licensing and Other Bureaucratic Hurdles: Familiar Barriers to Trade

In the agriculture sector, licenses and permits are often necessary to ensure that health and safety standards are observed, that business owners pay into tax and social security regimes, and that certain professionals are certified in their trades. Licenses and permits can also be abused as NTBs or to restrict trade in services, by way of general bureaucratic inefficiency or by hindering or blocking nondomestic companies from doing business. As reflected in the World Bank’s *Doing Business* series, ASEAN countries have improved their regulatory regimes for starting new companies, securing construction

permits, accessing electricity, paying taxes and other key functions.³¹ Nonetheless, in certain Member States, licensing and other bureaucratic hurdles amount to costly and unproductive barriers to trade.

In Cambodia, for example, the most notorious barrier against formal trade is the country's opaque system of business and investor licensing. Domestic and foreign investors alike report that the process of registering companies and obtaining licenses, including import licenses, carries many hidden and informal fees for the "one-stop-shop" services that the government aims to provide. In many agricultural subsectors, as well as with respect to infrastructure and transport, a similarly opaque system of "pay to play" dissuades many foreign investors, who are usually bound by their own countries' prohibitions against corrupt practices in foreign states, from entering the Cambodian market.

Vietnam's multistep business registration process, which is usually followed by complex licensing requirements, has also been publically decried as unpredictable and frequently corrupt. As stated in EuroCham's 2012 statement of Trade/Investment Issues and Recommendations, "the impact of corruption on Vietnam's investment and business environment cannot be [over]estimated ... European and other foreign companies continue to face problems of corruption in connection with obtaining an investment certificate, regulatory approvals, importing goods into Vietnam, obtaining protection for their intellectual property rights, and other legal rights."³² Regulatory agencies' responsibilities overlap and roles are ill defined, sowing confusion in the private sector, especially among small, informal enterprises. Petty corruption in government organizations continues to burden small, medium, and large businesses alike, acting as a disincentive to trade from other regions.

For its part, Malaysia has endeavored to make its business registration and licensing processes transparent and predictable. In addition, the country's Agrifood Business Development Center, in the Ministry of Agriculture, is a one-stop resource and information center for new agricultural enterprises, and has a website.

In 2011, Indonesia adopted more restrictive foreign equity ownership rules for foreign logistic companies and venture capital companies. Indonesia required all logistic companies and freight carriers performing multimodal transport services to re-register in January 2012. Those reregistered can only operate on restricted conditions and may not provide domestic support services. The regulation also requires foreign ownership divestments so as to comply with the restrictive foreign equity ownership rules. As a part of the implementation of Law No. 20/2008 on SMEs, the minimum net asset requirement for foreign investment companies (PMA) has been increased to IDR 10 billion (€0.9 million). These additional regulations make it difficult for foreign logistic companies, which are key actors in the agricultural value chain in ASEAN, to operate.

In Thailand, obtaining a business license is straightforward and not very time consuming, thanks to reforms such as the merging of registration of a memorandum and the application for company registration, and the establishment of a one-stop shop for business licensing in 2012. When the process for obtaining import licenses becomes difficult, it may signal NTBs. During the RATE assessment, one businessman who wanted to import coffee into Thailand from Indonesia reported that he was directed to a committee to obtain the required license. Since the committee met only once a year, the businessman was discouraged from pursuing his plan.

GMOs: Increasing Awareness, Continued Uncertainty

GMOs are now integral to agriculture worldwide. Many staple crops have been bred or genetically modified to adapt to drier conditions, to increase yields, or to resist diseases or pests. In general, two schools of thought on GMOs have emerged. In the United States, policy allows that these crops and their end-products are substantially equivalent to conventional crops, and there are few if any restrictions on GMO usage. In contrast, the European Union sharply restricts the import and use of GMOs. ASEAN Member States are increasingly engaged in the debate on GMOs.

The RATE assessment found no consensus on GMOs in ASEAN as an institution or in individual Member States. Notwithstanding the *Guidelines on Risk Assessment of Agriculture-Related Genetically Modified Organisms*, endorsed in 1999 by the annual meeting of ASEAN Ministers of Agriculture and Forestry, informed policymaking, information-sharing, and scientific understanding of GMOs and their place in ASEAN is thin.

Thailand has banned the import of GMOs and all GMO field trials, but does allow the import of GMO soybeans and corn for animal feed and human consumption. Since 2003 Thailand has also required that products with more than 5 percent GMO ingredients be labeled as such. Monsanto reportedly decided not to make Thailand its regional hub for seed production because of the ban, which could be considered an NTB.

Vietnam also limits the presence of GMOs in its agricultural sector. In 2009, it instituted a Biosafety Decree that provides a legal framework for biosafety management of GMOs, genetic specimens, and products derived from GMOs. Around the same time, it instituted a separate decree that includes the biotechnology sector on a list of sectors that can benefit from special investment incentives in agriculture, such as preferential tax and land payments. The Biosafety Decree allows field trials of GMO crops and the potential for their commercialization after a successful field trial period. The decree also includes requirements and conditions or criteria for import, transport, and storage of GM organisms and products. As of 2012, no company had yet received permission to sell GMO crops or products.

To a limited extent, Indonesia has tested and permitted the use of GMO corn, cotton, and soybean products. In 2011, the Ministry of Agriculture introduced a regulation that would no longer require an assessment before GMOs are cultivated. Meanwhile, the Ministry of the Environment reportedly has instituted regulatory restrictions on GMOs, thus making their use subject to uncertainty.

Malaysia's legal framework remains silent on the use of GMOs. They are not prohibited but are subject to regulation. The Ministry of Natural Resources monitors imports of GMOs and allows their use for research purposes. GMOs must be contained in a restricted environment. To date, some rice varieties have been modified with GMO technology. Malaysia is taking a "wait and see approach" to GMO opportunities and challenges. Public dialogue about GMOs is not robust, and understanding of the issue within and beyond the government remains weak.

Clearly, there is considerable potential to strengthen scientific and popular understanding of GMOs and their role in an economy. Shared curriculums reflecting the perspectives and field trials of various value chains and stakeholders would be useful throughout the region, but the requisite capacity at the university level or in agricultural research institutes is lacking at present. Sustainable progress and consensus-building require Member States to continue developing their own supplies of scientific and policy experts.

OPPORTUNITIES FOR ACTION

There are many pathways to change in ASEAN and its Member States. Reforms can be advanced by a single, visionary champion or a by a groundswell of influential stakeholders. Some reforms take root after many years, while others happen quickly once empowered people act quickly and decisively in a way that reflects public demand and best practice. In most cases, a “big idea”—including the type often promoted by international organizations—can be broken down into many smaller tasks that can be executed by a variety of public and private actors. Accordingly, the Opportunities for Action set forth below are multifaceted. They may be viewed as a foundation for regional or domestic policy development, as a resource for private sector initiatives, as a benchmark for tracking change, as a reference for academic instruction, and, most immediately, as a “jumping off point” for stakeholder discussion and consensus-building.

Opportunities for ASEAN and Regional Entities

Strengthen Cooperation and Transparency in Identifying and Addressing NTBs

In August 2012, ASEAN’s Meeting of Economic Ministers urged Member States to reduce obstacles to the free flow of trade and recommended establishing a region-wide set of technical standards for all Member States similar to that in place in the European Union. The Economic Ministers endorsed greater transparency with respect to NTBs, including proper notification and adequate consultation among Member States. The following will be helpful in reaching these goals:

- *Maintain and update the ASEAN nontariff measures database.* The database has been posted on the ASEAN Secretariat’s website for several years, but maintenance of the information has fallen behind: the most recent reports on NTBs are from 2009.
- *Regularly update Blueprint status.* Member states published targets in blueprints for economic, political-security, and socio-cultural communities. Targets cover reduction of NTBs and development of harmonized food safety and security systems. There has been little formal follow-up on targets since original publication. As information is updated, it can be distributed and analyzed in national and regional media, as well as by business associations and NGOs.
- *Incorporate private sector perspectives in NTB policy.* Make sure that emerging NTB policy reflects the views of private sector groups that represent consumers, agribusiness, and food producers to inform regional approaches to managing NTBs. Regular consultation may enrich and streamline cooperation among institutions on this topic.

Streamline and Accelerate Food Standard Harmonization

Through the Socio-Cultural Community Blueprint, ASEAN Member States committed in 2009 to harmonize their standards for food safety, an effort that would significantly reduce NTBs in the region. ASEAN and its Member States are working to align domestic food standards with internationally recognized standards (such as those set forth through the WTO SPS Agreement, the Codex Alimentarius, the World Animal Health Organization, and the International Plant Health Convention) *and* with one another. Efforts to harmonize food standards can be improved through the following:

2009 Socio-Cultural Community Blueprint: B.3 Enhancing food security and safety

Actions

1. Harmonise national food safety regulations with internationally-accepted standard, including quarantine and inspection procedures for the movement of plants, animals, and their products;
2. Strengthen the work of ASEAN Coordinating Committee on Food Safety to better coordinate all ASEAN Food bodies/subsidiaries, and the implementation of their work programmes;
3. Promote production of safe and healthy food by producers at all levels;
4. Develop model food legislative framework and guidelines and strengthen food inspection and certification system from farm to table in ASEAN Member States;
5. Develop further the competency of existing network of food laboratories in ASEAN to facilitate the exchange of information, findings, experiences, and best practices relating food laboratories works and new technology;
6. Strengthen the capability of ASEAN Member States to conduct risk analysis;
7. Enhance consumer participation and empowerment in food safety;
8. Enhance the roles of ASEAN Food Security Reserve Board (AFSRB) as well as increase regional staple food reserves;
9. Strengthen the cooperation with regional and international institutions including private organisations to secure food for the region;
10. Establish a network to enhance intra and extra ASEAN food trade cooperation to ensure stability in regional food distribution;
11. Ensure that food is available at all times for all ASEAN citizens;
12. Encourage the application of environmentally sound technologies in farming and food processing;
13. Improve the quality of surveillance and the effectiveness of responses to food-borne diseases and food poisoning outbreaks through, among others, information sharing and exchange of expertise;
14. Enhance advocacy to promote production of safe and healthy food by producers and education and communication to communities for empowerment in food safety;
15. Provide opportunities such as forums, meetings to facilitate coordinated actions among stakeholders geared for promotion of food security and safety; and
16. Integrate these actions into a comprehensive plan of action with the ultimate goal of improving health outcomes.

- Continue to simplify the structures and enhance the coordination of ASEAN-sponsored activities in the agro-food sector (food safety, food standards, import and export certification and inspection, etc.).
- Endorse science-based international standards as the basis for regional measures and minimize specific national provisions in otherwise jointly implemented ASEAN standards.³³

- Activate the “decision tree” mechanism adopted by ASEAN’s Prepared Foodstuffs Product Working Group to address individual country divergence on food safety standards. Share the decision tree tool with other ASEAN institutions charged with addressing food standards.
- Identify and implement opportunities for sharing information with Asia Pacific Economic Cooperation (APEC) policy groups that address food standards among their member economies (which include all ASEAN Member States except Burma, Cambodia, and Laos). Activate policies and practices that ensure that ASEAN and APEC regulatory activities are compatible and consistent.
- Encourage Member States to share information about their food standard regimes, especially scientific insights and regulatory impact assessments, through appropriate and accessible channels.
- Establish a public consultation and stakeholder engagement mechanism to inform the harmonization process.
- Plan outreach to food producers, processors, traders, and consumers on the impact of food standard harmonization. Consider how public-private partnerships can make such outreach effective.

Coordinate Food Standard Harmonization with the ASEAN Single Window Initiative

In 2005, ASEAN Member States agreed to establish an ASEAN Single Window (ASW) and in 2006 signed a protocol to establish and implement the ASW.³⁴ The protocol defined the ASW as “the environment where National Single Windows of Member Countries operate and integrate,” recognizing existing national single windows as systems with a single point of submission of trade data and information, a single and synchronous processing of data and information, and a single decision-making point for customs clearance and release of cargo. With USAID support, the ASW has advanced to the point of installation of ASW Gateway software, integration of NSWs and the ASW Gateway, and testing of pilot data exchanges between and among four Member States via the ASW Gateway.

In the long run, the ASW and food standards harmonization are critically related. Namely, harmonized food requirements, and whether a trader has met them, represent a vital set of information that will belong at the ASW single point of entry for imports, exports, and transit-related regulatory requirements.

Coordinating activities could include the following:

- Quarterly progress briefings between ASW implementers and ASEAN committees engaged in food standard harmonization.
- Sharing of information on ASW implementation and food standard harmonization via ASEAN, NGO, university, or private sector websites and other platforms, inviting comments from stakeholders in regional trade in agricultural and food products.
- Formal commitments to good regulatory practice by ASW and food standards implementers
- Regulatory impact assessments vis-à-vis the integration of food standard harmonization with ASW point-of-entry platforms.
- Regular consultation with regional and Member State private sector associations on how food standard harmonization can and should affect ASW implementation.

- Creation and monitoring of benchmarks for integration of harmonized food standards and integration of these standards with ASW protocols.

Encourage Public Dialogue and Local Research on GMOs

Most ASEAN Member States are studying the issue of GMOs and have not yet developed a shared view of how they are to be integrated into agricultural trade. Achieving better understanding and consensus on this matter requires a number of steps:

- Commit to developing a body of academics, business people, political leaders, media representatives, and others who are well advised and educated on GMOs. Ensure that education and training activities reflect a multitude of well-informed perspectives.
- Support dialogue on the practical implications of GMOs through regional conferences, journals, television and radio programs, and other means that reach a wide range of stakeholders.
- Support scientific research from a regional perspective and develop consistent, well-maintained outlets for sharing and testing research results.

Promote Trade in Services, including Agriculture Services

For a variety of reasons, progress on developing MRAs for trade in services remains slow. Services that support agricultural development, such as food safety and veterinary services, have not generated much discussion. Where certain countries lack critical services advocates should stress how freer trade in services can end skill shortages. The issue of professional licensing requirements warrants concerted effort in the ASEAN Secretariat and among Member States. The independent mid-term review of ASEAN's progress toward its AEC commitments made the following recommendations pertaining to trade in services:

- Treat “services liberalization and domestic reform” as priorities for achievement of AEC commitments. “Forge ahead and redouble efforts to ensure that AFAS targets are met.”³⁵
- Prioritize completion of MRAs on professional services and labor mobility.
- Consider developing ASEAN as a hub for certain services in the East Asia region.
- Ensure consistency of domestic policies to encourage greater services liberalization and concordance of liberalization policies with other domestic policies.³⁶

Coordinate and Share Business Best Practices

Although Member States have made great strides in supporting regional trade, there is often little consistency in the direction that government wants to go with respect to formalization and licensing of private enterprise. Private sector representatives observe a lack of coordination of national and local policy pertaining to key value chains. Provincial and local regulatory authorities can hinder the free flow of business and trade by imposing requirements for additional and unnecessary licenses, permits, and registrations. Reforms should continue. Regional private sector organizations can help by promoting and sharing innovations and best practices for streamlining processes across ASEAN Member States, and the benefit the private sector sees in these best practices.

Opportunities for Member States

Participate in the ASEAN NTB database

A problem is best resolved if it is properly monitored and analyzed. To fully understand the scope of NTBs and develop sound responses to them, policymakers need information on them. ASEAN Member States should renew their efforts to submit information on NTBs their companies face, and business or trade associations should inform their governments about the problems they face.

Draw on Regional Experience and Resources to Strengthen Food Safety Regimes

Development and implementation of food safety regimes is a priority across ASEAN. Certain Member States, such as Malaysia, have comprehensive and well-understood regimes. Their experience can be instructive for other Member States and can help others from having to reinvent the wheel while remaining responsive to the local circumstances. To strengthen food safety regimes, the following steps are recommended:

- Draw on the experience of other Member States with food standard regimes, especially scientific insights and regulatory impact assessments.
- Establish a public consultation and stakeholder engagement mechanism to inform the development and implementation of food safety standards.
- Plan outreach to food producers, processors, traders, and consumers on the impact of food safety.
- Promote technical expertise in food safety, taking full advantage of capacity-building initiatives and support offered by public and private-sector bodies and donor organizations.
- Recognize and incorporate private sector expertise, including expertise in product quality, testing, certification, and trade.

Streamline Licensing and Permitting for Agricultural Trade

The business enabling environment comprises a huge swath of a country's laws and regulations, everything from general contract law to regulations on investment promotion. Each component of the enabling environment, particularly licensing and permitting requirements, should be reviewed for legality, efficiency, and appropriateness on a regular basis. Approaches to strengthening the environment for licenses and permits include the following:

- Publish laws and regulations pertaining to agricultural production, processing, and trade in a single, accessible, and regularly maintained place.
- Continue regular review and streamlining of national and local business licensing environments generally.
- Support one-stop shops for business and trade licenses.
- Encourage and support productive relationships between universities and the private sector, including through university participation in business support centers.
- Promote the concept of customer service in government agencies. Make public spaces in which licensing authorities operate customer-friendly: they should be clean, neat, and orderly, with

queuing by customers enforced and clocks set at the proper time. Signs that tell customers where to go should be prominently posted.

- Post license/permit fees and processing timeframes in all pertinent agencies.

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¹⁸ A zoonosis is an infectious disease that is transmitted between species – from animals other than humans to humans.

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