

ALADI Initiatives on Non-Tariff Measures

Non-Tariff Measures Week
Mandatory Trade Regulations and Voluntary Sustainability Standards
25 - 27 September 2017

General Secretariat of the ALADI sgaladi@aladi.org

PRESENTATION PLAN

1. ALADI and the Treaty of Montevideo (TM80)

- Member countries
- Objectives
- -Principles
- -Mechanisms

2. Initiatives on NTMs

- TBT Agreement (Regional Agreement N° 8)
- Databases: NTMs and Environmental Measures

1. ALADI AND THE TM80

Member countries
Objectives
Principles
Mechanisms

1980 MONTEVIDEO TREATY

BACKGROUND

- Montevideo Treaty 1960: established the Latin American Free Trade Association. LAFTA Free Trade Area.
- -Montevideo Treaty 1980: institutes the Latin American Integration Association (LAIA), an intergovernmental organization based in Montevideo, Uruguay.
- -Notified under Enabling Clause (1982)

MEMBER COUNTRIES

13 member countries:
 11 founders (1980) + Cuba (1999) + Panama (2012)







TREATY OF MONTEVIDEO 1980 (TM80)

OBJECTIVES

- To promote an harmonious and balanced socioeconomic development of the region.
- The establishment of a Latin-American Common Market.

Pluralism: diversity in political and economic matters.

- Flexibility: allow the conclusion of Partial Scope Agreements.
- Multiple: various forms of agreements.
- **Convergence**: progressive multilateralization of Partial Scope Agreement.
- **Differential treatments**: taking into account the economicstructural characteristics of the countries .

PRINCIPLES

MECHANISMS

• Establishment of an Area of Economic Preferences.

AREA OF ECONOMIC PREFERENCES WHICH INSTRUMENTS?

AGREEMENTS: those in which all member countries participate

Regional Tariff Preference

All member countries reciprocally grant a regional tariff preference to the level in force for third countries

Others

Opening markets (NAM),
Scientific and Technological
Cooperation, Cultural, **Technical**Barriers on Trade

PARTIAL SCOPE AGREEMENTS:

those wherein not all member countries participate

Economic Complementation Agreements

Promote maximum utilization of production factors and stimulate economic complementation

Others

(Agriculture, Trade Promotion, and Others)

2. NTMs Initiatives

TBT Agreement (Regional Agreement N° 8)

Databases: NTMs and Environmental measures

Regional Agreement N° 8

- Originally signed as a Partial Agreement by Argentina, Bolivia, Brazil, Chile,
 Colombia, Ecuador, Mexico, Paraguay, Peru and Venezuela in 1997.
- With the accession of Cuba and Uruguay it became a Regional Agreement for the Promotion of Trade Through Overcoming Technical Barriers to Trade.
- Objective: to prevent the development, adoption and application of Technical Regulations, Technical Standards, and Conformity Assessment Procedures from becoming unnecessary technical barriers to intraregional trade.
- It provides a conceptual framework for member countries in relation to the Technical Regulation and Standardization and the respective Conformity Assessment and reaffirms the rights and obligations contained in the TBT Agreement.
- Other provisions: harmonization, technical assistance, SDT, technical consultations, and consider sub-regional developments.

Administrative Commission - Agenda

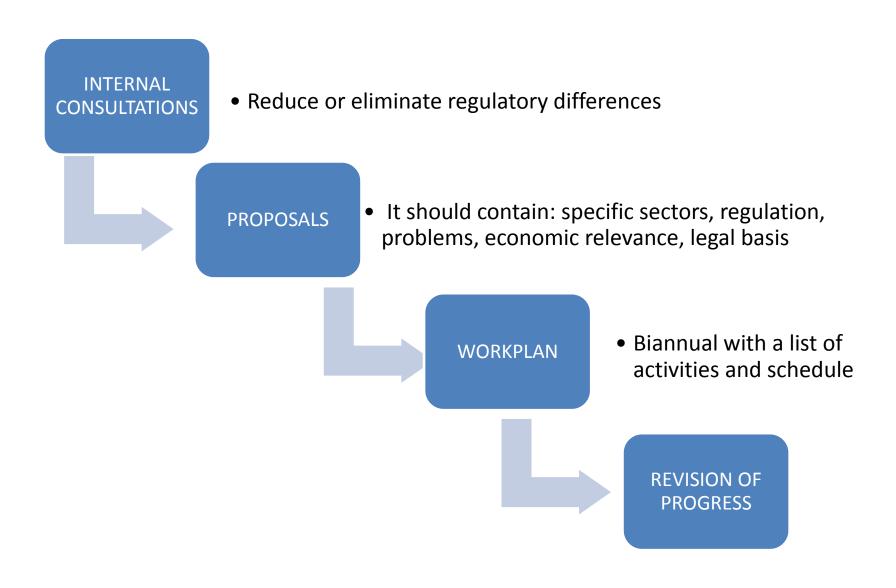
Road Map in Regulatory Cooperation (Decision 1/16)

Transparency: establishment of contact points and commitment to notify simultaneously notifications to the WTO and ALADI Members.

Consultation mechanism for specific trade concerns (Proposal of Mexico, under negotiation)

Technical Assistance: Brazil - Mexico - Paraguay Project (ALADI -PMDER Funds).

Road Map in Regulatory Cooperation



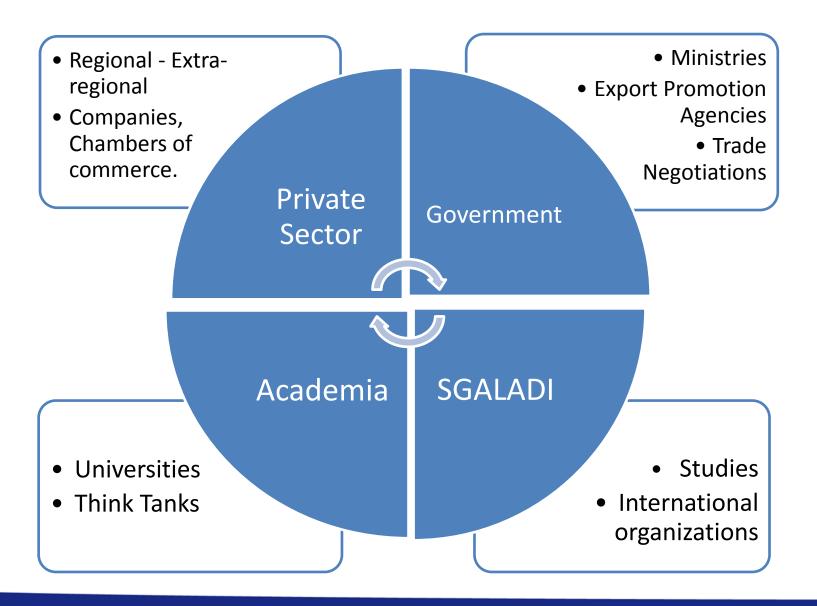
ALADI Databases



DATABASES:

- -Foreign Trade Statistics of Goods and Services
- -National Import Tariffs
- -Tariff Preferences
- -Correlations between Nomenclatures
- -Foreign Trade Regulations (NTMs Intra -ALADI)
- -Environmental Measures (NTMs Extra – ALADI)

Information Users



NTMs Database

- The Database consists of an inventory of legal regulations in-force applied to imports and exports, at item level.
- ALADI UNCTAD Joint Effort.
- Scope: 18 Latin-American countries (ALADI + El Salvador, Costa Rica, Nicaragua, Honduras and Guatemala).
- The information includes: country, regulation's name, type of measure according to the UNCTAD classification, summary, official source and legal text, affected countries and products, implementation and repeal dates.
- Daily updated through the review of the Official Bulletins of the 18 countries, as well as the corresponding official web sites in charge of related to trade policies.

Collected Data (example)

Country: Panamá Regulation ID: S005735

Regulation's name: Resolution N° 32 of 21/07/2014. Panamanian Security Food Authority (APSA)

Implementation date: 21/07/2014 Repeal Date: -

Objective: *Protection of health and life of plants*

UNCTAD Codes: *A19, A31, A32, A33, A42, A61, A64, A82, A83, A84, A852*

Measures summary: Certification issued by National Plant Protection Organization (art. 3), etc.

Affected product: Chia seeds

Text of the regulation: *check the regulation in the following link*

http://nt5000.aladi.org/mna/Panama/Res032.pdf

Product code: 1212.99.00

Partial coverage: Exclusively Chia seeds

Affected countries: Nicaraqua

Environmental Measures Database

- ALADI initiative: Identification and analysis of measures based on environmental considerations, that are applied to trade which regulate the access to extra-zone markets.
- Stages:

1st: Bolivia, Ecuador and Paraguay (UNDP-ALADI Cooperation Project).

2nd: Peru and Uruguay.

3rd: Brazil, Chile and Mexico (ongoing).

• Results: seminars, publications and the **environmental measures database** (extra-ALADI).

Working Methodology:

IDENTIFICATION OF MOST SENSITIVE SECTORS AS WELL AS DESTINATION MARKETS FOR THEM (EXTRA ALADI) COLLECTION OF ENVIRONMENTAL MEASURES FOR THESE SECTORS AND MARKETS DATABASE OF ENVIRONMENTAL MEASURES

Environmental Measures Database

- Environmental measures: "Mandatory (public) and voluntary (private) requirements that tend to protect the environment, human, animal or vegetal health". Ex.: organic certification, some "sanitary measures" (contaminants and pesticides) and "technical measures" (packaging requirements, labeling).
- While promoting environmental protection, these requirements could affect the exports of certain products from developing countries, due to the lack of knowledge about how to comply with their provisions.
- Market Access conditions (specific requirements and compliance procedures) for USA, EU, Japan, China, India, Switzerland and Canada.

Private Standards

- Legitimacy: Private Autonomy vs. Imperative Norms
- E.g.: SPS Agreement
 - Double Policy Goal:
 - to establish the right of WTO members to determine the appropriate level of sanitary or phitosanitary protection and to establish or maintain measures to achieve it.
 - To prevent arbitrary or unjustifiably discrimination between members and to minimize negative effects on trade.
 - What happens with decades of market access negotiations when we privately raise the level of protection?
- Article 13 SPS Agreement.



THANK YOU

César Llona cllona@aladi.org www.aladi.org