Introduction of the IMPACT project

Non-Tariff Measures

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UNCTAD (https://unctad.org/ntm)



IMPACT project - Overview

- Under the EU funded Pacific Regional Integration Support Programme (PRISE)
- Improving Pacific Islands Customs and Trade (IMPACT) project
- NTM as one of the components
- Until January 2025
- 15 Pacific islands countries
 - 7 countries for NTM: Fiji, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Vanuatu



Non-Tariff Measures (NTM)

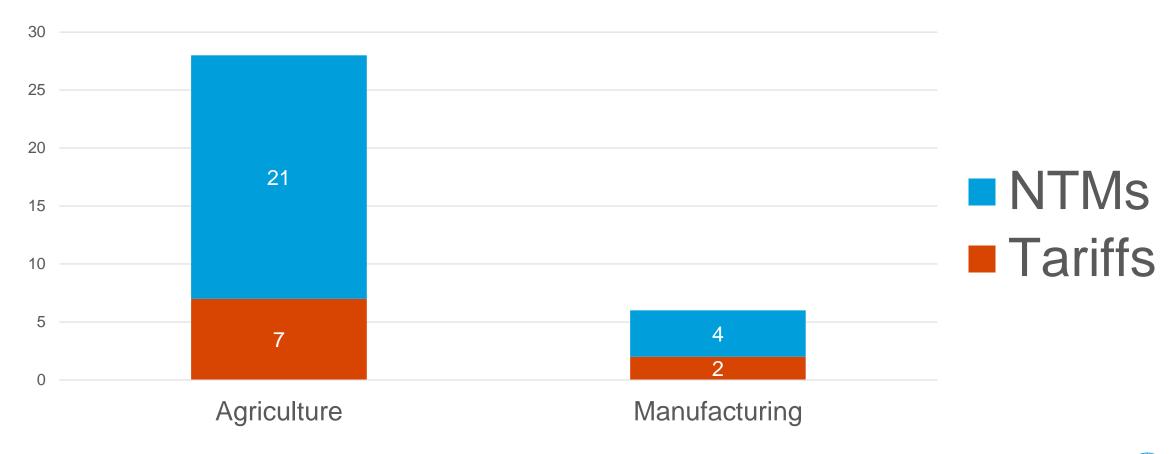
- "Policy measures other than ordinary customs tariffs that ... have an economic effect on international trade in goods ..."
- Neutral meaning. NTM ≠ NTB

- NTM has two sides
 - It has legitimate policy objectives, SDGs, ...
 - It raises trade cost (information cost, compliance cost)



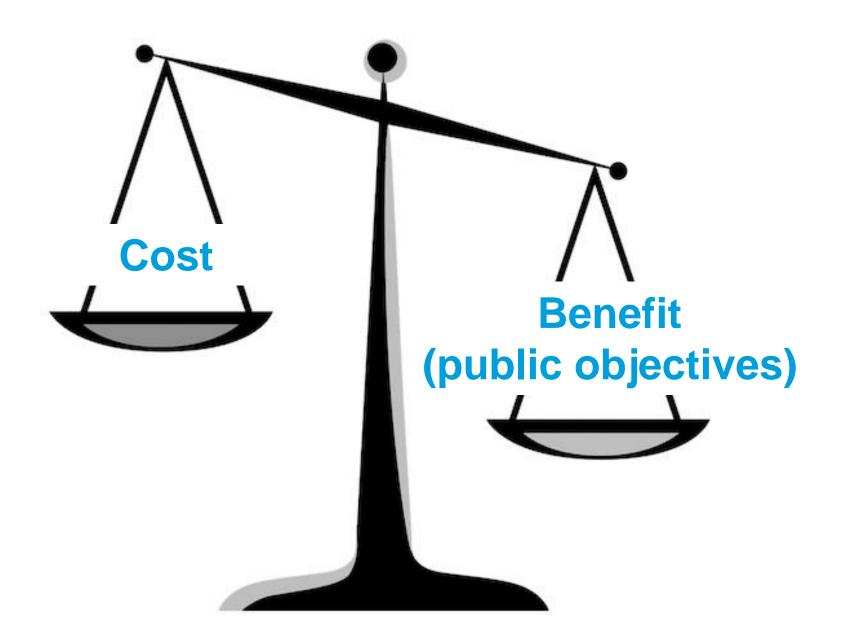
Estimated ad-valorem equivalents

(Percentage)













IMPACT project – 2 NTM objectives

1. To increase <u>transparency</u> in trade-related regulations and NTMs

Reduce the information and compliance cost

2. To help the countries to make good NTMs that

- Meet policy objectives, while not restricting trade too much
- Support economic integration to the region and the world





- 1. NTM data collection
- 2. NTM data dissemination
- 3. Support for WTO/EPA transparency provisions
- 4. NTM data analysis
- 5. Capacity building and training





1. NTM data collection

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1. NTM data collection - General

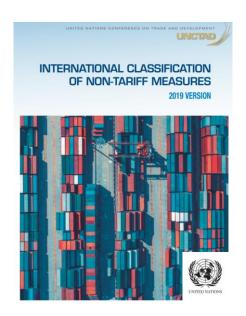
In the <u>Food Safety Act 2022</u>, <u>sanitary certificate (A83)</u> on <u>poultry meat (HS 0207)</u>
 imported from <u>New Zealand</u>

NTM code is based on the International Classification of Non-tariff Measures (so called NTM Classification)



NTM Classification

- FAO, ITC, OECD, UNCTAD, UNIDO, World Bank, WTO
- Initiated by UNCTAD
- Updated NTM classification



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Imports	Technical measures	Α	SANITARY AND PHYTOSANITARY MEASURES
		В	TECHNICAL BARRIERS TO TRADE
		С	PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES
		D	CONTINGENT TRADE-PROTECTIVE MEASURES
		E	NON-AUTOMATIC LICENSING, QUOTAS, PROHIBITIONS AND QUANTITY-CONTROL MEASURES OTHER THAN FOR SPS OR TBT REASONS
	Non technical measures	F	PRICE-CONTROL MEASURES, INCLUDING ADDITIONAL TAXES AND CHARGES
		G	FINANCE MEASURES
		н	MEASURES AFFECTING COMPETITION
		ı	TRADE-RELATED INVESTMENT MEASURES
		J	DISTRIBUTION RESTRICTIONS
		κ	RESTRICTIONS ON POST-SALES SERVICES
		L	SUBSIDIES (EXCLUDING EXPORT SUBSIDIES UNDER P7)
		М	GOVERNMENT PROCUREMENT RESTRICTIONS
		N	INTELLECTUAL PROPERTY
		0	RULES OF ORIGIN
	Exports	Р	EXPORT-RELATED MEASURES



NTM Classification - Tree structure

A SANITARY AND PHYTOSANITARY MEASURES

A1 Prohibitions /restrictions of imports for SPS reasons

A2 Tolerance limits for residues and restricted use of substances

(...)

A8 Conformity Assessment related to SPS

A81 Product registration requirement

A82 Testing requirement

A83 Certification requirement

A84 Inspection requirement

A85 Traceability requirement

A851 Origin of materials and parts

A852 Proces sing history

A853 Distribution and location of products after delivery

A859 Traceability requirements n.e.s.

A86 Quarantine requirement

A89 Conformity assessments related to SPS n.e.s

A9 SPS Measures n.e.s.

- **B TECHNICAL BARRIERS TO TRADE**
- C PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES
- D CONTINGENT TRADE PROTECTIVE MEASURES
- E NON-AUTOMATIC LICENSING, QUOTAS, PROHIBITIONS ...
- F PRICE CONTROL MEASURES INCLUDING ADDIT. TAXES ...
- G FINANCE ME ASURES
- H MEASURES AFFECTING COMPETITION
- TRADE -RELATED INVESTMENT MEASURES

NTM classification has about 500 measure types





1. NTM data collection - General

- Collect official national legislation (Acts, Regulations, Orders, etc.)
- 2. Read the text and identify information
- 3. Classify NTM type according to the NTM Classification
- 4. Classify HS according to the **HS Classification**
- 5. Review internally
- 6. Validate with the government



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1. NTM data collection - Timor Leste





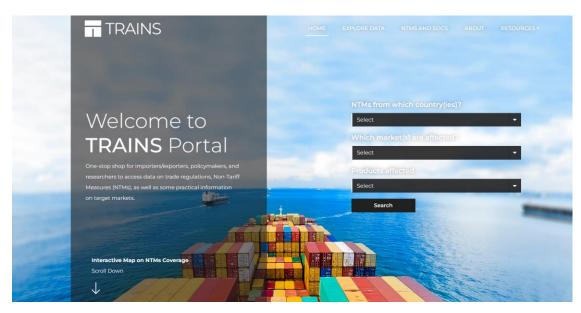
1. NTM data collection

2. NTM data dissemination

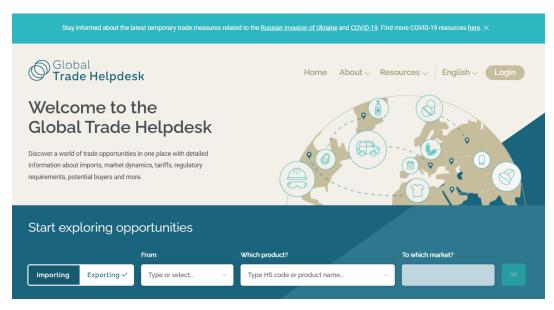
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2. NTM data dissemination



https://trainsonline.unctad.org/home



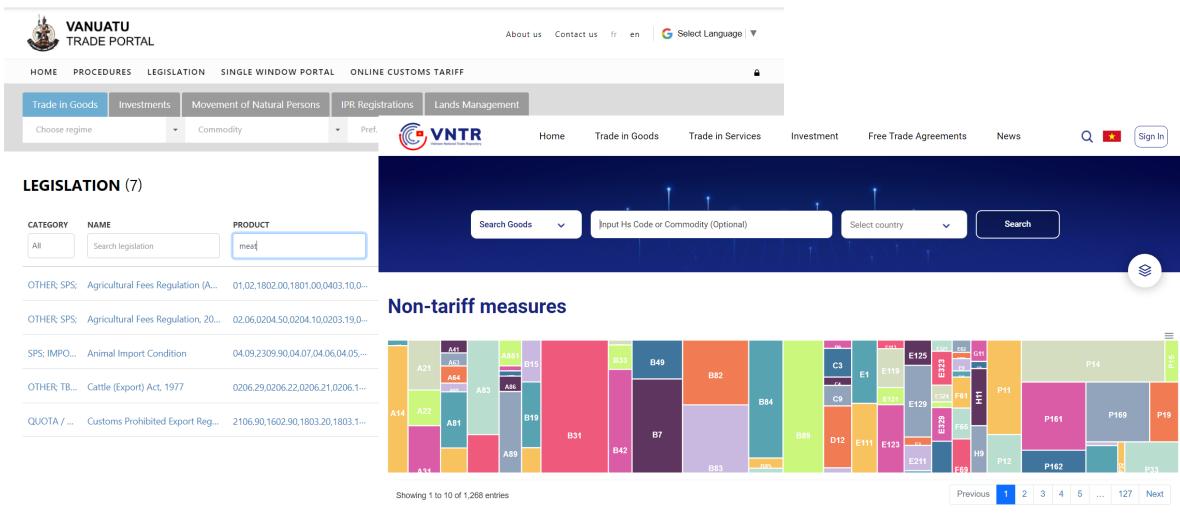
https://globaltradehelpdesk.org/en

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- TRAINS for researchers / Global Trade Helpdesk for private sector
- 100+ countries covering approximately 90% of international trade, including EU, AS Japan, US and China

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2-1. National Channels





1. NTM data collection

- 2. NTM data dissemination
- 3. Support for WTO/EPA transparency provisions
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3. Support for WTO/EPA transparency provisions

Article 7 WTO SPS Agreement

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Transparency

Members shall notify changes in their sanitary or phytosanitary measures and shall provide information on their sanitary or phytosanitary measures in accordance with the provisions of Annex B.

WTO SPS and TBT notifications session on 21 September

EPA with the EU

Article 40

Transparency and exchange of information

 The Parties confirm their commitments to implement the transparency provisions set out in the SPS Agreement and the TBT Agreement to facilitate access to relevant information on TBT or SPS measures.

Article 71

Coordinators and exchange of information

- 3. On request of the other Party, and to the extent legally possible, the Parties through their coordinators shall provide information and reply promptly to any question relating to an actual or proposed measure that might affect trade between the Parties.
- 5. Without prejudice to specific transparency provisions in this Agreement, the information referred to in paragraph 4 shall be considered to have been brought to the attention of the other Party when the information has been made available by appropriate notification to the WTO and to the coordinator of the Pacific States.





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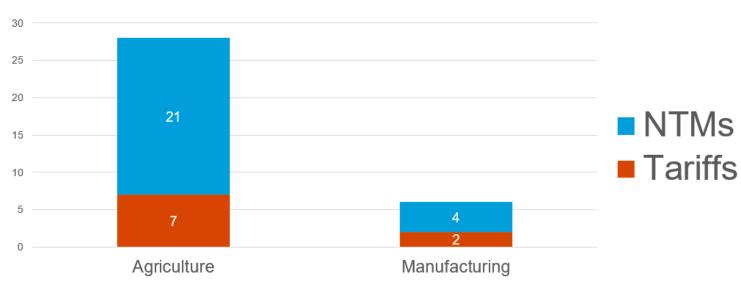
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4. NTM data analysis

How costly are NTMs?

Estimated ad-valorem equivalents

(Percentage)



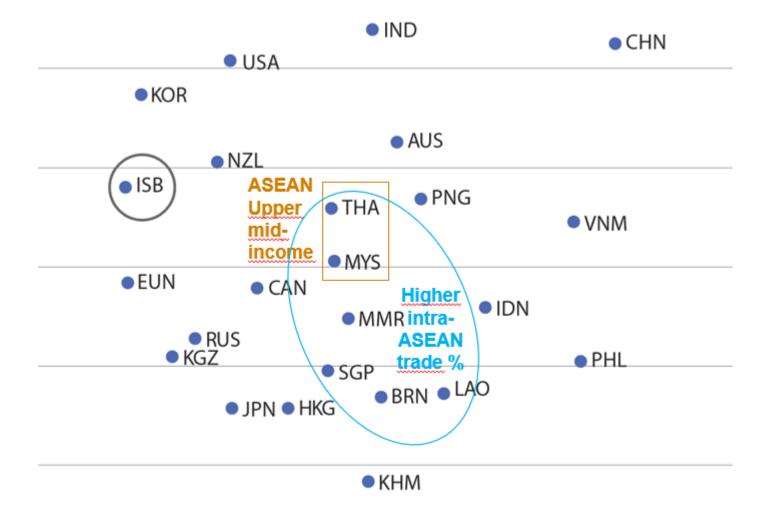






4. NTM data analysis

How different/similar are NTMs?





Source: UNCTAD



1. NTM data collection

2. NTM data dissemination

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- NTM data analysis
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5. Capacity building and training

- Offline training: today's workshop!
- Online courses:
 - Introduction to NTM (2 hours, for any stakeholders to sensitize the issue)
 - NTMs and data collection (20 hours, for policymakers and researchers to continue the data collection)
 - Economic analysis of NTMs (20 hours, for researchers)
- Selection of the courses is up to Timor Leste. To be discussed.



Thank you.

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