



UNITED NATIONS
ESCAP

Economic and Social Commission for Asia and the Pacific



Use of merchandise statistics for informed trade policymaking

**Presentation at the Workshop on the
Revision of the recommendations on IMTS**

Bangkok, 9 Sep 2008

Mia Mikic

Trade Policy Section

Trade and Investment Division

mikic@un.org

www.unescap.org/tid/aptiad

Outline

- Why and how has trade policy changed?
- What is informed trade policymaking?
- What information is needed in the context of policies on trade/ regional trade?
- What are trade indices and indicators?
- Use of APTIAD for better trade governance
 - Tracking and mapping agreements
 - Verification of factual information and links
 - Analytical tool
- Summary

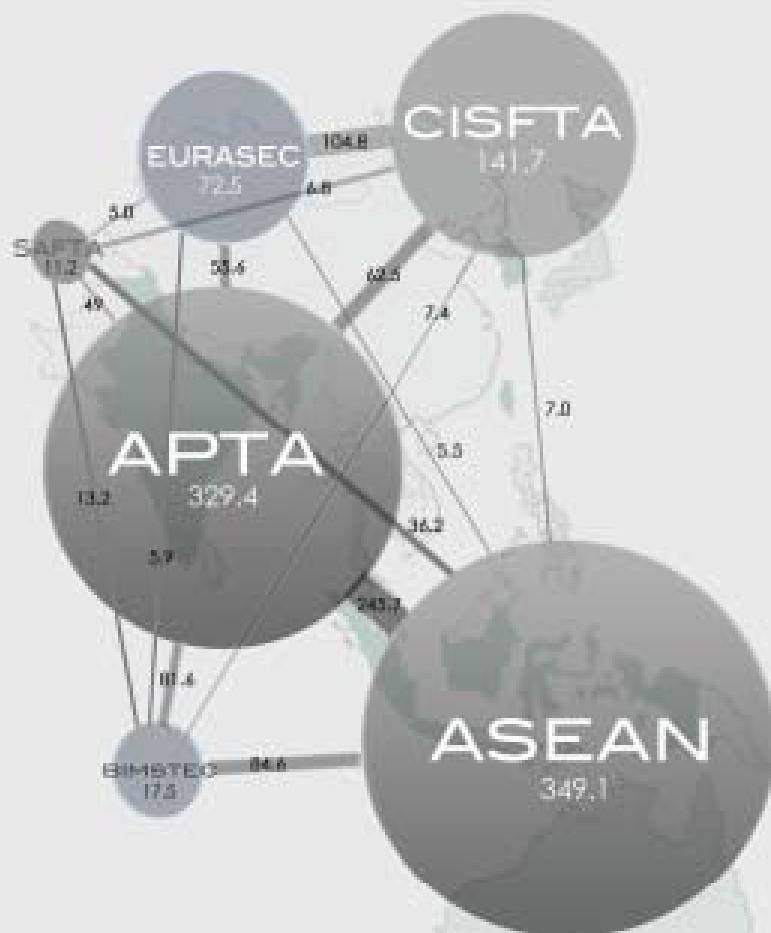
Trade policy – why it's changed and how?

- Trade policy comprises national laws, regulations, practices and country's international commitments that regulate the “cross-border movement” of **tradables**.
- Scope of tradables changed significantly from goods only, to services, capital, ideas, labour embodied in services etc.
- A parallel change in menu of policy instruments: from tariffs, QR and embargos to a rich array of border- and behind the border instruments.
- Formulation and vetting became much more complex – inclusive and participatory policymaking

Informed trade policymaking

- Using statistical and other techniques in obtaining **sound** and **transparent** data to be used in the **consultative process** between **government** and other **stakeholders** in any area of public policymaking
- Often down to tracking, monitoring and evaluation of the **results of policies** that have been put in place
- Allows for **democratization** of policymaking, especially in trade area, where impacts always cause some income-distributional effects

Sample of issues facing policymakers



* All trade flows in US\$ billions for 2008 (see note on country coverage)

- Is region's trade driven by RTAs, how and how long it will/can last?
- What are the impacts of the RTAs-driven trade on development, policy space, distribution of benefits?
- Do RTAs help country dealing with external shocks? Which RTAs do better job?

What information is needed

- Statistical data on
 - Domestic economy (production structure, employment, consumption, prices etc)
 - **Commodity /merchandise trade data (imports/exports):**
 - Disaggregated and total bilateral flows
 - **Services trade (imports/exports)**
 - **FDI (flows, stocks); by source/destination and sector**
 - **Movements of people/labour**
- Terms of trade / unit values
- Tariffs, non-tariff barriers, behind the border barriers
- International commitments

Reliability and availability of data

- Trade statistics not very reliable due to
 - Not complete (smuggling, non-reporting, mistakes)
 - Imports for re-exports and re-exports included
 - Value of export (international conventions for reporting trade stats not adhered to)
 - No coverage for services
 - Problems of classification
 - Exchange rates
 - Measurements
 - Errors...
- Availability – non-reporting, break in series, classification inconsistency, etc

Trade indices and indicators

- Trade indicators are second-level data combining two or more variables into one meaningful measure.
- The objective of trade indicators is to highlight characteristics of trade patterns and trade developments with a view of contributing to assessment of trade competitiveness

Trade performance indicators can provide insights into:

- How much is a country dependent on a regional trade?
- How intense is trade with regional partners?
- Are regional trading partner's exports becoming more similar (more competitive) or more complementary?
- Is there geographical re-orientation of export after some external shock?
- How to identify natural trading partners?
- Is intra-industry trade increasing in aftermath of PTA?
- Etc.....

...availability of indicators

- Many “off the shelf” (“over the counter”)
- To properly use them it is useful to know how are they constructed, what influences their values, what data to use, where to find data
...
- Get inspiration on constructing new indicators!

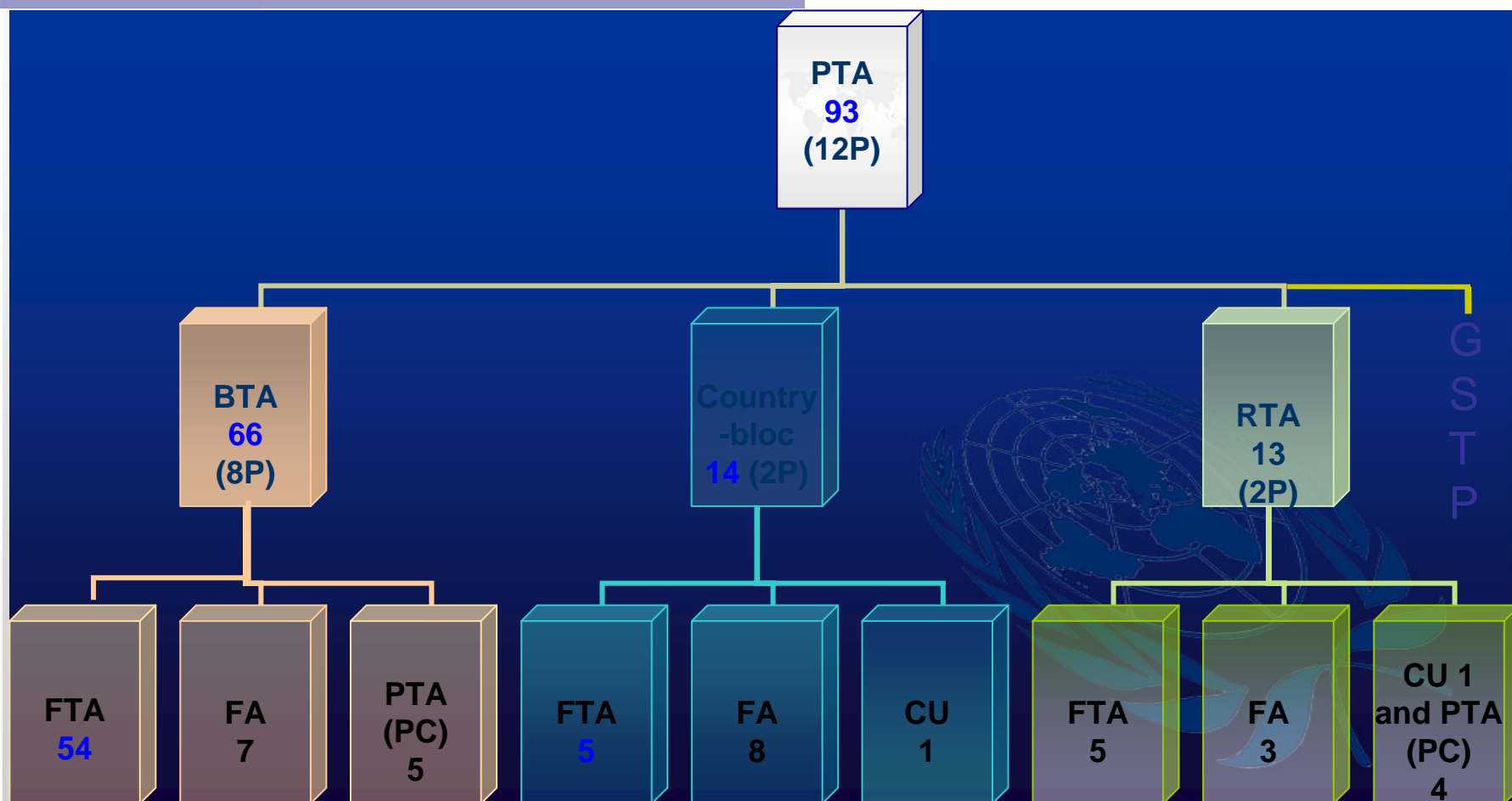
Databases

- UN COMTRADE
- ITC Market Analysis Tools
(www.intracen.org/mat)
- World Bank World Trade Indicators
(www.worldbank.org/wti2007)

APTIAD and its uses of trade statistics and indicators

- Source of information for
 - Mapping of agreements and regional trade landscape
 - Factual data and descriptive information on
 - Membership
 - Duration of negotiation
 - Notification and WTO consideration process
 - Contents of agreements in areas of liberalization of trade in goods, services, trade facilitation, other areas and rules of origin
- Glossary

Mapping PTAs*



*Coverage: PTAs in force (pending ratification in brackets)

APTIAD - Home Page

TAD

The screenshot shows the APTIAD Home Page in Internet Explorer. The browser address bar displays <http://www.unescap.org/tid/aptiad/>. The page content includes:

- Navigation Menu (Left):** Includes 'About us [v]', 'Areas of focus' (Doha Development Agenda, Regional Trade Agreements, Trade Facilitation, Trade and Investment Information, Investment Promotion and Facilitation, Enterprise Development), 'What we do' (Activities, Projects, Publications), 'Latest Highlights', 'Subcommittee on International Trade and Investment', 'Calendar of events', 'Related links', and 'Contact us'.
- Main Content Area:** Features a yellow box with three links: 'Trade agreements database', 'Interactive trade indicators', and 'Glossary'. Below this is a 'Register' link.
- Literature Search:** A section titled 'Related links' with the text 'To search publications on PTAs'. It includes a search form with 'Keywords' and 'Focus area' (set to 'Preferential Trade Agreements') and a 'Go' button.
- Related Links:** A section with logos for ADB and UNCTAD, providing access to related resources on Asian FTAs and the UNCTAD Bilateral Investment Treaties online database.

External labels and arrows point to specific elements:

- ITI:** Points to the 'Interactive trade indicators' link.
- TAD:** Points to the 'Trade agreements database' link.
- GLOSSARY:** Points to the 'Glossary' link.
- LITERATURE SEARCH:** Points to the search form.
- LINKS:** Points to the ADB and UNCTAD logos.

Trade Agreements Database - TAD

Download
PDF,
excel or
word

SEARCH
by
different
CRITERIA

Scroll
136
PTAs

Trade and Investment Division, UNESCAP - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address http://www.unescap.org/tid/aptiad/agg_db.aspx

Trade Agreements Database

To see all agreements

- All agreements
- Agreements by a country
- Noodle bowl!

To print all agreements in PDF

- Part A (Basic information)
- Part B (Goods)
- Part C (Services)
- Part D (Other areas)
- Rules of origin

To search agreements

By title or keywords

Predefined keywords

By Country

By Status Year

By Scope

By Type

By WTO notification Year

Agreements

- 1 ACFTA
- 2 ACFTA-*Services*
- 3 AJCEP
- 4 AKFTA
- 5 ANZCERTA
- 6 APTA
- 7 ARMENIA - EU
- 8 ARMENIA - KAZAKHSTAN
- 9 ARMENIA - MOLDOVA
- 10 ARMENIA - RUSSIAN FEDERATION
- 11 ARMENIA - TURKMENISTAN
- 12 ARMENIA - UKRAINE
- 13 ASEAN - CER
- 14 ASEAN Goods
- 15 ASEAN Services
- 16 ASEAN-CHINA FA
- 17 ASEAN-INDIA FA
- 18 ASEAN-KOREA FA
- 19 AUSFTA
- 20 AUSTRALIA - CHINA
- 21 AUSTRALIA - JAPAN

start Mia Mikic - Inbo... Windows Live M... Windows Ex... NOV-PTA and A... Trade and Inves... 19:45

MEMBERS

Back to Database Homepage

Export to Word | Export to PDF

AUSTRALIA - THAILAND

Interactive trade indicators

Member Countries



Technical notes for performance indicators

Performance Indicators:

- Select indicator...
- export propensity
- export shares
- export-import coverage
- import dependence
- import shares
- normalized trade balance
- trade dependence
- trade shares

Thailand - Australia Free Trade Agreement

Status : Signed in 2004 . In force since 2005

Scope : Bilateral

Type : Free Trade Agreement

WTO Notification : GATT Art XXIV, GATS Art V 2005

Agreement text :

http://www.dfat.gov.au/trade/negotiations/aust-thai/tafta_toc.html

Other links :

http://mba.tuck.dartmouth.edu/cib/trade_agreements_db/archive/Australia-Thailand.pdf

WTO consideration process :

<http://docsonline.wto.org/fmrd/directdoc.asp?DDFDocuments/MWT/REG/185-3.doc>

GOODS

Tariffs

Positive list and schedule

Tariff elimination by 2010

Calls for consultations in order to accelerate the schedule

Rules of Origin

Change in Tariff heading (4 or 6 Digit level)

Value Added Content: 40-55% FOB value

No Specific Manufacturing Process Required

Contingency Measures

Anti - Dumping : WTO Agreement on Implementation of WTO Art VI. Time frame: 12 months (6 for seasonal prods)

Countervailing Duties :

For more country data click on a member flag

Summary of provisions in area of goods and services liberalization, trade facilitation, other areas and on rules of origin

Report adopted 19/12/17/02.10.04 but no e-document. Factual abstract for services part in preparation.

GOODS

Tariffs

Negative list; tariff elimination by 1990
Agriculture is covered by Article 10 (Agricultural stabilization and support) and by Annex E.
Tariff reduction through negotiation

Rules of Origin

No tariff heading change necessary
Value added percentage, minimum 50%
No specific manufacturing process

Contingency Measures

Anti - Dumping : Not Allowed
Countervailing Duties : Not allowed unless under GATT conditions or CER Art 16
Safeguards : Last resort. Only in the transition period

Standards : Calls for harmonization

NOTES:

Services

Modes Covered

Cross - Border Supply : **Yes**
Consumption Abroad : **Yes**
Commercial Presence Abroad : **Yes**
Movement of Natural Persons : **Yes**

Specific Sectors Covered

Negative list approach. See sectors excluded.

Specific Sectors Excluded

Australia: Some telecommunications, air and airport services, coastal shipping, and some types of insurance. New Zealand: Airways services, telecommunications, coastal shipping and postal services.

NOTES:

Trade in Services was included in the review of 1988. See http://www.dfat.gov.au/geo/new_zealand/anz_cer/215.pdf
Notified as economic integration agreement under GATS Art V in 1995, but in force since 1989.

OTHER AREAS

Government Procurement : **Yes**

Investment : **No**

Competition Policy : **No**

Intellectual Property : **No**

Dispute Settlement : **No**

Trade Facilitation : **Yes** Provisions on: customs procedures and cooperation; technical regulations, standards and SPS measures; NTB including administrative fees and charges

Labor Mobility : **No**

Labor and Environmental Standards : **Yes** Trans-Tasman Mutual Recognition Arrangement deals with labour issues. There are no environmental policy provisions.

Technology Transfer : **No**

Capacity Building : **No**

NOTES:

RULES OF ORIGIN



Glossary is extended often



Glossary

A : B : C : D : E : F : G : H : I : J : K : L : M : N : O : P : Q : R : S : T : U : V : W : X : Y : Z :

Definitions contained in [Deardorff's Glossary of International Economics](#) have been consulted and used as a source for a number of the terms in this glossary.

Total: 119

[Printable version](#)

1. Accession

A process through which a country needs to satisfy conditions on becoming a member to the World Trade Organization or a regional trade agreement agreed to by other members.

2. Accumulation

When a good is produced by two or more producers located in territories of different members of a trading bloc, the value added in both (all) members may be taken into account.

3. Ad valorem equivalent tariff

AVE tariff is a tariff presented as a percentage of the value of goods cleared through customs, even though the duty imposed was originally in a form of a specific tariff. The ad valorem equivalents are sensitive to the method of calculation and changes in product prices.

4. Ad valorem tariff (AVT)

Duty or tariff expressed in terms of per unit of value (i.e., a certain per cent of value or price).

5. African, Caribbean and Pacific (ACP) countries

A group of African, Caribbean and Pacific less developed countries that were parties to the Lomé Convention and now of the Cotonou Agreement with the EU. As of July 2000, the group included 77 countries. See www.acpsec.org

6. Agreement on Customs Valuation

Done

APTIAD as analytical tool



Trade and Investment Division, UNESCAP - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address: http://www.unescap.org/tid/aptiad/iti_home.aspx

Asia - Pacific Trade and Investment Agreements Database

APTIAD Home Trade agreements database Interactive trade indicators Glossary

Interactive Trade Indicators

>> ITI Indices

- Export Value
- Import Value
- Export Growth
- Import Growth
- Export Share
- Import Share
- Trade Share
- Trade Intensity
- Regional Hirschmann
- Sectoral Hirschmann
- RCA
- Regional Orientation
- Complementarity
- Competitiveness
- IIT (Sectoral)
- IIT (Aggregate)
- IIT (Sectoral Marginal)
- IIT (Aggregate Marginal)
- Regional Market Share

The Interactive Trade Indicators (ITI) component of APTIAD is designed to help policymakers calculate some of the most commonly used indicators related to the real side of an economy's trade profile. To get started, select an indicator from the list on the left, the appropriate fields for selecting countries/regions, products and years will appear, along with an explanation of the index. Details of the data coverage in APTIAD can be found [here](#). Once you have made your selection, click the run query button.

For further details on the construction and interpretation of trade indices, the Trade and Investment Division of ESCAP has produced the volume entitled Trade Statistics in Policymaking: A Handbook of Commonly Used Trade Indices and Indicators. This is available in [electronic form](#), or a [hard copy can be ordered](#).



downloadable

Copyright (c) 2005 UNESCAP | [Legal Notice](#)

Done Internet

start Mia Mikic - Inbo... Windows Live M... 3 Windows Ex... NOV-PTA and A... Trade and Inves... 19:45

INDICES

Policy advice – ‘good practice’

AREA	GOOD PRACTICE
Informed and Inclusive Policy Making	<ul style="list-style-type: none"> • Choice of agreement partners based on <ol style="list-style-type: none"> (1) social and economic impact analysis of agreement (2) coherence between agreement commitments and national development strategy • Transparent and inclusive negotiation and ratification process
Liberalization in Goods	<ul style="list-style-type: none"> • Negative listing (i.e., only goods excluded from the liberalization are listed) • Addressing both tariff and non-tariff barriers
Rules of Origin	<ul style="list-style-type: none"> • Regional / diagonal cumulation • Simplicity, transparency, and symmetry in compliance and documentation requirements between parties • Consistency across PTAs
Consultation and Dispute Settlement	<ul style="list-style-type: none"> • Non-duplication of WTO dispute settlement mechanisms
Consistency and Compliance with WTO rules	<ul style="list-style-type: none"> • Application of the norms set by Transparency Mechanism for RTAs • Speedy notification and regular updates • Provisions to ensure efficient inclusion of additional parties to PTAs
Implementation and Monitoring	<ul style="list-style-type: none"> • Parties must ensure the availability of a full and current version of the PTA for other interested traders: <ol style="list-style-type: none"> (1) In English; (2) In other languages as applicable; (3) In electronic format • PTA establishment of agency/body to serve as a focal information source/agency for traders • Monitoring body in charge of enforcement, revisions and extensions of liberalizing provisions

Summary

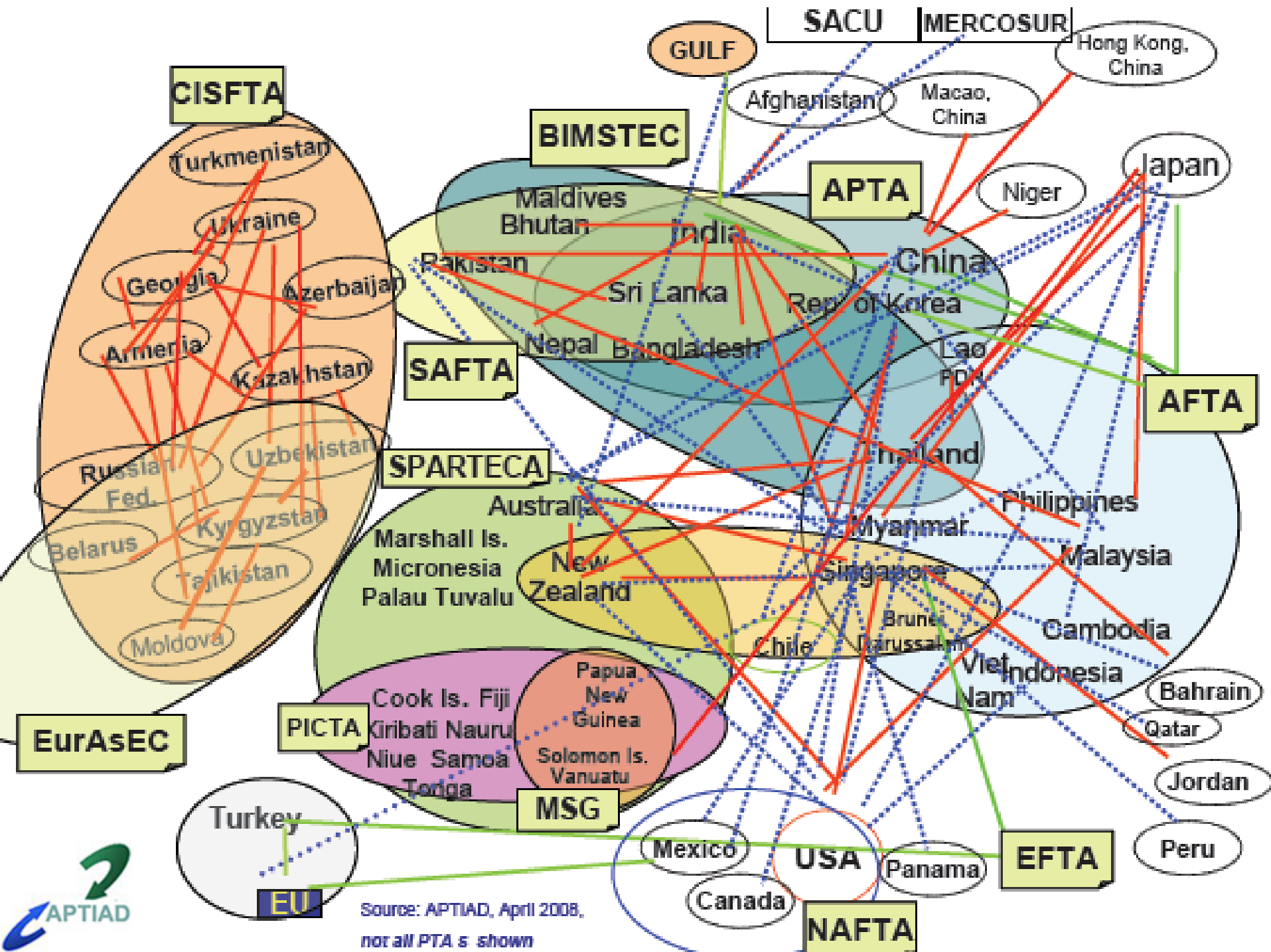


- Trade needs to be governed to produce equitable benefits to all
- This task requires information and data
- APTIAD provides factual information and can be used to calculate trade performance indicators
- NEXT STEPS IN APTIAD:
 - more details on trade facilitation, investment and services liberalization
 - (links on) data on preferential tariffs (and NTBs)
 - more frequent update of statistical data
 - simulations

Thank you for your feedback.

mikic@un.org

unescap-aptiad@un.org



Source: APTIAD, April 2008, not all PTA s shown

