

Market Access and Issues of Data Gaps and Transparency and Information Asymmetry: A Case of RCEP Negotiations¹

Table of Contents

Introduction.....	1
Outline and Methodology of the Paper	1
Section I – FTAs and Possibilities.....	2
Negotiation Process in India’s FTAs	5
Market Access: Probable Reasons for Its Failure	8
Section II – Issue of Non-Inclusion: Data Gap.....	11
Non-Ad Valorem Duties (NAVs) Tariffs.....	12
Section III – Transparency Issues: Special Case of Non-Tariff Measures	16
Global Non-Tariff Measures and Challenges.....	17
Centre for WTO Studies Online web database on SPS and TBT	18
Mandatory SPS Regulations.....	21
Section III - Information Asymmetry Issue.....	22
Conclusion	25

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Market Access and Issues of Data Gaps and Transparency and Information Asymmetry: A Case of RCEP Negotiations

Murali Kallummal¹

Introduction

This paper focuses on India's trade policy challenges in achieving the goal of doubling exports. Since the liberalisation in 1991, which led to a paradigm shift in the policies, with increased attention on import-led growth, along with monetary and fiscal arenas. It required an overhaul of the architectures of policies. As to how the external agreements, beginning with WTO and other FTAs need to be utilized within the overall policies like manufacturing (UNCTAD, 2012), agricultural and services sectors. Trade and science and technology policies which needed to support all the sectoral policies were found to be lacking instead we had quick-fix solutions. This solution lacked coherence and it is reflected in the polity too in the period of analysis with increased turmoils.

Historically India has been driven by domestic self-dependent production and consumption activity dominated by the unorganised sector. Subtle movement from the state-led to private sector driven (market-led) economic growth – with disinvestment policies of the 1990s along with withdrawal of public sectors, with the government disinvestments from public sectors, like for example in infrastructure, manufacturing and services (various Economic Survey). There was little or no consultation with the actual stakeholders for very many reasons. There were parallel efforts in the approach of the governments across the world as they negotiated trade deals – the process and quality of stakeholder consultations (inter-ministerial and domestic) needed to have been given more importance. In India, it is found that the negotiation process still needs to be substantial re-orientated keeping in mind economic needs, as imports in certain sectors are forcing the economic activities in many sectors unviable.²

Outline and Methodology of the Paper

This chapter provides an account of the role played by the availability of data and lack of it in the results of joint studies done by countries before an FTA. Most of the analysis and the results of trade policy formulation of India in particular and other developing countries have been done

based on this approach. The analyses will always remain incomplete when there are data gaps which are associated with systemic, transparency and reporting-related issues, while in other cases issues of information asymmetry plague it. As data availability and quantification of qualitative data are defining the way, FTAs are being negotiated and would try to provide an account of the gaps. It is to be noted that information and data are the new oil of the twenty-first century. The chapter discusses the case of RCEP to highlight the extent of data gaps, lack of transparency and information asymmetry. The multilateral trade negotiation (MTN) product groups are being used in the chapter to illustrate the probable market access challenging groups.

Section I – FTAs and Negotiation Possibilities

Against the backdrop of doubling of India's exports by 2025 - a declared policy of Government of India in 2018³. A similar strategy is in the form of 'agriculture export policy' released by the department of commerce⁴ and sectoral policies with particular focus on sectors like Engineering and Electronics, Chemicals, Plastics and pharmaceuticals, Textiles and Clothing and also employment-intensive MSMEs (DoC, 2011)⁵. By 2018 as it was not yielding any significant improvements⁶, alternative suggestions, to reduce imports in sectors like energy, electronic goods, defence manufacturing, and medical devices⁷.

Faced with a turbulent global environment boosting exports is becoming a challenge for India – requires corrective measures that target and fix issues appropriately. Globally it is observed that major economies are either stable providing no scope correspondingly with the increased use of mandatory standards. With virtually no movement at the multilateral level in terms of market access in agricultural and non-agricultural goods in a meaningful manner – taking only baby steps like on Agreements like the food security and trade facilitation with no significant impact for India's exports.

Trade agreement should ideally lead to measurable gains like trade creation; market expansion; capital accumulation; productivity improvement; a precursor to investment and employment enhancement/restricting, while there are many other non-measurable and indirect gains/losses which are not quantifiable. Among the easily measurable gains of any agreement is tariffs (in ad valorem terms) which are the most transparent barrier. The regional free trade agreement is the only hope and should be attempted by engaging on reduction in tariffs⁸, ease border restrictions

on goods, increase in transparency around regulations and understanding on the exchange of the same, reduce red tape all of which would small and medium-sized enterprises (SMEs) generate more business in both countries.⁹ Free trade agreements (FTAs) have been analysed in the past for its potential for trade diversion and creation and in the future will be assessed for its achievement on an ex-post basis.

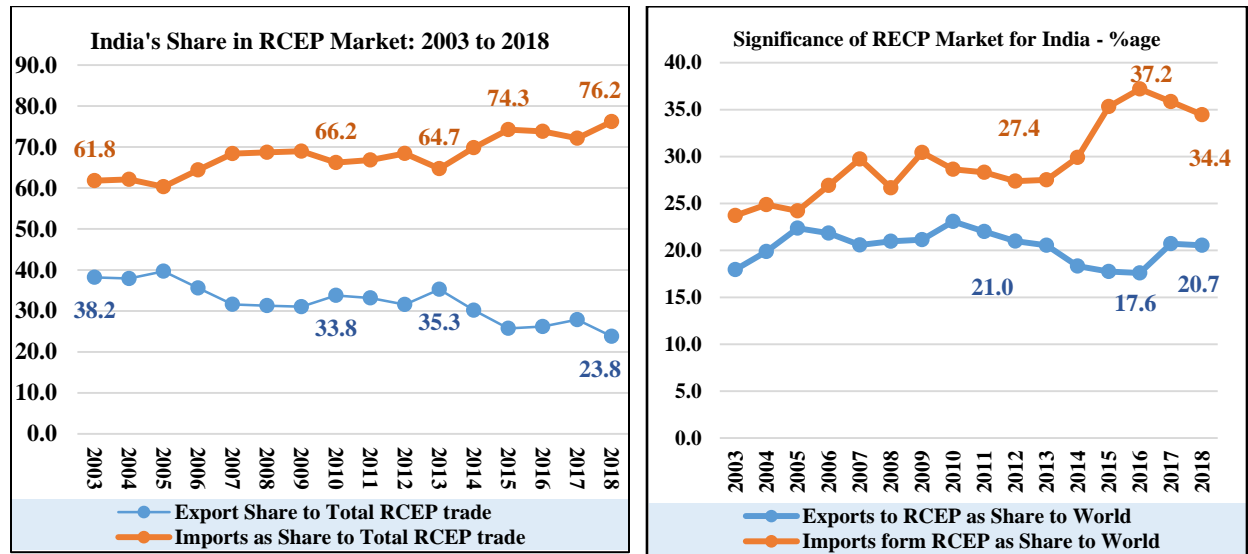
Regional economic integration represents a relatively new phenomenon in the history of world trade and investment. Presently India has free trade agreements (FTAs) with twenty countries which are at various stages of liberalisation¹⁰ and hence market access possibility. Some of them have attained finality, while the others are yet to reach the stage of finality. One of the most ambitious of them is the regional comprehensive economic partnership agreement (RCEP) between 16 countries on which negotiation began in 2012 – the modalities are expected to be finalised by the end of 2019. The RCEP agreement is a mega FTA with 16 countries trading with each other – for bridging the lost gains at the multilateral level in terms of market access.

To illustrate the negotiations on RCEP began in 2012 at Cambodia, with a proposal to enhance trade and investment-related activities under a free trade agreement proposed between the ASEAN member states and its FTA partners. Association of Southeast Asian Nations (ASEAN) consists of Brunei Darussalam, Cambodia, Indonesia Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam and their six FTA partners Australia, China, India, Japan, New Zealand and South Korea. RCEP was scheduled to be signed in November 2018 during the ASEAN Summit and Related Summit in Singapore. However, it was not the case, and on 2 March 2019, the ministers from the 16 RCEP members again met at the seventh RCEP Inter-sessional Ministerial Meeting at Cambodia. The leaders declared a conclusion by the end of 2019, and the Ministers agreed to intensify engagements by convening meetings that are more inter-sessional. They also agreed at the eighth RCEP Intersessional Ministerial Meeting to be held after the 27th RCEP trade negotiation committee (TNC) Meeting and Related Meetings in July/August 2019.¹¹

The total trade composition of the RCEP market in merchandise goods is divided into 32 % in exports and 68% in Imports. Therefore, the possibilities for Indian exporters have been

shrinking as the composition of exports in RCEP total trade has shown a steady decline since the time of initiation of negotiation (2012).

Figure 1: India's Export Potential in RCEP Market and Visa-Versa



Source: Authors based on the data compiled from the WITS online database.

There is a visible import-dependence on RCEP countries as seen in 10 percentage points increase since 2012 – 27.4 % share of India's total imports in 2012 to 37.2 % share in 2016 after that it dropped to 34.4 % shares see Figure 1. However, the exports to RCEP has decreased from 21 % share to 18 % share of total India's exports in 2016.

Increased imports dependence of India on RCEP countries can be explained in the increased regional value chains (RVCs). It is argued by many academicians that India is becoming more-and-more linked with the RVCs of the RCEP – which can only be established in the long run using the case study and empirically using investments. In the case of AIFTA, India's FTA signed in 2010; the investment linkages needed to be established across the liberalised sectors as per the Agreement. However, the out foreign investments from India was seen have decreased in general, but is getting concentrated in only one of the ASEAN economies, i.e., Singapore which is a trading country and does not support the argument of RVC / GVCs¹² (Kallummall et.all, 2018).

It is argued that India, by the act of reducing/eliminating tariff, will provide a market for the RCEP members to its domestic market. However, in reality, ASEAN, Japan and South Korea

are already FTA partners and therefore, it only provides market access for China, Australia and New Zealand. While on the other hand rest of RCEP members especially the ASEAN members have a lower level of ambitions in services and investments a key area of interest for India, this does not augur well for an agreement that seeks a comprehensive nature.¹³ However, the Indian manufacturing sector is expected to perform better by 2020 with a jump in the Global Manufacturing Competitiveness Index¹⁴. In the RCEP region, Deloitte report projected four other economies, China, South Korea, Japan and Singapore as performers with differing significance. The projection needs to be carried out under data availability situations is the present negotiations, which are closer to that of the developed countries.

Negotiation Process in India's FTAs

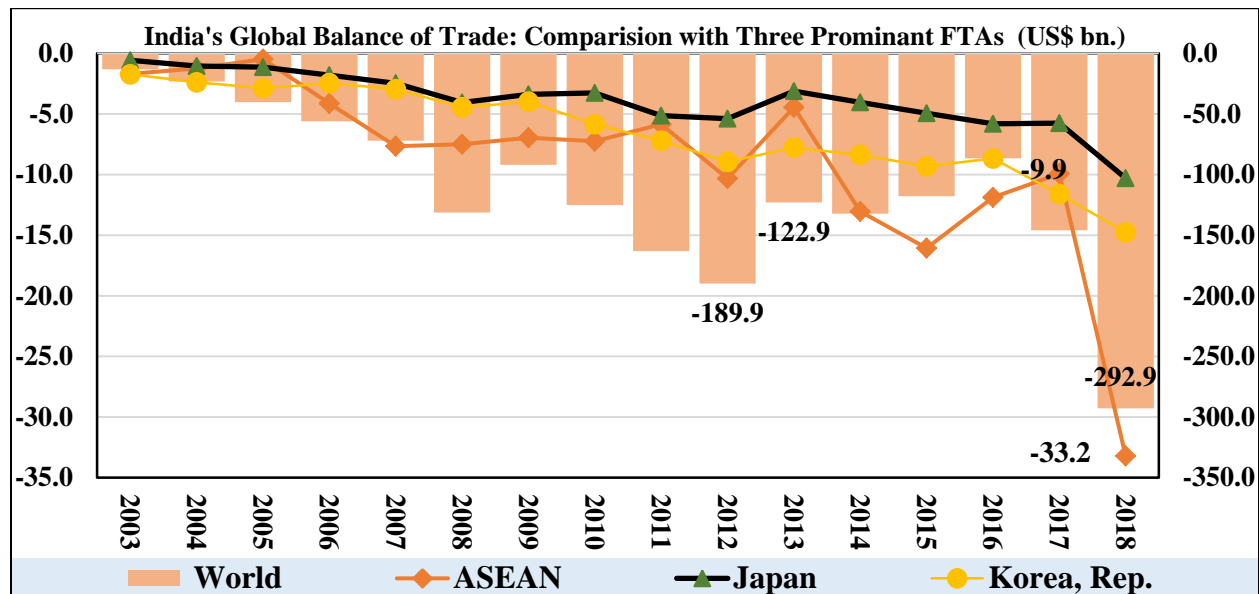
In this paper, what has done is to identify some of these data gaps, transparency and information asymmetry issues; however, these have not used to quantify the trade opportunities and challenges. An assessment of the FTA is done in an *ex-post* phase, primarily it is assessed in terms of net-gains or balance of trade (exports over imports). It is the reflection of the rigour in the process negotiations and the background preparation, and it is a simple, effective and universal method. The process of assessment provides a measure of the relative strength of a country's economy. From the trends at an aggregated level, it is clear that India has been having a consistent negative balance of trade (BoT). The condition of trading, which is negative and harmful is wherein imported are more than the exports of the final products (capital and consumer), see figure 2.

The weakening under the trade balance needs to be compensated by way of gains in service trade, or other transfer and net long-term capital flow that would be conducive for a structural change of the production and GDP.¹⁵

The analysis based on Pearson's correlation of the trends in trade balance from 2003 to 2017 records positive correlation values for Japan (0.92), Korea Rep (0.86), ASEAN group (0.82), Malaysia (0.78) and Singapore (0.08) and negative correlation values for SAFTA 0.78 and Sri Lanka 0.53. Three of the FTAs of India contributed to the increase in the negative trade balance of India- these FTAs are ASEAN group, Japan CEPA and Korea CECA. The post FTA

performance of the existing FTAs of India, do not provide confidence in the process to move forward in terms of the merchandise trade negotiations.

Figure 2: Trends in India's Balance of Trade and the Three of the FTA Partners



Source: Calculations based on WITS online database.

Although the ASEAN India FTA (AIFTA) provided for the mutual recognition arrangements in the areas like conformity assessment, accreditation procedures, identified non-tariff measures like technical standards, legislative and regulations, customs cooperation, trade financing, and business visa & travel facilitation. The AIFTA recorded the highest increase of US\$ 23 billion - from US\$ 10.0 billion in 2017 to US\$ 33.2 billion in 2018. The other significant link is the opening up of the goods sector along with streamlining of the investment flows, which is often unnoticed when the FTAs were visualised like the CEPA, CECA, AIFTA or ISLFTA (OECD, 2011¹⁶; Francis and Kallummal, 2017; Kallummal, Hussain and Vats, 2018¹⁷). Further, it did not translate into gains for India's manufacturing sector¹⁸ as it lacked in operationalised of the MRAs which would have supported the exporters¹⁹. On the other hand, the exporters from ASEAN economies riding on the strong coherent policies under the ASEAN Trade in Goods Agreement (ATiGA) and also taking advantage of location using its existing FTAs with China, Japan and Korea - supported further by high preferential margins under the AIFTA gained significantly.²⁰ The AEC Blueprint 2025 envisions a highly integrated and cohesive economy; a competitive,

innovative and dynamic ASEAN; enhanced connectivity and sectoral cooperation; A resilient, inclusive, and people-oriented and centred ASEAN; and a global ASEAN.²¹ India negotiated with a regional grouping ATiGA which was already a cohesive block with industrial, trade and cooperation policies.²²

*The excess of exports over imports shows that increasing global demand for commodities of the country, and buyers within the country prefer to national goods, indicating a good state of its economy. On the contrary, the deficit (negative balance) indicates the lack of competitiveness of the country on the world market and the preference of imports within the country.*²³

It meant that of the three market access barriers identified in the literature had more of negative impact on Indian exporting firms. First, the import tariffs and other price-based border measures like import duties, tariff quotas, and other border duties, levies, and charges. The second is the non-tariff border measures are those policies that may restrict market access through non-price instruments. Including the measures like quantitative restrictions (import quotas, direct prohibitions, domestic content requirements, licensing); contingency measures (anti-dumping, countervailing, and safeguard measures). The third market access barriers are in the form of domestic policy measures these are: technical barriers to trade (TBT) like the regulations, standards, testing and certification procedures); sanitary and phytosanitary measures (SPS) mainly of food, animal and plant health and safety; competition, credit, and investment policies; fiscal incentives, in particular, trade-distorting export subsidies and domestic support. ASEAN will not accomplish the objectives of the ASEAN Economic Community (AEC) and will fail to meet the targets in the AEC Blueprint 2025. The June 22 Report, jointly commissioned by the European Union-ASEAN Business Council (EU-ABC) and the ASEAN Business Advisory Council (ASEAN BAC), the report examines non-tariff barriers in sectors like automotive, agri-food, and healthcare.²⁴

Policymakers need to raise questions at different stages of negotiation of an FTA. The ex-ante analysis which gets based on the potential costs and benefits of what a country can supply to its FTA partners. Possible products to be sources for the global/regional supply chain from the partners. Some advanced countries do try on the possible impacts on production (employment level) and composition, welfare, fiscal balance, *etc.* Along with it are the costs of adversely affected sectors and the necessity of adjustments in public policies (most often with multilateral

agreements). The ex-post analysis of an FTA should focus on/or ideally measure/gauge the FTA based on whether the impacts are within the normal ranges in terms of gains and losses. If it has not materialised benefits, what could be reasons behind it? Moreover, what changes would be required for corrective measures. Therefore, the process of quantification of trade policy needs to be examined as most of the feasibility studies ignored the presence of non-tariff measures and other barriers, and the studies only focused on tariff reduction as the information was readily available.

Market Access: Probable Reasons for Its Failure

Nearly all pre-FTA feasibility analysis/studies were conducted based on the readily available tariff data – these were in the form of MFN applied and bound²⁵ for all WTO members. This data was easily accessible and was mandatorily made available by the WTO. These are other price influencing indicators like anti-dumping, agricultural subsidies and non-trade issues²⁶ that may not be addressed under the FTAs adequately. These were used to create tariffs reduction simulation scenarios under SMART a partial equilibrium analysis²⁷ (PE) or by providing broader coverage of other parameters incorporating social accounting matrix (SAM) in the computable general equilibrium model (CGE) analysis.

Further, the new developments in the area are the dynamic computable general equilibrium (CGE) models allows incorporates many variables. Some of these are like working capital, social accounting matrix (SAM) at the country level, unemployment and full employment macros, fixed minimum wages, informal sector, additional factor of production, complementary to physical capital, which allows for the examination of monetary shocks that affect the supply of credit and its impact on balance of payments, employment, and real income.²⁸ Across all formats of the modelling exercise, the elasticities are pre-defined and therefore do not account for disruptive technological impacts on products processes. To quote (McDaniel et.all.)

*Quantitative trade policy analysis tends to focus primarily on tariff cuts, because ad-valorem tariff rates, before and after liberalization, are easily measured.*²⁹

Further, the ADB (2010) while discussing a variety of methods, including some to the above-mentioned tools, does not provide an alternative. Same is the option available with WTO's trade

policy toolkit.³⁰ All these analyses are far from reality, as they missed factoring non-tariff measures, which are other pillars of market access.

Box 1: National Legislations and Implication on Cost for Manufacturing

European Union legislation called Registration, Evaluation and Authorization of Chemicals (REACH), which is meant to address environment and human safety issues, has increased the cost of compliance by Rs. 85,000 to Rs. 3,25,000 per chemical.^a If India needs to continue its chemical products exports immediately it needs to register the chemicals with ECHA. Only a natural or legal person established within the European Economic Area (EEA)/EU can be a registrant. These are subjected to manufactures a substance within the EU in quantities of 1 ton or more per year; imports a substance into the EU of quantities of 1 ton or more per year; or has been appointed as an only representative according to Article 8 of REACH. Less than one ton make commerce unviable the objective is not environment if it was for the reasons of protection of environment and human safety how is the step registration appropriate? – is it the solution. Many such estimation are not captured as barriers as these are considered environment friendly measures. But the manner by which such measures actually promote one chemical against the other using non-trade measures is subject to dispute and debate. If the concern for environment is serious then countries should used non-commercial routes like labour friendly production process in agriculture and promoting local consumption and restriction on consumption.^b

Sources: see for (a) Mathew Joe, 2013, “*The Devil In The Detail*”, Bussinessworld, 08 November, 2014, BW Online Bureau, <http://www.businessworld.in/article/The-Devil-In-The-Details/08-11-2014-71423/>; (b) Kallummal, M. (2018), “*Sustainability, Commerce and Economics: How to Create Right Balance for Sustainable Development*”, Business Today, October 22, 2018, <https://www.businesstoday.in/opinion/columns/sustainability-commerce-and-economics-how-to-create-right-balance-for-sustainable-development/story/285548.html>.

Some analysis did provide for an under-estimation in the form of ad valorem equivalent (AVEs) of the complex regulation. The revealed comparative advantage (RCA) analysis and other trade indicators were also being used for supporting some of the claims. However, nearly all the calculation were centred around for how much tariff reduction/elimination would have differential impacts in terms of trade creation/diversion effects, welfare effect, tariff revenue effect.

The process of consultation with the manufacturers and exporters, sometimes with importer and consumer are undertaken after the desktop analysis is done and in the backdrop of all the available reports primarily based on tariff alone analysis.

It has been argued that India’s FTA benefited more its partners as the MFN average tariff of India has been on the higher side. Once the FTA became operational (under preferential tariffs),

it led to significant market access gains for the FTA partner, while the Indian exporters were unable to achieve corresponding gains in the FTA partners market. It led to the sector after sector becoming apprehension of FTA negotiations and questions the market access gains for Indian exporters. One of the central issues for non-inclusion was that as there was no central data repository or mechanism to capture NTM data, which was mostly in qualitative form. To quote from Laird & Yeats methodological note in 1986 on Trade Policy Simulation Model:

Since no central records exist from which ad valorem equivalents of the NTBs could be drawn, this data deficiency has been resolved by conducting a major search of the professional literature in order to compile as many estimates as possible for the nominal equivalents of non-tariff barriers.³¹

The ‘professional literature’ as referred to in the quote above, is based on the calculations of AVEs from the published works based on papers from the developed markets (with no or lesser scope of information gap) primarily based on the work on EU, US and Japan. Although, some developments had taken place since 1986 when this note was published not much have happened on the two fronts one: Non-Ad Valorem tariffs (non-transparent tariffs) and secondly the NTMs.

Sixteen NTMs can be divided into three major groups like the **technical measures** like (A) Sanitary and Phytosanitary measures; (B) Technical Barriers to Trade and (C) Pre-shipment Inspection and other Formalities. Secondly, the **non-technical measures** like (D) Contingent Trade-Protective Measures; (E) Non-automatic Licensing, Quotas, Prohibitions and Quantity-Control Measures Other than for SPS or TBT Reasons, (F) Price-Control Measures, including additional Taxes and Charges, (G) Finance Measures, (H) Measures Affecting Competition, (I) Trade-Related Investment Measures, (J) Distribution Restrictions, (K) Restrictions on Post-sales Services, (L) Subsidies (excluding export subsidies), (M) Government Procurement Restrictions, (N) Intellectual Property, (O) Rules of Origin. Moreover, finally, the measures are restricting **Exports** like the last one (P) Export-Related Measures.³²

In the regular FTA assessment, what is not represented at all are the sixteen non-tariff measures (NTMs) for a multitude of analytical reasons. What is evident until now, two prominent reasons can be traced to the data gap and information asymmetry. Therefore, the outcomes are partial, when trying to capture an FTA outcome in terms of market access gains (exports) and sometimes it is way below the expectations, which is confirmation and reflection of tariff reduction

scenarios that were used for the analysis. An examination of the pre-FTA report outcomes needs to be evaluated based on the real outcomes after the FTA this exercise should be integral to any understanding of the weakness of the analytical framework

Finally, the analysis of the FTA, it can be observed in retrospective terms often the Agreements are made with lesser than expected/desirable level of stakeholder consultations. In the case of India, the permanency of officials have been lacking; this was identified and corrected. The developing country syndrome, the negotiation methodology and procedure of an FTA process which gets adopted from the developed world without much change or adapting it to the local realities of higher presence of unorganised sector. Who negotiates an FTA have occasionally been different in the case of developing countries - India has not immune to such an assessment.

A mapping exercise of all the probable barriers variables (tariff – ad valorem and count of non-ad Valorem, non-tariff measures, non-tariff barriers, etc.) shall be identified based on market surveillance.

Section II – Issue of Non-Inclusion: Data Gap

Analysis of the market access feasibility does not account for all factors most often these get limited to readily available data. The conclusions do not reflect the limitation of non-availability of information (data gaps) and the possibilities of information asymmetry. Drawing inspiration from the financial market, the issues related to information asymmetry³³ are appropriately factored.³⁴ However, such an approach is yet to be accepted as a standard format for trade policy formulation analysis where only information on the tariff is analysed and model for the results.

Data gap has been a significant issue in trade policy analysis – it has manifested primarily as a systemic issue. The systemic issues emerge directly from the imbalance in the legal and obligatory provisions of the WTO Agreements which mandates countries to provide information (data) on tariff (MFN applied and bound) while on the other hand does not provide similar treatment for non-tariff measures (Kallummal 2019; Kallummal & Gurung 2018; WTO, 2011; Dukgeun, 2014;)^{35,36}. In the EU (266 products in 2005), the distinction of products for tariff application in the wine and spirits industry was eight times sophisticated than the Indian classification (with only 33 products). Product distinction in the alcohols (wines) is 27 times more sophisticated than the Indian product list. The expansion in the product list has provided

the EU with substantial flexibilities by way of application of varying tariff levels, even when the average tariff remains low.³⁷ Secondly, most often, the RTAs market access analysis has been worsened by the analysis of readily available tariff data (ad valorem only) – the results are assumed to provide all possible scenarios.

Non-Ad Valorem Duties (NAVs) Tariffs

Firstly, some countries do maintain non-transparent tariff in the form of non-ad valorem (NAV) tariffs, and the WTO legal binding requirement does exempt them from the requirement to provide a transparent and calculable form of tariffs. Which is the ad-valorem equivalent (AVEs)³⁸ which then can be averaged to arrive at the actual tariff barriers (see also the discussions on AVEs Kallummal 2015)³⁹.

One of the barriers to market access in trade negotiation is the tariff that needs reduction/elimination or harmonisation. As discussed above tariff is divided into two categories, firstly the ad valorem tariffs these are fully transparent barriers and secondly lacking transparency is the non-ad valorem tariffs. The non-inclusion of NAVs or the AVEs has led to some impact a detailed calculation only will lead to a full understanding of the extent. Therefore, focus here is on the 15 RCEP countries⁴⁰ based on usage of non-ad valorem tariffs. As can be observed from table 1 (a) with 2,548 tariff lines having NAV tariff, the RCEP analysis would affect nearly 2 percent of total tariff lines of 15 RCEP members. A study by Kallummal et.all clearly indicates increasing presence of such tariffs the MTN product Group electrical machinery in China.⁴¹

The average calculation for 16 RCEP members is missing AVEs averages for 36 percent of tariff lines with NAV tariff (909) as are not calculated by TRAINS database, see table 1(b). The absence of AVEs tariff calculation is a clear gap in the analysis as these either not calculable as the information on them is not found easily. Most analysis work on simple ad valorem averages would be missing to account for 2,528 tariff lines with an average AVE of 80 percentages as the data is not readily available and has to be calculated. Even if the AVE were to be included, it would be only possible for calculable one, which is only 64 percent of the NAV tariffs of rest of the RCEP market. Those mentioned above are the two primary source of the data gaps in the

calculation of tariffs that would influence FTA outcomes - in this case of the RCEP, it is particularly evident from table 1.

The implication of non-inclusion can be seen in terms of unrealistic assumption in tariff reduction and gains projected (by way market access gains) in some of the MTN sectors identified in Table 2 . The MTN product group (sectors) have been seen with unprecedented tariff peaks, some of which even defies the norms of liberalisation under the WTO.

Table 1: Application of Non-Ad Valorem Duties in 16 RCEP Countries

(a)

Types of NAVs Duties	NAV Tariffs	Share in % age
Complex Duty	18	0.7
Minimum Import Price (MIP)	19	0.8
Missing Rates	5	0.2
Mixed Duty - 'and' Type	114	4.5
Mixed Duty 'or' Type	1744	69.0
Not available	6	0.2
Prohibited	14	0.6
Specific Duty	488	19.3
Text Type	120	4.7
RCEP Total NAVs	2,528	100

(b)

Types of NAVs Duties	AVEs Calculated	AVEs Not Calculated	Total NAVs
Complex Duty		18	18
MIP	19		19
Missing Rates		5	5
Mixed Duty - 'and' Type	110	4	114
Mixed Duty 'or' Type	1168	576	1744
Not available		6	6
Prohibited		14	14
Specific Duty	322	166	488
Text Type		120	120
No of NAVs tariff lines	1619	909	2,528
% share of NAVs	64.0	36.0	100.0

Note: Latest tariff data for Thailand is for 2015 while Cambodia and Malaysia are for 2016 and the other 13 RCEP countries are for 2017. All AVEs calculations based on UNCTAD-2 approach.⁴²

Source: Source: Compiled and calculated based on WTO and WITS online database.

Application of non-ad valorem tariffs by eleven members (rest of RCEP) the total number of 1,816 total tariff lines of which only 1,286 tariff lines for which AVEs were calculated – the average across 19 MTN product groups⁴³ is nearly 80 percent. The MTN product groups with AVE duties above 50 percent are the following dairy products with 304.4 percentages having 52 tariff lines having AVEs calculated. Followed by leather, footwear, etc. with 217.0 percentages

having 17 tariff lines having AVEs calculated, other agricultural products with 198.9 percentages with 49 tariff lines having AVEs calculated, chemicals with average of 177.3 percentages having 56 tariff lines having AVEs calculated, beverages & tobacco having 154.7 percentages with 69 tariff lines having AVEs calculated, animal products with 143.5 percentages with 23 tariff lines having AVEs calculated, cereals & preparations with MFN average of 139.7 percentages with 127 tariff lines having AVEs calculated, fruit, vegetables, plants with 81.5 percentages with 225 tariff lines having AVEs calculated and lastly with oilseeds, fats & oils at an average MFN of 81.0 percentages with 71 tariff lines having AVEs calculated.

Table 2: Rest of RCEP MTN Product Groups and NAVs Applications (2017)

MTN Product Group	AVEs of 11 RCEP members (%)	No of Tls 11 RCEP Averages		Simple Ad Valorem
		No of Calculated NAVs	Total NAVs	
Dairy products	304.4	52	52	15.4
Leather, footwear, etc.	217.0	17	18	8.3
Other agricultural products	198.9	49	52	7.6
Chemicals	177.3	56	79	4.1
Beverages & tobacco	154.7	69	119	19.2
Animal products	143.5	23	39	11.9
Cereals & preparations	139.7	127	134	22.0
Fruit, vegetables, plants	81.5	225	239	14.5
Oilseeds, fats & oils	81.0	71	116	7.5
Fish & fish products	44.1	34	34	8.0
Sugars & confectionery	38.2	33	33	12.6
Non-electrical machinery	30.0	1	13	4.4
Petroleum	15.6	1	80	3.3
Textiles	8.8	432	559	7.0
Minerals & metals	8.7	44	74	4.9
Manufactures, n.e.s.	5.7	7	21	6.5
Transport equipment	5.0	13	98	13.0
Cotton	4.0	16	16	3.2
Coffee, tea	2.5	16	16	20.9
Clothing			2	12.2
Electrical machinery			14	5.8
Wood, paper,etc			8	4.5
Average RCEP AVEs	79.5	1286	1816	7.2
% share AVEs to Simple MFN Averages	11.0	70.8		

Source: Compiled and calculated based on WTO and WITS online database.

These are tariff peaks of the sector and does provide an understanding of the countries concern for any particular sector. The application of RCEP NAV duties can be mapped to agriculture as all the MTN groups that have tariff peaks in the form of AVEs are from the sector.

Table 3: RCEP Simple and AVE Average Tariff and India Exports (2017)

MTN Product Group	Rest of RCEP Countries (minus India)			India's Exports to RCEP Market in 2017
	Avg. Simple (Ad Valorem %)	AVEs Averages RCEP (%)	No. of Non-Ad Valorem Tariff Lines	
(1)	(2)	(3)	(4)	(5)
Animal products	11.9	13.1	39	
Beverages & tobacco	19.2	25.0	120	
Cereals & preparations	22.0	27.6	134	
Chemicals	4.1	4.5	79	
Clothing	12.2	12.2	195	
Coffee, tea	20.9	20.3	16	
Cotton	3.2	3.3	16	
Dairy products	15.4	37.0	52	
Electrical machinery	5.8	5.8	14	
Fish & fish products	8.0	8.2	34	
Fruit, vegetables, plants	14.5	17.2	241	
Leather, footwear, etc.	8.3	9.0	18	
Manufactures, n.e.s.	6.5	6.5	21	
Minerals & metals	4.9	4.9	75	
Non-electrical machinery	4.4	4.4	13	
Oilseeds, fats & oils	7.5	9.5	116	
Other agricultural products	7.6	10.3	52	
Petroleum	3.3	3.4	80	
Sugars & confectionery	12.6	14.4	33	
Textiles	7.0	7.1	1074	
Transport equipment	13.0	13.0	98	
Wood, paper, etc	4.5	4.5	8	
Rest of RCEP	7.2	7.8	2528	

Source: Compiled and calculated based on WTO and WITS online database.

Seven RCEP grouping countries have the very high NAV usage like Brunei (61 TLs), Japan (612 TLs), Korea, Rep. (86 TLs), Malaysia (83 TLs), New Zealand (43 TLs), Thailand (722 TLs) and Vietnam with 88 Tariff lines.⁴⁴ The impact of non-calculable NAVs is sometimes the most common and unavoidable gap in the data found across all FTA assessments. India needs to focus is Japan which applied no non-ad valorem duties across seven MTN groups like clothing, coffee and tea, fish & fish products, non-electrical machinery, transport equipment, electrical machinery and wood & paper – these are either imports dependent or export-competent sectors for Japan.⁴⁵ On the other hand, the MTN product groups have seen the higher application of NAV duties by Japan. The sectors with more than 30 percent share are twelve MTN product groups like animal products (74%) followed by beverages & tobacco (30%), cereals & preparations (65%), cotton (100%), dairy products (90%), leather, footwear, etc. (100%),

manufactures, n.e.s. (29%), minerals & metals (53%), oilseeds, fats & oils (55%), other agricultural products (47 %) and sugars & confectionery with 82% share of rest of RCEP NAV duties. Similarly, Korea Republic has more than 10 percent NAV shares in four MTN product groups like chemicals (54%), fruit, vegetables and plants (12%), oilseeds, fats & oils (14%), other agricultural products (27%) and electrical machinery with 7.1 percent shares. In Vietnam, the very presence of NAVs that which is non-calculable⁴⁶ and sector in which it is concentrated in the auto sector with a 99 percent share of TLs.

If the NAVs averages are not factored in while calculations in the FTA assessment by India may provide a wrong and misleading perspective on the potentials of the RCEP market. While India, on the other hand, has applied specific duties across two of its MTN products groups, like textiles with 515 tariff lines and clothing with another 195 Tariff lines – these two-product group accounting for 99 percent of NAVs applied. There is a clear difference in the approach of some of the other RCEP members (China, Japan, Brunei, New Zealand, Thailand and Vietnam) and India and this can be the observed in the differences in the sectoral application of NAVs.

Section III – Transparency Issues: Special Case of Non-Tariff Measures

Broadly, the non-tariff measures are those policies that may restrict market access through non-price instruments. Such measures include quantitative restrictions (import quotas, direct prohibitions, domestic content requirements, licensing); contingency measures (anti-dumping, countervailing, and safeguard measures); technical barriers to trade (TBT) (regulations, standards, testing and certification procedures); sanitary and phytosanitary measures (SPS) (food, animal and plant health and safety). The second aspect is the imbalance in trade negotiation are the systemic issues those that are linked to the WTO negotiation (UNCTAD, 2000⁴⁷) – particularly the Doha Round. The globalisation/liberalisation have always been synonyms with tariff liberalisation/elimination (Banga and Das 2012⁴⁸; EU, 2019⁴⁹), these studies were made on only addressing tariff scenarios however it is important to also highlight the existence of non-tariff measures thereby bring moderation and balancing the tariff reduction commitments.

WTO rules stipulate its members to notify all national standards, legislations and regulations (NTMs) as part of the transparency requirement. It also requires that WTO member allows other

memberships to comment on the technical regulation notified by the member. The process provides the membership with an opportunity to raise objection and comment on the member's regulation introduced as an import barrier/measure. This process began ever since the formation of WTO in 1995; therefore, all earlier regulations that were to be notified by members would be acting as barriers to imports unless withdrawn. Hence, it is not like the TPR which reveals a country's new imports regulations for a limited period. Unlike tariffs, the analysis of NTMs has to be carried out on a cumulative basis since 1995, in order to understand the level of regulated (mandatory and voluntary) imports into the country. The same is missing from nearly all the analysis done on the FTAs.

Global Non-Tariff Measures and Challenges

An analysis of 62,051 non-tariff measures imposed by 88 countries has been imposing imports into as trade barriers of some form or the other. The chapter assesses these measures based on the legal provisions of the WTO Agreements like the Rules of Origin, subsidies and countervailing measures, anti-dumping, trade facilitation, sanitary and phytosanitary measures, and technical barriers to trade, etc.

Box 2: Non-Preferential Rules of Origin

Non-preferential rules of origin are those that apply in the absence of any trade preference — that is, when trade flow is on most-favored nation basis. Not all countries apply specific legislation related to non-preferential rules of origin. However, some trade policy measures such as quotas, anti-dumping or “made in” labels may require a determination of origin and, therefore, the application of non-preferential rules.

In the Agreement on Rules of Origin, WTO members agreed to negotiate harmonised non-preferential rules of origin. These negotiations have not concluded, and about 40 WTO members currently apply national rules of origin for non-preferential purposes (WTO, last visited on June 06, 2019).

Absence of mandatory transparency requirements in non-preferential Rules of Origin (NP-RoO) that was the WTO-led system of governance of trade flow. Along with the lack of mandatory notification requirements for the preferential Rules of Origin (P-RoO) under RTAs to the WTO. The ranking of barriers to market access would have seen a significant change with the Rule of Origin falling among the top in the list. Therefore, the product competitiveness and efficiencies have only limited role when such rules dominate and are at play.

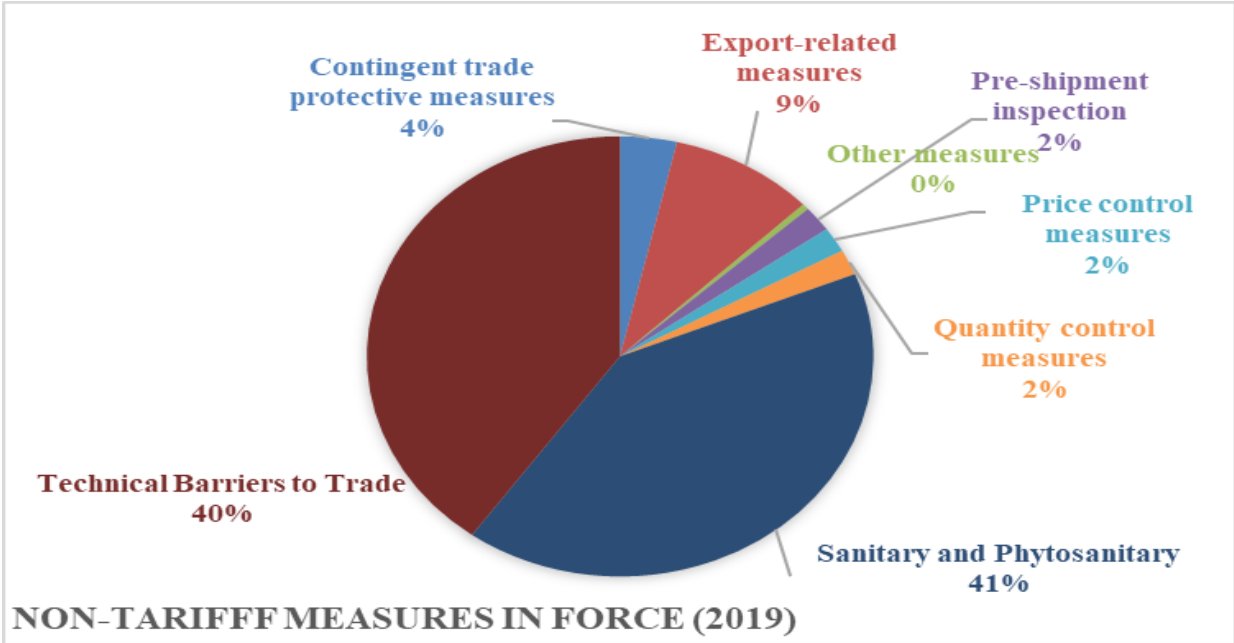
Source: Author based on WTO.

However, the Rules of origin has never figured as a significant barrier because there the WTO has no provision for notifying the complexity of these – it is crucial to notice that the WTO itself is yet to harmonise the non-preferential rules of origin (N-RoO).⁵⁰

If the same would have happened and the WTO mandated its members to notify all RTA related rules of origin (Preferential rules of origin) variations, figure 2 would have been different, which is yet another gap in the analysis. Besides, one other related statistics that are often not readily available in the trade (diversion and creation) in the post-FTA phase, which is also known as utilisation rates (Tambunan & Chandra, 2014⁵¹). The analysis ASEAN member states by Tambunan clearly express concerns over the gains for MSMEs in individual countries have benefited from these commercial pacts, suggesting a lower utilisation rate.

The recoded NTMs by the WTO with limitation suggest 81 percent of global shares of total NTMs like sanitary and Phytosanitary and technical barriers to trade. There are also challenges from the private standards (non-mandatory) that do not figure in the analysis at all and such standards do play a significant role in value-added agricultural products and other agro-based products.⁵²

Figure 3: Non-Tariff Measures as Barriers to Merchandised Trade



Source: UNCTAD WTO

Centre for WTO Studies Online web-database on SPS and TBT

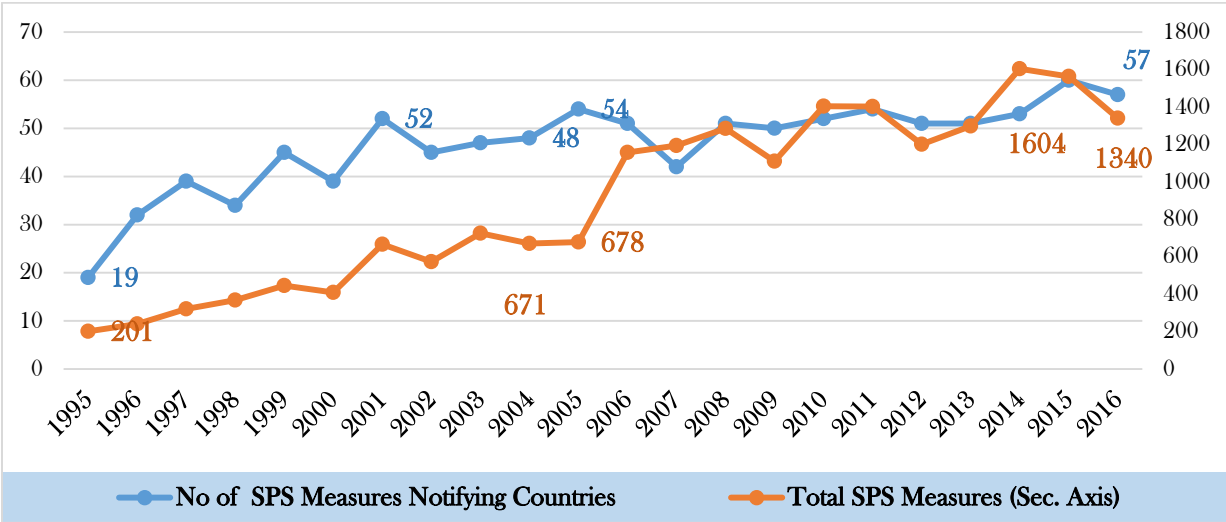
An analysis carried out by the Centre for WTO Studies has revealed that such notifications hide more than what they reveal⁵³. The centre has a unique system to track such notifications as it

provides for up to 90 per cent of such notifications listed at the WTO forum do not provide accurate details of the products they target. Such notifications are listed and provided a trade link so that the non-tariff measures can be traced to products at four-digit HS level. The use of this data set is essential for the assessment of FTAs – inclusion using the inventory method; both frequency index and coverage ratios would provide closer to reality assessment. (Kallummal and Gurung, 2017⁵⁴)

Tracing the yearly trends since 1995 when the Members were required to notify to the SPS and TBT committees – we can observe an apparent increase in their notifications.

Analysis of SPS and TBT databases by the Centre for WTO Studies, trends indicate a surge in these behind and at the border measures which affects the overall market access. The barriers are growing in twin angles, the first being the ever-increasing measures (regulations/legislations) which may need to be complied with and the second is the spread in terms of increase seen the WTO membership.

Figure 4: SPS Measures and Number of Notifying WTO Members (1995 to 2017)



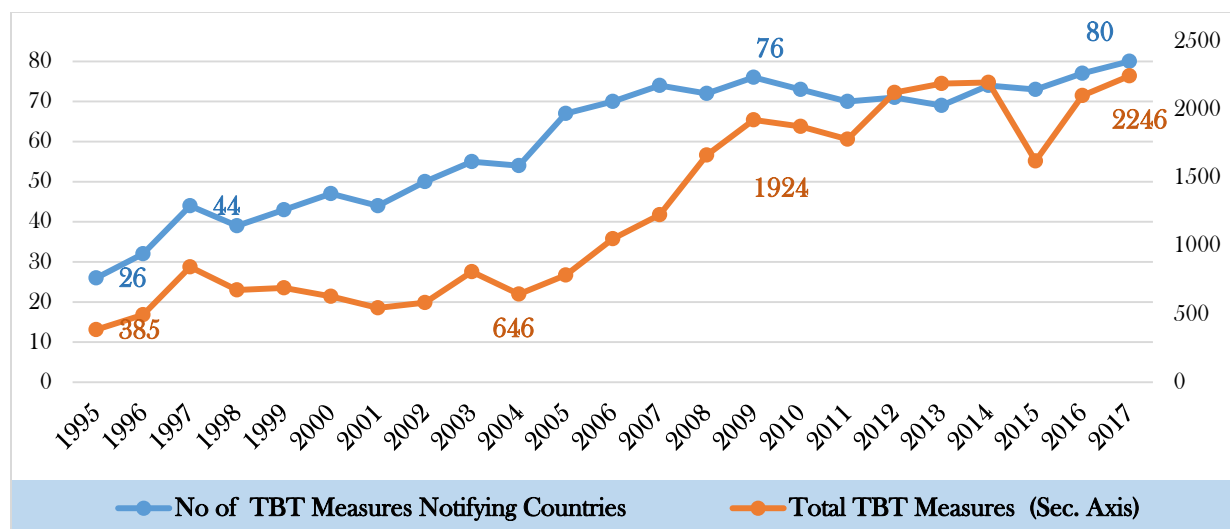
Source: Based on Centre of WTO Studies Database on SPS and TBT measures.

Figure 4 analyses the trends in SPS measures from the point of view of both aspects. In terms of number of WTO members notifying, which is a reflection of acceptance of the instrument as an effective tool is reflected across both SPS and TBT measures. In the case of SPS notifications by the WTO members increased from 19 members⁵⁵ in 1995 to 52 (2001) followed 48 in 2004 and 57 members in 2017. Suggesting a clear spread of these measures that does not indicate any

attempt towards harmonisation. As it is evidence-based on the analysis by Kallummal (2018) that deviations have been on the rise. Further, the SPS measures in terms of mandatory regulations are also not indicating any downward trends.

The mandatory regulations and legislations are also suggesting an increasing trend with two distinct phases or rate of growth. The first phase was from 1995 to 2004 when these mandatory standards increased from 20 in 1995 to 671 in 2004, with a growth rate of 13.5 percent – ‘low base effect’ can be sighted as reason. The lesser number of notifying members indicate the requirement of technological capacity as prerequisite for SPS mandatory notification so that it works effective measures. It also impinging that it is national treatment which makes it difficult to apply in economies with very high unorganised sector – the least developed and developing countries.

Figure 5: TBT Measures and Number of Notifying WTO Members (1995 to 2017)



Source: Based on Centre of WTO Studies Database on SPS and TBT measures.

The assumption needs to be proved with evidence that would require a detailed analysis of the nature of these measures which are more scientific contents like risk assessments dossiers. Only few countries do have the capability and therefore will be limited, the others will have to follow the leaders in scientific and technological capabilities. The SPS legislations require detailed information and developed of a format for the preparation and submission of technical dossiers on issues like hazard identification, exposure assessment, dose-response assessment and risk characteristics leading to fixation of maximum residual limits (MRL) for third-country imports.

Mandatory SPS Regulations

Information Asymmetry is a significant concern in international trade as it affects different income, age and size groups differently. Large industrial houses may not need the support of multilateral/regional/local governments. On the contrary, the small and medium enterprises often lack the capacity and resources to deal with differences in product requirements and applicable conformity assessment procedures and struggle to find the relevant information.

Box 3: Controlling Fall Armyworm through Integrated Pest management

One of the simplest form of restrictions are with respect to pest management and control. The significance of it and the necessity of it is highlighted in the box. The necessity of fumigation and integrated pest management are obvious from the example of Fall Armyworm (FAW). Treatment for elimination of plant and animal pests and disease-causing organisms in the final product and the importance of pest management methods to prevent the infestation of FAW.

The Fall Armyworm (FAW) is a destructive pest, which is native to the tropical and subtropical regions of the Americas and is found everywhere from South America to eastern and Central North America. FAW has targeted over 80 different plants including maize, rice, cotton, sugarcane, wheat and soybeans, and has been particularly devastating in the maize producing regions.

The spread of this pest has been at an unprecedented rates, FAW was first discovered on the African continent in Nigeria in January 2016 and has quickly spread to 44 countries across sub-Saharan Africa.

It emerges from the imbalance in the SPS Agreement and the transparency provision in notifications to the committee by the Member. The systemic issues have long been debated, and these are identified.⁵⁶ All national or sub-federal standards/legislation/regulations⁵⁷ need to be notified, giving the members. The deviations from international standards (three sisters⁵⁸) ed standards Which exempt members from entirely the notification transparency)

SPS mandatory regulations govern imports based on the maximum residual limit (MRL) in parts per million/billion on active substances/ingredients for a long list of agro-chemicals like pesticides, fungicides, weedicides, heavy metals, additives and contaminants.⁵⁹

The initial motivation leading to the TBT Agreement was coordination between national and regional standards and systems of conformity assessment. How did "international standards" come to occupy the central position in the agreement? How could such agreements have been supported by so many governments, in other words, how could this issue create blanches to the general category of "international standards", whose contents they cannot always be responsible for? The central question is according to Harada the processes of standards making and approving the agreements, paying enough attention to the existence of non-governmental actors and the package deal formula applied to these agreements.²

Section III - Information Asymmetry Issue

Mandatory standards expressed in terms of the maximum residual limits (MRLs) when they are stringent or not harmonised to the international standards-setting body. Although, the SPS and TBT Agreements under the WTO encourages countries to harmonise its standards with international standards as provided under the three sisters⁶⁰ as per the SPS agreement and the two non-mandatory standards-setting bodies under the TBT agreement. The SPS Agreement does provide for deviations from international standards based on the risk assessment

The usage of maximum residual limits across many of the RCEP members is not adequately addressed by the Indian trade negotiators. These are non-tariff measures which are mandatorily applied SPS measures. Mostly applied in agricultural (raw) products and addressing food safety and risk concerns.

One of the three international standard-setting bodies, the Codex (FAO/WHO). Sets the international standard indicating the MRLs for close to 10,000 active chemicals (substances/ingredients). Countries are free to deviate from the international bodies but based on scientific justifications or risk assessments carried out either by them or others.

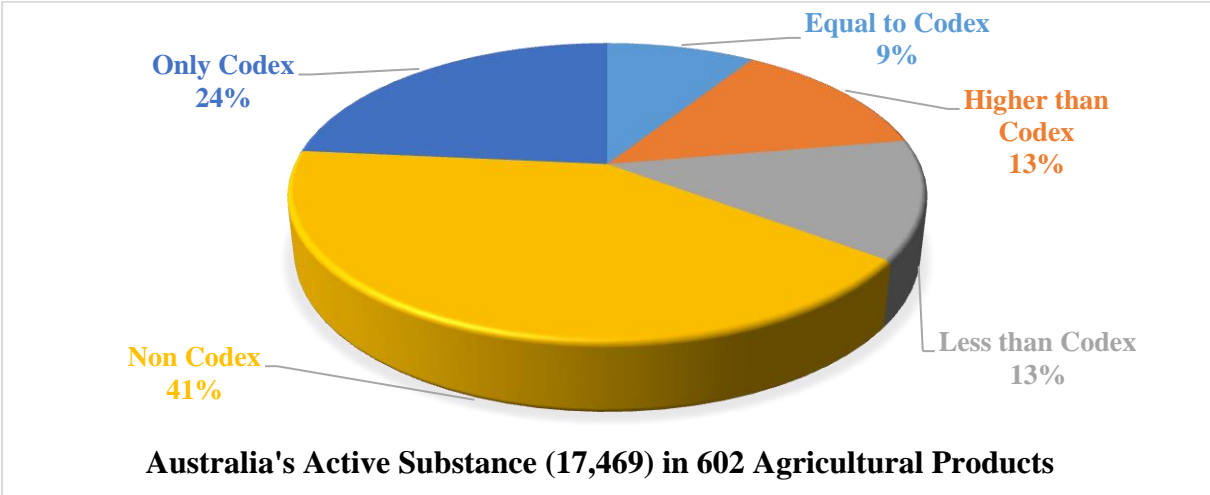
² Harada, S. 2007, "The Enigma of Structure of WTO's TBT and SPS Agreements" Paper presented at the annual meeting of the International Studies Association 48th Annual Convention, February.

The MRLs can be divided based on the comparison with Codex into the following five categories. The first category is ‘equal to codex’, which confirms that the country MRL does not differ from the Codex. The second category is ‘less than Codex’ in this case the MRL designated by the country will be less stringent than the Codex. The third category is “higher than Codex’ these are those MRLs on active chemicals which is more stringent than the Codex measure. The fourth category is ‘only Codex’ there are those wherein the only codex has an MRL, and the country does not mandate any restrictions. The last and most non-transparent are those which the exports from food processing sector belonging to micro, small and medium enterprises (MSMEs) would be most severely hit.

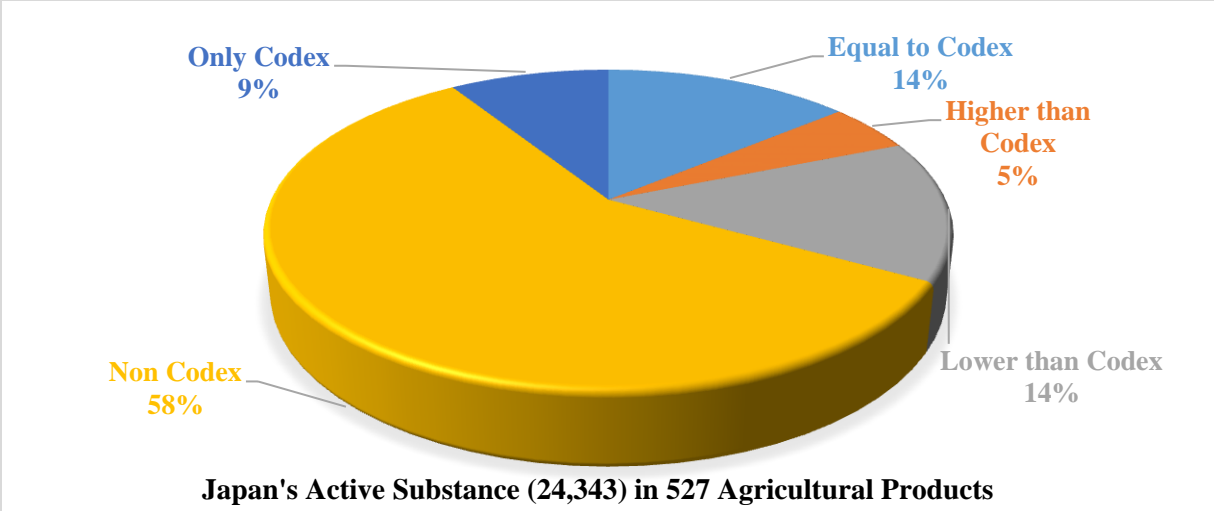
There is a huge gap in the free availability of such information at the international level. There is nobody to collect information on the existence and the changes that are continuously happening in the area of new regulations in the area of food safety. The developed countries have a natural advantage of high per capita income and technological skill to introduce such non-codex MRLs at regular frequencies. Figure 5 indicates the share of non-codex MRLs in Australia (41%), Japan (58%), New Zealand (16%) and Korea Republic (41%).

Figure 6: RCEP Developed Countries Information Asymmetry in SPS Regulations

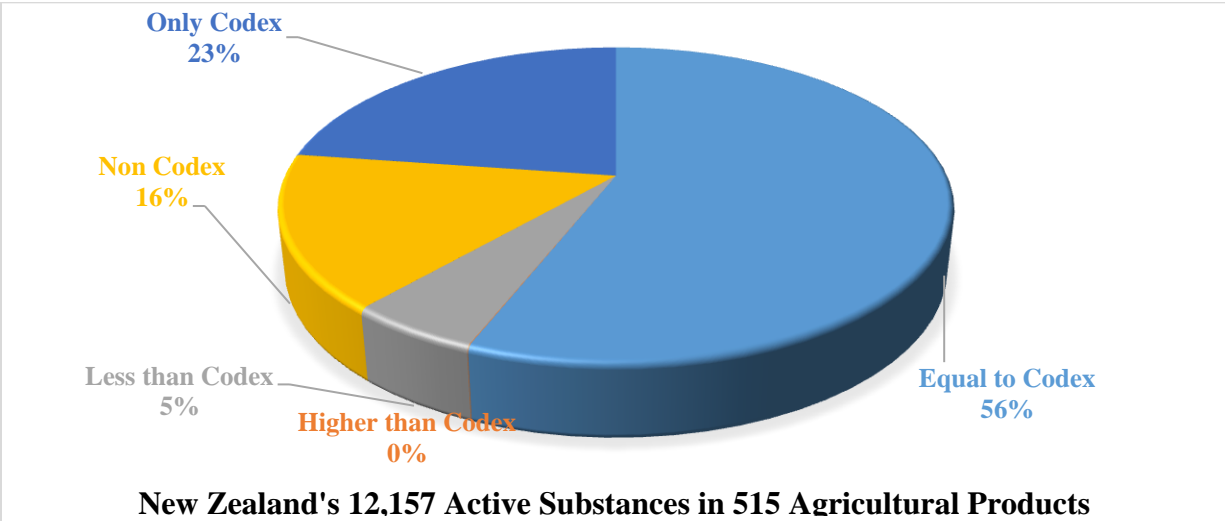
A. Australia



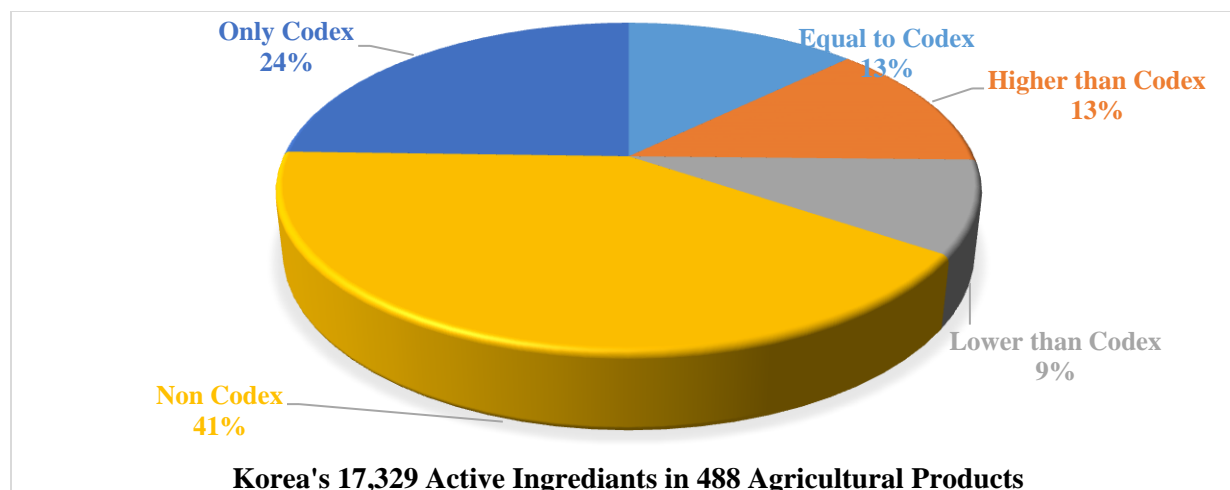
B. Japan



C. New Zealand



D. Korea Republic



There is an urgent need to centralise such information on MRLs applied by the RCEP members. The tariff liberalisation needs to balance with the liberalization/harmonisation of non-transparent measures like non-ad valorem tariffs and SPS and TBT measures. A mechanism to address the issue of information asymmetry is also needed for a gainful outcome from the RCEP negotiations.

Conclusion

Indian policymakers missed to factor in the socio-economic characteristics of its FTA partners'. The process of integration needed to address these concerns unlike its FTA partners which were either developed or emerging economies with relatively higher organised sector contributions. For Example, a similar exercise like the ATiGA should have been carried out, among the 27 states of India, before signing of the FTAs. This exercise would have provided a more cohesive understanding of the needs and regarding the strengths and weakness of Indian Economy. This has led to scenarios wherein the trading possibilities for the exporters have been shrinking in the RCEP total trade, with a steady decline since the time of initiation of negotiation in the year 2012.

The analysis indicates that three hidden barriers for Indian exporters are faced with in the RCEP markets. These are the presence of non-transparent tariffs (non-Ad-valorem) the second is the large presence of non-tariff measures in countries like Japan, Korea, Australia and New Zealand. There is a need to put efforts in the direction of removing the hidden trade barriers which are broadly termed as non-tariff measures. Further, the issue of information asymmetry in the form

on MRLs , which will adversely affect the micro, small and medium enterprises and units. These are aspects which need to be addressed effectively, though the negotiated understanding between parties to the agreement and to be factored into the tariff reduction commitments agreed by the parties. The absence of a central repository for AVEs duties providing aggregated information of the global application of NAVs duties has limited the scope of the analysis. Records on all countries at an aggregated level on the bifurcated data on the ad-valorem and non-ad valorem tariffs – tariff analysis online only provides yearly data that is not compiled for all countries.

Over-dependence on science may not always be logical as scientific theories are falsifiable as it is not certitude. It is well established in recent development in international trade theories and econometric analysis we have newer ways of understanding as we have more empirical evidence emerging from large and diver regions of the world. Therefore, it is imperative to evolve and challenge old theories with newer ones.

If a deal is agreed, then the new direction is amply clear, it emphasised in the EU and US agreement conformity assessment which is also the application of SPS and TBT Agreements upon which nearly all import refusals. To quote:

‘.....have their respective practices of conformity assessment to ensure that manufacturers can only place a product on the market when it meets all the applicable requirements to ensure that unsafe or otherwise non-compliant products do not find their way to their respective markets.’⁶¹

This also addresses the value chain concept. It also calls for testing, inspection and certification. Thus emphasising that differences in approaches to conformity assessment can result in additional costs and lengthy and complicated administrative processes without necessarily improving the safety of products. Evidence from the paper clearly suggests that India requires some serious efforts to synchronise of its agricultural, manufacturing and trade policy (Francis 2019)⁶². Given these issues related non-inclusion as direct outcomes of the existing data gaps, transparency and information asymmetry related issues the policymakers’ ingenuity will be tested as to how they balance the objectives balanced sectoral outcomes. It would also test the efficiency of the calibrated import liberalisation without sacrificing the states-wise sensitivities (livelihood concerns *vis a vis* food security issues). In all this matching and ensuring reciprocal market access for Indian exporters in RCEP market would be the true challenge.

Possibilities of inverted duty structure (IDS) to be avoided in the value chains of final and intermediary products locally produced. The final and intermediate products numbering 256 is identified to be having IDS in value chain at the MFN level. The FTA scenario could be multiple depending upon the tariff reduction category to which the final and inputs could be falling. IDS may exist only if the raw material is in the negative list and the final products in tariff reduction schedule under the FTA tariff schedule of India. It may differ to a temporary disadvantage to completely neutral if the raw material and final products are in two different reduction/elimination categories. However, the number of years would determine how temporary the disadvantage would be (CWS, 2019)⁶³

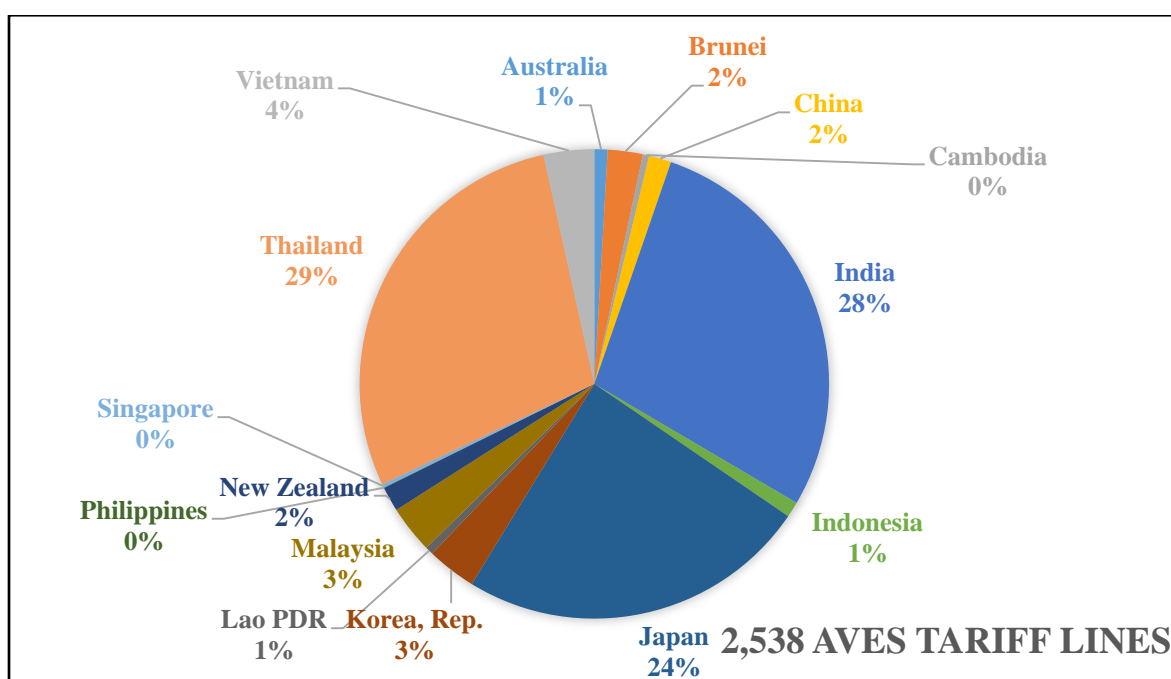
Finally, the RCEP should attempt for better and reasonable measures such as the adoption of trade facilitation measures, consolidation of free trade, as well as strengthening the institutional and intraregional coordination mechanisms.

Annexe Table 1: India's Negative Trade Balance and the Contribution of Three Prominent FTA

Contribution of Negative Trade Balance	ASEAN	Japan	Korea P.R.	Total Share of Three FTAs
Pre-FTA Negative Trade Balance to India's Trade Balance	7.1	3.4	6.2	16.7
Post-FTA Negative Trade Balance to India's Trade Balance	8.5	3.8	6.9	19.2
Difference - Post over Pre-FTA	1.4	0.4	0.7	2.5

Source: Calculations based on WITS online database.

Annexe Figure 1: RCEP Composition of NAVs Duties



Source: Compiled and calculated based on WITS online database.

Annex Table 1:

Categories NAVs	Australia	Brunei	Cambodia	China	India	Indonesia	Japan	Korea, Rep.	Lao PDR	Malaysia	New Zealand	Philippines	Singapore	Thailand	Vietnam	Grand Total
Complex Duty							18									18
Minimum Import Prices (MIP)							19									19
Missing Rates	1				1		1				1	1				5
Mixed Duty - 'and' Type	13			4			57			40						114
Mixed Duty 'or' Type	4				708		281	55		2				694		1744
Not available				2											4	6
Prohibited									14							14
Specific Duty	5	61	11	33	3	27	236	31		41	6		6	28		488
Text Type											36				84	120
Grand Total	23	61	11	39	712	27	612	86	14	83	43	1	6	722	88	2528

Source: Compiled and calculated based on WITS online database.

Annex Table 2:

NAVs	Australia	Brunei	Cambodia	China	India	Indonesia	Japan	Korea, Rep.	Lao PDR	Malaysia	New Zealand	Philippines	Singapore	Thailand	Vietnam	RCEP Total NAVs
AVEs Calculated																
Animal products				6			17									23
Beverages & tobacco						4	21			29	4		6	5		69
Cereals & preparations						11	82	5						29		127
Chemicals				12			9	30		1				4		56
Clothing					184											184
Coffee, tea		16														16
Cotton							16									16
Dairy products	5						47									52
Fish & fish products														34		34
Fruit, vegetables, plants					2		28	27		20				150		227
Leather, footwear, etc.							17									17
Manufactures, n.e.s.							2							5		7
Minerals & metals		4					24			1				16		45

Non-electrical machinery										1						1
Oilseeds, fats & oils						39	10							22		71
Other agricultural products				1		23	13							12		49
Petroleum		1														1
Sugars & confectionery					6	27										33
Textiles				146		64					2			366		578
Transport equipment	13															13
AVEs Not Calculated																
Animal products						16										16
Beverages & tobacco				1						29				21		51
Cereals & preparations		7														7
Chemicals		2		14		2				5						23
Clothing					9								2			11
Electrical machinery				4		4		1					5			14
Fruit, vegetables, plants	4						1		8	1						14
Leather, footwear, etc.													1			1
Manufactures, n.e.s.													12		2	14
Minerals & metals	1	10			1		16						1		1	30
Non-electrical machinery													10			12
Oilseeds, fats & oils									1						44	45
Other agricultural products							3									3
Petroleum		21		11			33					1		13		79
Textiles					369		127									496
Transport equipment													1			85
Wood, paper,etc					2					1		5				8
Total AVEs not Calculated	23	61	11	39	712	27	612	86	14	83	43	1	6	722	88	2528

Source: Compiled and calculated based on WITS online database.

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- 1 The authors is a Professor at the Centre for WTO Studies, CRIT, Indian Institute of Foreign Trade. The views
expressed do not necessarily reflect the institution.
- 2 Inverted duty structures being created owing un-scientific and lack of adequate consultations with private
players. Some of these were addressed under the section 54 along with Rule 89 of CGST act
2017 and in the Budget 2018-19, but the damage was already done for the domestic players as
imports surged in final products from the FTA partners.
- 3 Press Information Bureau, 2018, “*India to double exports by 2025: Suresh Prabhu*”, Ministry of Commerce &
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- 5 Planning Commission, 2011, “*Report of the Working Group on ‘Boosting India’s Manufacturing Exports’*
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[https://www.livemint.com/Opinion/rHODuZ18xX55H1tqPTBz2O/India-needs-to-fundamentally-](https://www.livemint.com/Opinion/rHODuZ18xX55H1tqPTBz2O/India-needs-to-fundamentally-alter-its-export-strategy.html)
[alter-its-export-strategy.html](https://www.livemint.com/Opinion/rHODuZ18xX55H1tqPTBz2O/India-needs-to-fundamentally-alter-its-export-strategy.html).
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[world-exports-to-34/article24228729.ece](https://www.thehindubusinessline.com/economy/modi-wants-to-double-indias-share-in-world-exports-to-34/article24228729.ece).
- 8 Mostly linked to Most Favoured National (MFN) tariff applied under the WTO when the the RTAs are between
WTO members and base rates when the RTAs is with a non member of WTO. When the MFN
applied tariffs/ base rates are decided it is decided between two parties by consensus.
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possibility for RVC creation for India?”, EIIFT New Delhi,
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[countries-agree-to-intensify-negotiations-to-conclude-trade-pact-this-](https://economictimes.indiatimes.com/news/economy/foreign-trade/rcep-countries-agree-to-intensify-negotiations-to-conclude-trade-pact-this-year/articleshow/68234155.cms)
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