

By Our Reporter

## **Non-tariff barriers hurting trade in Asia-Pacific`**

ISLAMABAD: While applied tariffs in the Asia-Pacific region have halved over the past two decades, the number of non-tariff measures (NTMs) has risen significantly, according to a new United Nations report.

The `Asia-Pacific Trade and Development Report 2019` finds that NTMs are now affecting around 58 per cent of trade in Asia and the Pacific.

One reason for the rise of NTMs is their growing popularity as weapons of trade policy in regional and global trade tensions. The report has been launched by UN Economic and Social Commission for Asia and the Pacific (UN-ESCAP).

This can include government procurement limitations, subsidies to export and import restrictions as well as import and export bans through unilateral or multilateral sanctions.

Meeting these complex and often opaque rules can require significant resources, affecting in particular SMEs, it says.

However, the report also notes that NTMs policy regulations other than tariffs affecting international trade can often be legitimate. Most of the NTMs are technical regulations, such as sanitary and phytosanitary requirements on food. The average cost of these measures alone amounts to 1.6pc of gross domestic product, roughly \$1.4 trillion globally.

But they also serve important purposes such as protection of human health or the environment; and can even boost trade under certain conditions.

`While trade costs associated with NTMs are estimated to be more than double that of tariffs, NTMs often serve important public policy objectives linked to sustainable development. The key is to ensure they are designed and implemented effectively so that costs are minimised,` United Nations Under-Secretary-General and Executive Secretary of ESCAP, Armida Alisjahbana, said.