



## **Towards Preparedness of Exporters**

### **CRT Database on Non-Tariff Measures (NTMs) in RCEP Countries**

#### **I. Introduction**

Regional Comprehensive Economic Partnership (RCEP) involves 10 ASEAN member states and six countries namely China, Japan, India, South Korea, Australia and New Zealand. RCEP negotiations cover trade in goods, trade in services, investment etc.

It is considered that while tariff reductions do help increase exports; it is the NTBs that prevent full benefit of an RTA in the sense of full export realization. This is true of every country and India is no exception. At times, the NTMs of trading partners could lead to rejection of export consignments whereby the NTMs act as NTBs. In some other instances too; NTMs become NTBs. The stringency and variation across the NTMs in RCEP countries therefore need to be documented. This in turn helps us to draw important implications of NTMs and formulate an adequate policy response.

Given the above, understanding the SPS and TBT regimes of the RCEP countries are not only useful for Indian exporters to be prepared well in RCEP markets but are also important to understand any problems that may hinder realization of the true potential of India's exports in RCEP.

#### **Defining SPS**

The Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) sets out the basic rules for food safety and animal and plant health standards. It allows countries to set their own standards and they should not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail.

Member countries are encouraged to use international standards, guidelines and recommendations where they exist. However, members may use measures which result in higher standards if there is scientific justification. They can also set higher standards based on appropriate assessment of risks so long as the approach is consistent, not arbitrary.

## Defining TBT

The Technical Barriers to Trade (TBT) Agreement aims to ensure that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade.

At the same time, it recognizes WTO members' right to implement measures to achieve legitimate policy objectives, such as the protection of human health and safety, or protection of the environment. The TBT Agreement strongly encourages members to base their measures on international standards as a means to facilitate trade. Through its transparency provisions, it also aims to create a predictable trading environment.

## **II. How to use this database:**

This database has been envisioned as a resource for Indian exporters and their preparedness in RCEP countries to improve market access and expand exports in RCEP. This database is also important for Indian importers and regulators to create a comparable eco-system of Standards and Technical regulations in the context of RCEP.

This database has 2 steps for both SPS and TBT Measures:

- **Step 1** – An aggregation of all SPS-TBT documentation in the context of RCEP from the WTO-IMS-SPS/TBT website.

It depicts the notified SPS/TBT measures in RCEP countries with following heads:

- Document symbol,
  - Notifying member,
  - Date of distribution,
  - Type of notification – regular, addendum, corrigenda, revisions
  - Product notified (SPS – Free Text, TBT – Free text, HS code, ICS code),
  - Objective of measure,
  - Notifying Agency,
  - Content description,
  - Objective and rationale, and
  - Available relevant international standard.
- **Step 2** – It maps HS 2/8-digit tariff line of India to every available SPS/TBT notification issued by RCEP countries. This is something which is the most time-intensive exercise. **This entails translation of some of the RCEP countries documents.**

### III. A Primer to interpret the RCEP SPS and TBT Database

#### Step 1: Interpreting the basic nomenclature and description of a notification

- A “*notification*” henceforth refers to a document issued by a country with respect to their SPS/TBT regime.

A notification can be of **several** types:

- A new notification detailing measures on a new product after notifying all WTO members is released as a “*regular notification*”,
- Such a notification if issued within a small period of time without notifying other members is an “*emergency notification*”
- An *addendum* is used when there are changes to the regulatory document that has previously been notified, **e.g.** a new plant to be included in the import requirements for nursery stock, or the comment period has been extended by 30 days.
- A *corrigendum* is used when there was an error made in the original notification.
- *Addenda* and *corrigenda* should be read in conjunction with the original notification.
- A *revision* should be submitted when, for example, a particular regulation was substantially modified. The format is similar to that of a regular notification, and it will replace the original notification.
- Addenda, corrigenda and revisions will be notified under either regular or emergency notifications depending on how they were notified in the first place.

In the database, details for Step 1 for SPS can be interpreted as follows:

*For example:*

Document Symbol	Member	Document Type	Date of Distr.	Product	Notification Keywords	Regions Likely to be affected
G/SPS/N/XYZ/001	XYZ	Regular Notification	01/01/2000	Food	Food Safety etc.	All partners

All SPS notification document symbols begin with G/SPS/N/ where the N denotes a notification, followed by the ISO-3 code for the Member and the notification number. In the above example, G/SPS/N/XYZ/001 refers to XYZ- 1st notification submitted to the WTO.

Further columns in the database follow up with a summary of details from the actual text of the notification describing its issuing agency, rationale, relevant international standards etc.

**Step 2:** Deriving SPS Notifications with respect to individual tariff lines.

*For example:*

<b>2 Digit</b>	<b>HS</b>	<b>Description</b>	<b>G/SPS/N/RTS/001- State Admin. For Food Safety (<i>The issuing authority</i>)</b>	<b>G/SPS/N/RTS/002</b>	<b>G/SPS/N/RTS/003- State Admin for Animal Safety</b>
11	111111	ABC	The standard specifies QWS for ABC -----		
	111112	DEF			The standard specifies 123 for DEF----

The entry at RTS/001 describes the content of the SPS regulation that is relevant to ABC depicted by tariff line 11111 in the ITC.

Similarly, the entry at RTS /003 describes a standard for good DEF depicted by tariff line 111112.

The details for Step 1 of TBT can be interpreted as follows:

*For example:*

<b>Document Symbol</b>	<b>Notifying Member</b>	<b>Date of Distr.</b>	<b>Document Type</b>	<b>Product (Free text)</b>	<b>Product (HS)</b>	<b>Product (ICS)</b>	<b>Objective of measure</b>
G/TBT/N/BCD/001	BCD	01/01/2000	Regular Notification	The external lighting and light-signaling devices for motor vehicles and trailers	87 - Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof;	43.040.20 - Lighting, signaling and warning devices;	Consumer protection

**Step 2:** Deriving TBT Notifications with respect to individual tariff lines

**For example:**

<b>2 Digit</b>	<b>HS</b>	<b>Description</b>	<b>Regulator (<i>The issuing authority</i>)</b>	<b>Regulations</b>	
11	111111	ABC	Ministry of Power	The standard specifies XYZ for ABC -----	
	111112	DEF	Ministry of Consumer Affairs		The standard specifies 123 for DEF----

**Note:** This is CRT's first attempt to put together the NTMs database for RCEP. The study has been uploaded on a pilot basis. It is possible that there are issues relating to and/or incorrect data. This database has been created at the best possible level of accuracy with the information available at the time of its creation.

CRT welcomes any domain expertise to offer us Feedback/Comments/Suggestions regarding any facet of this database by emailing to [headcrtoffice@crt.org.in](mailto:headcrtoffice@crt.org.in) so that further refinements can be made.

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