

Chapter 7

Non-tariff Measures in Malaysia

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April 2016

This chapter should be cited as

Devadason, E.S., V.G.R. Chandran and T.T.Cheong (2016), 'Non-tariff Measures in Malaysia', in Ing, L.Y., S. F. de Cordoba and. O. Cadot (eds.), *Non-Tariff Measures in ASEAN*. ERIA Research Project Report 2015-1, Jakarta: ERIA, pp.87-101.

CHAPTER 7

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1. Introduction

Regulatory heterogeneity is a challenge for increasing trade, harmonizing standards, and creating an integrated Association of Southeast Asian Nations (ASEAN) single market. A significant number of non-tariff measures (NTMs)¹⁶ prevail, including non-tariff barriers (NTBs)¹⁷ (RSIS, 2013), arising primarily from diverse national standards and regulations (Pettman, 2013; Norani, 2014).

Efforts are underway to harmonize regulatory standards under the ASEAN Economic Community (AEC). However, there are information shortcomings on the extent of the diversity of NTMs in the various sectors within the ASEAN countries. The picture on NTMs remains sketchy, as the existing databases lack complete information. For this purpose, there is a need for a nuanced understanding on the types and forms of standards and regulations imposed by the member nations not just for recognizing regional measures but also for allowing member nations to adopt each other's regulations and plausibly harmonize some standards within the region.

This chapter constructs and applies a new database to provide a comprehensive assessment of NTMs from the Malaysian perspective. More specifically, the chapter details the diverse types of NTMs for the various sectors based on acts and regulations that prescribe the conditions for importing into and exporting from Malaysia.

¹⁶ NTMs are policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on the international trade in goods, changing quantities traded or prices, or both (UNCTAD, 2010).

¹⁷ Not all NTMs are NTBs.

2. Non-tariff measures database

This chapter deals only with public regulations and standards set by the government measures. The NTMs are drawn directly from a total of 64 related acts and regulations in Malaysia.¹⁸ Only laws¹⁹ enacted by the federal legislature are compiled in the database.

The Food Regulations 1985²⁰ of the Food Act 1983,²¹ which regulate the various aspects of food standards in Malaysia, are analysed separately in this chapter. The reason for this is that the food sector is highly regulated. All food, beverage, and edible agricultural products manufactured locally or imported are required to comply with the guidelines stipulated in the Food Regulations 1985.

The NTMs are based on the classification of import and export measures by the United Nations Conference on Trade and Development (UNCTAD). The database and classification applied in this chapter is considered to be more comprehensive than the measures depicted in the current ASEAN database.²²

3. Overview of non-tariff measures

Table 7.1 provides some general statistics on the NTMs in Malaysia based on the newly constructed database. Clearly, the number of notifications made at the World Trade Organization (WTO) is not a reflection of the number of NTMs in the country (see also Cadot et al., 2013; Malouche et al., 2013). The total number of NTMs recorded for Malaysia is 713, affecting approximately 54 percent of the total tariff lines.

¹⁸ If the act comes with corresponding regulation(s), only the latter is compiled for the database. This is because regulations, commonly known as ‘subsidiary legislations’, are more specific in the description as they are guidelines that dictate how the provisions of the act are applied. The reference to regulations will also avoid any redundancy in coding of the NTMs.

¹⁹ Malaysian written laws are contained in codes and statutes, known as acts, ordinances, and enactments. Acts are laws enacted by the Parliament. Ordinances and enactments refer to laws enacted by state legislative assemblies.

²⁰ Until 2014, several amendments of the regulations have been made.

²¹ There are four regulations under the Food Act 1983: Food Export (Issuance of Health Certificate for Export of Fish and Fish Product to the European Union) Regulation 2009, Food Regulations 1985 (amended 2014), Food Hygiene Regulations 2009 (amended 2014), and Control of Tobacco Product Regulations 2004 (amended 2013).

²² NTM database for ASEAN. <http://www.asean.org/communities/asean-economic-community/item/non-tariff-measures-database>.

Table 7.1. Non-tariff Measures in Malaysia

No.	Comprehensiveness	Number
1	Total NTM-related regulations	64
2	Total NTM reported to the WTO	252
3	Total number of coded NTMs	713
4	Total affected products (HS lines, national tariff lines)	
	a. Total number of affected products	5,127
	b. Share of the number of affected products to the number of total products (%)	54.4%
5	Total issuing institutions	13

Notes: The total number of notifications made at the WTO by Malaysia for TBTs is 216 and for SPS, 36.

Source: Authors' calculation based on the newly constructed 2015 NTM database ASEAN-ERIA-UNCTAD raw data.

Of the total 13 ministries that administer the acts and regulations with trade-related measures, the Ministry of Health is considered the most important, based on the number of NTMs found in the written laws that come under its portfolio (Table 7.2).

Table 7.2. Non-tariff Measures in Malaysia, by Issuing Institutions

Number	Issuing Institutions	Number of NTMs	%
1	Ministry of Health	502	70.4
2	Ministry of Agriculture and Agro-Based Industry	86	12.1
3	Ministry of Natural Resources and Environment	39	5.5
4	Ministry of Plantation Industries and Commodities	27	3.8
5	Ministry of Human Resources Malaysia	14	2.0
6	Ministry of Finance	13	1.8
7	Ministry of Foreign Affairs	9	1.3
8	Ministry of Home Affairs	8	1.1
9	Energy Commission	5	0.7
10	Malaysian Communications and Multimedia Commission	4	0.6
11	Other Institutions	6	0.8
	Total	713	100

Source: Authors' calculation based on the newly constructed 2015 NTM database ASEAN-ERIA-UNCTAD raw data.

Overall, the NTMs in Malaysia are highly concentrated as they are distributed only across seven out of the 16 chapters (Table 7.3). Technical measures dominate the NTMs as they constitute 84 percent of total reported NTMs.

Table 7.3. Non-tariff Measures in Malaysia, by Non-tariff Measure Type

Code	NTM Type	Number of NTMs	%
A	Sanitary and phytosanitary measures	259	36.3
B	Technical barriers to trade	332	46.6
C	Pre-shipment inspection and other formalities	5	0.7
D	Contingent trade protective measures	24	3.4
E	Non-automatic licensing, quotas, prohibitions, and quantity control measures other than SPS or TBT reasons	9	1.3
F	Price control measures including additional taxes and charges	12	1.7
P	Export-related measures	72	10.1
	Total coded NTMs	713	100
	Technical Measures	596	83.6
	Non-technical Measures	117	16.4
	Total coded NTMs	713	100

Source: Authors' calculation based on the newly constructed 2015 NTM database ASEAN-ERIA-UNCTAD raw data.

4. Special case: the food sector

4.1. Food standards, regulations, and international trade

Governments usually set standards for food imports that require foreign producers to meet same standards required of domestic producers (Mitchell, 2003). Likewise, ASEAN member countries are found to arbitrarily adopt food control systems under sanitary and phytosanitary (SPS) measures for imports, despite the fact that ASEAN has several bodies²³ dealing with food safety (RSIS, 2013). The food sector is therefore highly regulated, with various measures related to product characteristics, production, processing, and distribution. The complexity in regulations for the food sector reflect consumers' demand for food safety, firms' reputation for providing safe food and maintaining global market shares, and new hazards that surface in global food trade. These regulations, however, differ across countries in terms of types/forms and desired/ stringency levels, for example, different levels of tolerance for food safety risks and different levels of accidental contamination. The regulations also differ significantly across food types, such as raw and processed food, less and highly perishable food products, and products with low or high incidence of risks for human health.

Hence, differences in regulations, resulting from differences in regulatory approaches and capacity and consumer risk preferences, result in multiple safety regimes that could

²³ These bodies include the ASEAN Expert Group on Food Safety, the ASEAN Task Force on Codex, the ASEAN Consultative Committee on Standards and Quality, and the ASEAN Sub-Committee on Food Science and Technology.

disrupt trade and cause conflict between countries. However, Buzby and Unnevehr (2003) argue that these differences could in fact spark more dialogue between countries, leading to change and improvement in the food safety systems. Further, some argue that implementing food safety standards represents increased compliance costs to firms. Standards may therefore act as a barrier to trade. Notwithstanding that, standards can solve information asymmetries between buyers and sellers and reduce transaction costs (Schuster and Maertens, 2015; Athukorala and Jayasuriya, 2003).

4.2. Regional source for food imports

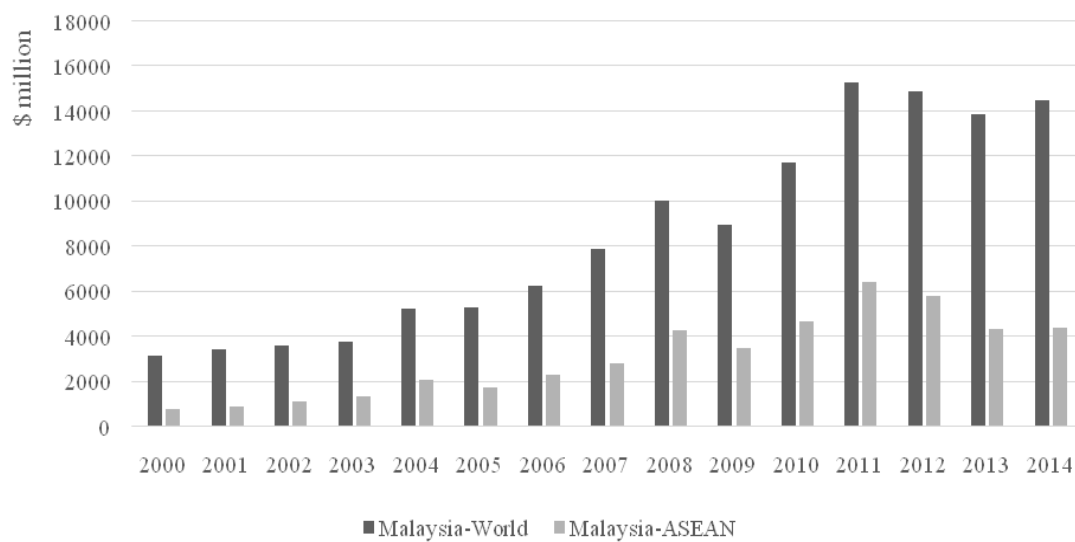
Malaysia's food imports from ASEAN recorded an average annual growth rate of 15.9 percent relative to global food imports at 12.5 percent for 2000–2014 (Figure 7.1). Imports of food from the region rose from US\$80 million in 2000 to US\$4,408 million in 2014. The region is considered an important import source for food²⁴ (RSIS, 2013); it represents 30.4 percent of Malaysia's global imports of food in 2014. On a regional level, food is also identified as a potential sector to derive benefits when the AEC fully rolls out (Pettman, 2013).

By categories of food products, high import concentration is noted, with fats, animal, and vegetable (Harmonized System [HS]15), fish, crustaceans (HS03), cereal, flour, starch (HS19), cereals (HS10), and cocoa (HS18) accounting for more than 60 percent of total imports from ASEAN (Table 7.4). The same products account for large shares in total imports of Malaysia from the world. The only exception is that though ASEAN is not an important source for dairy products, these imports constitute a relatively larger share of global imports to Malaysia.

Within ASEAN, food products are mainly imported from Indonesia and Thailand (Figure 7.2). While Indonesia gained in terms of import market share of Malaysia for food products between 2000 and 2014, the opposite holds for Thailand where the reduction in import reflects the growing importance of Singapore and Viet Nam as food import sources for Malaysia. The four major import markets for food products serve the Malaysian market for different food categories.

²⁴ The move towards the AEC has increased intra-ASEAN trade, largely due to the increase in processed food trade.

Figure 7.1. Malaysia – Food Imports from ASEAN and the World (US\$ million)



ASEAN = Association of Southeast Asian Nations.

Source: Calculated from UN COMTRADE.

The varying market and product concentration of food imports from the region suggest that NTMs are also going to affect the member states disproportionately. Efforts to harmonize standards within the region should also account for the intensity of trade across the different food subsectors.

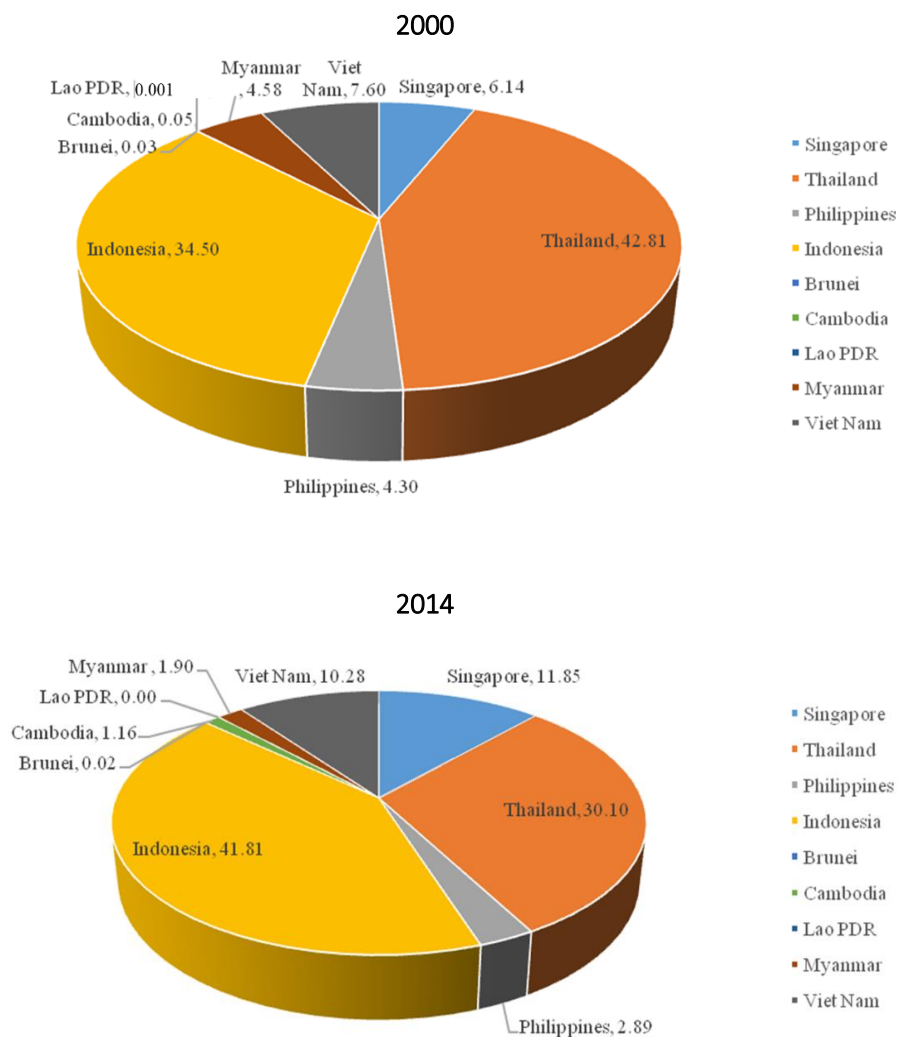
Table 7.4. Malaysia – Import Concentration of Food Products from ASEAN and the World (%)

HS Category	Malaysia–ASEAN			Malaysia–World			2000				2014			
	2000	2006	2014	2000	2006	2014	SGP	THAI	INDO	VNM	SGP	THAI	INDO	VNM
HS 02 Meat, edible	0.79	0.10	0.86	6.18	4.25	6.12	0.10	1.21	0.17	2.56	0.37	2.15	0.00	1.57
HS 03 Fish, crustaceans	19.76	10.45	9.03	8.36	8.05	6.63	4.12	22.16	19.94	12.37	1.34	8.01	9.89	14.45
HS 04 Dairy products	1.42	2.45	0.42	9.66	7.19	8.06	0.75	0.10	3.71	0.66	1.80	0.12	0.21	0.63
HS 07 Edible vegetables	6.21	4.55	2.72	7.70	7.22	5.24	0.10	7.72	2.47	1.43	0.15	3.29	0.35	6.90
HS 08 Edible fruits, nuts	2.50	1.11	2.03	3.54	2.31	3.63	0.01	4.81	1.18	0.21	0.25	3.29	1.19	1.67
HS 09 Coffee, tea, spices	4.93	3.80	4.70	3.07	3.28	3.81	4.64	0.20	8.92	18.44	2.49	0.15	5.62	19.27
HS 10 Cereals	17.10	13.84	8.66	19.72	15.47	12.93	2.61	30.15	0.37	48.02	0.11	14.14	0.01	33.30
HS 11 Milling products	2.93	2.27	3.49	3.09	1.97	2.89	1.47	6.35	0.24	0.44	0.92	9.04	0.64	3.60
HS 12 Oilseeds	3.10	1.73	0.82	7.27	4.41	3.66	0.05	0.59	5.89	7.27	0.05	1.03	0.69	1.31
HS 13 Lac, gums, resins	0.18	0.09	0.13	0.40	0.39	0.34	0.31	0.02	0.24	0.00	0.14	0.03	0.18	0.00
HS 15 Fats, animal and vegetable	11.27	24.30	23.61	4.74	11.60	9.85	9.01	1.26	21.43	2.55	4.59	8.07	47.29	3.25
HS 16 Meat and fish preparations	1.99	1.39	1.04	1.07	0.89	0.93	1.52	3.49	0.13	4.67	0.69	2.23	0.30	1.13
HS 17 Sugars	5.34	1.49	7.74	8.80	7.27	7.83	0.67	10.16	1.76	0.03	0.54	23.33	0.46	3.50
HS 18 Cocoa	8.96	16.95	9.76	3.15	11.71	9.04	3.78	0.14	24.97	0.00	10.20	0.55	19.47	1.45
HS 19 Cereal, flour, starch	6.95	8.12	10.22	4.64	4.92	5.44	34.61	4.76	5.39	0.37	19.17	10.65	6.99	0.60
HS 20 Vegetable and fruit preparations	1.27	0.67	1.12	1.92	1.48	2.16	2.95	2.21	0.15	0.42	0.99	2.51	0.19	0.48
HS 21 Miscellaneous edible preparations	4.40	4.02	9.16	4.98	4.61	6.49	21.96	4.50	2.86	0.51	34.60	6.50	6.35	3.96
HS 22 Beverages	0.91	2.66	4.49	1.72	2.97	4.95	11.33	0.16	0.18	0.04	21.59	4.90	0.15	2.92

HS = Harmonized System; INDO = Indonesia; SGP = Singapore; THAI = Thailand; VNM = Viet Nam.

Source: Calculated from UN COMTRADE.

Figure 7.2. Malaysia – Geographical Concentration of Food Imports from ASEAN, 2000 and 2014 (%)



ASEAN = Association of Southeast Asian Nations; Lao PDR = Lao People's Democratic Republic.
Source: Calculated from UN COMTRADE.

4.3. Food safety standards in Malaysia

A total of 488 NTMs, affecting 1,349 tariff lines, are found in the food regulations, and all of which comprise technical measures. Within the technical measures category, 55 percent constitute technical barriers to trade (TBTs)²⁵ and the remaining 45 percent are SPS measures.²⁶ Since all NTMs hail from the TBT and SPS chapters, Table 7.5 reports the frequency counts of NTMs within those two chapters.²⁷

²⁵ TBTs are also the major impediment for the expansion of regional and global trade in processed food (AFBA, 2014).

²⁶ The SPS refers to measures to protect human, animal or plant life, or health.

²⁷ There are 42 and 31 sub-chapters for SPS and TBT, respectively, based on the UNCTAD classification.

Table 7.5. Frequency Counts of Non-tariff Measures for Sanitary and Phytosanitary and Technical Barriers to Trade Chapters

A	SPS	Number	%
A14	Special authorisation requirement for SPS reasons	4	1.8
A19	Prohibitions/restrictions of imports for SPS reasons n.e.s.	1	0.4
A21	Tolerance limits for residues of or contamination by certain (non-microbiological) substances	1	0.4
A22	Restricted use of certain substances in foods and feeds and their contact materials	125	56.3
A31	Labelling requirements	66	29.7
A33	Packaging requirements	9	4.1
A41	Microbiological criteria of the final product	1	0.4
A42	Hygienic practices during production	3	1.3
A51	Cold/heat treatment	6	2.7
A63	Food and feed processing	1	0.4
A64	Storage and transport conditions	1	0.4
A82	Testing requirement	4	1.8
B	SPS	222	100
B31	Labelling requirements	65	24.4
B6	Product identity requirement	37	13.9
B7	Product quality or performance requirement	164	61.6
	TBT	266	100

SPS = sanitary and phytosanitary; TBT = technical barriers to trade.

Source: Derived from the Food Regulations 1985.

Labelling requirements are even more important for a country like Malaysia, where more than half the population is Muslim, as such requirements apply to products containing pork and alcohol. In addition, among the ASEAN countries that follow the Codex Alimentarius guidelines,²⁸ only Malaysia makes nutrition labelling mandatory for energy, protein, carbohydrate, fat, and total sugars for foods that are commonly consumed (bread and milk, canned meat, fish, vegetables, fruit and fruit juices, salad dressing and mayonnaise), and for various types of beverages (Kasapila and Sharifudin, 2011; Pettman, 2013).

²⁸ For other ASEAN countries that follow the Codex Alimentarius guidelines, nutrition food labelling is voluntary, unless nutrition or health claims are made on food packaging or if the food is for a special purpose (diabetic and fortified foods).

Within the 28 subcategories of the food sector, the frequency count of NTMs is highest for (i) salt and spice followed by (ii) sweetening substance, (iii) edible fat and edible oil, (iii) alcoholic beverage, and (v) tea, coffee, chicory, and related products (Table 7.6).

4.4. Harmonization of food trade in ASEAN: some thoughts

ASEAN members have begun to recognize the desirability of having common measures. For trade purposes, harmonization of standards enables food companies to adhere to one set of regional regulations instead of adjusting to a diverse array of regional standards of member countries. Following which, ASEAN members have expressed their intention to use global food standards²⁹ as a basis for harmonization efforts in the food sector at the regional level. Yet, there has not been much progress in this regard (AFBA, 2012).

One reason is that the diverse regulations that govern food and nutrition labelling across ASEAN rest on the different international guidelines followed by member countries when preparing national regulations. Kasapila and Sharifudin (2011) point out that for food and nutrition labelling, Singapore, Malaysia, Brunei, Lao People's Democratic Republic, Viet Nam, and Cambodia have followed the Codex guidelines³⁰ in preparing their regulations. Conversely, Thailand and the Philippines, to some extent, have adopted the United States nutrition labelling guidelines. Further, member countries with more developed food safety systems have also adopted the 'hazards'-based approach, which does not allow for regulatory convergence, as there is no common basis for the adoption of common food safety standards. What is needed is a shift towards a 'risk'-based approach, which comes with a scientific basis (see also Henson and Caswell, 1999), to adopt common safety standards.

²⁹ Organizations that are working to harmonize regulations in the food sector include Codex Alimentarius, the World Trade Organization, the Food and Agricultural Organization, the World Health Organization, the International Standardization Organization, the Global Harmonization Initiative, and the International Union of Food Science and Technology.

³⁰ The Codex Alimentarius is significantly relevant for international food trade, as the food standard issues cover specific raw and processed materials characteristics, food hygiene, pesticides, residues, contaminants, and labelling and sampling methods.

Table 7.6. Frequency Counts of Non-tariff Measures for Sanitary and Phytosanitary and Technical Barriers to Trade Chapters, by Product Group

Product Category	No.	A14	A19	A21	A22	A31	A33	A41	A42	A51	A63	A64	A82	B31	B6	B7
Cereal, cereal product, starch and bread	25				8	3								3	3	8
Malt and malt extract	4					1								1		2
Food aerating substance	9				1	3								3		2
Milk and milk product	2													1		1
Sweetening substance	44	1			17	5			2					4	1	14
Confection	8		1		4	1								1		1
Meat and meat product	25			1	4	4				1				4	3	8
Fish and fish product	26				5	3	1				1	1		3	2	10
Egg and egg product	7					1				3				1	1	1
Edible bird's nest and edible bird's nest product	2				1				1							
Edible fat and edible oil	44				19	2								2		21
Vegetable and vegetable product	20				4	3	2			1			2	3	1	4
Soup and soup stock	2				1	1										
Fruit and fruit product	24				5	4	2							4		9
Jam, fruit jelly, marmalade, and seri kaya	7					2								2		3
Nut and nut product	11				5			1								5
Tea, coffee, chicory, and related product	34				6	8								8	3	9
Cocoa and cocoa product	8				4										2	2
Milk shake	1															1
Salt and spice	70				23	3								3	8	33
Vinegar, sauce, chutney, and pickle	16				1	4							2	3		6
Soft drink	19				2	5								5	3	4
Natural mineral water	0															
Packaged drinking water	4	1				1	1							1		
Alcoholic beverage	42				8	5	1							6	8	14
Shandy	3				1	1								1		
Special purpose food	23				5	5	1			1				5	2	4
Water, ice, or steam	3	1														2
FOOD PRODUCTS*	5	1			1	1	1							1		
Total	488	4	1	1	125	66	9	1	3	6	1	1	4	65	37	164

Note: *Includes the general requirements for food products obtained through modern biotechnology. These guidelines were enforced on 8 July 2014.

Source: Derived from the Food Regulations 1985.

Notwithstanding the differences in the regulatory framework of member countries, various efforts are already underway to address the issue of harmonization. The ASEAN Consultative Committee on Standards and Quality and the ASEAN Consultative Committee on Standards and Quality Prepared Foodstuff Products Working Group are both responsible for the harmonization and convergence of food safety and quality standards. Following which, several initiatives have been launched. The ASEAN Common Principles of Food Control System, which includes regional requirements for the labelling of pre-packaged foodstuffs, provides some direction for member countries to align their national food and nutrition regulations with those generic labelling requirements. The ASEAN Food Reference Laboratories, which coordinate and monitor food-testing activities, support the ASEAN Common Principles of Food Control System. Finally, the ASEAN Risk Assessment Centre, tasked with risk assessment activities, recognizes the importance of the 'risk' approach for the harmonization of standards.

It is important to recognise that complete harmonization may not be practical or politically feasible. As such, harmonization of regulations in the subsectors that have high product coverage of NTMs (cover a large number of products) would make more sense. While harmonization of standards is often done through benchmarking with international standards, members also need to realise that improving region-wide regulatory practices may in turn help members overcome difficulties in adhering to international standards (RSIS, 2013; AFBA, 2012).

The premises for harmonization often build on the elimination of TBTs, having recognized that these are prominent in the region (AFBA, 2014). Not all NTMs (including TBTs) are NTBs. As pointed out by Malouche et al. (2013), the onus for policymakers should not be on the suppression of NTMs, given the legitimacy of these measures. From the Malaysian perspective, there are only a few recent cases of *potential* NTBs (not clearly defined NTBs) related to food products, as reported by other member countries. Table 7.8 presents three recent cases levelled by Viet Nam, Brunei, and Indonesia against Malaysia. Most of these cases have been resolved with the member countries.

Table 7.7. Recent Reported Cases of Non-tariff Measures/Non-tariff Barriers in Malaysia

NTM	Reporter	Issue	Concern	Status/ Remarks
Import licensing/SPS/ permits and related measures	VNM	Malaysia maintains TRQ for live pigs (HS 0103.91000, HS 0103.91000), live poultry (0105.11900, 010594190), pork of various kinds (HS 0203.11000, 0203.21000); poultry meat (0207.11000, 0207.12000, 0207.130000, 0207.14000), milk (0401.10110, 0401.20110, 0401.30110), chicken eggs and duck eggs (0407.00111, 0407.00112, 0407.00910, 0407.00920), round cabbage (0704.90110). While the tariff rate within quotas is from 10–25%, it has high outside quotas, from 20%, 40%, 50%, and 90% respectively. (31/5/2012)	-	Agency managing quotas and grant import license is the Animal Health Department. Other cooperating agencies include Ministry of Agriculture and Ministry of Health. (31/05/2012) TRQs are not applicable for ASEAN countries. VNM will revert since it needs to check with its private sector. (1/6/2012) VNM (12/7/2013): VNM considered this case resolved.
Import permit on meat products	BN	Export and import meat that pass through Limbang is being subjected to charges by the Malaysian Agriculture Department for import permit at RM0.10 per kg of meat products and RM10 per export permit.	It affects the price of meat products.	MY Comment: Sarawak State Government has agreed to waive the licence/permit fees as specified under the Third Schedule of the Veterinary Public Health Ordinance, 1999 for the import/export of livestock (animal and fish) and livestock products between Brunei and Sarawak, effective 1 March 2012. A letter to that effect has been sent to Brunei. (14/05/12)
Border measures	INDO	Malaysia requires imported wheat flour must obtain licence in advance, in accordance with the quota set by Malaysian authorities. (15/2/2012)	ATIGA Article 20 provides that ASEAN member states eliminate TRQs.	MY comment: The import licence or AP is required for monitoring purpose. No quota set for importation of wheat flour. (14/05/12) INDO: request MY to provide the relevant information. (LE/regulations/website) (1/6/2012) MY (12/7/2013): Refer to the information on www.customs.gov.my

ASEAN = Association of Southeast Asian Nations; ATIGA = ASEAN Trade in Goods Agreement; BN = Brunei; HS = Harmonized System, INDO = Indonesia; MY = Malaysia; NTB = non-tariff barrier; NTM = non-tariff measure; SPS = sanitary and phytosanitary; TRQ = tariff rate quota; VNM = Viet Nam.
Source: Malaysian International Trade and Industry (2015).

Thus, the focus should shift away from eliminating NTMs to streamlining NTMs across the region, irrespective of the regulatory rapprochement that is taken; mutual recognition³¹ or harmonization. In this respect, given the high frequency of these measures in the food sector, this chapter contends that the harmonization of standards and regulations should give priority to the following two areas:

- labelling for SPS and TBT reasons; and
- restricted substances on food.

Though the above suggestion is based on the frequency of NTMs found in the food sector from the regulatory framework of Malaysia, AFBA (2014) has also identified the above two areas (among three others) as priorities for harmonization within ASEAN. It should also be sector specific as the food sector is highly diversified and trade within the region will undeniably be concentrated in a few subsectors.

5. Concluding remarks

To move forward in facilitating trade within the region, the food sector should be the focus of policymakers. The harmonization of standards and regulations in the food sector, more specifically, would be best done in a piecemeal fashion. First, the focus is to prioritise the task of harmonization by considering specific NTMs and specific subsectors of food highly tradable within ASEAN. Second, the focus is to examine which of the NTMs in the highly tradable sector of the region could impede trade.

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³¹ Mutual recognition involves the acceptance of different forms of food safety regulation among countries as 'equivalent' (Henson and Caswell, 1999).

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