



# TPSA Project Conducts a Non-Tariff Measures Training Program for Indonesian Government Officials

Understanding non-tariff measures (NTM) and their trade effects is essential to understanding 21st-century trade patterns, yet often little understood. The ability for a country to enter new markets depends increasingly on compliance with NTMS that are not addressed in traditional trade policies.

A 2013 report by the United Nations Conference on Trade and Development (UNCTAD) notes that "traditional trade policies such as tariffs and quotas no longer have a significant impact on restricting market access.... The fact that tariff liberalization alone has generally proven unsuccessful in providing genuine market access has drawn further attention to non-tariff measures (NTMs) as major determinants in restricting market access."<sup>1</sup> These NTMs represent a major challenge for exporters, importers, and policy-makers.

While many NTMs are focussed on non-trade objectives, such as protecting public health or the environment, they can affect trade and can unintentionally become discriminatory against smaller exporters, as well as medium- and low-income countries.

To enhance understanding of NTMs, the Canada-Indonesia Trade and Private Sector Assistance (TPSA) Project, which is funded by Global Affairs Canada and administered by The Conference Board of Canada, organized a training program during the third week of March 2016. The program was delivered by two experts from UNCTAD—Christian Knebel and Chi Le Ngo. Thirty government officials from the project's partner, the Ministry of Trade of Indonesia, attended the course.



UNCTAD experts deliver NTM training.

## UNCTAD and NTMs

Comprehensive, systematic, and reliable information about NTMs is scarce and difficult to obtain. UNCTAD coordinates the international effort to improve access and increase transparency with regard to NTMs and trains experts globally to collect and classify information about these measures.

The collection of NTM data is a resource-intensive task and requires specific technical knowledge. In this context, the classification of NTMs was extensively discussed and agreed upon by several international organizations forming what was called the Multi-Agency Support Team (MAST)<sup>2</sup> in 2006.



The collection, classification, and analysis of NTMs has been a regular activity of UNCTAD. The Trade Information Section of the Trade Analysis Branch in UNCTAD has a target of collecting NTMs covering 90 per cent of world trade by the end of 2016.

## Introduction to NTMs and the Data Collection

The training program kicked off with an introductory course on NTMs that provided participants with a basic understanding of NTMs and the data collection of NTMs. Topics included the definition and classification of NTMs, as well as the programs that UNCTAD and its partners have been running in order to identify, collect, classify, systematize, and analyze NTMs. Participants were taught the fundamentals of NTMs to enable them to answer such questions as:

- What are NTMs? How are NTMs different from tariff measures?
- How are NTMs distinguished and coded?
- How can the NTMs applied by one country be identified?
- What online platform provides access to the NTMs compiled by UNCTAD and its partners?
- How can NTM data be "read" and used for trade analysis?
- How do NTMs affect trade?
- What is the importance of NTMs to trade and trade negotiation?

The training also included a discussion of the Harmonized Systems of product classification and practical exercises on NTMs.

"The training not only brought me new knowledge and understanding of NTMs, but also connected me to a new network in UNCTAD."

—GOLDY EVI GRACE SIMATUPANG  
Trade Analyst, Directorate of Multilateral Negotiation,  
Directorate General for International Trade Negotiation

## Using the NTM Data for In-Depth Analysis

After the two days of introductory training, UNCTAD experts delivered training on in-depth assessment of NTMs in priority product markets



Participants learn about how NTMs affect trade.

of Indonesia (the U.S., Canada, Australia, China, and the Association of South East Asian Nations [ASEAN]) based on a list of priority products suggested by Trade Policy Analysis and Development Agency (TREDA).

The training included research and impact evaluation of NTMs in the global context and regional integration, ASEAN data collection and a joint research project of UNCTAD and the Economic Research Institute for ASEAN and East Asia (ERIA), and statistical analysis of regulatory convergence among Indonesia and ASEAN/extra-regional partners.

The experts also guided the participants through the content of online platforms containing NTMs developed by UNCTAD and its partners. Of note was a recently launched website, <http://asean.i-tip.org/>, in which NTMs and statistics on NTMs in the ASEAN countries are presented.

## Participant Feedback

The training course was very successful and achieved its goals of familiarizing participants with NTMs and improving their ability to analyze the effects of NTMs on Indonesia's trade performance. Participants particularly appreciated that the activities were customized according to the needs of the Ministry of Trade.

The participants were enthusiastic and motivated to learn during the training. Most cases in the practical exercises were solved successfully by the participants.

In a post-training questionnaire, 100 per cent of participants reported that their skills had improved



Participants and trainers celebrate the successful conclusion of the course.

with the training. Nearly 90 per cent said they would use the knowledge from the training in their work, and 85 per cent rated the training from "good" to "excellent."

### Follow-Up Activities

At the end of the training, participants divided themselves into groups for the next phase. In the eight-week follow-up program, UNCTAD experts continued their training and support via e-mails and Skype to help TREDAs participants conduct a research study on the NTMs in Canada that are affecting Indonesian exports.

"Thank you very much to TPSA and the UNCTAD experts for a valuable training program. As a person who works very closely with data for research purposes, I gained so much from this training. I was able to see and experience how sound data analysis can contribute to a significant solution. I expect to use the knowledge I gained from today's training for greater work in my professional area."

—ENDAH AYU NINGSIH  
*Statistician for the Center of International Trade Cooperation, Trade Policy Analysis and Development Agency*

The groups worked on producing fact sheets on priority exported products (coffee, footwear, textiles and furniture, coconut products, pepper, and

paper) from Indonesia to its partners, including Canada, and on case studies on the global value chains of those products (coffee, footwear, textiles, and toys).

### Conclusions

The NTMs training and research guidance will help to achieve the goal of increasing exports from Indonesia to Canada by enabling researchers to identify the NTMs that are hindering exports. UNCTAD and its partners have collected and classified NTMs of both Indonesia and Canada. These data are comprehensive, covering all regulations for both exports and imports.

UNCTAD data of NTMs in Indonesia and Canada will enable staff from the Ministry of Trade of Indonesia to map the NTMs that are most important for Indonesian exports to Canada, and suggest possible negotiating positions for the Indonesian government to address NTMs of Canada affecting Indonesian exports.

### About the TPSA Project

TPSA is a five-year C\$12-million project funded by the Government of Canada through Global Affairs Canada. The project is executed by The Conference Board of Canada, and the primary implementation partner is the Directorate General for National Export Development, Ministry of Trade.

TPSA is designed to provide training, research, and technical assistance to Indonesian government



agencies, the private sector—particularly small and medium-sized enterprises (SMEs)—academics, and civil society organizations on trade-related information, trade policy analysis, regulatory reforms, and trade and investment promotion by Canadian, Indonesian, and other experts from public and private organizations.

The overall objective of TPSA is to support higher sustainable economic growth and reduce poverty in Indonesia through increased trade and trade-enabling investment between Indonesia and Canada. TPSA is intended to increase sustainable and gender-responsive trade and investment opportunities, particularly for Indonesian SMEs, and to increase the use of trade and investment analysis by Indonesian stakeholders for expanded trade and investment partnerships between Indonesia and Canada.

The expected immediate outcomes of TPSA are:

- improved trade and investment information flows between Indonesia and Canada,

particularly for the private sector, SMEs, and women entrepreneurs, including trade-related environmental risks and opportunities;

- enhanced private sector business links between Indonesia and Canada, particularly for SMEs;
- strengthened analytical skills and knowledge of Indonesian stakeholders on how to increase trade and investment between Indonesia and Canada;
- improved understanding of regulatory rules and best practices for trade and investment.

For further information, please contact the Project Office in Jakarta, Indonesia:

**Mr. Gregory A. Elms, Field Director**

*Canada–Indonesia Trade and Private Sector Assistance (TPSA) Project*

Canada Centre, World Trade Centre 5, 15th Floor  
Jl. Jend. Sudirman Kav 29–31 Jakarta 12190,  
Indonesia

Phone: +62-21-5296-0376, or 5296-0389

Fax: +62-21-5296-0385

E-mail: [greg@tpsaproject.com](mailto:greg@tpsaproject.com)

## ENDNOTES

- <sup>1</sup> UNCTAD, *Non-Tariff Measures to Trade: Economic and Policy Issues for Developing Countries* (Geneva: United Nations, 2013), vii. <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=625> (accessed July 26, 2016).
- <sup>2</sup> MAST comprises the following organizations: Food and Agriculture Organization of the United Nations, International Monetary Fund, International Trade Centre, Organisation for Economic Co-operation and Development, United Nations Conference on Trade and Development, United Nations Industrial Development Organization, World Bank, and World Trade Organization.