



# **The Role of ASEAN in Addressing Regulatory Burdens**

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# Good Regulatory Practice (GRP) in ASEAN's economic integration

- A meaningful ASEAN Economic Community cannot be realised by the opening of markets alone.
- Market access needs to be facilitated by GRP, which will in turn support business growth and entrepreneurship, promote investment and innovation.
- In ASEAN context, enhanced regulatory practice and capacity are key to the effective implementation of regional commitments at the national level and to the region's long-term competitiveness. Robust M&E contributes to the monitoring of such process.
- GRP in ASEAN: Not novel; implicit in various measures and initiatives.
  - *Example: the ASEAN GRP Guide (2009), used in conjunction with the ASEAN Policy Guideline on Standards and Conformance (2005).*
- BUT is given a greater prominence in the AEC Blueprint 2025

## GRP in the AEC Blueprint 2025

- Element B7 *“Effective, Efficient, Coherent and Responsive Regulations and Good Regulatory Practice”* under the second characteristic of *“A Competitive, Innovative and Dynamic ASEAN”*
- Other elements: Good Governance (Element B6), Strengthening the role of the private Sector (Element D2), and Contribution of Stakeholders on Regional Integration Efforts (Element D5).
- **GRP is NOT just about Non-Tariff Measures (NTMs)**
- The principles and spirit of GRP are observed in the AEC work across sectors as more emphasis is placed on:
  - Streamlining processes
  - Reducing transaction costs
  - Enhancing stakeholder consultations and engagement
  - Fostering inclusivity and transparency
  - Encouraging M&E and review process
  - Adapting to changing context e.g. global value chains, e-commerce

*\*Less regulatory burdens do not necessarily mean less regulations, but less bad regulations.*

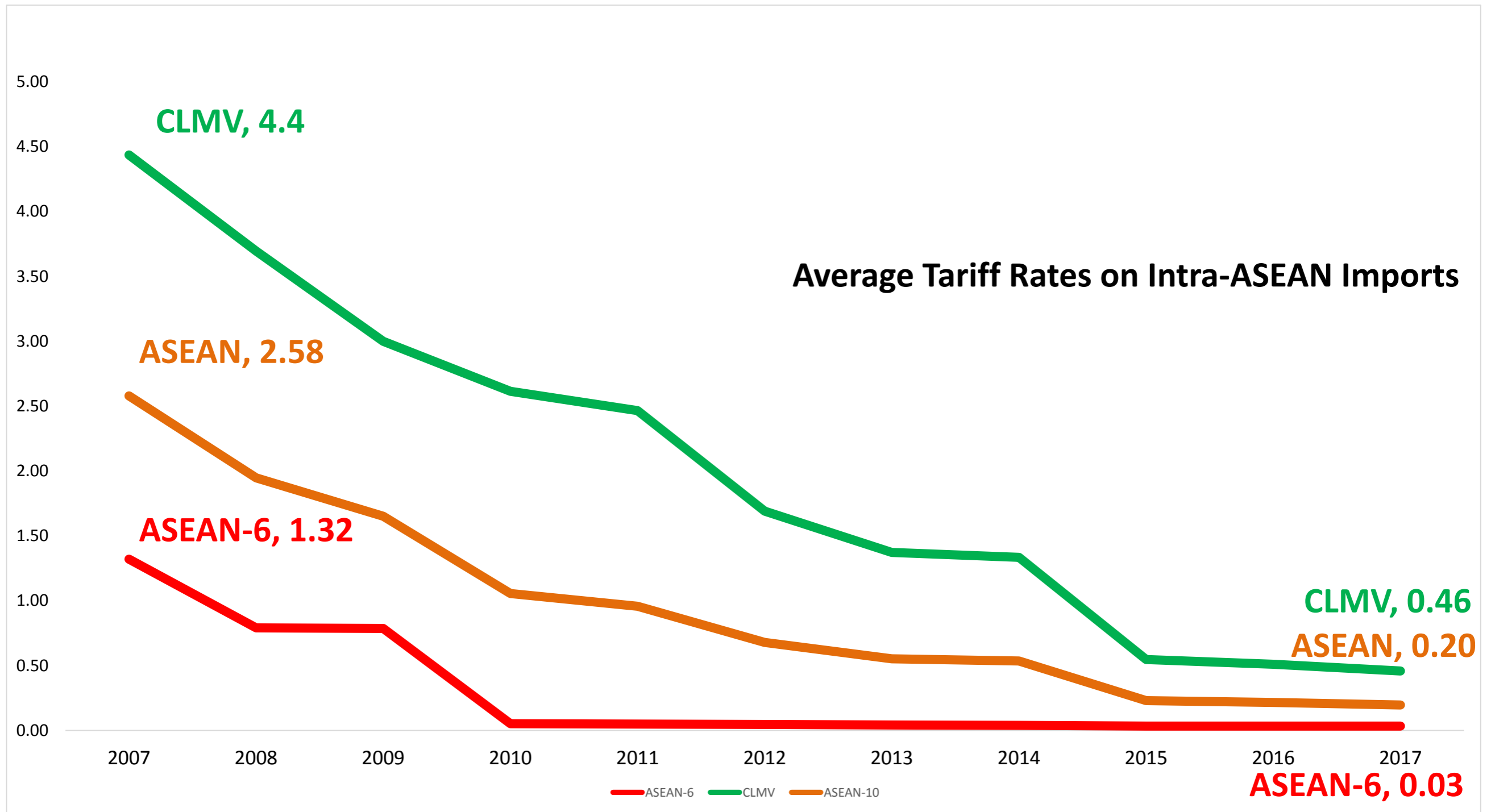
# ASEAN Work Plan on GRP 2016-2025

## Four priority areas of the ASEAN Work Plan on GRP 2016-2025

Secure commitments to GRP at the political level	Strengthen strategic efforts to implement GRP	Conduct piloting of GRP in strategic sectors at the regional level	Develop awareness and capacity building on GRP
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- **Adopted** at the 23rd ASEAN Economic Ministers' (AEM) Retreat in March 2017, and endorsed intersessionally by the AEC Council Ministers in April 2017.
- **Aims** at mapping and sequencing ASEAN work on GRP in four (4) priority areas
- **Takes into consideration** relevant work at the sectoral level, focus on securing commitment at the political level, and providing strategic directions on ASEAN work on GRP, with possible cascading to the sectoral work.

# Towards a Single Market and Production Base (1 of 4)



Note : From 2007-2009, based on Common Effective Preferential Tariff; 2010 onward, based on ASEAN Trade in Goods Agreement  
 Source: ASEAN Secretariat



## **Towards a Single Market and Production Base (2 of 4)**

- **Trade in Goods:** to reduce or eliminate border and behind-the-border regulatory barriers that impede trade, so as to achieve competitive, efficient, and seamless movement of goods in ASEAN.
- Tariffs eliminated But NTBs would impede real market access

### **Sectoral work plans:**

- Strategic Action Plan for Trade in Goods (2016- 2025);
- ASEAN Standards and Conformance Strategic Plan 2016-2025; and
- ASEAN 2025 Trade Facilitation Strategic Action Plan;

### **Current GRP Focuses on:**

- Non-Tariff Measures;
- Standards and Conformance.

## Towards a Single Market and Production Base (3 of 4)

### Non-Tariff Measures (NTMs):

- NTMs are not bad in themselves; address legitimate policy concerns
- More developed, less NTMs? *Not necessarily*. As countries become more developed, their economies more complex, NTMs may increase.
- NTMs become a problem when used to restrict competition and trade – resulting in trade **barrier effects** or become NTBs. *\*In ASEAN, NTBs may hamper economic integration efforts*
- Even “Good” NTMs have cost implications: enforcement & compliance
- ASEAN Trade in Good Agreement (ATIGA) Chapter 4:
  - NTMs in accordance with WTO rights
  - NTMs permissible & transparent – notification, prior consultations
  - Commitment to address NTBs
- Tools:
  - ASEAN NTM database to be updated and incorporated in the ASEAN Trade Repository/National Trade Repository;
  - Guidelines on NTM being developed; and
  - Notification procedures to be enhanced.

# Proposed national & ASEAN regulatory process

Initiation of regulations  
(Request by domestic  
constituents/regional  
commitments)

Analysis by  
Parliamentary  
bodies

Notifications  
to ASEAN and  
comments by  
AMS

Legislation by  
Parliaments

Publication  
on national  
and ASEAN  
websites



# Towards a Single Market and Production Base (4 of 4)

## Standards and Conformance

- Frontrunner of GRP work, with the 2005 *ASEAN Policy Guideline on Standards and Conformance*, supported by 2009 *GRP Guideline (now under review)*.
- Expectation: improve consistency and transparency of technical regulations, promote GRP to ASEAN regulators
- Principles considered in preparing standards, technical regulations and conformity assessment procedures:
  - Clearly identify, and effectively address the identified, policy objective(s)
  - Have a sound legal and empirical basis
  - Produce benefits that justify costs – take into consideration distribution of effects across society (econ, env, social), and market distortions
  - Consistent with other regulations and policies
  - Transparent to both regulators and stakeholders
  - Based on international or national standards; legitimate reason or any deviation
  - Be least trade restrictive in achieving these objectives
  - Accord equal treatment to products of national origin and like imported products

## GRP and SMEs

- The costs of regulatory burdens disproportionately higher for SMEs
- **Strategic Action Plan for SME Development 2016-2025**
  - ASEAN Regional Principles for Good Business Registration Practices, *adopted in 2017*
    - To guide AMS in the implementation of the ASEAN Work Programme on Starting a Business.
    - Business registration is an important step towards more transparent, accountable, efficient and predictable business operating environment through formal protection of rights of business, providing better access to broader markets, at the same time promote accountability.
  - The principles are expected to lead to concrete actions:
    - Effectively review complex procedures/requirements
    - Institutionalise review mechanism and stakeholder consultation/engagement
    - Establish effective inter-agency coordination mechanism
    - Establish/improve one-stop or single-roof services centres
    - Establish targets in simple procedures, fees certainty and services standards
    - Invest in IT for more comprehensive on-line registration system
    - Improve inter-operability of business registration systems – support ASEAN REI



## Other Relevant ASEAN Work (1 of 2)

- **ASEAN ICT Masterplan 2020:**
  - Harmonize telecommunication regulations and develop guidelines for ASEAN spectrum regulatory cooperation
  - Develop Best Practices guide for local content development and support
  - Develop Best Practices for e-Service Delivery
- **ASEAN Work Programme on Electronic Commerce 2017-2025:**
  - Voluntary internal and peer reviews of national laws/regulations on e-commerce
  - Develop guidelines/code of good on-line business practice based on self-regulation best practices
  - Provide comprehensive updated information on domestic e-commerce-related laws and regulations

## Other Relevant ASEAN Work (2 of 2)

- **Strategic ASEAN Action Plan for Consumer Protection (2016-2025)**
  - Adopt a set of High Level Principles for Consumer Protection (*\*adopted in 2017*)
  - Undertake voluntary peer reviews of consumer laws
  - Modernise (taking into account the high level principles) relevant provisions of national consumer protection legislation (unfair contract terms, ecommerce, product liability/safety, consumer data privacy)
  - Establish an ASEAN knowledge management and information exchange system
- **Vision and Strategic Plan For ASEAN Cooperation In Food, Agriculture, and Forestry (2016-2025);**
  - Develop systems to harmonise, accredit and certify food, agriculture, and forestry (FAF) products based on ASEAN standards and agricultural best practices such as good agricultural practices (GAP), good aquaculture practices (GAqP), good animal husbandry practices (GAHP), and ASOA

## Points to consider

- Keep in mind both **GRP principles as well as the broader ASEAN Economic Integration agenda** in considering new or reviewing existing regulations
- Take into consideration **views from the broad stakeholders**, keep in mind local, national and regional (ASEAN) perspectives.
- Ensure smooth domestic process including **timely ratification** of regional agreements or regulations to allow implementation of AEC commitments and the realisation of the ASEAN Community Vision 2025.
- The objective is the same – not about removing regulations, but ensuring balance between **legitimate policy objectives** and **reducing/removing regulatory burdens**.