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Trade Interests of the Tsunami Affected Countries

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TRADE INTERESTS OF THE TSUNAMI AFFECTED COUNTRIES

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by Hyung-Jong Lee and Karinne Logez

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ABSTRACT

Since a catastrophic Tsunami hit coastal areas around the Indian Ocean on 26 December 2004, many have suggested that trade could be a more useful instrument to assist the recovery of affected countries than aid transfers alone. To probe this argument, this paper examines the economies of the affected countries and identifies their overall trade interests and market access concerns. In addition, it summarizes EU and US trade measures which aim to help the recovery. It is argued in the paper that, despite even when trade measures benefit the tsunami-affected countries overall, they may have limitations in delivering benefits directly to the affected people and region.

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EXECUTIVE SUMMARY

A tsunami in the Indian Ocean struck coastal areas of a number of countries on 26 December 2004, leaving unprecedented human and economic damage in the region. Since the tsunami hit, the international community and the affected countries have cooperated on rehabilitation efforts, particularly engaging aid operations. However, many argue that trade could make a more important contribution to the recovery of the affected countries than aid transfers alone. In this regard, this paper looks into the economies and overall trade interests of eight Asian (Bangladesh, India, Indonesia, Maldives, Malaysia, Myanmar, Sri Lanka, and Thailand) and two African (Seychelles and Somalia) countries affected by the tsunami.

For affected Asian countries, economic growth has picked up in the last decade, with trade growing so that it now contributes substantially to their GDP. Most of them have successfully diversified exporting goods including electronics, chemicals and machinery, although textiles and clothing still play a significant role in the export portfolio for some countries. However, the economies and trade of affected African are not remarkable, with fish products and live stocks accounting for the lion's share of their exports. For the affected countries except Somalia, OECD countries are major trading partners, absorbing together more than 70% of the total exports of the affected countries in 2003.

It has been argued that goods of interest to developing counties in general face higher tariffs in OECD markets than the main exports of developed countries. In fact, it can be seen that major OECD countries have imposed relatively high tariffs on agricultural goods, textiles and clothing, and footwear, which constitute goods of particular interest to some of the affected countries. However, it is also true that affected countries have benefited from preferential schemes provided by the OECD members. According to a simulation undertaken for this study, an additional preferential tariff reduction of 50% for goods exported from the affected countries to five selected OECD markets would bring the former group of countries gains of US$ 7.9 billion altogether. The simulation also shows that the exports of Sri Lanka, the Maldives and Bangladesh would rise substantially in most markets, while the affected African countries hardly benefit or even lose, due to erosion of their current preferential benefits.

Although difficult to assess quantitatively, available sources of information agree that exports of the affected countries face a variety of non-tariff barriers in OECD markets. The NAMA notifications of NTBs by the affected countries most frequently concern barriers related to technical measures and customs and administrative procedures, followed by "government participation in trade" (which groups subsidies, government procurement, state-trading and shortcomings in competition policy). Some affected countries have brought cases under WTO dispute settlement procedures against OECD countries, most of which concern NTBs (such as import prohibitions or restrictions), subsidies or contingency protection, and mostly falling in the areas of textiles and clothing and agriculture. Currently, more than 100 anti-dumping and countervailing measures are in place in OECD markets against exports from India, Indonesia, Malaysia or Thailand.

In response to the tsunami disaster, the EU and the USA have announced or are considering several trade measures to help recovery. The EU and the USA have recently finalized revisions of their GSP schemes, which will benefit the affected countries. Under the new US GSP program, Thailand and

Indonesia in particular would enjoy additional duty-free treatment for approximately $500 million worth of their exports to the US markets. On 25 April 2005, USITC also announced that it would conduct changed circumstances reviews on the anti-dumping against shrimp imports from Thailand and India, determining by 21 November. The EU promised to consider a review of contingency protection measures in effect on goods from the affected countries, with the possibility of suspending them.

While noting that these trade measures will benefit the tsunami-affected *countries*, this paper cautions that they may have limitations in delivering benefits to the affected *people and region*.

I. Introduction

1. On 26 December 2004, an earthquake of magnitude 9.0 on the Richter scale caused a tsunami in the Indian Ocean which struck coastal areas of a number of countries including Bangladesh, India, Indonesia, Malaysia, Maldives, Myanmar, Sri Lanka, Thailand, Somalia, and Seychelles. Kenya, Madagascar, Mauritius, Tanzania, and Yemen were also reported to have been affected by the disaster.[1] According to a World Bank report, 200,000 people have died, 1.5 million people lost homes by the end of January 2005, and total losses are estimated at higher than US$ 7 billion (World Bank, 2005).

2. The ADB reports that Sri Lanka and the Maldives are the most heavily impacted in economic terms, and argues that due to their small size, adverse affects are unlikely to be overcome without outside assistance. Despite severe human losses, the Indonesian economy was comparatively less affected. Its core economic assets, oil and gas production facilities survived intact. The overall economic effects will have been low in India, Bangladesh, Malaysia, and Myanmar (ADB, 2005).

3. Since the tsunami hit the region, the international community and the affected countries have cooperated on rehabilitation efforts within affected regions and populations. The UN has documented US$ 5.3 billion in aid commitments from public sources (not including the WB and ADB) and US$ 1-2 billion from private sources (World Bank, 2005). However, many insist that trade would be a more useful instrument to assist the recovery of affected countries than aid transfers alone. Indeed, Director-General of the WTO, Supachai Panitchpakdi urged member governments to consider the use of trade policies for assisting the affected countries in a letter delivered on 13 January (WTO, 2005). UNCTAD has identified immediate trade measures that would facilitate recovery within the export sectors of the affected countries (UNCTAD, 2005).[2] Several affected countries called for developed countries to adopt trade measures conducive to their recoveries. For instance, Thailand requested: the termination of US anti-dumping duties on canned pineapple (currently ranging from 0.96 to 51.16 percent) and certain steel products; expedited sanitary and phytosanitary assessment of its chicken and fresh fruit exports; and tariff reductions on the main exports of affected provinces, including canned crabmeat and pouched tuna. Sri Lanka requested tariff reductions on textiles and apparel and expressed concerns regarding the surge of Chinese textile exports due to the elimination of MFA disciplines. India asked for a moratorium on US anti-dumping duties applied to Indian shrimp (ICTSD, 2005; Washington Post, 2005).

4. The purpose of this paper is to look into the trade interests of the tsunami-affected countries with a particular focus on their trade with OECD members. For this purpose, Section II illuminates their recent

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1 Defining the scope of analysis of tsunami-affected countries is necessarily somewhat arbitrary. Aside from the eight Asian and six African countries regularly cited, Yemen has also reported human and economic losses. Of the African countries, Somalia and the Seychelles are the most often reported as suffering damage. This study will focus on eight Asian and two African countries but should not be interpreted to be suggesting that only these countries should be eligible for international assistance for the tsunami of 26 December 2004.

2 In a letter dated 13 January, WTO Secretary-General Supachai called for all members individually to reflect deeply and expeditiously on whether anything could be done to help the affected economies, and suggested that possible areas are market access and some restraint in use of trade remedies. On 18 January, the UNCTAD secretariat called on the international community to engage trade measures, such as: temporary provision of duty-free treatment for imports from affected countries; immediate suspension and/or termination of all special trade-restraining measures, such as anti-dumping actions, against products originating in the affected countries; immediate measures to strengthen the capacities of the affected developing countries and their businesses to restore the infrastructure needed to conform with sanitary and phytosanitary standards for their exports; and relaxation of market access for services providers of the affected countries (UNCTAD, 2005).

economic and trade trends. Section III identifies overall trade interests and market access concerns of the affected countries in OECD markets. Section IV illustrates trade-related commitments already made or being considered by OECD members for assisting affected countries. To conclude, Section V draws attention to a caution that trade assistant measures could not deliver benefits to affected people and region even though they will benefit the affected *countries*.

5. This paper will be limited to addressing trade policy measures relating to trade in merchandise. Although the tourism sector is an important source of income for the affected countries, current strategies for rehabilitation do not incorporate a strong element of merchandise trade. It is essential to note that the affected countries have the option of themselves adopting beneficial trade measures such as those related to trade facilitation, capacity building and further trade liberalization to assist recovery from disaster. However, this paper will only address trade measures in OECD countries affecting products of export interest to the tsunami-affected countries.

II. Economies and trade of the tsunami-affected countries

6. The economies of the affected countries have picked up pace over the last decade (Table 1). In particular, affected Asian countries such as India, Malaysia and Thailand have recently experienced rapid economic growth. Nonetheless, most of affected countries are still relatively and absolutely poor. In terms of World Bank classifications, Bangladesh, Myanmar, and Somalia are low-income economies. While Malaysia and the Seychelles belong to the category of upper-middle income economies, most of the other affected countries are low-middle-income economies.[3] Bangladesh, Myanmar, the Maldives and Somalia have been classified as LDCs under the UN grouping.

7. Trade has grown substantially in most affected countries and made important contributions to total GDP particularly in Malaysia, the Maldives, Thailand and the Seychelles (Table 2). From 1993 to 2003, trade has risen at an annual rate of more than 10% in Bangladesh and India. Except Indonesia, most affected countries have recorded more than 5% annual growth of exports during the same period.

8. The following section summarizes the economy and trade of each affected country (Tables 3 and 4).[4]

Bangladesh

9. Corruption, natural disaster and over population have hindered economic growth in Bangladesh. However, its economy has grown at an annual rate of 5.1% from 1993 to 2003. Two-thirds of the labour force is employed by agriculture which accounted for 21.8% of GDP in 2003. Exports of goods and services have grown remarkably over the last decade, averaging 10.9% on annual growth. The trade balance has been in deficit year on year while a large amount of net current transfers have resulted in a current account surplus since 2002. Bangladesh’s external sector represents a comparatively small contribution to GDP, accounting for roughly 14% in 2002 and 2003.

10. The export sector is narrowly concentrated on textiles and clothing (HS5001-6310) which accounted for 86% of total exports in 2003. Beyond textiles and clothing, crustaceans earned US$ 327 million, accounting for 4% of the total exports. Exports depend heavily on the US and EU markets, which together imported 85% of total exports from Bangladesh in 2003.

3 Under World Bank classifications, countries receiving low-income status are those with average per capita GDPs of US$ 765 or less. Low-middle-income status ranges from US$ 766 to US$ 3035 (in 2003).

4 The analysis in this section is mainly based on the World Bank database (available at http://www.worldbank.org).

India

11. The Indian economy has experienced remarkable growth with 6% annual gains on average since 1990. From 1993 to 2003, exports of goods and services by India grew at an annualised rate of 13.4%. However, imports rose more rapidly than exports thus resulting in a US$ 6,022 million trade deficit in 2003. In spite of the large trade deficit, the current account turned to surplus in 2002 thus breaking away from previous lingering current account deficits thanks to increased net transfers of US$ 14,807 million. Software services exports also contributed to ameliorating the merchandise trade deficit.

12. India's main exports included garments, cotton textiles and gems & jewellery, with garment and textiles (HS5001-6310) accounting for one-fifth of export earnings. Recently, India has diversified its exports to include pharmaceuticals and machinery. However, it is noted that precious stones and jewellery (HS7101-7118) are responsible for 18% of total exports. In 2003, diamond (HS7102) exports amounted to US$ 8,246 million which is more than 10% of the total exports. The US and Germany are India's major OECD trade partners. India removed quantitative restrictions in 2001 and has been slowly opening up to consumer goods, but it has engaged NTBs on cars, fruit, meat, vegetable oils and other agricultural goods (EIU, 2004a).

Indonesia

13. Compared to its neighbouring Asian countries, the Indonesian economy has not grown impressively, averaging only 2.0% per annum from 1993 to 2003. However, it seems to be gaining momentum recently, recording growth rates of 4.1% in 2003 and 5% in 2004 respectively. Its economy is well-structured, with an industrial sector accounting for 43.6% in 2003, which is larger than the agricultural sector. Accounting for 31.2% of GDP, exports of goods and services recovered to 4.0% annual growth in 2003. The trade surplus has been sustained for the last decade, although net outward financial transfers have affected the current account. In sum, the current account has been in surplus since 1998 following continuous deficits throughout the 1970s, 1980s and early 1990s.

14. Although petroleum is the key source of export earnings, Indonesia has successfully lowered its dependency on oil and gas exports from 68% in 1985 to 22% in 2003 (EIU, 2004b). Machinery, electrical appliances, textiles and rubber comprise the Indonesian export basket. Textiles and clothing still play important part in the export basket, amounting to 11% of the total export. Japan, the US, Singapore and Korea represent major export partners. Exports to China are growing rapidly.

Malaysia

15. Malaysia has successfully industrialized over the last 30 years. The agricultural sector represented only 9.7% of GDP in 2003 while the still expanding manufacturing sector represented 48.5%. Malaysia's exports have driven economic development, with a surging trade surplus since 1998. Machinery and electronic equipments and parts (HS8401-8548) are its leading export goods, representing 66% of the total export in 2003. In particular, computers and electronic integrated chips (HS8471 and HS8542) together account for one-third of the total exports. USA, Japan, Korea, and Germany are important trade partners (EIU, 2004c).

Maldives

16. The Maldives' economy has grown successfully, averaging 7.1% from 1993 to 2003. Tourism accounts for 20% of GDP and more than 60% of foreign exchange receipts. Governmental revenue depends heavily on import duties and tourism-related taxes. Textiles (HS5001-6310) and fishing products claim the lion's share of exported goods, with the former totalling 57% of total exports and the latter 32%. The US is the most significant export market, absorbing 48% of total exports.

Myanmar

17. Due to a lack of recent economic data, it is difficult to assess Myanmar's economy and trade. However, a World Bank report states that from 1993 to 2003, its economy has grown at an average of 8.1% while exports of goods and services have grown by an average of 10.8%. Mirror data reveals that Myanmar's merchandise exports totalled US$ 2,662 million in 2003. Mineral products (HS2501-2716) and textiles and textile articles (HS5001-6310) comprise major export goods contributing 28% and 26% respectively to the 2003 total. Wood products are also important exporting goods.

Sri Lanka

18. The economy rebounded in 1997-2000 with average growth of 5.3%, but 2001 saw the first contraction in the country's history, -1.4%, due to a combination of power shortages, severe budgetary problems, the global slowdown, and continuing civil strife (CIA, 2004a). Growth recovered to 4.0% in 2002 and sustained at more than 5% in 2003 and 2004. Exports of goods and services play an important role in national production, contributing 36% to GDP. The current account deficit peaked in 2000 and has since declined. The trade deficit has been compensated for by foreign remittances. About 800,000 Sri Lankans work abroad with 90% in the Middle East. They repatriate about US$ 1 billion annually.

19. Textiles and textile articles (HS5001-6310) are core export goods and represent more than half of total exports. Tea (HS0902) and diamonds (HS7102) play an important role in the export basket, yielding 7% and 4% respectively of the total exports. OECD members are major trade partners and represent 84% of Sri Lankan exports.

Thailand

20. Although the 1997 financial crisis represented a big blow to its economy, Thailand has grown rapidly over the last 30 years. Thailand's economy grew 5.4% in 2002 and 6.7% 2003. Exports have driven Thailand's economy and have represented more than 60% of GDP in recent years. Its exports have performed remarkably, recording annual growth of 12.1% in 2002 and 8.0% in 2003, respectively. Its exports have well-outpaced imports, leading to annual trade and current account surpluses since 1998.

21. Thailand is a leading rice producing country with exports of 7.3 million tonnes valued at US$ 1.9 billion in 2003. The fishing industry employs 150,000 fishermen and 50,000 vessels. Thailand is the largest frozen-shrimp exporter in the world, with the US accounting for about 50% of Thailand's total shrimp exports. In 2002, the EU applied stringent sanitary testing requirements that reduced Thailand's shrimp exports to EU markets (EIU, 2004d).[5] The US has imposed an antidumping measure on imports of shrimp from Thailand.[6] Computers, transistors, and vehicles have replaced textiles and footwear as the most

5 Stringent testing was lifted in February 2003.

6 Following final determination by the U.S. Department of Commerce on 23 December 2004, and by the USITC on 6 January 2005, antidumping duties were imposed on imports of certain frozen warmwater shrimp from six Asian and South American countries, including Thailand and India, effective as of 1 February 2005, with margins ranging from 5.29% to 6.82% for Thailand, and 4.94% to 15.36% for India. In USITC's 6 January 2005 announcement of its determinations, the USITC cited its concerns about the possible impact of the tsunami on the shrimping industries of Thailand and India and announced that it would collect information and was inviting submissions on whether the tsunami's impact on those shrimping industries warranted the USITC initiating a changed circumstances review.

prominent products in Thailand’s export portfolio. Indeed, mechanical appliances and electronic goods (HS8401-8548) accounted for 42% of total export in 2003.The US and Japan are major trading partners.

Seychelles

22. GDP growth in the Seychelles has been dampened in recent years by sluggish tourism and fishing sectors, particularly in 2003 when GDP shrank by 5.1%. Due to a disadvantageous foreign currency exchange rate, its tourism sector has lost competitiveness vis-à-vis other tourist resorts in the region (CIA, 2004b). The external sector accounts for 77% of GDP. After growing 9% on annual average from 1993 to 2003, exports of goods and services are slowing. The Seychelles’ exports are concentrated in fish and preserved fish products (canned tuna) which represent 88% of the export earnings. UK, France, Italy, Germany are the major trade partners.

Somalia

23. Ongoing civil disturbances and clan rivalries have impaired the potential for any broad-based economic development or international aid arrangement. Agriculture is the most important sector, with livestock normally accounting for about 40% of GDP and about 50% of export earnings. Sheep, goats, fish, charcoal, and bananas are Somalia's principal exports, while sugar, sorghum, corn, and machined goods are the principal imports (CIA, 2004c). OECD markets account for only around 10% of the export of Somalia.

III. Overall trade interests and market access concerns of the affected countries

Major products of export interest to the affected countries

24. What are the main goods of export interest to affected Asian countries? As shown in table 3 and figure 1, machinery, mechanical appliances, electrical equipment and their parts and accessories (HS8401-8548) represent the highest share of exports from the eight affected Asian countries. These products accounted for 37% of their total exports into OECD country markets. Nevertheless, Bangladesh, the Maldives, and Sri Lanka claim only a piecemeal share of these product exports due to their lack of capacity to produce industrial goods.

25. Textiles and clothing (HS5001-6310) are generally important for most of affected countries except for Malaysia and Thailand. In particular, Bangladesh and Sri Lanka depend heavily on textiles for their exports. While mineral products (HS2501-2716) represent 10% of total exports by the affected Asian countries, they are significant only for Indonesia and Myanmar. Pearls, precious stones, jewellery (HS 7101-7118) also comprise important export items for India and Sri Lanka. Agricultural and fishery products (HS0101-2403) are of interest to affected countries as their aggregates amount to 10% of total exports.

26. For the Seychelles and Somalia, agricultural products are critical to their exports. Prepared food, beverages, sprits and tobacco (HS1601-2403) claim the lion’s share of their exports to OECD markets and together account for half of their total exports. Live animals and animal products (HS0101-0511) represent 34% of total exports. However, their textiles and clothing exports are minimal and claim less than 1%.

27. From the findings above the export interests of the affected countries should lie particularly in goods ranging from HS0101-2403 (agricultural products), HS2501-2716 (mineral products), HS5001-6310 (textiles and clothing) and HS7101-7118 (jewellery) to HS8401-8548 (machinery, electrical equipments and their parts).

Tariffs applied to the exports of the affected countries

28. It has been argued that goods of interest to developing countries face in general higher tariffs in OECD markets than those of developed countries. “Taking into account the structure of trade, developed countries impose tariffs on exports from developing countries that are twice as high as those from developed countries (2.1 to 1.3 per cent), and for LDCs they impose rates that are three times as high” (Fernandez de Cordoba, 2005). It is often claimed that tariff peaks in developed countries affect particularly goods of interest to developing countries such as textiles, clothes and footwear. It is also argued that tariff escalation from raw material and low technology products to processed and higher technology products have impaired developing countries from diversifying their exports towards higher value-added goods.

29. In fact, it can be seen that major OECD countries have imposed relatively higher MFN tariffs on agricultural goods, textiles and clothing, and footwear, which constitute goods of interest to developing countries including the affected countries (see Figure 2, which should be interpreted in light of the product groups of greatest interest to the tsunami-affected countries, listed in para. 27).

30. The GSP schemes of OECD members reduce tariff barriers facing beneficiary developing countries. Most of tsunami-affected countries are eligible for preferential schemes provided by preference-giving countries. However, Myanmar is excluded from the beneficiary list for the Canadian, EU and US schemes, and Malaysia is not eligible for the US GSP (Table 5a). Bangladesh, the Maldives and Somalia are given better treatment than other affected countries, because of their LDC status. Tariff preferences granted to the affected countries are substantial (Tables 5b). An OECD study affirms that Indonesia, Malaysia, and Thailand are preference-reliant countries in terms of large absolute volumes or high shares of total exports into Australia and Quad markets as of 2002 (OECD, 2004a).

Tariff reduction and simulated benefits to the affected countries

31. It is general wisdom that the tsunami-affected countries would benefit from additional tariff reductions on their exports into developed countries in the short-term. The benefits should arise from two effects: trade creation[7] and trade diversion.[8] This paper simulates short-term trade creation and diversion effects, making use of the UNCTAD Trade Policy Simulation Model (TPSM) in five selected OECD markets (Australia, EU, Japan, Korea, and USA).[9] The simulation assumes 50% tariff reductions from the current beneficial level for all exports which enter the selected OECD markets from the affected countries, with tariffs for the rest world being unchanged.

32. The results of the simulation generally confirm what is initially expected from tariff cuts. Under the stated assumptions, the total export increase gained by the affected countries together amounts to US$ 7.9 billion or the equivalent of 2% of their total 2003 exports (Table 6). The US and EU markets contribute most to the increase, claiming 50% and 30%, while the Korean, Japanese and Australian markets contribute between 8% to 5%. Of the total increase, 72% represents trade creation and 28% trade diversion.

7 The trade creation effect results from the changed level of demand in an importing country for imports from a particular trading partner caused by price changes for imported goods after the tariff change, relative to the price of the domestically produced substitute.

8 The trade diversion effect results from the substitution of goods coming from one set of foreign suppliers for goods to another set of foreign suppliers.

9 The UNCTAD TPSM is an *ex ante* partial equilibrium model, measuring the first-round effects of the simulated policy changes. It has been used to provide information on the direct trade effects of various trade liberalization scenarios. For more detail, see “the UNCTAD Trade Policy Simulation Model- A note on the methodology, data and uses”. (Laird *et al*, 1986)

Compared to their 2003 export, the exports of Sri Lanka, the Maldives and Bangladesh rise 13%, 9% and 6% respectively. However, affected African countries hardly benefit. In fact, the Seychelles lose US$ 2.7 million, which is equivalent to 1% of its 2003 exports.

33. The US, Korean and Australian tariff reductions benefit all the affected countries while the EU and Japanese cuts lead to mixed results. In the EU market, Bangladesh, the Maldives, Myanmar, the Seychelles and Somalia lose but other affected countries gain. Countries whose exports are concentrated in textiles, such as Bangladesh, Maldives, Myanmar and Sri Lanka, make high gains in the US market while some of them lose or gain little in the EU markets. It may be inferred that the different treatment for textiles and clothing products under the current EU and US preferential schemes is responsible for different simulation results for textile-dependent countries. The loss for the Seychelles in the EU market may be caused by the fact that its preferential benefits offered under the existing EU scheme are eroded by relatively improved preference for other affected countries.[10] It appears that Somalia rarely benefits from OECD trade liberalisation because of its limited economic interaction with this group of countries as well as lack of capacity.

34. Trade diversion takes place from non-affected to the affected countries *and* among the affected counties themselves. Of the total diversion of US$ 2.25 billion generated, roughly half of total trade diversion represents trade diverted from non-LDC developing countries. Of this, US$ 538 million would be diverted from China. OECD members also account for a third of the total diversion, while LDCs are hardly affected from the diversion. It seems that the low share of the world trade by LDCs results in their minimal level of diversion.

Non-tariff barriers and contingency protection

35. To discuss NTB issues, special attention must be paid to handling data sets. First, NTB studies often face the difficulty of unreliable data sources. Although the UNCTAD Database on Trade Control Measures provides comparable and comprehensive data, it is subject to definitional and methodological problems. Particularly lacking are data on NTBs affecting low-income countries. Inevitably such studies must resort to a patchwork of different sources. Second, it is difficult to discern whether complained practices and barriers are consistent with WTO rules or not. For instance, more than 1000 NTB complaints have been submitted under the notification process of the Negotiating group on Market Access for Non-agricultural Products (NAMA) since March 2003, but no analysis has been conducted regarding WTO-rules inconsistency of notified measures. Third, the exercise of recording the number of NTBs does not itself provide a sense of their economic relevance. Bearing in mind these limitations and shortcomings, this study takes advantage of a number of sources on NTBs including NAMA notifications, WTO dispute settlement cases, UNESCAP case studies and an OECD business survey, so as to draw on NTBs that could pose barriers to exports from the tsunami-affected countries.

36. The OECD undertook a comprehensive analysis of non-tariff barriers of concern to developing countries (OECD, 2004b). According to this study, barriers related to customs and administrative procedures and technical measures to trade emerge as the main NTBs of concern to developing countries vis-à-vis developed country markets. Despite less consistency across different sources, barriers related to SPS measures follow in importance and are cited frequently in business surveys focusing on access to OECD markets. In terms of sectors, live animals and related products, machinery and electronics, and chemical products are the sectors most frequently subject to NTBs. The barriers and sectors identified above may provide insights into NTBs that particularly concern the affected countries.

10 The Seychelles has benefited from the EU ACP (African, Caribbean and Pacific States) scheme, and of the Seychelles' total exports to the EU markets in 2002 93.4% received preferential treatment.

37. In the process of NAMA negotiations, WTO members have notified NTBs their exports were facing in various markets. Among them are four affected countries, Bangladesh, India, Malaysia, and Thailand, who submitted notifications identifying a total of 106 NTBs which affect their exports (Table 7). They pointed to barriers related to technical measures to trade, and customs and administrative procedures as the most common difficulties to their trade, followed by government participation in trade. The NTB frequencies cited by four affected countries are quite similar to those of the larger group of developing countries.

38. WTO DSU cases also reveal trade barriers that affect exporters of complaining parties. Since the establishment of the WTO, India, Thailand, Indonesia, Bangladesh, Malaysia, and Sri Lanka have brought 28 cases under dispute settlement procedures mostly individually and occasionally in partnership. India and Thailand are leading countries in this field, filing 15 and 8 cases, respectively. Of the total of 28 cases, 20 were brought against OECD members. Most of these cases concern anti-dumping, subsidies and NTBs including import prohibitions or restrictions. In terms of sectors, the cases concerning textiles and clothing, and agriculture were the most frequent and accounted for more than half of the total.

39. According to an UNESCAP case study (UNESCAP, 2000), exporters in Bangladesh, India, and Sri Lanka complained of NTBs to their exports of garments and textiles, jewellery, electrical machinery, and agricultural and fisheries products (Table 8). Responding to the survey, exporters in these countries point to the MFA related trade regime as a barrier to their trade. The termination of the MFA quota system under the Agreement on Textiles and Clothing is expected to provide a new business environment to resolve this issue. A review by OECD of available data from business surveys indicates that Indian firms identified SPS requirements, standards and technical requirements, and certifications for priority NTB concerns (OECD, 2004b).

40. Exports of the affected countries are confronting a number of contingency protection measures in the OECD markets (Table 9). India, Indonesia, Malaysia, and Thailand currently face around 100 anti-dumping and countervailing measures in the Australian, Canadian, EU, Korean and US markets. Most measures have been imposed on manufactured goods. Frequently, anti-dumping and countervailing activities target PET films, polyester fibres, steel and steel products and stainless steel. Agriculture and fisheries products have rarely been subject to anti-dumping or anti-subsidy measures. As previously mentioned, however, Indian and Thai shrimp exports are under US anti-dumping duties.

IV. Overview of trade assistance measures by OECD members

EU

41. In response to the tsunami disaster, the EU began consideration of several trade measures to support the affected countries. In particular, the European Commission revealed on 10 February that the EU would reform its preferential scheme to help the affected countries. It proposed to accelerate its new GSP scheme, initially planned for July, from 1 April 2005 as it identified the early implementation of the scheme as a way to help countries hit by the tsunami (EUROPA, 2005).[11] The Commission claimed that the tariff concession envisaged under the new proposal will open roughly EUR 3 billion worth of new trade flows from the affected countries. Finally, the EU announced the new EU preferential market access system for developing countries on 23 June 2005. EU Trade Commissioner Peter Mandelson said that the new GSP will focus EU trade preferences on the countries most in need, including those hit hard by the Asian tsunami last December.

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11 The current EU GSP scheme, in place since 1995, is divided into five types applying to about 7000 customs lines out of 9000 non duty-free customs lines. In 2002, the EU imported US$ 224.6 billion from developing countries under its preferential scheme.

42. The EU also promised to consider reviewing contingency protection measures in place on goods from the affected countries and possibly suspending them.[12] It is reported that the EU will reorient trade-related technical assistance in such areas as sanitary and food safety standards (ICTSD, 2005).

USA

43. According to the USTR spokesperson, trade will be an important part of the US post-tsunami reconstruction efforts. The United States announced on 30 June 2005, pursuant to completion of its 2004 review of the GSP Program, that it will provide expanded duty-free trade benefits to Indonesia, Thailand, and other countries devastated by the December 2004 tsunami. As a result of the U.S. action, the expanded duty-free treatment will benefit approximately $500 million worth of imports of products from Thailand and Indonesia, pursuant to discussions with their governments. In addition, those tsunami-affected countries of the South Asian Association for Regional Cooperation (SAARC) that are eligible for the GSP program will be permitted to count inputs from any SAARC country toward meeting the GSP program's rules of origin. This includes India, Pakistan, Sri Lanka, Bangladesh and Nepal.

44. The US International Trade Commission has already agreed to consider reviewing its anti-dumping measures against shrimp imports from India and Thailand. On 25 April 2005, the Commission announced that it would conduct "changed circumstances" reviews concerning its January antidumping injury determinations regarding imports of certain frozen warmwater shrimp from India and Thailand, following its receipt of comments and information on the effects of the tsunami on the shrimping industries of those countries. The USITC has announced that it will conduct six-month reviews, and issue its determinations by 21 November 2005.

V. Conclusion

45. As many argue, it is fair to say that trade together with aid could play a useful role to benefit the tsunami-affected countries. This paper has investigated the trade interests and concerns of those countries that may be referred to if developed countries wish to take trade measures in order to help the affected countries. However, it may be asked whether trade measures can have more than limited effect in assisting the actual tsunami victims. Benefiting the affected *countries* does not necessarily guarantee helping the affected *people and regions*. It is difficult for trade measures to deliver benefits directly to affected people and regions because they, even before the tsunami hit, were often weak in producing tradable products and their capacity to export may have been further reduced by the disaster. For example, the tsunami devastated Aceh, wiping out an estimated 97% of the local economy, however most people in Aceh are engaged on the margins of the formal economy and in non-tradable sectors. In general, it may be difficult for trade measures such as reducing tariffs and lifting non-tariff barriers to effectively target affected people. Trade measures will only have significant positive effects to the extent that the governments of the affected countries are able to exert discrete policies to re-allocate revenues earning from trade in favour of the tsunami victims.

46. The list of shortfalls pertaining to preferential trade liberalisation may also undermine arguments that favour trade measures to help disaster-stricken people and regions. Trade assistant measures would provide short term relief from a disaster, possibly distorting the longer-run efficiency of resource allocation. Our wisdom has guided us that generalised trade liberalisation will bring far better result for developing countries than preferential approach. Policy makers are required to consider strengths and weaknesses of each trade policy in assisting disaster-struck people as well as to design trade measures to effectively target victims.

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[12] No perspicuous measures have been taken in this area yet.

47. Although this paper doesn't look into, it should be re-emphasized that there are a lot things for the affected countries *themselves* to do so as to fully take advantage of trade opportunities not only for their recovery from the disaster but also for not being left behind in the globalized world.

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ANNEX

Table 1. Economic indicators of the affected countries, 2003

	Population (m)	Per capita GNI ($)	GDP Total ($, bn)	GDP Growth (%)	GDP Annual growth (%, 93-03)	GDP by sectors Agriculture (%)	GDP by sectors Industry (%)	GDP by sectors Services (%)
Bangladesh	138.1	400	51.9	5.3	5.1	21.8	26.3	52.0
India	1,064.4	540	603.3	8.3	5.9	22.2	26.6	51.2
Indonesia	214.5	810	208.3	4.1	2.0	16.6	43.6	39.9
Malaysia	24.8	3,880	103.7	5.3	4.7	9.7	48.5	41.8
Maldives	0.29	2,350	0.72	9.2	7.1	n.a.	n.a.	n.a.
Myanmar	49.4	n.a.	n.a.	n.a.	8.1	n.a	n.a	n.a
Sri Lanka	19.2	930	18.2	5.9	4.3	19.0	26.3	54.7
Thailand	62.0	2,190	143.2	6.7	2.2	8.8	41.4	49.8
Seychelles	0.08	7,480	0.72	-5.1	3.4	3.3	35.1	61.7
Somalia	9.6	n.a.	n.a	n.a.	n.a.	n.a	n.a	n.a

Source: World Bank

Table 2. Trade indicators, 2003

	Export Goods ($, m)	Export Services ($, m)	Annual export growth (%)	Annual export growth (%, 1993-03)	Current account ($, m)	Export/GDP ratio(1) (%)
Bangladesh	6,549	830	6.9	10.9	176	14.2
India	62,952	27,616	7.0	13.4	18,885	14.5
Indonesia	61,058	6,382	4.0	2.5	7,252	31.2
Malaysia	104,999	13,578	6.3	7.7	13,381	114.3
Maldives	149	415	16.3	7.3	-48	85.2
Myanmar(2)	696	105	n.a.	10.8	-303	1.6
Sri Lanka	5,133	1,408	4.8	5.7	-101	35.8
Thailand	75,430	15,517	8.0	7.5	8,325	64.3
Seychelles	254	303	-3.0	9.0	-39	77.4
Somalia	9.6	n.a.	n.a.	n.a.	n.a.	n.a.

Notes:
(1) Export of goods and services
(2) Myanmar for 1993
Source: World Bank

Table 3. Exports of the affected countries, 2003

HS code	Bangladesh ($, thou)	Bangladesh (Percentage)	India ($, thou)	India (Percentage)	Indonesia ($, thou)	Indonesia (Percentage)	Malaysia ($, thou)	Malaysia (Percentage)	Maldives ($, thou)	Maldives (Percentage)
[Sec 01-05](1)	365,487	5%	1,612,019	3%	1,789,905	3%	580,465	0%	65,189	32%
[Sec 06-15](2)	38,160	0%	3,493,960	6%	4,613,731	7%	5,034,584	4%	2,888	1%
[Sec 16-24](3)	25,525	0%	1,117,956	2%	2,002,682	3%	1,213,287	1%	14,227	7%
[Sec 25-27](4)	24,801	0%	5,607,966	10%	18,134,400	27%	9,008,512	7%	8	0%
[Sec 28-38](5)	89,348	1%	6,326,156	11%	2,726,294	4%	3,746,974	3%	151	0%
[Sec 39-40](6)	19,155	0%	1,553,282	3%	3,256,854	5%	5,252,758	4%	322	0%
[Sec 41-43](7)	202,411	3%	1,733,110	3%	350,066	1%	70,479	0%	3	0%
[Sec 44-46](8)	3,400	0%	144,048	0%	3,786,262	6%	3,749,232	3%	134	0%
[Sec 47-49](9)	1,759	0%	329,508	1%	2,971,681	4%	525,409	0%	204	0%
[Sec 50-63](10)	6,623,101	86%	12,445,602	21%	7,193,223	11%	2,677,519	2%	115,937	57%
[Sec 64-67](11)	191,803	2%	959,345	2%	1,844,873	3%	229,454	0%	19	0%
[Sec 68-70](12)	24,982	0%	815,307	1%	687,059	1%	698,164	1%	9	0%
[Sec 71](13)	233	0%	10,344,962	18%	942,738	1%	525,211	0%	1	0%
[Sec 72-83](14)	13,364	0%	4,850,053	8%	2,241,356	3%	2,348,549	2%	1,181	1%
[Sec 84-85](15)	33,856	0%	3,974,209	7%	9,742,259	15%	79,633,751	66%	3,825	2%
[Sec 86-89](16)	21,312	0%	1,279,597	2%	600,961	1%	649,221	1%	78	0%
[Sec 90-93](17)	18,657	0%	546,551	1%	854,638	1%	2,314,626	2%	368	0%
[Sec 94-97](18)	19,344	0%	920,357	2%	2,453,791	4%	2,231,315	2%	66	0%
TOTAL	7,716,699	100%	58,053,988	100%	66,192,771	100%	120,489,511	100%	204,607	100%

HS code	Myanmar		Sri Lanka		Thailand		Seychelles		Somalia	
	($, thou)	(Percentage)	($, thou)	(Percentage)	($, thou)	(Percentage)	($, thou)	(Percentage)	($, thou)	(Percentage)
[Sec 01-05](1)	172,251	6%	124,666	3%	2,758,457	4%	126,725	33%	22,198	46%
[Sec 06-15](2)	358,473	13%	518,982	11%	2,506,795	3%	864	0%	3,015	6%
[Sec 16-24](3)	15,324	1%	90,271	2%	5,101,427	7%	211,884	55%	10	0%
[Sec 25-27](4)	744,951	28%	11,522	0%	2,170,368	3%	18,848	5%	505	1%
[Sec 28-38](5)	2,525	0%	41,335	1%	1,872,561	2%	887	0%	586	1%
[Sec 39-40](6)	15,931	1%	397,666	8%	7,380,882	10%	354	0%	94	0%
[Sec 41-43](7)	4,403	0%	43,337	1%	596,474	1%	18	0%	6,364	13%
[Sec 44-46](8)	512,312	19%	18,072	0%	794,180	1%	24	0%	8,472	17%
[Sec 47-49](9)	123	0%	23,447	0%	769,380	1%	81	0%	4,754	10%
[Sec 50-63](10)	695,232	26%	2,716,431	56%	5,501,430	7%	157	0%	184	0%
[Sec 64-67](11)	32,421	1%	57,950	1%	1,050,056	1%	11	0%	5	0%
[Sec 68-70](12)	509	0%	53,987	1%	1,053,527	1%	60	0%	29	0%
[Sec 71](13)	26,307	1%	265,565	5%	2,728,858	4%	26	0%	9	0%
[Sec 72-83](14)	50,097	2%	114,261	2%	2,409,960	3%	366	0%	1,531	3%
[Sec 84-85](15)	12,759	0%	239,404	5%	31,508,018	42%	6,540	2%	443	1%
[Sec 86-89](16)	1,564	0%	22,081	0%	3,218,945	4%	113	0%	64	0%
[Sec 90-93](17)	1,733	0%	21,767	0%	2,212,380	3%	17,974	5%	61	0%
[Sec 94-97](18)	15,196	1%	81,672	2%	2,172,693	3%	462	0%	98	0%
TOTAL	2,662,110	100%	4,842,416	100%	75,806,393	100%	385,395	100%	48,421	100%

Notes:
(1) Live Animals; Animal Products (2) Vegetable Products (3) Prepared Food; Beverages, Spirits, Tobacco
(4) Mineral Products (5) Chemicals & Allied Industries (6) Plastics/Rubbers & Articles thereof
(7) Raw Hides, Skins, Leather, & Furs (8) Wood/Wood Charcoal/Cork/Straw/Plaiting Materials and Articles thereof
(9) Wood Pulp, Paper, Paperboard, Scrap/Waste Paper and Articles thereof (10) Textiles & Textile Articles
(11) Footwear, Headgear, Umbrellas, Walking Sticks, Riding Crops & parts thereof
(12) Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials, Glass & Glassware
(13) Pearls, Precious Stones/Metals and Articles thereof; Imitation Jewelry; Coins
(14) Base Metals & Articles of Base Metal (15) Machinery & Mechanical Appliances; Electrical Equipment/Appliances, parts & accessories
(16) Vehicles, Aircraft, Vessels & Associated Transportation Equipment
(17) Optical, Photographic, Measuring, Checking, Precision, Medical or Surgical Instruments; Clocks & Watches; Musical Instruments; parts & accessories thereof (18) Miscellaneous Manufactured Articles

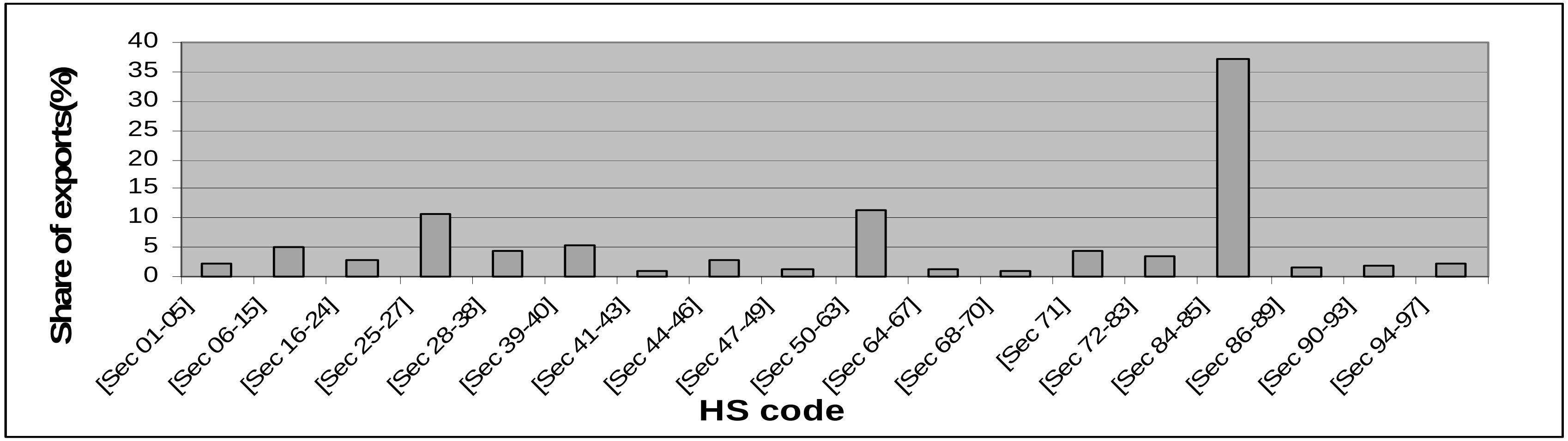
Source: OECD (based on UNCTAD TRAINS database)

Table 4: Exports from the affected countries to OECD and world markets, 2003

	US ($, thou)		EU ($, thou)		Other OECD ($, thou)		Non-OECD ($, thou)		Total ($, thou)
Bangladesh	2,212,008	(29%)	4,329,664	(56%)	656,134	(9%)	518,893	(7%)	7,716,699
India	13,594,815	(23%)	15,696,924	(27%)	7,451,645	(13%)	21,310,604	(37%)	58,053,988
Indonesia	10,204,834	(15%)	11,703,916	(18%)	26,809,937	(41%)	17,474,084	(26%)	66,192,771
Malaysia	25,667,086	(21%)	16,154,480	(13%)	26,585,697	(22%)	52,082,248	(43%)	120,489,511
Maldives	97,860	(48%)	19,555	(10%)	21,795	(11%)	65,398	(32%)	204,607
Myanmar	294,674	(11%)	421,912	(16%)	223,116	(8%)	1,722,408	(65%)	2,662,110
Sri Lanka	1,919,125	(40%)	1,632,834	(34%)	512,164	(11%)	778,293	(16%)	4,842,416
Thailand	15,835,814	(21%)	13,234,245	(17%)	19,935,087	(26%)	26,801,247	(35%)	75,806,393
Seychelles	11,948	(3%)	272,251	(71%)	19,375	(5%)	81,822	(21%)	385,395
Somalia	147	(0%)	2,075	(4%)	3,240	(7%)	42,958	(89%)	48,421

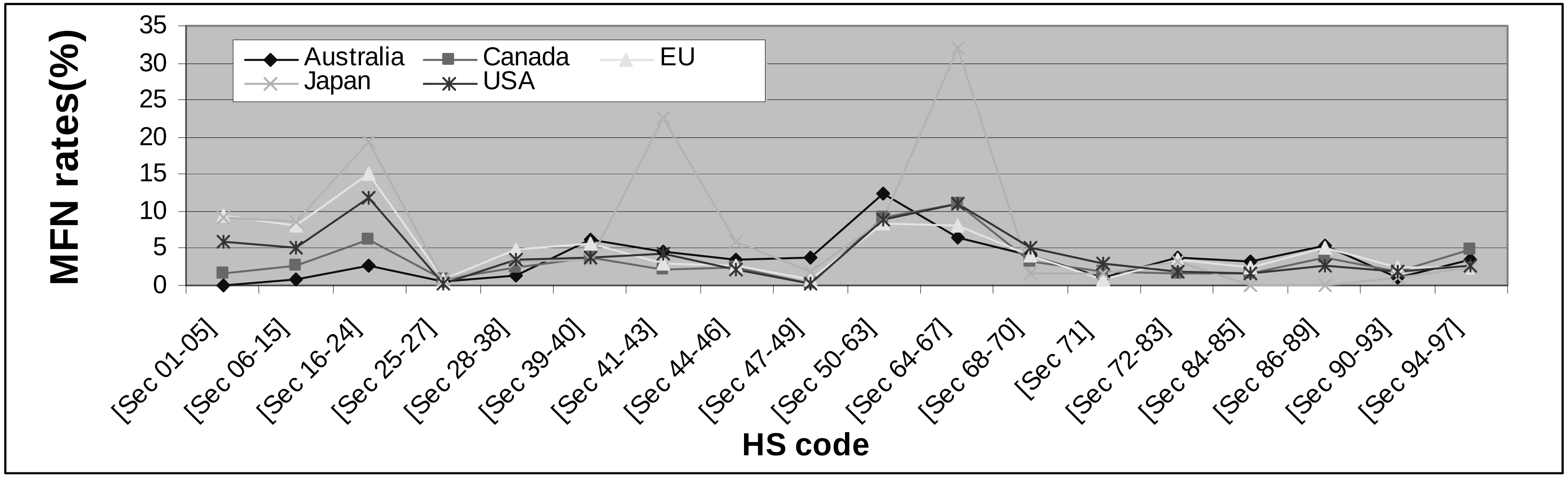
Source: OECD (based on UNCTAD TRAINS database)
Notes:
Discrepancies in export figures are noticeable between tables 2 and 3/4 depending on data sources. Tables 3 and 4 were calculated on the basis of UNCTAD TRAINS database by mirroring method.

Figure 1. Share of exported goods of the Asian affected countries to OECD markets



Source: OECD (based on UNCTAD TRAINS database)

Figure 2. MFN tariff rates of selected OECD countries



Source: OECD (based on UNCTAD TRAINS database)

Table 5a. Preferential schemes of selected OECD members and their eligibility to the affected countries

	Preferential Scheme	Eligibility of Tsunami-affected countries	Scope of preferences
Australia	LDCs and assimilated to LDCs (Part 2 of schedule 1 countries)	Bangladesh, Maldives, Myanmar, Somalia	Duty and quota-free access for all products originating in LDCs.
	DCs + Places of Assimilated DC (Part 3 of schedule 1 countries)	Bangladesh, Maldives, Myanmar, Somalia	Generally, a five percentage point margin of preference but it varies.
	DCs + Places of Assimilated DC (Part 4 of schedule 1 countries)	India, Indonesia, Malaysia, Seychelles, Sri Lanka, Thailand	Generally, a five percentage point margin of preference but it varies.
Canada	General preferential tariff	India, Indonesia, Malaysia, Seychelles, Sri Lanka, Thailand	Reduction from the MFN rate or duty-free access, Selected agricultural and industrial products
	LDC tariff	Bangladesh, Maldives, Somalia	Duty- and quota- free access, Almost all products
EU	GSP	India, Indonesia, Malaysia, Seychelles, Sri Lanka, Thailand	Duty-free access for non-sensitive products, Reduced duty rates for sensitive products
	GSP for LDC	Bangladesh, Maldives, Somalia	Unrestricted duty-free market access to all products
	ACP	Seychelles, Somalia	Duty-free access, all manufactured and processed products and all agricultural products falling HS chapters 1-24 are covered.
Japan	GSP	India, Indonesia, Malaysia, Seychelles, Sri Lanka, Thailand	Preferential rates for selected agricultural products, duty-free access for most industrial products.
	GSP for LDCs	Bangladesh, Maldives, Myanmar, Somalia	Duty- and quota-free entry with no ceilings, Almost all industrial products covered, listed agricultural and fishery products.
USA	GSP	India, Indonesia, Seychelles, Sri Lanka, Thailand	Duty-free for approximately 4600 items covered with Competitive-need limitations.
	GSP for LDCs	Bangladesh, Somalia	Duty-free for 1783 items in addition to the standard GSP list.
	AGOA	Seychelles	Duty-free for 1800 items in addition to the standard GSP list

Source: OECD (TD/TC/WP(2003)30/ANN/REV1)

Table 5b. Tariff preferences granted to the affected countries, 2002

	Preferential schemes	Number of lines concerned(1)	Applied average tariff(2)	Average MFN in concerned lines(3)	Beneficiaries, of the affected countries
Australia	Developing countries	6,056	5.70%	7.30%	India, Indonesia, Malaysia, Seychelles, Sri Lanka, Thailand
Canada	GPT	4,122	1.50%	3.50%	India, Indonesia, Malaysia, Seychelles, Sri Lanka, Thailand
	LDCT	170	0.00%	6.60%	Bangladesh, Maldives, Somalia
EU	GSP	3,945	2.70%	5.70%	India, Indonesia, Malaysia, Seychelles, Sri Lanka, Thailand
	GSP LDC (EBA)	2,233	0.00%	6.20%	Bangladesh, Maldives, Somalia
	ACP	2,732	0.10%	5.70%	Seychelles, Somalia
Japan	GSP	2,004	1.40%	6.50%	India, Indonesia, Malaysia, Seychelles, Sri Lanka, Thailand
	GSP LDC	224	0.00%	14.40%	Bangladesh, Maldives, Myanmar, Somalia
USA	GSP	2,701	0.00%	4.00%	India, Indonesia, Seychelles, Sri Lanka, Thailand
	GSP LDC	254	0.00%	4.70%	Bangladesh, Somalia
	AGOA	158	0.00%	15.10%	Seychelles

Notes:
(1) Australia at the HS 10-digit level, Canada and USA at 8-digit, and EU and Japan at 6-digit.
(2) Simple average of lines where there have been imports.
(3) Simple average of MFN tariffs in these lines.

Source: OECD (TD/TC/WP(2003)30/ANN/REV1)

Table 5c. Preferential rates granted by selected OECD countries

HS code	Australia			Canada		EU			Japan			US		
	GSP/DC	GSP/LDC	MFN	GSP	MFN	GSP/DC	GSP/LDC	MFN	GSP/DC	GSP/LDC	MFN	GSP/DC	GSP/LDC	MFN
[Sec 01-05]	0.02	0.00	0.04	1.47	1.71	3.62	0.00	9.46	2.55	0.00	9.05	0.00	0.00	6.01
[Sec 06-15]	0.68	0.00	0.90	2.20	2.55	5.16	0.00	7.94	1.99	0.00	8.68	0.00	0.00	5.15
[Sec 16-24]	2.10	0.00	2.60	5.01	6.13	11.59	0.00	15.13	6.55	0.00	19.34	0.00	0.00	11.83
[Sec 25-27]	0.22	0.00	0.30	0.01	0.90	0.00	0.00	0.69	0.00	0.00	0.70	0.00	0.00	0.35
[Sec 28-38]	1.25	0.00	1.29	0.90	2.47	0.49	0.00	4.80	0.07	0.00	3.33	0.00	0.00	3.41
[Sec 39-40]	5.40	0.00	6.09	2.16	3.69	0.50	0.00	5.68	0.09	0.00	3.38	0.00	0.00	3.64
[Sec 41-43]	4.27	0.00	4.41	0.54	2.08	0.89	0.00	2.94	4.58	0.00	22.56	0.00	0.00	4.31
[Sec 44-46]	2.41	0.00	3.45	0.88	2.52	1.55	0.00	2.81	1.77	0.00	5.91	0.00	0.00	2.18
[Sec 47-49]	3.01	0.00	3.76	0.00	0.01	0.00	0.00	0.74	0.00	n.a.	1.83	0.00	n.a.	0.23
[Sec 50-63]	12.39	0.00	12.40	7.85	8.72	6.60	0.00	8.25	3.54	0.00	8.80	0.00	n.a.	8.80
[Sec 64-67]	6.23	0.00	6.52	8.75	10.86	4.47	0.00	8.08	0.08	0.00	32.08	0.00	n.a.	11.10
[Sec 68-70]	3.21	0.00	3.92	1.19	3.26	1.26	0.00	4.00	0.00	n.a.	1.69	0.00	0.00	5.14
[Sec 71]	1.04	0.00	1.04	0.83	1.93	0.00	0.00	0.84	0.64	0.00	1.59	0.00	0.00	3.00
[Sec 72-83]	2.58	0.00	3.64	0.70	1.58	0.31	0.00	3.42	0.11	0.00	3.12	0.00	0.00	1.90
[Sec 84-85]	2.87	0.00	3.33	0.33	1.53	0.45	0.00	2.42	0.00	n.a.	0.09	0.00	0.00	1.58
[Sec 86-89]	4.44	0.00	4.93	2.73	3.73	2.46	0.00	5.05	0.00	n.a.	0.08	0.00	0.00	2.59
[Sec 90-93]	0.96	0.00	1.19	0.33	1.86	0.21	0.00	2.34	0.22	0.00	1.00	0.00	0.00	1.90
[Sec 94-97]	3.50	0.00	3.61	2.83	4.84	0.12	0.00	2.38	0.05	0.00	2.41	0.00	0.00	2.72

Source: WTO/IDB for Australia and Canada, UNCTA TRAINS for EU, Japan and USA

Table 6. Trade effects accrued by 50% tariff reduction of selected OECD markets (percentages by market against the total gain)

	Australia	EU	Japan	Korea	USA	Total ($, thou)	Export 2003 ($, thou)	Size of increase (1)
Bangladesh	0%	-6%	0%	1%	106%	485,292	7,716,699	6%
India	3%	47%	2%	5%	42%	1,807,862	58,053,988	3%
Indonesia	1%	5%	2%	2%	7%	2,001,588	66,192,771	3%
Malaysia	1%	1%	0%	1%	3%	1,024,759	120,489,511	1%
Maldives	0%	-1%	2%	0%	95%	18,819	204,607	9%
Myanmar	0%	-1%	0%	1%	18%	79,796	2,662,110	3%
Sri Lanka	0%	10%	0%	0%	23%	624,364	4,842,416	13%
Thailand	1%	4%	2%	1%	6%	1,903,495	75,806,393	3%
Seychelles	0%	-1%	0%	0%	0%	-2,768	385,395	-1%
Somalia	0%	0%	0%	0%	0%	2	48,421	0%
TOTAL	5%	30%	7%	8%	50%	7,943,210	336,402,312	2%

Note:
(1) Increased rates compared to each country's 2003 export.
Source: OECD (simulated from UNCTAD TRAINS database)

Table 7. NTBs notified by selected affected countries to NAMA

Non-tariff barriers	Bangladesh	India	Malaysia	Thailand	Total
Government participation in trade	2	0	7	0	9
Customs and administrative procedures	9	0	16	0	25
Quantitative restrictions and similar specific limitations	5	0	1	0	6
Technical barriers to trade	4	4	25	6	39
Sanitary and Phytosanitary measures	2	0	6	1	9
Charges on imports	1	0	0	0	1
Trade remedies	0	0	1	0	1
Other barriers	1	2	12	1	16
Total	24	6	68	8	106

Source: OECD (based on submissions to NAMA)

Table 8. ESCAP case studies on NTBs faced by exporters in Bangladesh, India and Sri Lanka

Non-Tariff Barriers	Exports	Export Markets
Bangladesh		
MFA quota	Ready made garments	United States, Canada
Child Labour Laws	Ready made garments	United States
Sanitary Regulations	Frozen shrimp	European Union
Technical Barriers to Trade	Many	Many
India		
MFA quota	Fabrics, apparel, textile	European Union, United States
Labelling requirements	Fabrics, apparel, textile	Not specified
Technical standards	Leather goods; coffee, tea, cigars; pharmaceuticals; electrical machinery	European Union
Anti-dumping	Inorganic and organic chemicals, man-made staple fibres, iron and steel bar and rods	European Union
SPS	Meat, fish, dairy products, vegetables, fruit, fish, tea	United States, Japan
Restricted Imports	Diamonds, jewellery	Japan
Child Labour	Carpets and floor coverings	European Union

Sri Lanka		
Variable charges	Coconut	Chile
Agricultural levy	Coconut	Venezuela
Authorization	Fisheries products, gems and jewellery, rubber manufactures	Japan, European Union, Mexico
Import authorization	Natural rubber, textiles and garments, rubber manufactures, non-metallic mineral products	Japan
Import monitoring	Textiles and garments	United States
Global Quota	Natural rubber, fisheries products, rubber manufactures, rubber manufactures, non-metallic mineral products	Japan, United States
MFA Quota	Textiles and garments	Unites States, Canada
Tariff quota	Textiles and garments	United States
Bilateral quota	Textiles and garments	United States
MFA Consultation Agreements	Textiles and garments, non-metallic mineral products	Canada, United States
MFA Export Restrictions	Non-metallic mineral products	United States
Technical regulations	Natural rubber	
Product characteristic requirements	Natural rubber, coconut, fisheries products, rubber manufactures, non-metallic mineral products	Japan
Labelling requirements	Fisheries products	Japan
Marking requirements	Textiles and garments	Canada
Sanitary inspection	Fisheries products	
Anti-dumping	Natural rubber, coconut, fisheries products, textiles and garments, rubber manufactures, non-metallic mineral products, paper products	United States, European Union, Canada, Mexico, Australia, Turkey
Countervailing	Coconut, fisheries products, textiles and garments, rubber manufactures, leather manufactures, non-metallic mineral products, paper products	United States, Korea, Canada
Safeguard tariff rate	Leather manufactures	United States
Administrative Pricing	Rubber manufactures	
Minimum import prices	Textiles and garments, rubber manufactures	
Reference prices	Fisheries products	European Union
MFA Export restraint	Textiles and garments	Canada
Recommendation system	Textiles and garments	Republic of Korea

Source: UN Economic and Social Commission for Asia and the Pacific, 2000

Table 9. Number of contingency protection measures in effective against imports from the affected countries, December 31, 2004

	Australia		Canada		EU	
	Anti-dumping	Anti-subsidies	Anti-dumping	Anti-subsidies	Anti-dumping	Anti-subsidies
Bangladesh	0	0	0	0	0	0
India	0	0	4	4	11	9
Indonesia	3	0	2	1	5	2
Malaysia	0	0	0	0	4	1
Thailand	7	0	2	1	8	1
Sri Lanka	0	0	0	0	1	0
(Total)	10	0	8	6	29	13

	Japan		Korea		USA	
	Anti-dumping	Anti-subsidies	Anti-dumping	Anti-subsidies	Anti-dumping	Anti-subsidies
Bangladesh	0	0	0	0	1	0
India	0	0	2	0	12	6
Indonesia	0	0	2	0	5	2
Malaysia	0	0	0	0	2	0
Thailand	0	0	0	0	7	1
Sri Lanka	0	0	0	0	0	0
(Total)	0	0	4	0	27	9

Note:
No contingency protection measures in place for other affected countries
Source: OECD (based on WTO documents)