APTIAD and its use in evidence based policymaking

Mia Mikic
mikic@un.org
Trade Policy Section
Trade and Investment Division
This session will

• Introduce the concept of evidence-based policymaking
• Introduce APTIAD
• Demonstrate the use of APTIAD for preparation of inputs for policy briefings
Categories of trade policy changes

• Negotiated trade policy changes:
  – Interactions between:
    • Negotiating countries (governments)
    • Government and domestic interest groups
  – Open or closed process

• Non-negotiated (unilateral) trade policy changes as:
  – Responses to external pressures
  – Part of a strategic redesign of trade and other policies
  – Effort to improve the coherence of national policies
**EVIDENCE-BASED**

“...a rigorous approach that gathers, critically appraises and uses high quality research evidence to inform policy making and profession practice” (Davies, 2004)

Or

“...helps people make well-informed decisions about policies, programmes and projects by putting the best available evidence from research at the heart of policy development and implementation” (Davies, 1999)

**OPINION-BASED**

“...relies heavily on either the selective use of evidence (e.g. on single studies irrespective of quality) or on the untested views of individuals or groups, often inspired by ideological standpoints, prejudices, or speculative conjecture” (Davies, 2004)

What if there is no research available or the quality is not acceptable?
WHY EBP?

- Improving effectiveness
- Efficiency
- Accountability (and service orientation)
- Democratization
- (Restore) trust
- Is EBP more or less important in a developing than in a developed country?
What is APTIAD?

• An open-access “living” platform with:
  • database on PTAs
  • searchable publications on the related topics
  • relevant statistics
  • trade performance indicators
  • glossary
  • commentaries
  • links to relevant resources

“Living” = continuously updated and enhanced
Purpose of APTIAD

• Source of information
  – Mapping
  – Factual data and descriptive information
  – Glossary

• Analytical tool
  – A common framework of analysis for assessing PTA developments in the region, both ex-ante evaluation and ex-post performance monitoring

• Policy guidance
View from Asia-Pacific: Expansion of RTAS
www.unescap.org/tid/aptiad
APTIA - Home Page

- TAD
- ITI

Commentaries

GLOSSARY

LITERATURE

SEARCH

LINKS
Trade Agreements Database - TAD

Download PDF, excel or word

SEARCH by different CRITERIA

Scroll PTAs
Note on terminology

<table>
<thead>
<tr>
<th>WTO notification</th>
<th>PTIAD</th>
<th>FT</th>
<th>Art. XXIV GATT</th>
<th>FT</th>
<th>Art. V GATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Custom union</td>
<td></td>
<td></td>
<td>Economic</td>
<td></td>
<td>agreement</td>
</tr>
<tr>
<td>Partial scope</td>
<td></td>
<td></td>
<td>Preferential</td>
<td></td>
<td>trade</td>
</tr>
<tr>
<td>Enabling clause</td>
<td></td>
<td></td>
<td>Framework</td>
<td></td>
<td>agreements</td>
</tr>
</tbody>
</table>

FTA
Customs Union
Pre-calculated indicators

Export propensity shows the degree of reliance of domestic producers on foreign markets. It is measured by dividing exports by gross domestic product and expressing the ratio as a percentage. Export is either total or intraregional exports of a single country or the givenpreferential trade agreement.
Summary of provisions in area of goods and services liberalization, trade facilitation, other areas and on rules of origin

<table>
<thead>
<tr>
<th><strong>GOODS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tariffs</strong></td>
</tr>
<tr>
<td>Negative list, tariff elimination by 1990</td>
</tr>
<tr>
<td>Agriculture is covered by Article 16 (Agricultural stabilization and support) and by Annex E.</td>
</tr>
<tr>
<td>Tariff reduction through negotiation</td>
</tr>
<tr>
<td><strong>Rules of Origin</strong></td>
</tr>
<tr>
<td>No tariff heading change necessary</td>
</tr>
<tr>
<td>Value added percentage, minimum 50%</td>
</tr>
<tr>
<td>No specific manufacturing process</td>
</tr>
<tr>
<td><strong>Contingency Measures</strong></td>
</tr>
<tr>
<td>Anti-Dumping</td>
</tr>
<tr>
<td>Countervailing Duties</td>
</tr>
<tr>
<td>Safeguards</td>
</tr>
<tr>
<td><strong>Standards</strong></td>
</tr>
</tbody>
</table>

**NOTES:**
- **Shades Covered**
  - Gases - Border Supply: Yes
  - Consumption Abroad: Yes
  - Commercial Presence Abroad: Yes
  - Movement of Natural Persons: Yes
  - Specific Sectors Covered: Negative list approach. See sectors excluded.
- **Specific Sectors Excluded**
  - Australia: Some telecommunications, air and airport services, coastal shipping, and some types of insurance. New Zealand: Airways services, telecommunications, coastal shipping and postal services.

**NOTES:**
- Notified as economic integration agreement under GATT Art V in 1995, but in force since 1985.

<table>
<thead>
<tr>
<th><strong>SERVICES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government Procurement</strong></td>
</tr>
<tr>
<td><strong>Investment</strong></td>
</tr>
<tr>
<td><strong>Competition Policy</strong></td>
</tr>
<tr>
<td><strong>Intellectual Property</strong></td>
</tr>
<tr>
<td><strong>Dispute Settlement</strong></td>
</tr>
<tr>
<td><strong>Trade Facilitation</strong></td>
</tr>
<tr>
<td><strong>Labor Mobility</strong></td>
</tr>
<tr>
<td><strong>Labor and Environmental Standards</strong></td>
</tr>
<tr>
<td><strong>Technology Transfer</strong></td>
</tr>
<tr>
<td><strong>Capacity Building</strong></td>
</tr>
</tbody>
</table>

**RULES OF ORIGIN**

**NOTES:**
Glossary

Definitions contained in Deardorff’s Glossary of International Economics have been consulted and used as a source for a number of the terms in this glossary.

Total: 119
Printable version

1. Accession
A process through which a country needs to satisfy conditions on becoming a member to the World Trade Organization or a regional trade agreement agreed to by other members.

2. Accumulation
When a good is produced by two or more producers located in territories of different members of a trading bloc, the value added in both (all) members may be taken into account.

3. Ad valorem equivalent tariff
AVE tariff is a tariff presented as a percentage of the value of goods cleared through customs, even though the duty imposed was originally in a form of a specific tariff. The ad valorem equivalents are sensitive to the method of calculation and changes in product prices.

4. Ad valorem tariff (AVT)
Duty or tariff expressed in terms of per unit of value (i.e., a certain per cent of value or price).

5. African, Caribbean and Pacific (ACP) countries
A group of African, Caribbean and Pacific less developed countries that were parties to the Lomé Convention and now of the Cotonou Agreement with the EU. As of July 2000, the group included 77 countries. See www.acpsec.org
Interactive trade indicators

The Interactive Trade Indicators (ITI) component of APTIAD is designed to help policymakers calculate some of the most commonly used indicators related to the real side of an economy's trade profile. To get started, select an indicator from the list on the left, the appropriate fields for selecting countries/regions, products and years will appear, along with an explanation of the index. Details of the data coverage in APTIAD can be found here. Once you have made your selection, click the run query button.

For further details on the construction and interpretation of trade indices, the Trade and Investment Division of ESCAP has produced the volume entitled Trade Statistics in Policymaking: A Handbook of Commonly Used Trade Indices and Indicators. This is available in electronic form, or a hard copy can be ordered.
Using APTIAD for EBPM

• Finding out about status of regionalism and related “factual” questions (mapping of PTAs, agreements per country, memberships, what trade areas, etc.)
Mapping PTAs*

- APTIAD (110)
  - Bilateral (82)
    - Within the region (47)
    - Cross-region (35)
  - Plurilateral and country-bloc (28)
    - Within the region (13)
    - Cross-region (15)
© APTIAD, June 2009, not all PTAs shown here
Different areas covered (but do they improve market access and help generate trade?)

- Labour
- Environment
- Trade facilitation
- Competition
- Government procurement
- Investment
- Intellectual property protection
- Technical regulation, standards, and technical barriers
- Goods only
- Goods and services

Comparison between 1999-2004 and 2005-2010
Other type of questions

1. How much is a country dependent on trade with a particular region/PTA?
2. What is a country’s export propensity?
3. Which are the most dynamic sectors (products)?
4. How much of the increase in intra-regional trade could be attributed to one (few) countries in the region?
5. How intense is trade with selected partners?
6. What is the similarity of our export to partners’ exports?
Where/how to find answers to those questions?

Pre-calculated indices for qs. Like 1 and 2
Where/how to find answers to those questions? (cont’d)

• For other questions – interactive indicators or often a tailored analysis, combining modeling such as gravity and general equilibrium models
Links to other resources

• ARTNeT Publication search engine
• WTO RTA-IS
• WITS Trade indicators
• ARIC
In summary

• Decisions involving changes in directions and pattern of trade should be based on evidence from analysis and data

• For most countries, this improves implementation and stability

• APTIAD could be used (and combined with use of other tools) to build up necessary evidence
Thank you for your feedback.

mikic@un.org
unescap-aptiad@un.org

Easy to forget that the end goal is not (just) to trade more; it is to reduce poverty, improve distribution of income [inclusivity], and be environmentally responsible [sustainability]