Non-Tariff Measures Facing Asia Pacific Exporters

--The Taiwan Case

Coordinator: Dr. Hong Tsai-Lung (Honigmann)¹

(Associate Researcher/Taiwan Institute of Economic Research, TIER, Taiwan/Email:d13985@tier.org.tw)

Co-researcher: Liu Yu-Hsi, Assistant Researcher, TIER

Chiu Darson, Assistant Researcher, TIER

Chapter I: Introduction

Chapter II: Features of Taiwan’s Export Structure and Environment

1. Destinations and Components of Taiwan’s Exports and their Implications for NTMs

2. Taiwan’s Special Concerns for NTMs: Exclusion from Free Trade Agreements (FTAs)

Chapter III: Main Findings of Local Research about NTMs that Taiwan encountered

1. NTMs that Taiwan encountered during 1980s and 1990s


Chapter IV: Analysis of NTMs’ Symposium, Questionnaire, and Interviews (2005)

1. Symposium on NTMs

2. Questionnaire for Taiwan’s Exporters

3. Interviews

Chapter V: Finale

Appendix 1: The Minutes of Symposium on NTMs Facing Taiwanese Exporters (2005/TIER)

Appendix 2: Questionnaire of NTMs (2005/TIER)

Appendix 3: Minute Results of NTMs Questionnaire (2005/TIER)

¹ We are grateful for Dr. Ho Chen’s knowledge of APEC and NTMs. Thanks also to Miss Lan Wei-ien for her considerable assistance. Miss Liu Yu-Hsi is mainly responsible for the statistics as well as the implementation of questionnaire and interviews. Chiu Darson has undertaken the second section of chapter III. Special gratitude is to Dr. Chiang, who is the acting director of International division of TIER, for his chairmanship in the Symposium on NTMs held on 21st June 2005.
Chapter I: Introduction

NTMs (Non-tariff measures) are all measures other than tariffs that influence international trade and production.\(^2\) NTMs have flourished and eroded the beneficial liberalizing effects of tariff cuts.

Some of NTMs are overt (quotas), while others fall into a grey area such as the applications of standards & TBT (Technical Barriers to Trade), rules of origin (ROO),\(^3\) the administrative measures of investment or competition policy related issues, trade facilitation, and temporary trade measures (anti-dumping).\(^4\)

In other words, narrow NTMs coverage is basically price and quantity control measures and quality control measures, while broad coverage is the narrow classification plus threat measures related to antidumping.\(^5\)

In comparison to tariffs, the use of NTMs is concentrated in a smaller number of sectors in most economies. NTMs are widely used by developed countries in food products, textiles/apparel, wood and wood products and in some area of manufacturing. The products are quite significant in the trade of developing countries but also somewhat significant in the trade of developed countries with each other.

The greatest criticism of NTMs is their lack of transparency. One reason for this is the creativity of their instigators, but another and more important reason is the lack of data.

---

\(^2\) More about the background of this study please refer to NTMs Project Description in website by World Bank: http://lnweb18.worldbank.org/eap/eap.nsf/All/140D3673A9D9CEFD85256FF6005783B6?OpenDocument

\(^3\) By increasing the domestic content requirement, ROO can increase demand for local inputs, and divert trade from lower-cost, non-member suppliers. Krueger (1995) has argued that special interest pressures on the content requirements in ROO give them the potential to be used as non-tariff barriers (NTB) on imported intermediates, causing them to become an important but hidden source of trade diversion in PTAs. See Krueger, Anne O. (1995) “Free Trade Agreements versus Customs Unions.” Journal of Development Economics, Vol. 54, October, pp. 169-187.

\(^4\) Bijit Bora (2003), The Quantification and Measurement of NTMS, APEC Capacity-Building Workshop on Quantitative Methods for Assessing NTMs and Trade Facilitation, October 8-10, Bangkok, Thailand.

Administrations either do not record the use of the use of NTMs or do so only partly. It comes as no surprise that the reported impact of NTMs can lead to considerable underestimations (Jovanovic, 2001).\(^6\)

NTMs are gaining importance for the following reasons.

First, under the auspices of the GATT/WTO, tariffs on average were reduced to relatively low levels. However, trade protectionism shall never die. It now takes the form of NTMs and will be therefore high on the agenda for all future international moves to liberalize trade.

Second, with the reduction of transportation costs, the role of time that NTMs and administrative obstacles are highly related becomes more important in the process of transaction.\(^7\)

Last, due to the more complicated process of production and diversity of products, consumers pay more attention to the technical, safety (valves) and standard requirements, such as the TBT and SPS (Sanitary and Phytosanitary Measures).

Moreover, NTMs tend to become barriers to trade counts one predominant component of the trade costs\(^8\) that could impeded trade flows and distort trade and investment patterns.\(^9\)

Both WTO (World Trade Organization)\(^10\) and APEC (Asia-Pacific Economic Cooperation)\(^11\) are negotiating/discussing issues of NTMs.

---

\(^6\) Jovanovic, M.N (2001) Geography of Production and Economic Integration

\(^7\) Other reasons including steadily growing trade volume, fall in tariff levels to an all-time low, transport cost revolution and the role of technology in trade. See Ibid Bijit Bora (2003)

\(^8\) Trade costs: all costs incurred in getting a good to a final user other than the marginal cost of producing the good itself: transportation cost (both freight costs and time costs), policy barriers (tariffs and non-tariff barriers), information costs, contract enforcement costs, costs associated with the use of different currencies, legal and regulatory costs, and local distribution costs (wholesale and retail). See “Trade Costs” by J. E. Anderson and E. v. Wincoop, Journal of Economic Literature. Vol.XLII (September 2004) pp.691-751

\(^9\) There are other more interesting issues about NTMs ignored by this study, e.g. the relation between economic integration and NTBs. See Jovanovic (2001). Geography of production and Economic Integration

\(^10\) Existing WTO work on possible NTMs other WTO agreements including customs valuation, agreements on preshipment inspection, agreement on import licensing procedures, agreement on rules of origin, agreement on technical barriers to trade, and agreement on Sanitary and Phytosanitary Measures. See Non-tariff Barriers, http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm9_e.htm;

\(^11\) APEC’s IAPs (Individual Action Plans) are undertaking the following topics of NTMs: standards and conformance, customs procedures, government procurement, services, investment, competition policy, deregulation/regulatory review and reform, and rules of origin.
It could be the primary reason that WTO/WB/PECC is undertaking such a plan to work out relevant NTMs facing the Asia Pacific countries. A corollary objective is to prepare the quantification of the trade effects of non-tariff barriers/measures (TOR/2005/Non Tariff Measures Facing Asia Pacific Exporters).

This study is organized as follows. Chapter 2 discusses the features of Taiwan’s exports structure in terms of geographic destinations and its components through a historical perspective. In a nutshell, there are two issues to be addressed, hopefully, by way of questionnaire and interviews together with some basic desk works.

First, since the main destinations of Taiwan’s exports have shifted from developed countries (US and EU) to mainland China and East Asia, we are wondering that has this change some implications for NTMs of Taiwan exporters. Generally speaking, the developed countries tend to use NTMs more intensive than developing countries as instrumentals for trade protection.

Second, related but not identical, the shift of export gravity from US and EU to China and East Asia for Taiwan’s exports makes senses not only for the level of trade but also its composition. The increase of intermediate goods as share of Taiwan total exports might also incur different type and severity of NTMs.

Moreover, the last part of this chapter will discuss the threat of exclusion from FTAs for Taiwan due to the Realpolitik, especially the increasingly use of discriminatory NTMs. It’s very likely that Taiwan’s exporters will encounter less favorable treatment compared to not


only the domestic suppliers of NTMs imposing countries but also to other foreign suppliers.

The first section of Chapter 3 deals with the previous findings of NTMs that Taiwan encountered in the 1980s and 1990s. In successive section we summarize the regular NTMs surveys implemented by government entities during 2001 and 2004.

Chapter 4 presents the first hand analysis from the symposium and the results of questionnaire conducted out by TIER (Taiwan Institute of Economic Research) this year (June-September). We are concerned about whether the various NTMs facing Taiwan’s exporters have created unnecessary (arbitrary and unjustifiable) obstacles to trade. Chapter 5 concludes this study.
Chapter II: Features of Taiwan’s Export Structure and Environment

1. Destinations and Components of Taiwan’s Exports and their Implications for NTMs

Historically, Taiwan’s foreign trade grew rapidly in the 1960s and 1970s. In 1971, Taiwan recorded its first trade surplus and had a peak of US$ 18.7 billion in 1987. In 2003, Taiwan’s share of world total exports was 2%, ranked as 15th in the world. Export-orientation is the primary strategy of economic development in East Asia, Taiwan is no exception. In 2004, Taiwan exported 200 billions of goods and services which comprise 55% as a percentage of GDP. This characteristic of openness indicates that Taiwan is very sensitive to the change of international trading system, whether it is open or not.

We will describe briefly the features of Taiwan’s exports structure in terms of its geographic distribution (destinations) and its components by industry. It’s a basic and good starting point to analyze the potential countries applying the barriers as well as to predict the type and frequency of NTBs that Taiwan encountered.

There are some distinguished features about the facts and the change in the Taiwan’s export structure in the recent years. We wonder that if the change implies the shift of the potential “accusers” for Taiwan’s exporters and the types of NTMs.

13 http://www.cepd.gov.tw/upload/EconDevel/EcoDevTai/2005development@276144.42135592777@.pdf
15 As for the production structure in 2004, Taiwan’s industrial production accounted for 32.9% (manufacturing for 28.0%) of GDP and agriculture for only 1.7%. Continuing its strong-trend, the sector generated 65.4% of GDP for the year. (Economic Development Taiwan, R.O.C. 2005), http://www.cepd.gov.tw/encontent/en_data/en_content.jsp?businessID=1875&linkID=118&parentLinkID=110
16 As for imports, they are dominated by raw materials and capital goods, which account for more than 90% of the total. Taiwan imports most of its energy needs. The United States is Taiwan's second largest trading partner, taking 20% of Taiwan's exports and supplying 16% of its imports. Taiwan is the United States' eighth-largest trading partner; Taiwan's two-way trade with the United States amounted to about $45 billion in 2002. Imports from the United States consist mostly of agricultural and industrial raw materials. Exports to the United States are mainly electronics and consumer goods. The United States, Hong Kong (including indirect trade with mainland China), and Japan account for nearly 56% of Taiwan's exports, and the United States and Japan provide over 40% of Taiwan's imports. As Taiwan's per capita income level has risen, demand for imported, high-quality consumer goods has increased. Taiwan's 2002 trade surplus with the United States was $8.7 billion. See (Economic Development Taiwan, R.O.C. 2005), http://www.cepd.gov.tw/encontent/en_data/en_content.jsp?businessID=1875&linkID=118&parentLinkID=110
Firstly, because of the economic dynamism and increasing production links in East Asia, Taiwan’s trade with countries of the Asia-Pacific region has been steadily increasing, and its trade and economic ties with those countries have been also strengthening.

- In 2004, Taiwan shipped 19.5% and 17.1% of its exports to mainland China and Hong Kong (as detour to mainland China), respectively. Actually, in 2000, mainland China overtook US as the No. 1 destination for the Taiwan’s exports. (See Table 1: Taiwan: geographic structure of exports: 1980~2003) Second to China, the United States are still play an important role as a destination of Taiwan’s exports, however, the share had declined sharply for Taiwan’s total exports from 26.2% in 1994 to 16.2% in 2004. As well, in 2004, there were about 12% of Taiwan’s exports for EU as a whole which is lightly declined in its significance in these years. This change in statistics reveals the growing significance in cross-strait trade.

- Furthermore, ASEAN’ role in the Taiwan’s exports for the recent years is gaining importance compared to in the 1980s. It’s safe to say that the market of ASEAN is almost the same weight as those of EU. Taiwan’s exports to ASEAN accounted for only 7.7% of its total exports in 1985 before rising to all-time high 17% in 1997, although the ratio hovered around 13%~14%.

Among ASEAN economies, Singapore plays the most important role for Taiwan’s exports followed by Malaysia, Philippines, Vietnam, Thailand and Indonesia. As for the EU countries, the ranking order is Netherlands, Germany, U.K., Italy and France. Australia’s market also makes sense for Taiwan whose scale is about that of Italia and Indonesia.

- Japan had long been the biggest trading partner (exports and imports) of Taiwan because of geographic factors and industrial complementarities until two years ago (replaced by China). Since the ascendancy of China, the significance of Japanese market for Taiwan’s exports is steadily and slowly declined though its volume/value of exports is still on the
increase. Korea is the rare exception for that not only its volume/value but also its share of Taiwan’s exports is increasing.

Secondly, the composition of Taiwan’s exports has changed substantially over the years, reflecting the restructuring and upgrading of its production structure. Industrial products have therefore steadily increased their share of Taiwan’s exports, accounting for more than 90% of total exports in 1990 and reaching 97.2% (3.5% for mining products and 93.7% for manufactures) in 2003. Agricultural goods, by broad definition, including of processed agricultural goods, comprise about 2.5% of Taiwan’s total exports.\(^{17}\)

- Among these, the high-technology industries have seen their share of total exports rise considerably. Take the electronics and products related to information technology (IT Industry) for example, its share of exports increases from 13.7% in 1981 to 30.6% in 2004.\(^{18}\)

- Taiwan is one of the world's essential suppliers of computer monitors and is a leading PC manufacturer. Textile production, though of declining importance as Taiwan loses its competitive advantage in labor-intensive markets, is another major industrial export sector.

- More in detail is useful about the exports by commodity. The most import item of Taiwan’s exports is the electronic products, whose share of total exports is about 23%. Information & Communication Products rank as second whose share is about 8%. Besides, Textile Products, Plastics & Rubber Articles thereof, Iron & Steel and Articles Thereof, Machineries Products, and Precision Instruments/Clocks and Watches/Musical Instruments are counted as Taiwan's essential commodities for export.\(^{19}\)

---


\(^{18}\) [http://www.cepd.gov.tw/upload/EconDevel/EcoDevTai/2005development@276144.42135592777@.pdf](http://www.cepd.gov.tw/upload/EconDevel/EcoDevTai/2005development@276144.42135592777@.pdf)

\(^{19}\) Department of Statistics, Ministry of Economic Affairs, [http://2k3dmz2.moea.gov.tw/gnweb/english/indicators/reports/B06.xls](http://2k3dmz2.moea.gov.tw/gnweb/english/indicators/reports/B06.xls)
It might contribute to make the whole picture clear as we put the two dimensions, i.e. destinations and commodities of Taiwan’s exports, into considerations. By HS code (4) in 2004 for the TOP 20 of Taiwan’s exports (TIER, 2005)\(^{20}\)

1. HS 8542/Hong Kong (4.52%)  
2. HS 9013/ Mainland China (3.70%)  
3. HS 8542/ Mainland China (1.83%)  
4. HS 8542/ Singapore (1.72%)  
5. HS 8573/ USA (1.49%)  
6. HS 8542/ Japan (1.49%)  
7. HS 8542/ South Korea (1.16%)  
8. HS 8471/ USA (0.98%)  
9. HS 8542/ Philippines (0.79%)  
10. HS 8542/ USA (0.77%)  
11. HS 2917/ Mainland China (0.76%)  
12. HS 2710/ the other countries (0.75%)  
13. HS 8473/Hong Kong (0.72%)  
14. HS 8471/ Nederland (0.72%)  
15. HS 8473/ Mainland China (0.71%)  
16. HS 9013/ Hong Kong (0.68%)  

\(^{20}\) http://tie.tier.org.tw/tie/index.jsp
17. HS 7318/USA (0.61%)

18. HS 8534 Mainland China (0.61%)

19. HS 8542/ Hong Kong (0.59%)

20. HS 8542/ Hong Kong (0.59%)

Table 1: Taiwan: geographic structure of exports: 1980–2003

<table>
<thead>
<tr>
<th></th>
<th>Hong Kong and China</th>
<th>EU-15</th>
<th>Japan</th>
<th>South Korea</th>
<th>United States</th>
<th>ASEAN-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>7.9</td>
<td>14.4</td>
<td>11.0</td>
<td>1.4</td>
<td>34.3</td>
<td>11.2</td>
</tr>
<tr>
<td>1985</td>
<td>8.3</td>
<td>8.9</td>
<td>11.3</td>
<td>0.8</td>
<td>48.4</td>
<td>7.7</td>
</tr>
<tr>
<td>1990</td>
<td>12.8</td>
<td>16.3</td>
<td>12.4</td>
<td>1.8</td>
<td>32.5</td>
<td>14.1</td>
</tr>
<tr>
<td>1991</td>
<td>16.1</td>
<td>16.1</td>
<td>11.9</td>
<td>1.7</td>
<td>28.9</td>
<td>13.0</td>
</tr>
<tr>
<td>1992</td>
<td>19.0</td>
<td>15.3</td>
<td>10.9</td>
<td>1.4</td>
<td>29.0</td>
<td>13.8</td>
</tr>
<tr>
<td>1993</td>
<td>21.8</td>
<td>13.5</td>
<td>10.6</td>
<td>1.5</td>
<td>27.7</td>
<td>14.5</td>
</tr>
<tr>
<td>1994</td>
<td>23.2</td>
<td>12.5</td>
<td>11.0</td>
<td>1.9</td>
<td>26.4</td>
<td>15.9</td>
</tr>
<tr>
<td>1995</td>
<td>23.8</td>
<td>12.5</td>
<td>11.7</td>
<td>2.3</td>
<td>23.8</td>
<td>17.0</td>
</tr>
<tr>
<td>1996</td>
<td>23.7</td>
<td>12.9</td>
<td>11.8</td>
<td>2.3</td>
<td>23.3</td>
<td>16.4</td>
</tr>
<tr>
<td>1997</td>
<td>24.1</td>
<td>13.3</td>
<td>9.5</td>
<td>1.9</td>
<td>24.5</td>
<td>16.1</td>
</tr>
<tr>
<td>1998</td>
<td>23.4</td>
<td>15.8</td>
<td>8.4</td>
<td>1.3</td>
<td>26.7</td>
<td>12.3</td>
</tr>
<tr>
<td>1999</td>
<td>23.8</td>
<td>14.8</td>
<td>9.7</td>
<td>2.1</td>
<td>25.4</td>
<td>13.4</td>
</tr>
<tr>
<td>2000</td>
<td>24.4</td>
<td>14.2</td>
<td>11.1</td>
<td>2.6</td>
<td>23.5</td>
<td>14.0</td>
</tr>
<tr>
<td>2001</td>
<td>26.6</td>
<td>14.2</td>
<td>10.3</td>
<td>2.7</td>
<td>22.3</td>
<td>13.4</td>
</tr>
<tr>
<td>2002</td>
<td>30.9</td>
<td>13.0</td>
<td>9.1</td>
<td>2.9</td>
<td>20.3</td>
<td>11.8</td>
</tr>
<tr>
<td>2003</td>
<td>34.5</td>
<td>12.5</td>
<td>8.8</td>
<td>3.2</td>
<td>18.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>

Source: P. Drysdale and X. Xu (2004), Taiwan’s Role in the Economic Architecture of East Asia and the Pacific, Pacific Economic Papers, No. 343. Australia-Japan research center

2. Taiwan’s Special Concerns for NTMs: Exclusion from FTAs

Taiwan has been member of WTO since 2002, which trades are conducted on an MFN (Most-Favoured-Nation) basis. However, what has been termed the “spaghetti bowl” of customs unions, common markets, regional and bilateral free trade areas, preferences and an

---

21 FTAs are combination of free trade for participants and discrimination (protectionism) for non-participants at the same time. Participants basically enjoy preferential or zero tariff rates, while non-participants must accept only for MFN treatment if they are all WTO members. The difference of the two statuses means the degree of protection. Discrimination implies that the market access cost faced by non-participants will be on the rise, specifically speaking, they could suffer deterioration of economic welfare.
endless assortment of trade deals has almost reached the point where MFN treatment is exceptional treatment. Certainly the term now might be better defined as LFN, Least-Favoured-Nation treatment.²² (Also see the Table 1: The Features of Trade Policy)

Since the 1990s, the number of bilateral or regional Preferential Trading Agreements (PTAs)/Free Trade Agreements (FTAs), which discriminate against outsiders to the arrangement, has increased dramatically, particularly in East Asia. For instances, the Agreement of Japan-Singapore for a New Age Economic Partnership (JSEPA, 2002), the ASEAN-China Comprehensive Economic Co-operation Framework Agreement (2002), especially the proposed ASEAN +3 (Japan, China and South Korea), whose participants are all Taiwan’s important trading partners. Besides, there are many bilateral FTAs are proposed or under discussion in East Asia at present.

As for NTMs, there are some reasons for Taiwan to worry about the proliferations of PTAs/FTAs.

- With the surges of FTAs, more and more trade transacted within the area. However, Taiwan was excluded from trade agreements due to diplomatic difficulties.²³ Until now, Taiwan has signed merely two FTAs, with Panama and Guatemala respectively. It’s a pity that neither is important trading partner of Taiwan.

- One of the most important features of recent regional trade agreement since 1990s is that issues are no longer limited to traditional tariffs concerned. The range is expanded to trade in service, intellectual property rights, standards mutual recognition agreement (MRA), FDI, and E-commerce. All of them are inevitably involved to domestic regulations, so the demand in harmonization of law or regulation will increase. That is

²³Taiwan is not favored politically in the games of FTAs due to the “China factor”.
so-called “deep integration”. For non-participants, regional or bilateral agreements such as MRA could be possibly developed into non-tariff or technical trade barriers and result in trade distortion. NTMs.

- The "preferential treatments" in bilateral trade agreements not only in tariff but also in non-tariff fields. For example, the uses of anti-dumping, countervailing duties and safe-guard measures will be more “moderate” for each other. In addition, the stricter rules of origin (ROOs) for members all indicate that non-member country will suffer in terms trade volume, location attractiveness and so on.

- Actually, the “preferentiality” of preferential trade agreements consists of two related components. The first one is the “margin of preference” measures the difference between MFN (most-favored-nation treatment) and preferential tariff rates in a PTA economy. The second one refers to rules of origin which are the criteria used to define where a product was made and therefore used to determine goods that may enter a country under preferential treatment.\(^\text{24}\)

Rules of origin are gaining concerns for the following reasons.\(^\text{25}\)

Firstly, ROO are widely considered a trade policy instrument beyond the efforts to avert trade deflection and can work to offset the benefits of tariff liberalization.

To a large degree, the development of “globalized” international economy should have rendered traditional notions of national origin of goods senseless. However, on the contrary, the ROO now are more arbitrary and generally do more harm than good.

Secondly, it’s one of the side effects variations and innovation in “New Age” FTAs (often

\(^\text{24}\) Non-preferential rules of origin are nonetheless important for a number of reasons, including the application of tariffs, quotas, anti-dumping actions, countervailing duty, and more.

called “closer economic partnerships”).\textsuperscript{26} On one hand, it highlights comprehensive approach to liberalization. On the other hand, it also takes some approaches to treat the “sensitive sectors”, especially restrictive rules of origin to make FTAs politically more acceptable (Scollay, 2005).

Lastly, not only the expansion of preferential trade agreements in number but also the increasing fragmentation of trade /production sharing in the past decade made rules of origin more important.

One of the reasons is that fragmentation is characteristic of intermediate goods trade (Jones and Kierzkowski, 1990).\textsuperscript{27} The increasing production sharing/fragmentation that a product can be processed in several countries before it is ready for the market has made the determination of origin more complicated. The growing international integration of production, especially trade in intermediate inputs, has been significantly since late 20\textsuperscript{th} century, especially in East Asia.


### Table 1: The Features of Trade Policy

(By Hong, Tsai-Lung/2005)

<table>
<thead>
<tr>
<th>Category of Trade Policy</th>
<th>Negotiation/Reciprocity (Process)</th>
<th>MFN (outcome)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uni-lateralism</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓</td>
<td>1. ✓</td>
<td>1. Liberalization for own sake</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. ✓</td>
<td>2. APEC (Concerted Unilateralism)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. ✗</td>
<td>3. GSP, EBA (Everything but Arms) by EU</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. ✗</td>
<td>4. Aggressive Unilateralism, Article 301 of USA</td>
</tr>
<tr>
<td>Bi-lateralism/Regionalism</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. FTA</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>2. Customs Union</td>
<td></td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>3. Common Market</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Economic (Monetary)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-lateralism (including of Pluralism such the Government Procurement Agreement)</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>WTO</td>
</tr>
</tbody>
</table>

Among the various stages of economic integration, the FTA and Customs Union are regulated under the framework of WTO.
Chapter III: Main Findings of Local Research about NTMs that Taiwan encountered

1. NTMs that Taiwan encountered during 1980s and 1990s

One research executed in 1994 reveals some features that could be counted as the benchmark for NTMs that Taiwan faces nowadays.28 Their approaches and main findings are as follows:

(1) This research focused on the NTMs of industrial exports imposed by USA and EU countries.

(2) They found that in 1992, 24% of Taiwan industrial export products (frequency ratio) or 10% of total industrial exports (trade coverage ratio) were subjected to NTMs, and the degree of NTMs is particularly significant in leather, textile and clothing, footwear, machine tools and iron and steel products.

(3) The impacts of MFA (Multi-Fiber Agreement) quotas on Taiwan’s textiles and clothing exports in U.S. and EU countries were also explored in this research. Due to the quota restrictions, Taiwan’s market share of textile exports to the U.S. and EU countries has been substantially reduced in the 1990s, and the quota rent and quality upgrading effects actually did not occur. However, the market diversification effect to the non-quota markets is relatively successful.

(4) This research also studied the NTMs, including the VERs (Voluntary Export Restraints), anti-dumping and countervailing duties imposed by U.S. and EU countries, which found that these measures had incurred heavy costs to Taiwan’s exporters. For example, Taiwan has lost US$470 millions dollars due to US and EU


According to the Board of Foreign Trade of Ministry of Economic Affairs, Taiwan’s top 30 economies in 2004 in terms of trade amount were: China, Hong Kong, USA, Japan, Singapore, South Korea, Netherlands, Germany, Malaysia, the Philippines, Vietnam, United Kingdom, Thailand, Australia, Indonesia, Italy, Canada, France, United Arab Emirates, India, Mexico, Spain, Belgium, Turkey, Brazil, South Africa, Finland, Denmark and Ireland. According to the reports from local Taiwan’s trade offices in these economies, there exist some NTMs.

- NTMs of Taiwan’s Top 10 Exporting Economies

Among Taiwan’s top 10 exporting economies, China, USA, Japan, and the Philippines are still imposing some NTMs on Taiwan’s exporting industries.

**China** has set importing quota on some commercial vehicles (HS870290); however, China made a promise before its WTO entry that the relevant quota would be relieved at a certain portion on a yearly basis. The restriction is expected to be completely eliminated in July 2005. In addition, China allows only state owned corporation to import vegetable oil (HS15), sugar (HS1701), tobacco (HS24), and chemical fertilizer (HS3102).

The exporters of PVC, HS 2922 (Oxygen-function amino-compounds) complained their products are charged with anti-dumping duties.

**USA** imposes an NTM on litchi, a specific agricultural product from Taiwan. USA demands a 15-day freezing process for Taiwan’s exporting litchi; however, a 12-day process should be

---

29 This section benefits mainly from the following two resources, including the regular information of the Bureau of Foreign Trade (BOFT) of Ministry of Economic Affairs, see http://cweb.trade.gov.tw/kmDoit.asp?CAT1565&CtNode=861; and the results of one survey titled as “The Barriers to Trade of Taiwan”, from the questionnaire exercised in 2004 by BOFT.
acceptable based on experimental reports. The required 15-day process has a negative impact on the product quality. In addition to this regulation, the USA has no other NTMs as reported from Taiwan’s trade office.

**Japan**’s NTMs are particularly on two items of Taiwan’s agricultural products, namely, hay for livestock and fruits. Japan has banned Taiwan’s exporting hay for livestock (HS140190) due to the concern of foot and mouth disease. Japan conducts strict inspections on importing fruit. The process for papaya (HS08072000) exported from Taiwan for example would take as long as eight years to complete the inspection.

**The Philippines** imposes NTMs on fishery products (HS16). Taiwan’s fishery exporters need to apply for permission from Ministry of Agriculture, the Philippines, especially if it is likely that the particular product could cause bad impacts on the domestic industry.

The exporters of HS 54025407(polyesters) and DVD players for **EU** countries complained their products are charged with anti-dumping duties. The HS 940320 (Travel cot) exported to **Germany, France and The Great British** suffers the different safety standards of these countries, even though EU has the baselines for such standard. Besides, the exporters of HS 82060000 (Tools of two or more of the headings No. 8202 to 8207, put up in sets for retail sale) complain that there are multiple conformity tests for products that will delay the delivery.

- **NTMs of the Second Tier (Top 11-20 of Taiwan’s Exporting Economies)**

**Thailand, Australia, and Indonesia** all imposed NTMs on some of Taiwan’s export products to certain extent. Thailand charges importing permission for meat products, beef (HS0201) and pork (HS0203) US$114 per ton and chicken (HS0207) US$227 per ton.

**Australia** considers Taiwan’s konjac mini-cup jelly lollies, below 45 mm, could cause the hazard of choking; therefore, Australia has decided to ban this particular product from importing since 2001.

In the case of Dental floss (HS 3306200001) in **Thailand**, the importers in Thailand
requires the Taiwanese exporters apply the CFS-CERFICATE OF FREE SALES that for medical purpose. However, Dental floss is not really one of the medical materials.

The exporters of Taiwan expect that the import restrictions for HS 72091510 in Vietnam and HS 27100052 (Lubricating oils or greases) in Indonesia could be eliminated. For example, in Indonesia there is one minimum of 30% synthesized basic oil as content for Lubricating oils or greases). The exporters of Taiwan expect also that Indonesia could simplify the customs procedures. Indonesia requires its meat product importers to present “Importer Letter of Recommendation.” During the review process, Indonesia alters the quantitative restrictions frequently.

Besides, HS87 (steel fuel tanks for autos), is has been levied for antidumping duties by Canada.

- NTMs of the Third Tier (Top 21-30 of Taiwan’s Exporting Economies)

In this tier, only two economies have somewhat NTMs on Taiwan’s exporting goods. Mexico imposes restriction on importers’ qualification and importing quantity. Turkey does not have clearly specified import regulations. For example: regulations on red meat (HS0201) and rice (HS1006) have yet to be specified.
Chapter IV: Analysis of NTMs’ Symposium and Questionnaire (2005)

1. Symposium on NTMs

The participants from commerce associations and officials of government in the symposium (see Appendix 1: The Minute of Symposium on Non-tariff Trade Barriers Facing Taiwanese Exporters) help us find that:

(1) Judged by the contents of this symposium, it seems that Taiwan export products have been experienced a decrease in the NTMs in recent years. The reasons, partly, is due to the relocation of manufacturing form Taiwan to China. For example, the shoe industry keeps moving its production line out, so the questions of trade barriers might also shift form Taiwan to China; the recent case is that waterproof boots is paying the anti-dumping duties imposed by Canada.

Partly might be that the manufacturers in Taiwan are very flexible, although most manufactures seek government solutions, some can solve the problem by adjustment of production process or ingredients.

(2) Generally speaking, the negotiation of NTMs starts with bilateral, and only when it cannot be solved will it be handled through muti-lateral means. Take the recent case of anti-dumping tax the U.S and India taxed Taiwan for example, we have actively negotiated with the U.S and India each through bilateral negotiation. Muti-lateral means like through WTO is a way to solve NTMs, but not necessary the only mechanism.

(3) The frequency of specific type of NTMs, such as anti-dumping are highly related with the international economic cycles and events. Taking the East Asian financial crisis (1997/8) for example, economic construction in those effected countries has been temporarily disrupted, causing the aggregate demand to decrease and creating an
over-supply phenomenon in the international market. Thus the price of products, including the price of steel, decreased dramatically and steel importing countries, especially the United States, found themselves facing the threat of product “dumping”. The United States responded to the situation by setting up NTMs like the \textbf{anti-dumping measures /countervailing duty} in those years.

(4) As to Taiwanese agriculture products,

- The NTMs right now are mainly on developed countries rather than developing countries, because most of Taiwan’s agricultural goods are exported to developed countries.

- For Taiwan, NTMs in developed countries is not necessary a barrier. Take the export of soy beans from Taiwan to Japan for example. Because Japan performs strict pesticides residue detection, Taiwanese soy beans has a success over those cheap but with pesticides residue Chinese soy beans. In fact, the sanitary and phytosanitary measures (SPS) importing countries take have actually helped Taiwan to compete with countries with low-cost strategies.

- Noted that as more and more Taiwanese business people invest heavily to China, they also face the NTMs like the anti-dumping measures that targeted primarily China. However, sometimes SPS itself is considered a big NTM. A very obvious example is the export of litchi to the U.S—as a delicate fruit that easily deteriorating, litchi cannot survive in the chemical SPS procedure that takes a long time.

- Papaya export is a good example. The document review takes years, and this is a typical example of administrative interference. And to export pork to the U.S, Taiwan has to pay for the American examiner to come to Taiwan. The time
consuming paper reviews and on-site examinations all cost money, and if we
don’t have enough export quantity, then these related negotiation costs would be
too high.

(5) The steel export market has already entered the stage of low-cost competition, so
customs clearance procedure is not a problem, but another type of NTM, the domestic
subsidy, and the dumping action of the Russian Federation and east-Europe regardless
of the cost have become a problem.

(6) The textile quota can be said to be the largest NTM in the world, but it is cancelled
this year. Complaints were mostly that application procedures for export certificate
in Turkey were too complicated, and the export certificates need to be verified by the
court, which greatly increases the bottom line. Brazil has similar regulations as well.
Exporters wish that they just use one single export certificate verified by the Textile
Federation.

2. Questionnaire for Taiwan’s Exporters

In cooperation with WTO/WB/PECC, Taiwan Institute of Economic Research (TIER) has
implemented a survey research in order to identify the types and their severity of NTMs
facing Taiwan Exporters (traders and manufacturers).

This survey is carried out from end of June to middle of August 2005. 900 copies of
questionnaire are circulated mainly toward the heavy-ridden industries from NTMs those
who are identified by the previous studies. These main target industries are components of
autos, textiles & closing, leather, steel and instrumentals, especially the electronics that
dominate the Taiwanese exports. We also utilize enterprise member list of Chinese Taipei
PECC as complementary.
Among them, there are 105 copies of returns with 40 effective samples, the others is either returning without answers, not to the points, or belonging to services industries that is not the focus of this survey and mainly provision for domestic consumption.

Ranked by the number of questionnaire that we received, we presented the results in details for 11 kinds of industries (The coding of Details See Appendix 3: Minute Results of NTMs Questionnaire, 2005/TIER). They include (number of effective number of samples in parentheses)

1. Components of Autos (10)
2. Basic Metals & Metal Products (8)
3. Textiles &Clothes (5)
4. Electronic& Electric Products (4)
5. Bicycles (4)
6. Plastics Products (3)
7. Medical Treatment Products (2)
8. Food & Beverages (1)
9. Leather Products (1)
10. Chemicals products (1)
11. Motorcycles (1)

There are some features and observations from the results of questionnaire, including

(1) The exporters of Components of Autos, Basic Metals & Metal Products, Textiles &Clothes, Electronic& Electric Products, Bicycles, and Plastics Products report and suffer from NTMs significantly.
Most cases of complaints are toward the importing countries, while some cases also are indicative of that local customs procedure could be restrictive for exports such as the trade between Taiwan and China in the Electronic & Electric Products and Basic Metals & Metal Products. Since China is facing severe NTMs such as anti-dumping that Taiwanese businessmen are heavily investing, Taiwanese firms is very sensitive to the China’s commerce environments in the international arena and cross-strait relationships in a political and economic sense.

As for the industry respectively, the components of autos confront a diversity of NTMs that cover almost all kinds of them with the results of product differentiation, including of

- Fees for application to pass the technical standard too high, disadvantage for the producers who provide a variety of products with small supply;
- Countervailing tax and customs procedure;
- TBT;
- The duration of licensing is too long and the fees too high; imports license;
- Discrimination by trade deals that exclude Taiwan and state monopoly;
- Complexity in customs procedure;
- Inconsistent formalities; and
- SPS in packing instrumental.

As for uses of NTMs, the results of this questionnaire confirm that developing countries are more dependent on measures such as “local content requirements”, such as the case of Electronic & Electric Products in China, import licensing in many cases, as well as inefficiency of customs procedures, while developed countries are using
more NTMs such as anti-dumping of Bicycles in Canada, and TBT/SPS of EU and US.

(5) The threats of discriminatory trade deals such as FTAs (free trade agreements) against Taiwan’s exporters are emerging, such as the deals of ASEAN and other related trade arrangements. This kind of preferential trade deals is replacing the previous GSP that is aimed to promote developing countries.

(6) Mostly, the way that non-tariff barriers influence trade is in decreasing exports (19 cases/ total 40 cases), prohibitive obstacle (6), by change of product style (5). The other influencing way that is mostly reported is direct increases in costs (5). These cases are highly related to customs procedures.

(7) “If this barrier(s) are removed, how do you respond? “ Almost the respondents give the answer of “Increasing the exports of the existing products “, while only two report the “increasing potential products”

(8) As for the “severity of this barriers” and “frequency of occurrences” of NTMs in the different countries for various industries please see Appendix 3: Minute Results of NTMs Questionnaire.

3. Interviews

Besides questionnaire, our study also conducted in-depth interviews with four enterprises. Those four enterprises are as follows.

1. NAN YA PLASTIC CORPORATION, Plastics Products Industry

2. CAPCO, Petroleum Product Industry

3. Taiwan Cement Corporation, Cement products Industry

4. Wang Pang Enterprise, Components of Autos
NAN YA, CAPCO and Taiwan Cement are all at the leading position in their industries. CAPCO is the largest PTA producer in the world and Nan Ya Plastics Corporation is the world's largest secondary plastics processor. And Taiwan Cement has large market power because its market share in Taiwan is more than 40% while its branch in China is also listed as Top 20 Cement producers in China. These three enterprises are all representative.

As for Wang Pang Enterprise, it is a medium enterprise, which is quite different from these three leading companies, providing us the variety of our samples. Small and medium enterprises that are export-oriented are important driving force of the economy in Taiwan. Their experience is so special and important to other developing countries that we must conduct the in-depth interview with one of them.

First, NTMs do not bother Wang Pang Enterprise very much. Wang Pang Enterprise has all the necessary resources so that it can understand all the customs entry processes. It operates with the customs brokers well, and the fee paid to the brokers is not a heavy burden to Wang Pang. It shows that the transaction cost in trade of small and medium enterprises in Taiwan is not much higher than those large companies. It also may due to the export destination of Wang Pang. The main export destinations of Wang Pang are EU, Canada and US which have lower NTMs and better transparency regulations.

However, Wang Pang still faces some NTMs. These NTMs it faced are 1. The products exported to Europe require letters of credit which are above $2,000,000. The letters of credit in such a huge amount lower the liquidity of asset and then increase the transaction cost. 2. Japan has inspections and standard requirements of these components of autos. 3. 20% of Wang Pang’s products are intermediate goods sold to China. After the export process in China, these intermediate goods were sold back to Taiwan for the final procedures, and then become the goods. However, Taiwanese can not trade or ship directly to China now. We still have to transship in Hong Kong. It raises the transportation cost and Wang Pang view the inconvenience as NTMs.
Second, NTMs do not bother NAN YA PLASTIC CORPORATION much either. NAN YANG only address the prohibition of cross-strait direct trade as an important NTM. NAN YA PLASTIC CORPORATION exports to China very often. The same as Wang Pang, NAN YA PLASTIC CORPORATION also have to transship in Hong Kong. It raises the transportation cost and shipping hours. NAN YANG says that the total cost increases 10%~15% due to these hours and fees. NANYANG believe that it is a particular bilateral NTM.

Third, CAPCO does not face many NTMs either. The NTM CAPCO addressed is only the tax discrimination in ASEAN. That is because AFTA tax reductions. The tax reduction has been implemented for years but the reduction is not for Taiwan because we are not ASEAN member. Thus CAPCO has to pay for the customs duties. Especially in the market in Vietnam, CAPCO pays for the duties while the ASEAN member pays zero custom duties. It becomes a competitive disadvantage for CAPCO, contributing to 10%~20% higher in the cost. CAPCO recognize it as discrimination and a kind of NTM.

At last, Taiwan Cement counters more NTMs than the other three enterprises. This company focuses both on domestic and oversea markets. 45% of its products are exported. When it exports to the worldwide market, the NTMs it faces are as follows: 1. the goods exported to US need to be certified and inspected. It raises the cost of custom entry. 2. The buyers in Vietnam and Bangladesh forge an alliance so that they have more bargaining power than the supplier, Taiwan Cement. This imperfectly competitive market distorts the price and Taiwan Cement recognize it as a kind of NTMs. 3. Goods exported to Nigeria need to be inspected before being shipped and this process takes a very long time. Sometimes Taiwan Cement even has to bribe the local brokers or officers to cut down the inspection process. 4. Philippine imposes anti-dumping duty on the import of the cement from Taiwan. However, Taiwan Cement thought the anti-dumping duty as a kind of self-defense and disturbance on free market. And the anti-dumping duty is a NTM for Taiwan Cement.
Chapter V: Finale

This study concludes that

1. Judged by the contents of the symposium (2005/06/22, TIER), it seems that Taiwan export products have been experienced a decrease in the NTMs in recent years. The reasons, partly, is due to the relocation of manufacturing form Taiwan to China. For example, the shoe industry keeps moving its production line out, so the questions of trade barriers might also shift form Taiwan to China; the recent case is that waterproof boots is paying the anti-dumping duties imposed by Canada.

Partly might be that the manufacturers in Taiwan are very flexible, although most manufactures seek government solutions, some can solve the problem by adjustment of production process or ingredients.

2. As to Taiwanese agriculture products,

- The NTMs right now are mainly on developed countries rather than developing countries, because most of Taiwan’s agricultural goods are exported to developed countries.

- For Taiwan, NTMs in developed countries is not necessary a barrier. Take the export of soy beans from Taiwan to Japan for example. Because Japan performs strict pesticides residue detection, Taiwanese soy beans has a success over those cheap but with pesticides residue Chinese soy beans. In fact, the sanitary and phytosanity measures (SPS) importing countries take have actually helped Taiwan to compete with countries with low-cost strategies.

- Noted that as more and more Taiwanese business people invest heavily to China, they also face the NTMs like the anti-dumping measures that targeted primarily
China.

3. There are some features and observations from the results of questionnaire (2005/TIER), including

(1) The exporters of Components of Autos, Basic Metals & Metal Products, Textiles &Clothes, Electronic& Electric Products, Bicycles, and Plastics Products report and suffer from NTMs significantly.

(2) Most cases of complaints are toward the importing countries, while some cases also are indicative of that local customs procedure could be restrictive for exports such as the trade between Taiwan and China in the Electronic& Electric Products and Basic Metals & Metal Products. Since China is facing severe NTMs such as anti-dumping that Taiwanese businessmen are heavily investing, Taiwanese firms is very sensitive to the China’s commerce environments in the international arena and cross-strait relationships in a political and economic sense.

(3) As for the industry respectively, the components of autos confront a diversity of NTMs that cover almost all kinds of them with the results of product differentiation.

(4) As for uses of NTMs, the results of this questionnaire confirm that developing countries are more dependent on measures such as “local content requirements”, such as the case of Electronic& Electric Products in China, import licensing in many cases, as well as inefficiency of customs procedures, while developed countries are using more NTMs such as anti-dumping of Bicycles in Canada, and TBT/SPS of EU and US.

(5) The threats of discriminatory trade deals such as FTAs (free trade agreements) against Taiwan’s exporters are emerging, such as the deals of ASEAN and other related trade arrangements. This kind of preferential trade deals is replacing the previous GSP that
is aimed to promote developing countries.

(6) Mostly, the way that non-tariff barriers influence trade is in decreasing exports (19 cases/ total 40 cases), prohibitive obstacle (6), by change of product style (5). The other influencing way that is mostly reported is direct increases in costs (5). These cases are highly related to customs procedures.

Appendix 1: The Minutes of Symposium on Non-tariff Trade Barriers

Facing Taiwanese Exporters

Time: 2005/6/21 2:00pm-3:30pm

Place: TIER

Chair: Dr. Chiang, Director, TIER

Presence: Mr. Tseng, Section Chief, Ministry of Economic Affair, Trade Affairs Division, Bureau of Foreign Trade,

Mr. Lan, International Affair Division, Council of Agriculture

Ms. Chiang, Section Chief, Industrial Service Section, Industrial & Trade Service Department

Ms. Hsieh, Industrial Service Section, Industrial & Trade Service Department

Ms. Wu, Manager, Research Section, International Trade Information Center

Mr. Kong, Taiwan Footwear Manufactures Association

Mr. Shen, Taiwan Iron & Steel Industries Association

Kaohsiung Importers &Exporters Association

Ms. Lin, Specialist, General Chamber of Commerce of the Republic of China

Dr. Hong, Tsai-Lung, Associate Researcher, TIER

Minute recorder: Liu Yu-Hsi, Assistant Researcher, TIER
Chair:

Taiwan became a member of the WTO in 2002, and export has always been the pillar of Taiwan's economy. Taiwan Institute of Economic Research (TIER) has accepted a commission from the WTO and the World Bank to perform a research on non-tariff trade barriers Taiwanese exporters encountered in the trading process. This research intends to find out what these barriers are (including the anti-dumping measures of the importing countries and other technical barriers to trade) and the degree of influence these barriers posed so that necessary redeeming solutions can be found. We mainly communicated with Mr. Bora, an advisor for the WTO. Now let us welcome Dr. Hong to give a report about this research.

Dr. Hong:

This research is mainly under the guidance of the PECC and the WTO which wishes to understand the trade barriers each Asian exporting country encountered during the trading process so as to complement the WTO insufficiency. What is special about this research could be used as starting point for future quantification, such as the “degree of seriousness” and the “degree of responsiveness if no such NTMs”. The following is the outline of the research:

1. Non-tariff trade barriers have become more important than the tariff trade barriers and since the transportation cost has been cut down, non-tariff trade barriers are mainly expressed in the form that effects trading time, such as the customs clearance procedure.

2. Non-tariff trade barriers are often connected with protectionism which come in different types and forms such as voluntary export restraints and anti-dumping duty. Recent trade dispute on textiles between China, the United States and the European Union is a good example of this. Generally speaking, it is more likely for industrialized countries to use non-tariff trade barriers, but developing countries are learning to use it as well.

3. The types of non-tariff trade barriers are miscellaneous. Those that do not involve tariffs but hinder or prohibit normal trading process are all in the category of non-tariff trade barriers (NTMs / NTB). Please refer to the attachment files for the category of non-tariff trade barriers defined by the WTO, including SPS. The core NTMs include the quantity control measures (such as quota) and the price control measures while non-core NTMs include technical barriers to trade (TBT), import monopoly, and import licensing measures. Japan often uses TBT while countries like the United States, New Zealand, and Australia often use AD/CV measures.
We are concerned about the following issues: What product has faced the most non-tariff trade barriers? What are these barriers? How serious? What are the differences between the NTMs exporters encountered now compared to those back in the 80s or 90s? Which countries have the highest frequency in using NTMs? Are they especially targeting Taiwan? And has it anything to do with Taiwan not signing certain FTAs? I see that there are professionals from the Taiwan Steel & Iron Industries Association. I am curious that after the East Asian financial crisis (1997/8), economic construction in those effected countries must have been temporarily paused, causing the aggregate demand to decrease and creating an over-supply phenomenon in the international market. Thus the price of products, including the price of steel, decreased dramatically and steel importing countries, especially the United States, found themselves facing the threat of product “dumping”. The United States responded to the situation by setting up NTMs like the countervailing duty in 1997. I wonder if the professionals from the steel association have any opinions and suggestions on this.

Mr. Tseng, Section Chief, Ministry of Economic Affair, Trade Affairs Division, Bureau of Foreign Trade:

The Bureau of Foreign Trade is currently participating in industrial product negotiations in the Doha Round, focusing especially on market access. It is true that NTMs are more complicated, and all members of the WTO have almost done collecting opinions from domestic exporters and have submitted the information to the conference secretariat. This research we are talking about must have been an additional commission besides the negotiation job. First of all, you can find the information of each different product in different committees. Dr. Hong categorized the products by types of agreement, which is different from the categorization by the secretariat. The European Union has established an export tax, which in a sense, is a type of NTMs and is not in the WTO norm. We can also take a look into it. The Bureau of Foreign Trade has done some surveys on the opinions of domestic exporters in the past, and we can share the information with TIER.
Mr. Lan, International Affair Division, Council of Agriculture:

To Taiwanese agriculture products, NTMs is not necessary a barrier. Take the export of soy beans from Taiwan to Japan for example. Because Japan performs strict pesticides residue detection, Taiwanese soy beans has a success over those cheap but with pesticides residue Chinese soy beans. What we need to deal with is exports such as the export of orchid to U.S. Currently U.S only allows Taiwan to sell cut flowers, which in a way, is a type of NTM.

In fact, the sanitary and phytosanity measures (SPS) importing countries take have actually helped Taiwan to compete with countries with low-cost strategies. In the developed countries, Taiwanese agriculture product has not faced much difficulty in the customs clearance procedure. Taiwan does not have much agriculture export to China, areas are only limited to the coastal areas with higher income. As for our largest exporting country—Japan, the SPS has sometimes been used as a mean of trade negotiation; since we have also imported many Japanese agriculture products, both sides have the record of using SPS as a mean of trade negotiation.

Ms. Lin, Specialist, General Chamber of Commerce of the Republic of China:

SPS itself is considered a big NTM. A very obvious example is the export of litchi to the U.S—as a delicate fruit that easily deteriorates, litchi cannot survive in the chemical SPS procedure that takes a long time. Papaya, flowers, and squid share the same problem as well. What needs to be noted is that as more and more Taiwanese business people outsource to China and other countries, they also face the NTMs, like the anti-dumping measures, the importing countries have on the countries these Taiwanese business people invested in.

Mr. Shen, Taiwan Iron & Steel Industries Association:

The steel export market has already entered the stage of low-cost competition, so customs clearance procedure is not a problem, but another type of NTM, the domestic subsidy, and the dumping action of the Russian Federation and east-Europe regardless of the cost have become a problem. OECD has started the negotiation of domestic subsidy three to four years ago, but has no result thus far.

Currently the barrier of the steel export to Japan is to totally fulfill their production standard.
Another barrier is the documents needed in the customs clearance procedure, and Chinese Petroleum Corporation's Malaysia factory is facing this problem right now. And also, in a broad sense, isn't FTA also a NTM? And is transnational production or transnational alliance a NTM as well?

Chair:

My question is, if Taiwan export products have been experienced a decrease in the NTM in recent years, it is due to the efforts of foreign negotiation, a change in the standards of individual countries, or a better quality of our product?

Mr. Lan:

Papaya export is a good example. The paper review take years, and this is a typical example of administrative interference. And to export pork to the U.S, Taiwan has to pay for the American examiner to come to Taiwan. These time consuming paper reviews and on-site examinations all cost money, and if we don’t have enough export quantity, then these related negotiation costs would be too high. The research on NTMs right now are all mainly targeting developed countries rather than developing countries, because with developing countries, what we are mainly facing is low-cost competition.

Ms. Chiang, Section Chief, Industrial Service Section, Industrial & Trade Service Department:

The Taiwan Textile Federation was responsible for managing the textile quota in the past. The textile quota can be said to be the largest NTM in the world, but it is cancelled this year. We didn’t get a lot of responses after the quota is removed; complaints were mostly that application procedures for export certificate in Turkey were too complicated, and the export certificate need to be verified by the court, which greatly increases the bottom line. Brazil has similar regulations as well. Exporters wish that they can just use one single export certificate verified by the Textile Federation.
Mr. Tseng:

As for the developing countries, we can quote the special regulation on the lowest price to developing countries in WTO documents regarding negotiations, since these countries often lack fair market value mechanisms. Some agreements are legal, such as agreements on subsidy and anti-dumping; if it cannot be dealt with by muti-lateral means, we can try bilateral means. Furthermore, regarding FTA, the RTA committee in the WTO is working on it right now. We can also provide a WTO report that indicates the types of NTMs the textile industry is facing. And as for the question of who establishes more serious barriers, the developed or developing countries, actually, developing countries often use high tariff as a barrier, it is the developed countries that often use NTMs.

Mr. Kong, Taiwan Footwear Manufactures Association:

The shoe industry keeps moving its production line out, so the impact of trade barriers is getting smaller, but there are still barriers. For example, a manufacturer that produces waterproof boots is facing anti-dumping investigation and has been taxed by Canada because it has moved its production line to China. Also, the European Unions and Japan have quota on shoes from China. China also has self-regulation measures on exports, but we don’t know the results yet. The U.S is currently pushing for zero-tariff on shoes; the current tariff is 37.5%, which is quite high, so it is supposed to bring a lot of profit but we are not sure of the result of that yet either.

Ms. Lin:

The export of dental floss is facing similar problems. The export certificate needs to be verified by the court, which is very complicated.

Ms. Wu, Manager, Research Section, International Trade Information Center:

1. In the recently held symposium on expanding the international market by the Taiwan External Trade Development Council, a survey was performed and one of the questions was on the type of trade barriers of the exporting countries and few manufacturers mentioned about NTMs, most were about tariff trade barriers like visas and the minimum import tariff.

2. Taiwan External Trade Development Council is working with weekly journals and e-papers to publish information about tariff trade barriers and NTMs in the overseas market
as a reference for domestic manufacturers.

3. The manufacturers in Taiwan are very flexible, although most manufactures seek government solutions, some can solve the problem by themselves. There is this famous Taiwanese manufacturer that was denied export by health authorities abroad, customs, and even the Department of Agriculture because the 3-MCPD in its meat flavor powder and soy-bean sauce in the instant noodle it produced was accused that it “may cause cancer” and “affects the health of people, animal and plant”. The company solved the problem by purchasing the ingredients of meat flavor powder in the export country and provided scientific results that proved 3-MCPD won’t cause genetic mutation when it is less than 0.02ppm.

Mr. Tseng:

Generally speaking, the negotiation of NTMs starts with bilateral, and only when it cannot be solved will it be handled through muti-lateral means. Take the recent case of anti-dumping tax the U.S and India taxed Taiwan for example, we have actively negotiated with the U.S and India each through bilateral negotiation. Muti-lateral means like through WTO is a way to solve NTMs, but not necessary the only mechanism.

Liu Yu-Hsi, Assistant Researcher, TIER:

I would like to explain the design of our questionnaire. We tried our best to cover the top 200 export products but we still need to further define which manufactures produced which. Please give us some suggestions on how to design the questionnaire.

Mr. Lan:

Questionnaire should require putting down check marks only. Try to avoid asking people to write down words or sentences for this may lower the manufacturers’ willingness to fill out the form. Sometimes manufacturers are even unwilling to write down the turnover of the year.

Mr. Tseng:

I heard that the questionnaire is targeting the top 200 export products but this might be a problem for that those products that encountered NTMs but aren’t necessarily in the top 200.

Dr. Hong

I would like to understand a simple trend: Are the NTMs becoming more and more serious for Taiwanese exporters?
Mr. Shen:

The NTMs steel industry faced is highly related with the economics circle. If the economy is booming, each country will activate NTMs to protect domestic manufacturers.

Mr. Kong:

For the shoe industry, the environment request for shoe factory seems to be a type of NTM as well.

Chair:

Thanks for your participation, the support and information provided by the industrial sector is always the pillar of economies when participating in the trade organization.
Appendix 2: Questionnaire (2005/TIER)

Taiwan Institute of Economic Research (TIER)
In co-operation with
World Trade Organization (WTO, the World Bank (WB)
and Trade Forum of Pacific Economic Cooperation Council (PECC)

QUESTIONNAIRE OF NON TARIFF MESURES Facing Taiwan’s Exporters

Dear Boss,

In order to reduce the non-tariff barriers/measures facing Taiwan’s exporters such as the anti-dumping measures and other technical barriers to trade, Taiwan Institute of Economic Research (TIER) is implementing a survey research in cooperation with WTO/WB/PECC. By identifying the types and their severity of NTMs, we hope that such endeavors could contribute to the would-be solutions and remedies of NTMs.

We acknowledge deeply for your response and would like remind you that the deadline of this questionnaire is by 15th in August. The delivery of questionnaire could be made by FAX (02)25997499; or email: d15653@tier.org.tw

Project Coordinator: Dr. Hong, Tsai-Lung (Honigmann); TEL: 02-25865000 ext. 506; Email: d13985@tier.org.tw; Miss Liu Yu-Hsi, TEL: 02-25865000 ext. 544; Email: d15653@tier.org.tw

A. What is the nature of your company?

(1) The primary business (multiple options)

☐ Manufacturing  ☐ Trading company  ☐ Multinational Company  ☐

The others

(2) What is your main business?
（3）The Main Destination（multiple options）

- China  
- Japan  
- Korea  
- South-Eastern Asia (Which one?)  
- the other Asian countries
- U.S.  
- EU  
- Africa  
- Others

B. The Non-tariff barriers facing Exporters（Please refer it to inventory of NTMS in the last page）

B-1

1. Product (only one kind of product for this form; if there is additional product, please use B-2 or copy as a complementary)

2. Destination (only one country for this form; if there is additional
<table>
<thead>
<tr>
<th>1. Product (only one kind of product for this form; if there is additional product, please use B-2 as a complementary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Destination (only one country for this form; if there is additional destination, please use B-2 as a complementary)</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Description about the details of non-tariff barrier to trade</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>4. In which ways does this kind of non-tariff barrier influence exports?</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ decrease of exports</td>
</tr>
<tr>
<td>□ change of product style/pattern</td>
</tr>
<tr>
<td>□ Prohibitive Obstacle</td>
</tr>
<tr>
<td>□ others________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Severity of this barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ High</td>
</tr>
<tr>
<td>□ Medium</td>
</tr>
<tr>
<td>□ Low</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6. Frequency of occurrences</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Always</td>
</tr>
<tr>
<td>□ Often</td>
</tr>
<tr>
<td>□ Rarely</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7. If this barrier(s) are removed, how do you respond?</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Increasing the exports of the existing products</td>
</tr>
<tr>
<td>□ Increasing potential products</td>
</tr>
<tr>
<td>( which one : ____________________ )</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8. Other comments:</th>
</tr>
</thead>
</table>

---

**B-2 (used if necessary)**

<table>
<thead>
<tr>
<th>1. Product (only one kind of product for this form; if there is additional product, please use B-2 as a complementary)</th>
</tr>
</thead>
</table>

| 2. Destination (only one country for this form; if there is additional destination, please use B-2 as a complementary) |

| 3. Description about the details of non-tariff barrier to trade |
4. In which ways does this kind of non-tariff barrier influence exports?
  □ decrease of exports
  □ change of product style/pattern
  □ Prohibitive Obstacle
  □ others_______

5. Severity of this barriers
  □ High
  □ Medium
  □ Low

6. Frequency of occurrences
  □ Always
  □ Often
  □ Rarely

7. If this barrier(s) are removed, how do you respond?
  □ Increasing the exports of the existing products
  □ Increasing potential products
  (which one : ________________)

8. Other comments:

| 4. In which ways does this kind of non-tariff barrier influence exports? | □ decrease of exports  
| □ change of product style/pattern  
| □ Prohibitive Obstacle  
| □ others_______ |
| 5. Severity of this barriers | □ High  
| □ Medium  
| □ Low |
| 6. Frequency of occurrences | □ Always  
| □ Often  
| □ Rarely |
| 7. If this barrier(s) are removed, how do you respond? | □ Increasing the exports of the existing products  
| □ Increasing potential products  
| (which one : ________________ ) |

C・Basic Information

Name of Company : ____________________________
Name and Title of Respondent : _________/__________
Address of Company : □□□ _______________________
TEL : ______________________________ Fax Number :
____________________________
Email : ______________________________
## PART I
### Government Participation in Trade and Restrictive Practices Tolerated by Governments
- **A** Government aids, including subsidies and tax benefits
- **B** Countervailing duties
- **C** Government procurement
- **D** Restrictive practices tolerated by governments
- **E** State trading, government monopoly practices, etc.

## PART II
### Customs and Administrative Entry Procedures
- **A** Anti-dumping duties
- **B** Customs valuation
- **C** Customs classification
- **D** Consular formalities and documentation
- **E** Samples
- **F** Rules of origin
- **G** Customs formalities
- **H** Import licensing
- **I** Pre-shipment inspection

## PART III
### Technical Barriers to Trade
- **A** General
- **B** Technical regulations and standards
- **C** Testing and certification arrangements

## PART IV
### Sanitary and Phytosanitary Measures
- **A** General
- **B** SPS measures including chemical residue limits, disease freedom, specified product treatment, etc.
- **C** Testing, certification and other conformity assessment
### Appendix 3: Minute Results of NTMs Questionnaire (2005/TIER)

**Categorized by 11 Industries**

<table>
<thead>
<tr>
<th>1. Product</th>
<th><strong>1. Electronic &amp; Electric Products:</strong> Components (1); (2); (3); Ball Grid Array Substrate (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Destination</td>
<td>China (1); (2); US (3); (4)</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
<td>Difficulties in Taiwan customs procedures for the exports, we must set up the overseas logistics (1); Local content requirement in China (2); environmental requirements (3); Material safety table as attachment (4)</td>
</tr>
</tbody>
</table>
| 4. In which ways does this kind of non-tariff barrier influence exports? | □ decrease of exports (1); (3)  
□ change of product style/pattern  
□ Prohibitive Obstacle  
□ others: Relocation (2); slowing the customization (4) |
| 5. Severity of this barriers | □ High (1); (2)  
□ Medium (3)  
□ Low (4) |
| 6. Frequency of occurrences | □ Always (1);(2)  
□ Often (4)  
□ Rarely (3) |
| 7. If this barrier(s) are removed, how do you respond? | □ Increasing the exports of the existing products (1); (2); (3)  
□ Increasing potential products  
( which one：_________________ ) |
| 8. Other comments: | More open cross-strait trade policy |
| 1. Product | 2. Plastics Products:  
|            | 1; PVC (2); (3) |
| 2. Destination | EU (1); China (2); Malaysia (3) |
| 3. Description about the details of non-tariff barrier to trade | TBT, CE standard requirements (1); Indirect trade link & different formalities (2); Taiwan is not member of ASEAN (3) |
| 4. In which ways does this kind of non-tariff barrier influence exports? | □ decrease of exports  
| | □ change of product style/pattern  
| | □ Prohibitive Obstacle  
| | □ others: costs increase (1); (3) |
| 5. Severity of this barriers | □ High (3)  
| | □ Medium (1); (2)  
| | □ Low |
| 6. Frequency of occurrences | □ Always (1); (2)  
| | □ Often  
| | □ Rarely |
| 7. If this barrier(s) are removed, how do you respond? | □ Increasing the exports of the existing products  
| | □ Increasing potential products  
<p>| | ( which one: ___________________________ ) |
| 8. Other comments: |</p>
<table>
<thead>
<tr>
<th>1. Product</th>
<th>3. Basic Metals &amp; Metal Products: Steel (1) (7); CNC mother machine (2); Cutting Process (3); painting for Autos (4); steel wheel and Disk (5); Compounds of Copper &amp; Aluminum (6); processors (8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Destination</td>
<td>Us (1); China (2); China (3); US (4) (5); China (6); China, Japan, Korea, Philippines, Vietnam, Indonesia and US (7); China (8)</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
<td>Imports license (2); Troublesome local (Taiwan) customs procedure (3); testing arrangements (4); TBT (5); imports license (6); anti-dumping (7); import licensing and inconsistent tariffs standard (8)</td>
</tr>
<tr>
<td>4. In which ways does this kind of non-tariff barrier influence exports?</td>
<td>□ decrease of exports (2); (5); (7) □ change of product style/pattern (4); (8) □ Prohibitive Obstacle (1);(3); (6) □ others ________</td>
</tr>
<tr>
<td>5. Severity of this barriers</td>
<td>□ High (2); (6); (7) □ Medium (1); (3); (4); (5); (8) □ Low</td>
</tr>
<tr>
<td>6. Frequency of occurrences</td>
<td>□ Always (1);(2); (6) □ Often (4); (5); (8) □ Rarely (3)</td>
</tr>
<tr>
<td>7. If this barrier(s) are removed, how do you respond?</td>
<td>□ Increasing the exports of the existing products (1); (2); (4); (5); (6); (7); (8) □ Increasing potential products (which one: ______________________)</td>
</tr>
<tr>
<td>8. Other comments:</td>
<td>4. Components of Autos Parts of Auto (1); Driving Board of Auto</td>
</tr>
<tr>
<td>2. Destination</td>
<td>EU (1); China (2); US (3); Dominica (4); US, Arab, Syria (5); Tunisia, Morocco (6); France (7); Mexico (8); Brazil (9); EU &amp; America (10)</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
<td>Fees for application to pass the technical standard too high, disadvantage for the producers who provide a variety of products with small supply (1); countervailing tax and customs procedure (2); TBT (3) The duration of licensing is too long and the fees too high (4); imports license (5); Discrimination (6); State monopoly (7); Complexity in Customs Procedure (8); inconsistent formalities (9); SPS in Packing Instrumental (10)</td>
</tr>
<tr>
<td>4. In which ways does this kind of non-tariff barrier influence exports?</td>
<td>□ decrease of exports (1); (2); (3); (4); (6) □ change of product style/pattern (3) □ Prohibitive Obstacle (7) □ others: costs increase (5) (10); punishment of importers</td>
</tr>
<tr>
<td>5. Severity of this barriers</td>
<td>□ High (4); (6); (7); (8) □ Medium (1); (2); (3); (10) □ Low (5); (9)</td>
</tr>
<tr>
<td>6. Frequency of occurrences</td>
<td>□ Always (1); (3); (4); (5); (6); (7); (8); (9); (10) □ Often □ Rarely (2)</td>
</tr>
<tr>
<td>7. If this barrier(s) are removed, how do you respond?</td>
<td>□ Increasing the exports of the existing products (1); (2); (4); (6); (7); (8); (9) □ Increasing potential products (4) □ No direct effects (5)</td>
</tr>
<tr>
<td>8. Other comments:</td>
<td></td>
</tr>
<tr>
<td>1. Product</td>
<td>5. Textiles &amp;Clothes: raw materials(1) (2); (3); shoes (4); Sports Clothing (5)</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>2. Destination</td>
<td>Bangladesh (1), Canada (1); Vietnam, US and EU (2); India (3); From China (Taiwanese Owner) to EU (4); US (5)</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
<td>Canada discriminates Taiwan’s re-exports after processing in Bangladesh but not for the other country such as Korea.(1); Regionalism and the tax rebating for exports in China (2); Anti-dumping accusing (3); anti-dumping (4); quota (5)</td>
</tr>
<tr>
<td>4. In which ways does this kind of non-tariff barrier influence exports?</td>
<td>□ decrease of exports (1); (2); (4); (5) □ change of product style/pattern □ Prohibitive Obstacle (3); (5) □ others_______</td>
</tr>
<tr>
<td>5. Severity of this barriers</td>
<td>□ High (1); (2);(3); (5) □ Medium (4) □ Low</td>
</tr>
<tr>
<td>6. Frequency of occurrences</td>
<td>□ Always (1); (4); (5) □ Often (3) □ Rarely</td>
</tr>
<tr>
<td>7. If this barrier(s) are removed, how do you respond?</td>
<td>□ Increasing the exports of the existing products (2); (3); (4); (5) □ Increasing potential products (1) (which one:___________________)</td>
</tr>
<tr>
<td>8. Other comments:</td>
<td></td>
</tr>
<tr>
<td>1. Product</td>
<td>6. Food &amp; Beverages</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------</td>
</tr>
<tr>
<td></td>
<td><strong>Tea (1)</strong></td>
</tr>
<tr>
<td>2. Destination</td>
<td>EU (1)</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
<td>Chemical residue limits (1)</td>
</tr>
</tbody>
</table>
| 4. In which ways does this kind of non-tariff barrier influence exports? | □ decrease of exports (1)  
 □ change of product style/pattern  
 □ Prohibitive Obstacle  
 □ others________ |
| 5. Severity of this barriers | □ High (1)  
 □ Medium  
 □ Low |
| 6. Frequency of occurrences | □ Always (1)  
 □ Often  
 □ Rarely |
| 7. If this barrier(s) are removed, how do you respond? | □ Increasing the exports of the existing products (1)  
 □ Increasing potential products  
 (which one:____________________) |
<p>| 8. Other comments: |         |</p>
<table>
<thead>
<tr>
<th>1. Product</th>
<th>7. Bicycles</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Destination</td>
<td>Canada (1); (2); EU (3); parts of bicycle (4)</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
<td>Anti-dumping tax (1); (2); (3); import licensing (4)</td>
</tr>
</tbody>
</table>
| 4. In which ways does this kind of non-tariff barrier influence exports? | □ decrease of exports (2); (3)  
|                  | □ change of product style/pattern (1)  
|                  | □ Prohibitive Obstacle  
|                  | □ others: delay of exports (4) |
| 5. Severity of this barriers | □ High (2)  
|                  | □ Medium (1)  
|                  | □ Low (3); (4) |
| 6. Frequency of occurrences | □ Always (1); (2); (3)  
|                  | □ Often  
|                  | □ Rarely (4) |
| 7. If this barrier(s) are removed, how do you respond? | □ Increasing the exports of the existing products (1); (2); (4)  
|                  | □ Increasing potential products  
<p>|                  | ( which one : ___________________________ ) |
| 8. Other comments: | Some products of China by deflation Taiwan (exporting them to Taiwan then re-exporting) in order to avoid anti-dumping facing China. |</p>
<table>
<thead>
<tr>
<th>1. Product</th>
<th>8. Leather Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Destination</td>
<td>China, Vietnam, Indonesia and Thailand (1)</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
<td>Customization and tariff category (1)</td>
</tr>
</tbody>
</table>
| 4. In which ways does this kind of non-tariff barrier influence exports? | □ decrease of exports  
□ change of product style/pattern  
□ Prohibitive Obstacle  
□ others: delay of delivery |
| 5. Severity of this barriers | □ High  
□ Medium (1)  
□ Low |
| 6. Frequency of occurrences | □ Always  
□ Often  
□ Rarely (1) |
| 7. If this barrier(s) are removed, how do you respond? | □ Increasing the exports of the existing products  
□ Increasing potential products  
( which one : ____________________ ) |
<p>| 8. Other comments: |                      |</p>
<table>
<thead>
<tr>
<th>1. Product</th>
<th>9. Chemicals products</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Destination</td>
<td>China; South-East Asian countries (1)</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
<td>Identification of the tariffs (1)</td>
</tr>
</tbody>
</table>
| 4. In which ways does this kind of non-tariff barrier influence exports? | □ decrease of exports  
□ change of product style/pattern (1)  
□ Prohibitive Obstacle  
□ others________ |
| 5. Severity of this barriers | □ High  
□ Medium  
□ Low (1) |
| 6. Frequency of occurrences | □ Always  
□ Often  
□ Rarely (1) |
| 7. If this barrier(s) are removed, how do you respond? | □ Increasing the exports of the existing products (1)  
□ Increasing potential products  
( which one : ______________________ ) |
<p>| 8. Other comments: | |</p>
<table>
<thead>
<tr>
<th>1. Product</th>
<th>10. Medical Treatment Products:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Destination</td>
<td>US (1); Hong Kong (2)</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
<td>All the wooden components must be treated specially, for example by smoke. (1); difficulties in import license (2)</td>
</tr>
</tbody>
</table>
| 4. In which ways does this kind of non-tariff barrier influence exports? | □ decrease of exports (2)  
□ change of product style/pattern  
□ Prohibitive Obstacle  
□ others: costs increases (1) |
| 5. Severity of this barriers | □ High  
□ Medium (1); (2)  
□ Low |
| 6. Frequency of occurrences | □ Always  
□ Often (1); (2)  
□ Rarely |
| 7. If this barrier(s) are removed, how do you respond? | □ Increasing the exports of the existing products (2)  
□ Increasing potential products  
( which one : ___________________ ) |
<p>| 8. Other comments: | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Product</td>
<td>11. Motorcycles</td>
</tr>
<tr>
<td>Motorcycle for beach (1)</td>
<td></td>
</tr>
<tr>
<td>2. Destination</td>
<td>EU, US (1)</td>
</tr>
<tr>
<td>3. Description about the details of non-tariff barrier to trade</td>
<td>Discrimination: Products of China is favorable (1)</td>
</tr>
<tr>
<td>4. In which ways does this kind of non-tariff barrier influence exports?</td>
<td>□ decrease of exports (1)</td>
</tr>
<tr>
<td></td>
<td>□ change of product style/pattern</td>
</tr>
<tr>
<td></td>
<td>□ Prohibitive Obstacle</td>
</tr>
<tr>
<td></td>
<td>□ others ______</td>
</tr>
<tr>
<td>5. Severity of this barriers</td>
<td>□ High (1)</td>
</tr>
<tr>
<td></td>
<td>□ Medium</td>
</tr>
<tr>
<td></td>
<td>□ Low</td>
</tr>
<tr>
<td>6. Frequency of occurrences</td>
<td>□ Always (1)</td>
</tr>
<tr>
<td></td>
<td>□ Often</td>
</tr>
<tr>
<td></td>
<td>□ Rarely</td>
</tr>
<tr>
<td>7. If this barrier(s) are removed, how do you respond?</td>
<td>□ Increasing the exports of the existing products (1)</td>
</tr>
<tr>
<td></td>
<td>□ Increasing potential products</td>
</tr>
<tr>
<td></td>
<td>( which one : ______________________ )</td>
</tr>
<tr>
<td>8. Other comments:</td>
<td></td>
</tr>
</tbody>
</table>