

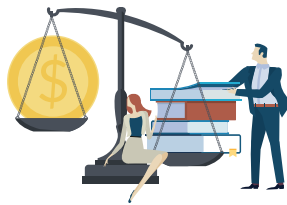
EMNES Policygraphic 7

Unleashing Trade Potential in the Arab Mediterranean: Do Non-Tariff Measures Matter?

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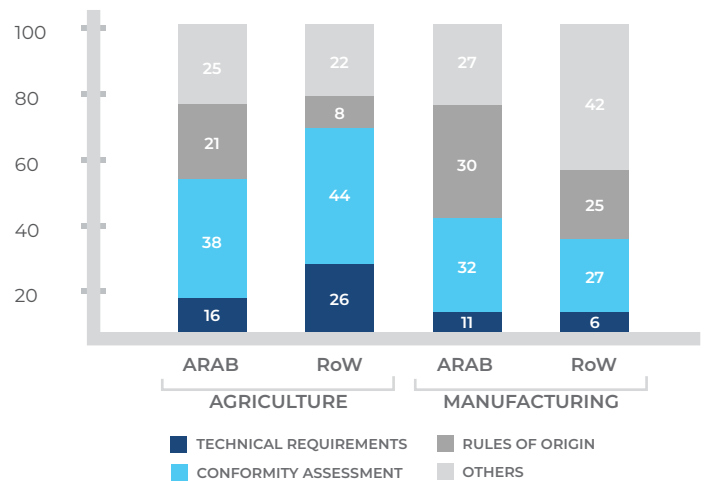
What are Non-Tariff Measures? (NTMs):

- Distortions to trade tariffs.
- NTMs make market access harder.
- Most serious obstacles to movement of goods and services.



NTMs remain high and increase over time, both in terms of the number of products covered and the number of countries utilising them.

Share of NTMs applied by Arab countries versus Rest of the World (RoW) - %



Standards and conformity assessment procedures - a serious obstacle amongst Arab countries



Critical Issue

Trade remains low at destination level - despite increasing exports across the Mediterranean.

Reasons

1.....

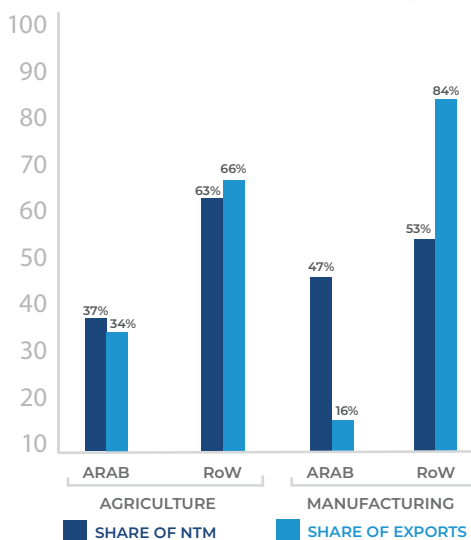
The European Association agreements do not address NTMs, services or investment.

2.....

NTMs imposed by governments are still a serious impediment to intra-regional trade.



Share of NTM reported by Arab and Rest of the World (RoW) exporters



37% of NTMs reported by exporters of agricultural products in Arab States are applied by regional trading partners.

47% of NTMs in manufacturing concern Arab State regulations.

Policy Proposals



- Harmonise some rules of origin, standards and norms.



- Increase the number of accredited laboratories and certification bodies.



- Provide technical assistance in order to improve the quality of exported products.



- Insert SMEs in regional value chains between countries from the North and South of the Mediterranean.



- Reduce the time required for customs clearance and improve impartiality and transparency of customs procedures.



- EU should also boost South-South integration.

Potential Policy Obstacles

Obstacle 1



Reform Delays: long-term beneficial measures hit by costly short-term reforms.

Obstacle 2



Eurocentric negotiations not tailored to specific country needs.

Obstacle 3



Conflict in standards amongst main trading partners.

Necessary Conditions



Availability of funds
(laboratories, compliance, etc.).



Adaptation of the legal framework