



Removing Non-Tariff Barriers in ASEAN through  
Regulatory Convergence and Mutual  
Recognition in the Food Sector

# About Food Industry Asia

Food Industry Asia (FIA) is a non-profit organisation that was formed in 2010 to enable major food manufacturers to speak with one voice on complex issues such as health & nutrition, food safety and harmonisation of standards.

From its base in Singapore, FIA seeks to enhance the industry's role as a trusted partner and collaborator in the development of science-based policy throughout Asia. To do so means acting as a knowledge hub for Asia's national industry associations and affiliated groups, to support with their engagement of public bodies and other stakeholders across the region.

## Our Vision

To be a trusted partner for businesses and governments – building a vibrant food & beverage (F&B) industry for a healthy and prosperous Asia.

## Our Mission

To represent the food and beverage industry in Asia – promoting a climate for sustainable growth and serving as a regional knowledge hub for science-based advocacy.



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## Executive Summary

Food Industry Asia (FIA) believes that ASEAN has much to gain from greater economic integration and that mutual recognition and acceptance of equivalence of standards are key tools to facilitate this. While there has been a small but steady growth in the value of total ASEAN pre-packaged food exports over the past five years, there is considerable untapped potential for additional growth in trade within ASEAN. Further liberalisation of trade in agri-food products will not only help to improve productivity in agriculture, food manufacturing and integrated cross-border supply value chains; it will also help food security, reduce price volatility and broaden dietary choices for the population.

FIA is committed to helping to accelerate the removal of trade barriers by advocating convergence of regulatory standards in Asia in alignment with global guidelines such as Codex Alimentarius to the benefit of all companies and their consumers in Asian markets. Our efforts seek to ensure the highest level of consumer protection, while supporting the commercial viability of the industry in the competitive international trading environment.

In 2012, FIA set out its shared vision for a vibrant and dynamic ASEAN agri-food sector<sup>1</sup>. This highlighted regulatory convergence and the still untapped potential for intra-ASEAN food trade to be a major contributor to economic growth, investment, employment and poverty reduction. In this regard, FIA especially welcomes the ASEAN Consultative Committee for Standards and Quality (ACCSQ) Strategic Plan 2016-2025 and its stated mission<sup>2</sup> to eliminate technical barriers to trade (TBTs) through measures such as harmonised standards and mutual recognition and acceptance of equivalence of technical regulations.

FIA also welcomes the adoption of the ASEAN Trade Facilitation Framework (ATFF)<sup>3</sup> and ASEAN Food Safety Regulatory Framework (AFSRF)<sup>4</sup> in 2016. If implemented by all ASEAN Members as foreseen, these frameworks should provide a sound structure and the necessary supporting instruments to boost the free flow of safe food in the region.

These programmes, together with the ACCSQ Strategic Plan 2016-2025, offer a major opportunity for ASEAN to consolidate progress to date on regulatory convergence and give the necessary further impetus to achieve a more integrated economic and trade area. However, in view of the 'non-binding' nature of ASEAN commitments, this will happen only if Member States work together and with all relevant stakeholders to follow through on their political commitments and carry out the activities set out in the work plans.

FIA remains firmly committed to supporting ASEAN's efforts to achieve greater convergence of standards and reduction of TBTs. Consequently we welcome that harmonisation of standards to facilitate regional trade remains a priority under the ASEAN Economic Community Blueprint (AEC) 2025<sup>5</sup>, and that the Blueprint recognises as a general principle the central importance of public-private partnerships and stakeholder collaboration in order for ASEAN to realise this goal.

However, the endorsement of principles, guidelines and sectoral mutual recognition agreements (MRAs) will not of themselves be sufficient to resolve remaining TBTs and unleash the growth potential of the ASEAN food sector. It is essential that Member States demonstrate the necessary political

<sup>1</sup> FIA (2012), "Harmonisation of Food Standards in ASEAN". A Shared Vision For Regulatory Convergence.

<sup>2</sup> ACCSQ's stated mission is to: "Establish comprehensive policies relating to standards, technical regulations and conformity assessment procedures (STRACAP), and support the development of associated quality infrastructure for the purpose of creating a highly integrated and cohesive ASEAN economy. ACCSQ, in collaboration with other relevant ASEAN sectoral bodies, shall establish sectoral and regulatory mechanisms in all priority sectors based on these policies to eliminate technical barriers to trade through measures such as harmonised standards and technical regulations, mutual recognition of conformity assessment results and acceptance of equivalence of technical regulations."

<sup>3</sup> ASEAN (2016), "ASEAN Trade Facilitation Framework (ATFF)". Retrieved 28 March 2018 from: <http://asean.org/storage/2016/08/ASEAN-Trade-Facilitation-Framework.pdf>

<sup>4</sup> ASEAN (2016), "ASEAN Food Safety Regulatory Framework". Retrieved 28 March 2018 from: <http://asean.org/storage/2016/08/ASEAN-Food-Safety-Regulatory-Framework.pdf>

<sup>5</sup> ASEAN (2015), "ASEAN Economic Community Blueprint 2025". Retrieved 28 March 2018 from: <http://www.asean.org/storage/images/2015/November/aec-page/AEC-Blueprint-2025-FINAL.pdf>

will to ensure that all ASEAN Guidelines, MRAs and related policy commitments impacting the agri-food sector are fully implemented on the ground and in a transparent and timely manner.

This is critical, as significant challenges to establishing a truly integrated and cohesive economic area in the agri-food sector remain. For example, nutrition labelling and halal certification provisions are repeatedly highlighted by FIA members as areas presenting significant barriers to cross-border movement of food products, and case studies demonstrate that further alignment and mutual recognition of regulations on these topics are essential to facilitate intra-regional trade.

Securing progress will require a pragmatic and practical approach and FIA therefore supports the recommendations from the ASEAN Food and Beverage Alliance (AFBA) for regulatory convergence via a three-step approach in respect of nutrition labelling, and together with AFBA, propose for a mutual recognition in the case of halal certification.

Other commonly experienced technical barriers impacting the agri-food sector identified by FIA members result primarily from divergence in domestic regulations, administrative complexity, and inconsistencies in implementation and enforcement.

These include: Pre-market product registration; Authorisation of food ingredients, additives and flavours; Import and export certification; and Contaminant limits and analytical methods.

FIA accordingly calls on ASEAN and its Member States as a matter of urgency to proactively support:

- Full implementation of all ASEAN Guidelines, and related **policy commitments to eliminate non-tariff barriers (NTBs)** impacting the agriculture and pre-packaged food sectors in a transparent and timely manner.
- Wider acceptance and **implementation of equivalence and Mutual Recognition Agreements (MRAs)**, as a crucial step towards cooperation between jurisdictions with often widely diverging national standards and regulatory frameworks;
- Enhanced **Public-Private Collaboration**, in particular the active participation of the food sector with ASEAN Institutions, Member States and other relevant stakeholders;
- Strengthening the central role and contribution of the ASEAN Secretariat in coordinating work on convergence of food standards in accordance with the principles of **Good Regulatory Practice (GRP)** and in line with ACCSQ's mission.

## Background

Since its creation over 50 years ago, the Association of Southeast Asian Nations (ASEAN) has made significant progress toward establishing an ASEAN Economic Community (AEC) and facilitating trade between its Members and as part of the global economy. Yet non-tariff barriers (NTBs) have increasingly replaced import tariffs as protective measures and continue to obstruct the realisation of the AEC's full potential.

Recognising the need to address these issues, ASEAN has rightly prioritised greater harmonisation and mutual recognition of standards. Some progress has been achieved in establishing common guidelines over the past five years<sup>6</sup>.

However, a lack of harmonised regulatory requirements for agri-food products in the region persists and presents a significant negative impact on trade, especially on intra-regional food-sector trade<sup>7</sup>.

FIA was founded in July 2010 by a group of leading food and beverage companies. It is helping to accelerate the removal of trade barriers by advocating convergence of regulatory standards in Asia in alignment with global guidelines such as Codex Alimentarius.

FIA firmly believes that the private sector can and should contribute positively to the realisation of regional economic integration with its expertise and capability for sharing risk.

This was set out in FIA's 2012 Harmonisation of Food Standards in ASEAN<sup>8</sup>, which documented the sector's potential contributions to economic growth, investment, employment and poverty reduction.

FIA accordingly endorses the ASEAN Economic Community (AEC) Blueprint 2025 recommendation to identify priority products for harmonisation of standards and regulations with the private sector, as published in its Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry (2016-2025).

Through this new White Paper, FIA hopes to highlight some of the key remaining challenges for the packaged food sector and provide constructive recommendations for on-going collaboration and partnership to support the future, vibrant and resilient ASEAN integrated single economic area.



<sup>6</sup> ASEAN (2017), "Factsheet on AEC". Retrieved 14 March 2018 from: <http://asean.org/storage/2012/05/7c.-May-2017-Factsheet-on-AEC.pdf>.

<sup>7</sup> Menon J & Melendez AC, ADB (2015), "Realizing an ASEAN Economic Community: Progress and remaining challenges", ADB Economics Working Paper Series No 432. Retrieved 14 May 2018 from: <https://www.adb.org/publications/realizing-asean-economic-community-progress-and-remaining-challenges>

<sup>8</sup> FIA (2012), "Harmonisation of Food Standards in ASEAN". A Shared Vision For Regulatory Convergence.



## Food Standards in the ASEAN Context



Food standards and regulations protect public health; ensure consumers have sufficient information to make an informed dietary choice; underpin a fair, transparent and level playing field for food operators; and help to facilitate fair and efficient trade between countries.

However, ensuring regulatory convergence and consistency of interpretation and enforcement does not happen in a vacuum: they are shaped by broader economic, social and political conditions, objectives and choices.

This is especially true of ASEAN, based as it is on intergovernmental cooperation and consensus-based decision making, with no effective supranational governance structure and enforcement mechanism.

### Overall Economic Indicators

With a combined Gross Domestic Product (GDP) of USD 2.4 trillion in 2015, ASEAN is projected to be the world's fourth largest economy by 2050<sup>9</sup> and is already the third largest trading block in the world after the European Union (EU) and the North American Free Trade Agreement (NAFTA)<sup>10</sup>.

While considerable differences remain in the economic performances of the ten ASEAN Member States<sup>11</sup>, the combined ASEAN population of 631.5 million in 2017 is the world's third largest market, behind only India and China. This is projected to rise to 660 million in 2020 and to 720 million in 2030<sup>12</sup>. Although population growth is considered to have stabilised at around 1% per annum, it is an unsustainable rate with respect to providing food for all<sup>13</sup>. The United Nation's Food and Agriculture Organisation (FAO) estimated the number of undernourished people in the region at about 9.5% during the period 2014-2016<sup>14</sup>.

<sup>9</sup> ASEAN (2017), "Investing in ASEAN". Retrieved 14 March 2018 from: <http://asean.org/storage/2017/01/Investing-in-ASEAN-2017-.pdf>

<sup>10</sup> Its total merchandise exports amount to over USD 1.2 trillion or 7% of global exports. DBS Insights (2018) "How ASEAN gets more connected by 2020". Retrieved 14 March 2018 from: <https://www.dbsinsights.com/asean/asean-gets-connected-2020>.

<sup>11</sup> In 2014 Singapore's GDP per capita was 30 times higher than that of Laos and 50 times higher than that of Myanmar and Cambodia. There is also a considerable gap between Indonesia, Malaysia, The Philippines and Thailand, which have held middle income status for a number of years, and Vietnam, Cambodia, Laos and Myanmar. McKinsey (2014) "Understanding ASEAN: Seven things you need to know". Retrieved 14 March 2018 from: <https://www.mckinsey.com/industries/public-sector/our-insights/understanding-asean-seven-things-you-need-to-know>.

<sup>12</sup> ASEAN UP (2018), "4 ASEAN infographics: demography, top cities, urbanization". Retrieved 14 March 2018 from: <https://aseanup.com/asean-infographics-demography-top-cities-urbanization/>.

<sup>13</sup> New Food (2017), "Feeding Asia: The problem with Asia's population growth for food security". Retrieved 14 March 2018 from: <https://www.newfoodmagazine.com/article/29028/feeding-asia-problem-asias-population-food-security-urbanisation/>.

<sup>14</sup> FAO (2015), "The State of Food Insecurity in the World – Meeting the 2015 International Hunger Targets: Taking Stock of Uneven Progress". Retrieved 14 March 2018 from: <http://www.fao.org/3/a-i4646e.pdf>.

## Economic Importance of Agri-Food Trade

The majority of ASEAN countries will continue to rely heavily for the foreseeable future on the agri-food sector for growth, trade, investment and employment.<sup>15</sup> The free flow of agri-food products therefore remains a necessity and ASEAN only stands to gain if it accelerates and intensifies its collective efforts to achieve greater convergence and harmonisation of standards for foodstuffs.

In parallel, the food and beverage sector in ASEAN continues to grow, with the total value of sales projected to rise to USD 164 billion in 2020 (as compared to USD 108 billion in 2015)<sup>16</sup>. Changing socio-economic conditions, notably the emergence of ASEAN's middle class (expected to reach half a billion by 2030 – a 29 percent increase from 2010<sup>17</sup>), are also driving changing lifestyles, dietary preferences and demand for processed foods.

Despite this, intra-ASEAN trade in pre-packaged food products remains consistently low, at just under half the value of extra-ASEAN trade, (See Table 1), reflecting the overall trend for trade in goods.

It is clear that while there has been a small but steady growth in value of total ASEAN pre-packaged food exports over the past five years, there is considerable untapped potential for further growth in agri-food trade within the ASEAN region. Accordingly, ASEAN has rightly identified the harmonisation of standards and regulations to facilitate regional trade as a priority under the AEC Blueprint 2025.

Table 1: ASEAN trend in pre-packaged food export value and market share<sup>18</sup>

ASEAN exports pre-packaged food sector	Unit / Scale	2013	2014	2015	2016
Intra-ASEAN	Value (USD Million)	13,664	14,346	14,183	14,757
	Share of total exports (%)	1.07	1.11	1.21	1.28
Extra-ASEAN	Value (USD Million)	31,858	33,969	32,108	33,154
	Share of total exports (%)	2.49	2.63	2.74	2.88

## Key Milestones and Achievements of the ASEAN Economic Community (AEC)

The inauguration of AEC on 31 December 2015 was a significant milestone in ASEAN's 50-year journey toward stronger regional cooperation. The AEC was established on the four strategic pillars set out in the AEC Blueprint 2015.

According to its own assessment<sup>19</sup>, by 2015 ASEAN had successfully established a more open market with intra-regional tariffs virtually eliminated and formal restrictions in the services sector gradually removed.

However, there has been significantly less progress on aligning standards and regulations and other non-tariff measures in respect of agriculture and consumer products under the AEC's first pillar<sup>20</sup>.

In order to step up its efforts, and in recognition of the importance of the region responding to global mega-trends, ASEAN's follow-up AEC Blueprint 2025 (adopted in November 2015 at the 27<sup>th</sup> ASEAN Summit in Kuala Lumpur) provides similarly broad direction under five strategic pillars to guide the next critical phase of regional economic integration toward 2025.

FIA is encouraged that the alignment of standards to facilitate regional trade remains a priority for ASEAN Members under the first pillar of the AEC Blueprint 2025 and is recognised as an important contributor to the achievement of a highly integrated and cohesive economy. However, past experience confirms the importance of all ASEAN Members prioritising and implementing the commitments made.

<sup>15</sup> FAO (2017), "OECD-FAO Agricultural Outlook 2017-2026". Retrieved 14 March 2018 from: <http://www.fao.org/3/a-bt099e.pdf>

<sup>16</sup> Australian Department of Foreign Affairs and Trade (2017), "Why ASEAN and why now? Insights for Australian Business".

<sup>17</sup> Singapore Institute of International Affairs (2017), "ASEAN@50: From Crisis to Community and the Coming Changes". Retrieved 14 March 2018 from: <http://www.siiainline.org/wp-content/uploads/2017/10/AAF-Report-FINAL-ONLINE-VERSION.pdf>.

<sup>18</sup> ASEAN Statistics (2016), "ASEAN Trade Statistics based on 2-digits Harmonized System (in US\$)". Retrieved 15 March 2018 from: [https://data.aseanstats.org/trade\\_hs2.php](https://data.aseanstats.org/trade_hs2.php).

<sup>19</sup> ASEAN (2017), "Factsheet on AEC". Retrieved 14 March 2018 from: <http://asean.org/storage/2012/05/7c.-May-2017-Factsheet-on-AEC.pdf>.

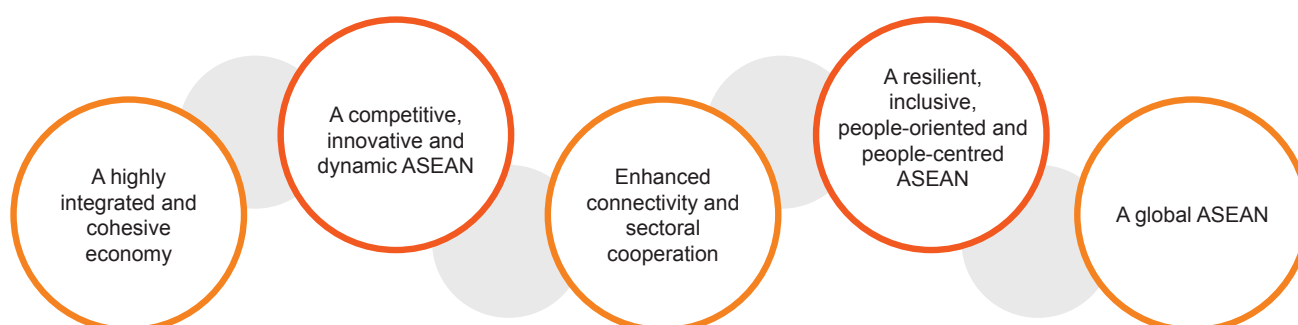
<sup>20</sup> Menon J & Melendez AC, ADB (2015), "Realizing an ASEAN Economic Community: Progress and remaining challenges", ADB Economics Working Paper Series No 432. Retrieved 14 May 2018 from: <https://www.adb.org/publications/realizing-asean-economic-community-progress-and-remaining-challenges>



Illustration 1: The four strategic pillars set out in the AEC Blueprint 2015



Illustration 2: The five strategic pillars to guide the next critical phase of regional economic integration toward 2025



## Evolving Trade Cooperation

As a result of reducing tariff protection, intra-ASEAN trade overall has also evolved significantly. Central to this has been the 1992 ASEAN Free Trade Area (AFTA), the associated AFTA Agreement on the Common Effective Preferential Tariff (CEPT) Scheme and the 2010 ASEAN Trade in Goods Agreement (ATIGA), which superseded the AFTA CEPT Scheme<sup>21</sup>.

ASEAN Member States have also signed a number of Free Trade Agreements (FTAs) to facilitate trade and investment with other Asia-Pacific economic partners<sup>22</sup> and sought to simplify customs clearance via the ASEAN Single Window platform.

While these agreements are important to the agri-food industry, they have been described as “trade-light”— while committing parties to eliminate tariffs between themselves they do not adequately address regulatory and other non-tariff measures (such as product

standards and mutual recognition agreements) which are more important than tariffs to securing regional integration.

Consequently, the FTAs that ASEAN has concluded have not promoted regional economic integration within ASEAN or with the wider Asia region<sup>23</sup>.

Cross-border trade in agri-food products within ASEAN is still far from frictionless. Companies continue to face significant delays - and concomitant administrative and operational complexity and costs - in customs clearance and product registration requirements, among others, in some markets.

<sup>21</sup> Malaysia Ministry of International Trade and Industry (2017) “ASEAN Free Trade Area (AFTA)”. Retrieved 26 March 2018 from: <http://fta.miti.gov.my/index.php/pages/view/asean-afta?mid=50>.

<sup>22</sup> These FTAs include: Australia and New Zealand (AANZFTA, 2010), China (ACFTA, 2005), South Korea (AKFTA, 2007), India (AIFTA, 2010), and Japan (AJCEP, 2008).

<sup>23</sup> Sally, R (2013), “ASEAN FTAs: State of play and outlook for ASEAN’s Regional and Global Integration. In S Das, J Menon, R Severino and O Shresta, eds, “The ASEAN Economic Community: A Work in Progress”. ADB and Institute of Southeast Asian Studies.

## Addressing Technical Barriers to Trade (TBTs) in ASEAN

If TBTs are not adequately addressed in the context of AEC 2025 they will continue to act as significant constraints on the expansion of intra-regional and global trade in processed food.

Addressing issues relating to standards and regulatory harmonisation goes hand-in-hand with ASEAN's goal of establishing a highly integrated and cohesive economy by 2025. ASEAN consequently has a pivotal role to play in facilitating greater cooperation and integration amongst its Member States in order to ensure the region remains competitive internationally.

### Achievements in TBT Reduction to date

In addition to the efforts noted previously to eliminate intra-regional tariffs, the 2010 ASEAN Trade in Goods Agreement (ATIGA) consolidates the CEPT-AFTA provisions and requires Member States to be guided by international standards in implementing their Sanitary and Phytosanitary measures (SPS)<sup>24</sup>. It also reinforces the approach set out initially in the 2005 ASEAN Policy Guideline for Standard and Conformance<sup>25</sup> requiring Members to adopt international standards and that their National Standards Bodies should accept and follow the Code of Good Practice for the Preparation, Adoption and Application of Standards as provided in Annex 3 of the World Trade Organisation (WTO) Agreement on Technical Barriers to Trade.

More recently, the adoption in 2016 of the ASEAN Trade Facilitation Framework (ATFF)<sup>26</sup> aims at consolidating ASEAN's trade facilitation obligations and its existing commitments, including the ASEAN Vision 2025: Forging Ahead Together, the AEC Blueprint 2025, and those commitments entered into under the ATIGA.



<sup>24</sup> ASEAN (2009), "ASEAN Trade in Goods Agreement (ATIGA)". Retrieved 14 March 2018 from: [http://fta.miti.gov.my/miti-fta/resources/2.ASEAN\\_Trade\\_in\\_Goods\\_Agreement.pdf](http://fta.miti.gov.my/miti-fta/resources/2.ASEAN_Trade_in_Goods_Agreement.pdf)

<sup>25</sup> ASEAN (2005), "Policy Guideline on Standards and Conformance". Retrieved 14 March 2018 from: <http://www.asean.org/uploads/archive/20531.pdf>

<sup>26</sup> ASEAN (2016), "ASEAN Trade Facilitation Framework (ATFF)". Retrieved 28 March 2018 from: <http://asean.org/storage/2016/08/ASEAN-Trade-Facilitation-Framework.pdf>

## Harmonisation and Convergence of Food Standards

In addition to these broader trade facilitation activities, ASEAN has sought to consolidate progress and build on the arrangements agreed in the context of the ASEAN Common Food Control Requirements (ACFR) and related Common Principles for Food Control Systems (ACPFCS) and associated guidelines. Herein the primary responsibility for carrying out the task of removing and reducing TBTs in prepared foods lies with the Prepared Foodstuff Product Working Group (PFPWG) under the ASEAN Consultative Committee for Standards and Quality (ACCSQ). ASEAN's more recent efforts in respect of regulatory convergence and harmonisation have lent heavily on adoption of the Codex Alimentarius Commission and Guidelines (albeit with some local modifications), including:

- **(2014) ASEAN Principles and Guidelines for National Food Control Systems** (CAC/GL 82-2013, Principles and Guidelines for National Food Control Systems, MOD): These provide a sound platform for ASEAN Members to help them assure the safety and quality of food by taking into account the WTO's SPS and TBT Agreements - both of which are important to facilitating international trade<sup>27</sup>.
- **(2014) ASEAN General Principles of Food Hygiene** (CAC/RCP 1-1969, Rev.4-2003, General Principles of Food Hygiene, MOD): An updated document to replace the ASEAN Common Principles and Requirements for Food Hygiene, it guides ASEAN food operators and manufacturers to comply with food hygiene provisions throughout the manufacturing and production process<sup>28</sup>.
- **(2014) ASEAN Guidelines for Import Control Systems** (CAC/GL 47-2003, Guidelines for Food Import Control Systems, MOD): The revised document provides a framework for the development and operation of an import control system to protect consumers and facilitate fair practices in food trade<sup>29</sup>.
- **(2014) ASEAN Principles for Food Import and Export Inspection and Certification** (CAC/GL 20-1995, Principles for Food Import and Export Inspection and Certification, MOD): This recognises inspection and certification requirements may significantly impede international trade and acknowledges that, "food inspection and certification systems should be governed by a number of principles which will ensure an optimal outcome consistent with consumer protection and facilitation of trade"<sup>30</sup>.

<sup>27</sup> ASEAN (2014), "Principles and Guidelines for National Food Control Systems". Retrieved 14 March 2018 from: [http://www.asean.org/wp-content/uploads/images/Community/AEC/Sectoral/Harmonization\\_of\\_Standards\\_and\\_Technical\\_Requirements\\_in\\_ASEAN/1%20ASEAN%20Principles%20and%20Guidelines%20for%20National%20Food%20Control%20System%20-%20endorsed%2019th%20PFPWG.pdf](http://www.asean.org/wp-content/uploads/images/Community/AEC/Sectoral/Harmonization_of_Standards_and_Technical_Requirements_in_ASEAN/1%20ASEAN%20Principles%20and%20Guidelines%20for%20National%20Food%20Control%20System%20-%20endorsed%2019th%20PFPWG.pdf).

<sup>28</sup> ASEAN (2014), "General Principles of Food Hygiene". Retrieved 14 March 2018 from: [http://www.asean.org/wp-content/uploads/images/Community/AEC/Sectoral/Harmonization\\_of\\_Standards\\_and\\_Technical\\_Requirements\\_in\\_ASEAN/2%20ASEAN%20General%20Principles%20of%20Food%20Hygiene%20-%20endorsed%2019th%20PFPWG.pdf](http://www.asean.org/wp-content/uploads/images/Community/AEC/Sectoral/Harmonization_of_Standards_and_Technical_Requirements_in_ASEAN/2%20ASEAN%20General%20Principles%20of%20Food%20Hygiene%20-%20endorsed%2019th%20PFPWG.pdf).

<sup>29</sup> ASEAN (2014), "Guidelines for Food Import Control Systems". Retrieved 14 March 2018 from: [http://www.asean.org/wp-content/uploads/images/Community/AEC/Sectoral/Harmonization\\_of\\_Standards\\_and\\_Technical\\_Requirements\\_in\\_ASEAN/5%20ASEAN%20Guideline%20for%20Food%20Import%20Control%20System%20-%20endorsed%2019th%20PFPWG.pdf](http://www.asean.org/wp-content/uploads/images/Community/AEC/Sectoral/Harmonization_of_Standards_and_Technical_Requirements_in_ASEAN/5%20ASEAN%20Guideline%20for%20Food%20Import%20Control%20System%20-%20endorsed%2019th%20PFPWG.pdf).

<sup>30</sup> ASEAN (2014), "Principles for Food Import and Export Inspection and Certification". Retrieved 14 March 2018 from: [http://www.asean.org/wp-content/uploads/images/Community/AEC/Sectoral/Harmonization\\_of\\_Standards\\_and\\_Technical\\_Requirements\\_in\\_ASEAN/3\\_ASEAN\\_Principles\\_for\\_Food\\_Import\\_and\\_Export\\_Inspection\\_and\\_Certification\\_-\\_endorsed\\_19th\\_PFPWG.pdf](http://www.asean.org/wp-content/uploads/images/Community/AEC/Sectoral/Harmonization_of_Standards_and_Technical_Requirements_in_ASEAN/3_ASEAN_Principles_for_Food_Import_and_Export_Inspection_and_Certification_-_endorsed_19th_PFPWG.pdf).

- **(2015) ASEAN Food Safety Policy:** This provides the basis for Member States to facilitate the free flow of safe food products in the region, enhance the protection of consumers' health and ensure food safety<sup>31</sup>. FIA especially welcomes the restatement of:
  - Principle 7: Harmonisation with International Standards that notes that “when establishing harmonised food safety measures or standards for food safety and food control at the regional level, the adoption of internationally accepted standards, guidelines and recommendations and, in particular, those issued by the Codex Alimentarius Commission should be the first option”; and
  - Principle 6: Equivalence and Mutual Recognition that requests Members to “maintain food safety standards and technical regulations which have been harmonised with international standards and requirements and establish mutual recognition arrangements (MRAs) and equivalence arrangements with other ASEAN Member States to facilitate economic integration.”
- **(2016) ASEAN General Standards for the Labelling of Pre-packaged Food (CODEX STAN 1-1985 for the Labelling of Pre-packaged Food, MOD):** This revises and replaces the 2005 ASEAN Common Principles and Requirement for Labelling of Pre-packaged Food<sup>32</sup>.
- **(Rev. 2016) ASEAN Principles and Criteria for the Establishment of Maximum Level for Contaminants and Toxins in Food and Feed (CODEX STAN 193-1995 for Contaminants and Toxins in Food and Feed, MOD):** This outlines the principles recommended by Codex in handling contaminants and toxins in food and feed moving both within ASEAN and in international trade<sup>33</sup>.
- **(2016) ASEAN Food Safety Regulatory Framework (AFSRF):** Building on the 2015 ASEAN Food Safety Policy, this links the existing food safety initiatives into a new legal framework, closing gaps and ensuring food safety across the food chain<sup>34</sup>. The AFSRF also sets out clear objectives that are in line with the creation of a truly integrated ASEAN economic and trade area. These are:
  - Ensure the protection of consumers' health; and
  - Facilitate the free flow of safe food within ASEAN by:
    - (i) Enhancing the harmonisation of sanitary and phytosanitary measures and standards for food;
    - (ii) Minimising technical barriers to intra-ASEAN trade in food; and
    - (iii) Reducing discrepancies of national food control systems among individual ASEAN Member States.

<sup>31</sup> ASEAN (2015), “Food Safety Policy”. Retrieved 14 March 2018 from: [http://asean.org/storage/2012/10/ASEAN-Food-Policy-030516\\_2.pdf](http://asean.org/storage/2012/10/ASEAN-Food-Policy-030516_2.pdf).

<sup>32</sup> ASEAN (2016), “General Standards for the Labelling of Pre-Packaged Food”. Retrieved 14 March 2018 from: <http://asean.org/storage/2012/10/22PPFWG-Annex-13-ASEAN-Gen-Std-Labeling-Pre-packaged-Food-endorsed-22nd-PPFWG.pdf>.

<sup>33</sup> ASEAN (2012), “Principles and Criteria for Contaminants and Toxins in Food and Feed”. Retrieved 14 March 2018 from: <http://asean.org/storage/2012/10/ASEAN-Principles-and-Criteria-for-The-Establishment-of-Maximum-Level-for-Contaminants-and-Toxins-in-Food-and-Feed.pdf>.

<sup>34</sup> ASEAN (2016), “ASEAN Food Safety Regulatory Framework”. Retrieved 28 March 2018 from: <http://asean.org/storage/2016/08/ASEAN-Food-Safety-Regulatory-Framework.pdf>



FIA is also encouraged by the ACCSQ's efforts to develop Mutual Recognition in respect of standards and conformance measures. The signature in Singapore on 27 April 2018 of the ASEAN Sectoral MRA for Inspection and Certification System on Food Hygiene for Prepared Foodstuff Products signed<sup>35</sup> is especially welcomed.

### Scope for Further Harmonisation of Food Standards

In isolation, the endorsement of Guidelines and Sectoral MRAs alone will not resolve the remaining TBTs and unleash the food sector's growth potential. It is therefore essential that Member States demonstrate the necessary political will to ensure that the all ASEAN Guidelines, MRAs and related policy commitments impacting the agriculture and pre-packaged food sectors are fully implemented in a transparent and timely manner.

The FAO has underlined that regional policy makers in Southeast Asia will need to take steps to ensure market distortions are reduced, both regionally and multilaterally, if future growth projections are to be realised<sup>36</sup>. Moreover, the further development of global value chains mean that domestic trade restrictions effectively act as a tax on exports<sup>37,38,39</sup>.



- <sup>35</sup> ASEAN (2018), "ASEAN Sectoral Mutual Recognition Arrangement for Inspection and Certification Systems on Food Hygiene for Prepared Foodstuff Products". Retrieved 23 May 2018 from: <http://agreement.asean.org/media/download/20180522045752.pdf>
- <sup>36</sup> FAO (2017), "OECD-FAO Agricultural Outlook 2017-2026". Retrieved 4 May 2018 from: <http://www.fao.org/3/a-i7465e.pdf>
- <sup>37</sup> Greenville, J., K. Kawasaki and R. Beaujeu (2017), "How policies shape global food and agriculture valuechains", OECD Food, Agriculture and Fisheries Papers, No. 100, OECD Publishing, Paris, <http://dx.doi.org/10.1787/aaf0763a-en>. Retrieved 4 May 2018 from: [https://www.oecd-ilibrary.org/agriculture-and-food/how-policies-shape-global-food-and-agriculture-value-chains\\_aaf0763a-en](https://www.oecd-ilibrary.org/agriculture-and-food/how-policies-shape-global-food-and-agriculture-value-chains_aaf0763a-en)
- <sup>38</sup> Lopez-Gonzalez, J. (2016), "Using Foreign Factors to Enhance Domestic Export Performance: A Focus on Southeast Asia", OECD Trade Policy Papers, No. 191, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5j1pq82v1jxw-en>. Retrieved 4 May 2018 from: [https://www.oecd-ilibrary.org/trade/using-foreign-factors-to-enhance-domestic-export-performance\\_5j1pq82v1jxw-en](https://www.oecd-ilibrary.org/trade/using-foreign-factors-to-enhance-domestic-export-performance_5j1pq82v1jxw-en)OECD (2015d),
- <sup>39</sup> Participation of Developing Countries in Global Value Chains: Implications for Trade and Trade Related Policies, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5js331fw0xxn-en>. Retrieved 4 May 2018 from: [https://www.oecd-ilibrary.org/trade/participation-of-developing-countries-in-global-value-chains\\_5js331fw0xxn-en](https://www.oecd-ilibrary.org/trade/participation-of-developing-countries-in-global-value-chains_5js331fw0xxn-en)



# Key Challenges in the Food and Agri-Food Sector

Those operating in the agri-food sector continue to face a plethora of regulatory and technical constraints to trade. These derive primarily from differences in national rules and regulations, as well as variations in implementation and enforcement of ASEAN guidelines and policies. These create unnecessary complexity, delays, impose costs and increase business risks. They also potentially limit opportunities for small and medium-sized enterprises (SMEs) to enter and compete successfully in markets in the region.

Surveys undertaken by FIA consistently highlight the following priority areas for harmonisation, representing the most significant ASEAN food-sector barriers:

- Nutrition labelling
- Halal certification
- Pre-market product registration
- Import / Export certification
- Authorisation of food ingredients, additives and flavours
- Contaminant limits and analytical methods

Among others, FIA members face a number of significant common challenges in respect of all or some of the above areas, as a result of the absence of regulatory convergence and harmonisation in ASEAN. These include, but are not restricted to, the following:

▶ **Inconsistent and unpredictable regulations and standards,** arising from:

- **Lack of harmonisation of food safety and quality regulations and standards across ASEAN** with Member States either adapting international norms (Codex standards) by adopting specific national provisions or failing to adopt international standards into national regulation.

- **Multiple, and sometimes inconsistent initiatives, implementation and enforcement, between Member States and within Member States** by different government departments, regulatory bodies or official laboratories involved in policymaking and enforcement of standards along the food value chain (e.g. testing and certification).

- **Complex and ambiguous rules,** creating confusion among operators and regulators, adding time-consuming administrative burdens and costs (especially to SMEs), undermining fair competition and trade, and reducing compliance levels.

- **Overly prescriptive or discriminatory rules,** based on unjustified or arbitrary criteria that do not accurately reflect risk-based considerations or relevant scientific evidence, and which are not aligned with international standards and related SPS and TBT obligations.

▶ **Absence of application of Principles of Good Regulatory Governance,** arising from:

- **Out of date regulatory procedures** and/or a failure to apply Good Regulatory Practice (GRP) at operational level; this can arise because of a lack of capacity or knowledge or the necessary resources at operational level.
- **Lack of transparency** in policymaking arising from limited stakeholder consultation and engagement.
- **Absence of risk assessments** in the drafting of regulations and standards prior to adoption. An assessment would help to ensure that regulations and standards are aligned with international norms, create a level playing field for all actors including SMEs and do not inadvertently penalise local players or consumers by imposing unnecessary costs or reducing consumer choice.

## Case Studies

As detailed previously, each of these factors and the resulting technical barriers directly impact economic opportunities available to ASEAN businesses of all sizes, as well as the availability of safe, nutritious and competitively priced food for ASEAN's consumers. More specifically, agri-food companies continue to face significant challenges as a result of the continued lack of regulatory convergence and mutual recognition of standards in respect of each of the priority areas, as follows.

### a. Nutrition Labelling<sup>40</sup>

Surveys among the food and beverage industry have consistently identified diverging nutrition labelling rules as one of the top regional TBTs with different national food regulations and labelling standards evident across Member States, in particular:

- *Core nutrients*: Requirements ranging from four nutrients (e.g. in Malaysia) to ten (e.g. in the Philippines);
- *Reference units*: Three types of reference units are used (per 100 g/ml, per portion and as a percentage of reference intakes), with some countries requiring more than one unit. This is further complicated by the different reference intakes.

In 2018, AFBA released a study it commissioned University of Malaya to carry out to examine the trade impact of the non-harmonisation of nutrition labelling on pre-packaged in ASEAN.

From the study, it was evident that the impact on the industry is significant as exporters have to produce and pay for different labels and compliance procedures. Additional costs can be considerable, up to USD 6,000 to update a label for each product or stock keeping unit (SKU)<sup>41</sup>.

Accordingly, these costs represent a significant barrier for some producers to enter and/or compete in the market and consequently reduce trade. In the study published by AFBA, it was estimated that approximately one-third (32.5 percent) of technical barriers to trade in the food sector in ASEAN are related to labelling<sup>42</sup>.

A survey of food and beverage manufacturers in the region identified the following common challenges for intra-regional trade related to nutrition labelling:

- Nutrition claims (including functional claims)
- Nutrient Reference Values (NRVs)

In terms of regulatory complexity, the main challenges relate to inconsistencies in individual market requirements and a lack of transparency, together with frequent changes in regulations and short time periods for adaptation by food companies.

### Recommendations:

A single nutrition label may not be practical for the region. The study accordingly recommended a three-step approach to harmonisation that includes nurturing bottom-up rapprochement between the private and public sectors:

#### Step 1

Adopt a standard format, aligned to Codex Alimentarius ('Codex'), and identify the minimum (necessary and sufficient) requirements within the basic nutrient list of Codex that should be made mandatory.

#### Step 2

Prioritise the streamlining of NRVs, with a standard format aligned with Codex.

#### Step 3

Adopt a consensus on the following:

- 1) standardised NIP format/design;
- 2) a common declaration list of carbohydrates, and a list of minerals and vitamins;
- 3) a common tolerance limit (based on necessity), with rounding rules and decimal point; and
- 4) a common list of claims and criteria for nutrition (and functional) claims.

<sup>40</sup> In order to identify the main challenges, as well as the best course of action toward harmonisation in this area, AFBA, with the support from FIA engaged the University of Malaya's Faculty of Economics and Administration to carry out a study. This assessed the impact of non-harmonisation of nutrition labelling in ASEAN and presented recommendations on the way forward for governments and the food industry.

<sup>41</sup> Devadason, E.S. and Govindaraju, VGR C. (2017), "Nutrition Labelling on Pre-packaged Food: Impact on Trade in ASEAN". University of Malaya.

<sup>42</sup> Bode, J. (2017). Adult supervision needed in food-labeling regulatory policy, *Forbes*, February 16. Retrieved from: <https://www.forbes.com/sites/realspin/2017/02/16/adult-supervision-needed-in-food-labeling-regulatory-policy/#25509b3d4cc3>  
For the period 2000-2015, intra-regional trade efficiency for the pre-packaged food sector is relatively low at an average of 0.22 (where 0 is the least efficient and 1 the most efficient), and dropped from 0.24 in 2000 to 0.18 in 2015. Considering that the analysis specifically excludes tariffs, the lower efficiency is partly attributed to non-tariff barriers.

**b. Halal certification<sup>43</sup>**

With a total market value of USD 2.77 trillion, consumer and market demand for halal is growing. However, the lack of a unified halal standard and certification framework present operational difficulties. Most companies agree that mutual recognition of foreign halal certification bodies would greatly assist product recognition, encourage regional trade and increase the variety of halal-certified food for consumers.

At present only Malaysia, Singapore and Indonesia have their own official lists of recognised foreign halal certification bodies. While some level of mutual recognition has been introduced between Singapore, Indonesia, Malaysia and Vietnam, there remains a patchy network of recognition of halal certification bodies across the region (see Table 2).

A number of common challenges have been highlighted by surveyed companies:

- Difficulty with cross-country halal certification for companies with multiple manufacturing sites in different countries.
- Each country follows a separate procedure for the recognition of halal certification bodies, rather than refer to other Member States' lists of recognised bodies.

- Halal logos from recognised certification bodies in one market are not always accepted in another, owing to the requirement for use of a halal logo that has been issued by the local halal authority.

**Recommendations:**

Since most Member States will continue to maintain their own halal certification bodies, FIA, together with AFBA in a White Paper that was developed in 2017 proposed the following pragmatic approach:

- ▶ Acceptance of mutual recognition amongst halal certification bodies in ASEAN.
- ▶ Official recognition of foreign halal certification bodies so that they can provide cross-country and overseas halal certification, and acceptance of foreign halal certification bodies' halal logos.
- ▶ Greater transparency regarding halal guidelines. This should include clarity as to which product groups require halal certification and which do not.
- ▶ Appropriate transition time in the event of any delisting of previously recognised foreign halal certification bodies.

Table 2: Mutual recognition of halal certification in ASEAN

	Singapore	Indonesia	Malaysia	Vietnam
Vietnam				
Malaysia				
Indonesia				
Singapore				

Mutual recognition in place
  No mutual recognition
  Not applicable

<sup>43</sup> AFBA and FIA (2017), "Industry White Paper on Halal Certification and Proposed Mutual Recognition Agreement on Foreign Halal Certification Bodies in ASEAN".

### c. Pre-Market Product Registration<sup>44</sup>

Product registration is required by most ASEAN Member States before a product can be marketed; this generally needs a government agency to assess and approve the composition, packaging and labelling of food products to ensure that they meet food safety, compositional and related regulatory requirements prior to being permitted for importation and/or placed on the market.

Companies are charged a fee by the relevant agency for undertaking the required approval and/or registering the product. Registration may be a one-off registration for a stock-taking unit (SKU), while some countries require each batch to be registered or registrations are time limited (e.g. annual).

Pre-market registration can be complex, costly, delay product market access, tie up resources and reduce supply chain efficiencies. This impact may also be disproportionately greater on smaller businesses and are magnified across the industry by Member States' individual procedures and registration requirements.

Common challenges experienced by companies can include, among others, the following:

- Complex and sometimes opaque requirements for registration (and re-registration);
- Long registration lead time and slow processing systems;
- Information requested is extensive and not standardised across markets;
- Complicated payment systems (and not all markets use on-line payment systems, adding to complexity, costs and delays);
- Inconsistencies in decisions by officials and unpredictable queries from authorities.

#### Recommendations:

Government agencies should also consider a simplified and risk-based approach to the products that require registration, as steps toward a post-market surveillance system.

In the absence of a single harmonised system for the entire ASEAN region, costs to companies and Member States' governments for managing the parallel systems would be significantly reduced, and administrative procedures made more efficient, if registration granted in one ASEAN Member State is accepted by other Member States.

This could be formalised through an appropriate Mutual Recognition Agreement, with countries recognising each other's registrations of high risk products under an equivalence agreement.

<sup>44</sup> AFBA (2013), "Technical Barriers to Trade in ASEAN. Case study: Import/Export Certification and Product Registration."

#### d. Authorisation of Food Ingredients, Additives and Flavours<sup>45</sup>

Like product registration, there is no standard common approval process or Mutual Recognition Arrangement in place enabling a food ingredient, additive or flavour authorised in one ASEAN Member State to be placed on the market in another. Common challenges include:

- Multiple authorisation procedures with significant variations in registration requirements and timelines for risk assessments and authorisations;
- Differences in compositional standards requirements across markets preventing use of multimarket formulations and regional commercialisation of products;
- A lack of alignment with established international standards, notably no mechanism to adopt and implement the work of Codex Alimentarius and the Joint FAO/WHO Expert Committee on Food Additives (JECFA);
- Complex and sometimes opaque procedures and decision making;
- Lack of common rules and procedures for authorisation of ingredients, additives and flavours leading to inconsistent approvals of ingredients and additives across markets.

Significant resources are once again required to obtain multiple authorisations. This undermines the competitiveness of individual food companies, especially smaller and medium-sized companies, and also the regional sector.

#### Recommendations:

FIA firmly believes that a common framework would significantly reduce manpower, paperwork and administrative costs for both governments and manufacturers. This would also deliver lower prices for consumers and an increase in the region's global competitiveness without compromising food safety.

<sup>45</sup> AFBA (2013), "Technical Barriers to Trade in ASEAN. Case study: Authorisation of Food Ingredients, Additives & Flavours."



### e. Import / Export Certification<sup>46</sup>

Import/Export certification is generally managed by Customs authorities, with requirements to assess food safety, as well as ensure compliance with food standards and regulations. Despite the PFPWG's 'Guidelines for Import Control Systems' and the 'Principles for Food Import and Export Inspection and Certification' (based on the principles adopted by the Codex Committee on Food Import and Export Inspection and Certifications Systems), and adoption of the ASEAN Single Window platform, food companies continue to face delays and concomitant costs. The most significant challenges include:

- The need for companies to complete inspection and certification requirements for each market in which a product is traded;
- Differing information, documentation and process requirements (e.g. veterinary certificates provided for one market do not necessarily fulfil all the requirements of another importing country);
- Lack of infrastructure and/or technical capacity to accept on-line document submissions and e-certificates; and
- The requirement for on-site inspections of overseas manufacturing plants by multiple importing market quarantine authorities.

Such requirements are resource-intensive, cause potentially long and costly delays and add to manufacturing costs, not least for smaller and medium-sized companies.

### Recommendations:

Harmonisation of food import and export inspection and certification systems that requires only one inspection process and one standardised product specification form accepted in all ASEAN markets would be a significant step forward in reducing the financial and administrative burdens of importing and exporting food products in the region.

<sup>46</sup> AFBA (2013), "Technical Barriers to Trade in ASEAN. Case study: Import/Export Certification and Product Registration."

#### f. Contaminants Limits and Analytical Methods<sup>47</sup>

The removal of harmful contaminants, such as heavy metals like arsenic, mercury and lead, from the food chain is necessary and important to protect human health, and the environment. However, exposure to heavy metals depends on daily intake. Therefore, toxicologically acceptable levels differ according to product categories<sup>48</sup>. Companies face a number of challenges in this respect, notably:

- Inconsistent contaminants limits across markets (e.g. the limit for tin in one flavour is 40 mg/kg while in others it is 250 mg/kg);
- Lack of alignment and consistency with international standards (maximum permitted levels for heavy metals can be much stricter in ASEAN countries than in other global markets); and
- Differing analytical methods and different analytical results obtained from different analytical techniques and equipment in different laboratories and countries.

The complexity and consequences of the lack of harmonisation of contaminant limits in ASEAN and the impact of variable results from different laboratories on companies not only result in delays in the flow of procurement among companies in different countries, but also incur costs while manufacturers search for different ingredient suppliers in each market. The lack of uniformity adversely impact cross-border trade and may require costly, unnecessary and time-consuming product reformulation.

#### Recommendations:

Regional harmonisation of contaminant limits across ASEAN based on Codex would ensure consumer safety and protection, enable companies to simplify product formulation and reduce unnecessary costs. This would be consistent with Principle 7 of the ASEAN Food Safety Policy adopted in 2015 on harmonisation with international standards<sup>49</sup>. It would also significantly boost cross-border trade flows.

<sup>47</sup> AFBA (2013), "Technical Barriers to Trade in ASEAN. Case study: Contaminant Limits & Analytical Methods."

<sup>48</sup> For example, the global food standards body Codex Alimentarius has set the maximum limit for Arsenic (As) at 0.1 mg/kg in edible fats and oils and at 0.5 mg/kg in food grade salt, and for tin (Sn) at 250 mg/kg in canned foods but at 150 mg/kg in canned drinks.

<sup>49</sup> "When establishing harmonised food safety measures or standards for food safety and food control at the regional level, the adoption of internationally accepted standards, guidelines and recommendations and, in particular, those issued by the Codex Alimentarius Commission should be the first option."

# FIA Recommendations to Eliminate NTBs to Achieve AEC Goals



With its AEC Blueprint 2025, ASEAN has embraced an ambitious challenge in respect of harmonisation and the free flow of goods. Likewise, on paper the ATFF, the AFSRF and the ACCSQ Strategic Plan - together with their accompanying work programmes - offer a major opportunity for ASEAN to consolidate progress to date and provide fresh impetus to the cause. However, this will only happen if ASEAN Members continue to work together and in collaboration with all relevant stakeholders to follow through on the ATFF and AFSRF's respective commitments and work plans.

Therefore, in addition to the recommendations offered above to address specific NTBs negatively impacting the food industry in ASEAN, FIA calls on ASEAN and its Member States to follow-through on their previous commitments to eliminate NTBs and facilitate intra-regional trade. Equally, an appropriate enabling and supportive environment that embraces positive public-private collaboration is essential if this challenge is to be met.

Noting the ACCSQ's mission and 2016-2025 Strategic Plan, FIA therefore recommends that ASEAN and its Member States invest further and enhance their efforts to date in the following areas:

- ▶ Full implementation of all ASEAN Guidelines and agreements and related **policy commitments to eliminate non-tariff barriers (NTBs)** impacting the agriculture and pre-packaged food sectors in a transparent and timely manner, drawing as needed on private sector expertise to support definition and classification of non-tariff measures (NTMs) (in line with the United Nations Conferences on Trade and Development classification) and identification of which NTMs are barriers to trade;
- ▶ Wider implementation of **Equivalence and Mutual Recognition Agreements** in support of food trade. ASEAN now has the opportunity to build on and implement the clearly stated principles set out in Principle 6 of the 2015 ASEAN Food Safety Policy;

- ▶ Food policymakers, regulators and food chain partners to consider the experience of peers from other sectors in achieving harmonisation through equivalence and mutual recognition as strategic drivers and stepping stones towards creating an integrated market in ASEAN;
- ▶ Enhanced **Public-Private Collaboration** in support of the technical work undertaken by ASEAN bodies (PFPWG, ACCSQ, and the ASEAN Secretariat), notably via FIA and its members;
- ▶ In this regard, further **strengthening the central role and contribution of the ASEAN Secretariat** in coordinating the work of ACCSQ and PFPWG on harmonisation of food standards is essential. This should include close collaboration with all relevant stakeholders across public and private sectors, in accordance with the principles of Good Regulatory Practice (GRP) set out in ASEAN's Work Plan on Good Regulatory Practice, ACCSQ's mission and the ACCSQ 2016-2025 Strategic Plan; and
- ▶ Step up **capacity-building and human capital development to support Member States** for the application of GRP and implementation of ASEAN initiatives and policies related to Standards, Technical Regulations and Conformity Assessment Procedures (STRACAP), including **regional sharing of latest technical knowledge and expertise**. This will aid common understanding among Member States of best practice and promote broader awareness of latest technical and scientific data and methodologies at operational level. FIA is willing to be a key partner in capacity building, and is able support and contribute to this process by sharing its knowledge and expertise for the benefit of all public and private food sector stakeholders.

FIA remains fully committed and stand ready to continue working with ASEAN Institutions and its Member States in order to address the multifaceted issues and challenges to face a truly integrated, viable and globally competitive regional economic community by 2025.









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