How to Perform a Balanced Assessment of an Individual Country's Market Accessibility: Exploring the Perspective of Non-Preferential Trade Partners

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This study acknowledges that there are many information sources concerning the different elements of market accessibility, but that often these focus on specific issues and are therefore not useful in isolation when wanting to assess a country's market accessibility profile (a profile that is broader than the scope of most leading publications). Additionally, in recent times, certain leading publications have had their methodologies challenged. As such, attempting to perform an assessment of a country's overall market accessibility credentials can be challenging; therefore, a form of guidance and structure is needed.
Given the limitations of relying on individual publications, it is recommended that market accessibility be defined as the combination of three core elements: tariffs, non-tariff measures and ease-of-doing-business. Findings relating to these elements can form an overall market access profile that can be used to compare and contrast different countries.
A recommended analysis approach combines the use and interpretation of a host of well-established and enduring secondary research sources including ease-of-doing-business rankings; non-tariff databases; and applied tariff rate schedules. These can be complemented by findings from academia that explore certain regulations, sectors and themes in greater detail.
Using Thailand for case study purposes, this approach provides policy makers and other interested stakeholders with a worked example of how to perform an initial, high-level assessment of a country's market accessibility credentials.
This study can act as a foundation to build from with regard establishing an accepted market accessibility toolkit, or become an important element of a broader trade policy toolkit.

Keywords: market access, market accessibility, tariffs, non-tariff measures, non-tariff barriers, ease of doing business, trade policy, international trade, Thailand

INTRODUCTION

Purpose and Target Audience

This study attempts to practically overcome an issue faced by trade practitioners and policy makers regarding the assessment of a country's market accessibility credentials and to assist with strategic decision-making.

Global trade policy is a complex subject that requires governments and international businesses to carefully assess the global environment and to compare and contrast different countries in terms of their role in global supply and value chains, and their approach to free trade (and/or protectionist tendencies). One important element of trade policy is understanding market accessibility.

This study proposes a concise assessment criteria for market accessibility to help overcome the challenge of comparing and contrasting country participants, and to enable practitioners, policy makers and other interested stakeholders to easily perform a standardised initial piece of analysis to assess a country's credentials (or profile).

By having a suitable assessment criteria, it can be transferrable for use in a number of different situations, and in time could evolve to become part of an accepted toolkit for use by governments, businesses and other actors when performing a detailed piece of analysis on market accessibility. Alternatively, it could be used by others that wish to assess a country beyond market accessibility (e.g. a broader review such as a trade policy review). Additional uses may include comparing and contrasting multiple countries at a time for the purposes of strategic decision-making. One example is using the methodology as part of a due diligence work programme when considering potential locations for a new regional office (or similar) for an international business.

An audience with a specific interest in the trade policies of Thailand will find the case study useful. In terms of its transferability, general trade practitioners and policy makers wanting to adopt a suitable methodology for assessing market accessibility may also find this study useful. Beyond these stakeholders, academics wanting to produce a more detailed trade policy toolkit and/or market accessibility scoring mechanism may wish to use this study as a foundation for further development.

Professional Perspective

Since being appointed as Trade Policy Manager at the Department for International Trade (DIT) in Thailand in 2018, it has become apparent to me that there are many good resources, across a whole host of indicators, available to compare and contrast countries in terms of their trade credentials. However, it is not always clear how best to structure these individual elements to create an overall profile that captures the need to, for example, assess a country's market accessibility. From a practical perspective, this study represents a formalisation of some of the processes I have researched to-date to prepare for upcoming trade policy work concerning the potential future trading relationship between the UK and Thailand.

Background

Recent developments, such as the trade war between the United States of America (US) and the People's Republic of China (China), as well as the United Kingdom's (UK) decoupling from the European Union (EU) has ensured that international trade policy is of great importance to policy makers and practitioners. These stakeholders have to assess a complex global environment consisting of accelerated globalisation that results in businesses opting to structure their operations around the globe based on a sub-division of specialisations at sector, sub-sector, and component levels. Additionally, ongoing global challenges continue to evolve such as thematic issues related to population increases; ageing societies; artificial intelligence; the internet of things and robotics; and climate change. There are also ever-present, underlying geopolitical and legal issues to consider, as well as trade-specific concerns such as tariffs, non-tariff measures (NTMs) and ease-of-doing business (EODB). All of these moving parts mean that existing trading relationships are at risk of becoming outdated. To combat this, companies and governments will have to dedicate greater resources to assess these externalities. One form of assessment involves assessing market accessibility, and prioritising certain nations ahead of others when building future strategic partnerships, or when working with the private sector to get the most out of complex supply and value chains.

Regarding trade-specific concerns, the three aforementioned elements of tariffs, NTMs and EODB can be combined as a means of assessing a country's market accessibility for trade purposes.

Research Problem and Deficiencies in Existing Studies

Although there are many publications, studies and other material that house useful data and analysis concerning tariffs, NTMs and EODB, there are few that attempt to combine these elements to create an overall market accessibility assessment.

Often, one-off reports authored by consulting firms or trade and development experts focus on a specific element of market accessibility. One such example is the World Bank's annual 'Doing Business' publication that focuses on EODB. Another is the United Nations' TRAINS database that focuses on data and studies concerning NTMs.

Combining isolated information sources such as the above-mentioned would enable a straightforward initial assessment of a country's market access credentials, and could be used as a start point for a detailed piece of work such as a trade policy review.

Regarding trade policy reviews, there is little beyond the World Trade Organisation (WTO) mechanism that routinely attempts to analyse a country's credentials in an holistic manner. This mechanism was created in 1989 as a way of assessing national trade policies and practices in the manner of multilateral surveillance and peer-review. In 1995, the scope of these reviews expanded beyond goods to include services and intellectual property rights for the first time (Azevêdo, 2019). However, in terms of practical use, WTO trade policy reviews are burdensome for the purposes of performing quick, balanced assessments. For example, the most recent WTO trade policy review is that of the Lao People's Democratic Republic (Laos) and runs to 173 pages (World Trade Organisation, 2019). Additionally, the regularity of these reviews take place according to a country's share of world trade. Accordingly, countries such as the US have routine reviews every two years. In comparison, for Laos, the 2019 edition is the first, while other similar economies such as Cambodia have had only two reviews conducted since 1995 (World Trade Organisation, 2019).

Research Questions

This study suggests a standardised process for assessing a country's market accessibility credentials.

Using Thailand for case study purposes, the three core elements of market accessibility (tariffs, NTMs and EODB) are compared with the credentials of its peer group. Using the suggested process, two research questions are being asked, and the methodology is being tested:

1. How does Thailand compare with its peer group: global averages, the ten-nation association of ASEAN, and the UK (as a G7 country) concerning tariffs, NTMs and EODB?
2. What is Thailand's overall market accessibility profile score?

Roadmap

My thesis research is comprised of five chapters.

Chapter one describes the general introduction of the thesis title, the background to global trade policy and in particular the importance of market accessibility. It highlights the deficiencies that exist regarding the lack of an agreed framework design for assessing a country's market accessibility profile, and outlines the practical use of a standarised design and its transferability to a host of situations for trade practitioners and policy makers alike. Finally, it offers clarity regarding this transferability by introducing the use of Thailand as a country-specific example case study.

Chapter two includes the literature review comprising an overview of recent major global trade developments and the trends associated with these, as well as introducing the reader to the core market accessibility elements of tariffs, NTMs and EODB.

Chapter three discusses this study's methodology, and highlights that although substantial secondary research material exists, the issue trying to be overcome via this research design is how to create a useful and transferrable approach to assessing a country's market accessibility. It also highlights the importance of using triangulation methods to blend secondary research findings.

Chapter four introduces the reader to the case study country of interest (Thailand), explaining its potential importance given recent geopolitical developments and its proximity to the fast growing nations of Southeast Asia. It then applies the suggested market accessibility measurement methodology to determine Thailand's overall market accessibility profile, comprising of accessibility scores out of three for the elements of tariffs, NTMs and EODB.

Chapter five considers the findings of the Thailand case study and the practical use of this demonstration case, and the underpinning methodology, for trade practitioners and policy makers. In addition, it highlights some of the deficiencies that exist at this early stage regarding the use of this suggested model and its scoring mechanism, acknowledging that further work will need to be done to fully understand the nature of Thailand's market accessibility profile in practice. Finally, it considers practical issues, such as work that can be performed in parallel to this analysis approach to ensure the best results. It concludes by welcoming fellow practitioners and academics to explore the potential that this initial approach and scoring mechanism offers to ensure it evolves to become a more robust element of a future trade policy toolkit.

CHAPTER 2: LITERATURE REVIEW

Recent Developments in the Global Trade Environment

In recent times, the use and intensity of traditional trade policy instruments such as tariffs and quotas has been in relative decline. In parallel to this, the use of NTMs has risen and they have become a very important feature of modern trade. Devadason (2018, p.2) writes:

> The rise of protectionism in international trade dates to the 1970s. In those decades, tariffs, exports subsidies, voluntary export restraints, quotas, licensing, countervailing duties, safeguard duties and anti-dumping measures were considered popular to protect against foreign competition. The 21st century, however, suggests a somewhat different, but vexing scenario of protectionism. It saw the rise of 'new protectionism' that involves expanding domestic regulations to manage trade, particularly since 2009. These new forms of trade policy instruments are referred to as non-tariff barriers (NTBs), or broadly classified as protectionist non-tariff measures (NTMs) that are trade-distorting and discriminatory.

In 'The evolution of non-tariff measures and their diverse effects on trade', that studied the effects of NTMs from 1995 to 2014, it was found that some 60% of NTMs have a trade impeding effect and that, overall, these are more likely to be trade-impeding as opposed to trade-facilitating (Ghodsi et al., 2017).

In terms of high-level global trends, the United Nations Conference on Trade and Development (UNCTAD) in its most recent 'Key Statistics and Trends in Trade Policy' publication highlighted:

- reduced applied tariff rates globally, including in 21 of 25 sectors under review between 2008 and 2017;
- an increase in NTM usage, especially those concerning technical barriers to trade (TBT), to the extent that 30 per cent of product lines and 70 per cent of world trade is affected;
- increased reliance on trade defence measures;
- increased use of preferential trade deals (PTAs) of some 200 per cent, that cover goods and services flows, between 2005 and 2017; and
- the importance of PTAs in the context of global trade flows, whereby an estimated 50 per cent of world trade takes place between preferential partners, and approximately a third occurs between preferential partners adopting 'deep trade' agreements (United Nations Conference on Trade and Development, 2019).

Concerning deep trade, one of the themes of the past few years has been an accelerated effort to conclude ambitious and high quality multilateral PTAs such as the Regional Comprehensive Economic Partnership (RCEP), that originally included 16 nations commonly referred to as ASEAN+6 (the Association of Southeast Asian Nations and its six regional dialogue partners), and especially the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – involving Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Viet Nam. This transformation has been particularly evident in the Asia-Pacific region (Wilson, 2015).

The rise of these types of trade deal can be tied to a number of factors. For example, as a way of absorbing geopolitical issues (Higgot, 2004), or as a means to agree to cooperate at a deeper level than existing WTO mandates (commonly referred to as 'WTO+'). Additionally, today's trade environment has been established in parallel to the rapid expansion and integration of global value chains (GVC) and supply chains. These have resulted in greater complexity of trade and information flows between market participants. This integration is a key factor in the rise of deeper, more ambitious trade deals. There are indications that the depth of PTAs is likely to lead to increased volumes of GVC trade (Laget et al., 2018). This ties in with findings from Baldwin (2012) that the then current PTA environment was not conducive to the requirements and complexities related to the internationalisation of supply chains.

Contrary to this accelerated effort to integrate and construct complex GVAs and supply chains, is the fact that certain major economies have started to consider trade defence strategies or pivot towards policy change that looks inwards. The most relevant recent developments concern the US (with regards its withdrawal from the Trans-Pacific Partnership) and India, (regarding its likely withdrawal from RCEP). The former was announced in January 2017, alongside a statement prioritising one-on-one bilateral trade as a means to promote American industry, protect its workers and ensure wage rises (Trump, 2017), while the latter occurred during the conclusion of the 35th ASEAN Summit, in Thailand, during November 2019. India's likely withdrawal from RCEP points to its prioritisation of domestic economic interests over regional economic integration (Mun, 2019).

More significant still is the trade war between the US and China, primarily involving the use of traditional trade barriers such as tariffs and quotas, and how this impacts on other regional players such as Thailand and Viet Nam. Both of the aforementioned have complex export relationships with China and the US, including re-exports from the former to the latter, and rely heavily on exports in general. Other countries that are integrated into the often complex US and Chinese supply chains have reason to be nervous (Corr et al, 2019).

The current international trade environment is a complex web of supply and value chains, and accelerated regional integration that sits alongside the adoption of defensive policies by major economies such as the US. Added to the mix, is the fact that the UK is potentially about to commence navigating an independent trade policy as a result of the Brexit referendum results of 2016, creating yet more uncertainty to the global trade environment.

Three Core Elements of Market Accessibility

Tariffs

The WTO recognises three main types of tariff (World Bank, 2010):

1. Most-Favoured Nation (MFN) Tariffs: the duties imposed on imports from other members of the WTO (in the case where the countries do not share a preferential trade agreement).
2. Preferential Tariffs: duties agreed as part of a bilateral or multilateral free trade deal, whereby the preferential tariff rate is normally zero on essentially all products.
3. Bound tariffs: the maximum MFN tariff for a given commodity line. In practice, this is not necessarily the rate that applies between non-preferential WTO members, but is instead a pre-agreed high water mark.

Tariffs are applied by countries to goods on a tariff-line basis. For non-preferred trading partners, tariffs are applied on an MFN basis (what is commonly referred to as on WTO terms). This basis is the least-favourable regarding tariff rates, and occurs when any of the WTO member countries trade with each other outside of a PTA.

MFN tariffs are detailed in WTO tariff schedules that use recognisable tariff lines (a harmonised system) referred to as HS codes. These are structured into eight digits that stem from two-digit chapters. These are then sub-divided into four digit headings; six-digit sub-headings; and eight-digit tariff lines (World Trade Organisation, 2017). Tariff schedules are updated regularly due to modifications and rectifications, but were formed primarily out of what is referred to as the '1980 procedures' and also the WTO Uruguay Round of trade talks in 1994 (World Trade Organisation, 2017). These schedules are made of up to 5,000 six-digit sub-headings and can be fairly complex to navigate.

Other useful resources exist, such as Centre d'Etudes Prospectives et d'Informations Internationales' (CEPII) country profile pages. These profiles house tariff detail organised into manageable, high-level sub-headings, such as sector of interest and stage of production. These can be used for benchmarking purposes.

Since 2008, tariffs have declined on a multilateral and preferential basis, this is true of all sectors except agriculture. In terms of footprint, tariffs that impact on export restrictiveness, although falling on average across all geographic regions during 2008-17 (except for 'transitional economies'), are highest in East and South Asia (United Nations Conference on Trade and Development, 2018).

Non-Tariff Measures

UNCTAD defines NTMs as "policy measures – other than ordinary customs tariffs – that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices of both" (UNCTAD, n.d. para.1).

NTMs break down into many sub-varieties. In 2012, UNCTAD produced a classification table that arranged NTMs into two main categories: export and import measures. Import measures are broken down between technical and non-technical. In total, there are 15 types of import measures including sanitary and phytosanitary (SPS) measures concerned with conformity assessments related to food safety, TBT, such as testing or certification procedures, and a host of others including licensing, anti-competitive measures, subsidies and government procurement. The classification evolves from time to time to reflect the demands of the international trade environment (United Nations Conference on Trade and Development, 2019).

NTMs, designed in a way where they can be defined as more of a protectionist instrument than an instrument to ensure, amongst other things, quality, safety or suitable import restrictions to protect developing nations' infant industries, are referred to as non-tariff barriers (NTBs). These barriers are designed primarily to limit foreign participation (i.e. facilitating protectionist behaviours).

It is difficult to assess the rise of NTMs and/or NTBs as data are fragmentary, making computation of comparative statistics throughout time, and across countries challenging. However, UNCTAD's 2018 'Key Statistics and Trends in Trade Policy' highlights the use of the NTMs in the sub-category of TBT, and estimates that these affect more than 30 per cent of product lines and almost 70 per cent of world trade (United Nations Conference on Trade and Development, 2019).

Additionally, NTMs are often considered trade tools of the North (Northern hemisphere countries) that are applied to products being imported from the South concerning quality and health and safety due the North's stricter regulatory environment. However, in the context of modern trade, they are actually more visible in Southern countries (Devadason, 2018), with data from UNESCAP highlighting almost 38 per cent of NTMs originating in the Asian Pacific (UNESCAP, 2016). Within this grouping, NTM usage in ASEAN rose by over 250 per cent from just over 1,600 in 2000, to almost 6,000 in 2015 (Ing et al., 2016).

Ease-Of-Doing-Business

EODB publications and mentions of countries' EODB rankings are now ubiquitous. Amongst the many publications that measure the effectiveness of a country's business environment, especially regarding its regulations, there are a number that have similar scoring mechanisms and are each published on an annual basis. These are the World Bank's 'Doing Business' publication; the World Economic Forum's 'Global Competitiveness Index'; and the Heritage Foundation's 'Index of Economic Freedom'.

Although methodologies vary, EODB publications are often focused on the policies and practicalities of doing business on the ground in the country of question. For instance, the World Bank approach is described as an annual process that "asks thousands of lawyers, accountants and other experts how easy it would be for a company to obtain electricity … transfer title[s] … enforce a debt contract … and so on" (The Economist, 2019, para. 2).

In recent times, a number of commentators have raised concerns with the trajectory of certain countries' EODB improvements, and also the appropriateness of publications' methodologies. This is especially true of the World Bank's 'Doing Business' publication, defined within a study critical of its methodology as "the most influential law and development agenda", and noting its importance amongst politicians and policy makers (McCormack, 2018, p. 1). In the study 'Why 'Doing Business' with the World Bank May Be Bad for You', a number of issues were highlighted; some of which related to specific sections of the World Bank's methodology, while others related more broadly to its approach. These issues can be summarised loosely as follows:

- Rankings are compiled in a way that can encourage gaming of the system.
- Findings focus on the law 'on the books', which does not necessarily reflect what happens in practice (i.e. level of enforcement).
- There is an actual or perceived bias towards countries that adopt a common law approach.
- There is a lack of correlation between empirical findings and the reality on the ground.
- The research relies on narrow information sources. (McCormack, 2018)

A 2017 study suggests that the doing business approach to determining EODB does not consider whether earlier reforms were actually implemented, and in what manner, but instead assumes that governments have implemented change based on their word. Its methodology means that for most countries primary research is restricted to one city; even in highly populated countries such as India, only two cities apply. As such, findings are unlikely to be representative of an entire country. Citing India as an example (in the context of obtaining electricity), comparing the country as a whole to the likes of Mumbai is inappropriate as an extrapolation technique. Additionally, it makes several assumptions such as when reviewing taxation policies in a macro sense, and ignoring additional levies that are applied in certain sectors, especially for products deemed sinful. In conclusion, it was recommended that the Heritage Foundation's Index of Economic Freedom be used as a better alternative (Devadiga, 2017).

A more recent study explains that the World Bank's 'Doing Business' publication is not, and never has been based on reports from small and medium-sized entities on the ground. Instead, it is based on a survey conducted by a very small sample of experts who consider regulations applied on a 'de-jure' basis in the context of a hypothetical firm, and assuming all regulations are applied strictly by the book. However, the 'de-facto' reality bears little resemblance to this approach (Sandefur et al., 2018).

More recently still, the Economist highlighted the fact that the 'Doing Business' publication omits important metrics such as those relating to the reliability of suppliers, or availability of workforce skills. It suggests the publication is useful within the context of understanding how to navigate formal regulations. For example, in the case of a small company that may be able to dodge certain laws, or for those companies big enough to manipulate them. But in conclusion, that the publication is not a summary measure of the ease of doing business (The Economist, 2019).

METHODOLOGY

Research Design and Strategy

This study brings together a whole host of secondary material regarding the subject of market accessibility. For practical purposes, only secondary analysis will be used, and there will be no effort made to contrast these existing studies, datasets and publications with independently collected primary research. Indeed, in the majority of cases, the secondary research utilised within the study are the results of substantial pieces of work, carried out by leading expert consultancies and similar. It is beyond my means to carry out primary research that is comparable, and it is impractical to do so within the bounds of MBA study. Attempting to carry out additional primary research to complement what already exists is not a suitable research design consideration, as the issue this study attempts to help overcome is how best to make use of substantial existing material to create a transferrable approach and scoring mechanism, rather than contribute to a lack of existing information. As such, this study suggests a suitable framework approach to utilising source material, and then applies it in case study form to the country of Thailand.

In the example case that follows, Thailand's overall market accessibility profile is considered by investigating its tariff, NTM and EODB credentials. It does so by targeting key secondary sources of data and analysis related to the elements referred to above and then complements these findings with detailed, and sometimes niche academic research that enable a greater understanding of the themes than what can be interpreted from high-level data analysis. To ensure a balanced approach exists, triangulation techniques are used in order to blend secondary data and findings. This is especially important for publications' that have differing methodologies, but are well regarded within the context of each element's overall subject matter.

The approach does not attempt to overcome any shortcomings in major publications' methodologies. Instead, it accepts these exist and utilises all findings for the purposes of creating an initial, blended country market accessibility profile.

A Transferrable Approach

This study recommends, when determining a country's market accessibility performance, that three core areas of market accessibility be focused on: tariffs, NTMs and EODB. These areas can be considered an overall framework for assessing market access. While the use of suggested secondary resources, and focus on the three identified market access elements, can be thought of in terms of a basic methodology.

Of the three market accessibility elements, each should be investigated in detail and then combined to create an overall market accessibility profile. This overall profile can be used in isolation, on a country-by-country basis, as a larger piece of work that considers how different countries compare in terms of their market access credentials, or as the first step in a broader piece of work such as a trade policy review.

Beyond the three market accessibility elements under review, is the need to create a suitable comparator set (benchmark countries or other geographic clusters) and scoring mechanism. In relation to the former, it is suggested that the country of focus is compared and contrasted with a benchmark group that comprises:

- a globally-weighted average;
- a regional average (e.g. ASEAN, EU, or a suitable geographic grouping); and
- a Group of Seven (G7) country.

For scoring purposes, a one-to-three scoring mechanism attached to each of the three market access elements is suggested. For example, a score of one would represent the lowest possible market accessibility score for each element (challenging). Scores of two would represent a neutral score, while three would be deemed accommodating. In combination, the highest possible score is nine (entirely accommodating) and the lowest is three (wholly challenging). There is no suggested scientific approach to arriving at a score; instead, the merits of the definitions of accomodating, neutral and challenging will suffice.

This approach offers clarity regarding a suitable and manageable definition of market accessibility (the combination of tariffs, NTMs and EODB), as well as suggesting a transferrable approach for assessing a country's market access credentials. By exploring and analysing a selection of often isolated but well-regarded publications, datasets and other source material, a balanced scorecard profile for market accessibility can be formed. This can be used to analyse individual countries in a manner where a country's market accessibility is assessed using a three-tiered measurement scale: accommodating, neutral, or challenging for each of the three aforementioned market accessibility elements.

Sources of Data

In terms of application to the case study that follows, tariff data has been explored through the lens of analysis offered by CEPII's country profiles. These profiles use average MFN tariff rates presented on a sector-by-sector basis, and also by stage of production.

For NTMs, the leading databases of UNCTAD TRAINS; WTO I-TIP; and The Global Trade Alert (GTA) are used for triangulation purposes (and to smooth out differing definitions and data collection approaches).

Lastly, EODB is also assessed on a triangulation basis using data and analysis housed in three important annual publications: The Heritage Foundation's 'Index of Economic Freedom'; The World Bank's 'Doing Business' publication; and the World Economic Forum's 'Global Competitiveness Index'.

All data and analysis obtained from the above databases and publications are then complimented by findings from numerous academic and consulting studies that consider specific sector or sub-sector issues, alongside important overriding regulatory considerations.

The same approach is transferrable to most countries of the world, although for less developed or populated countries certain resources may not be available. This is most apparent when dealing with countries that are not members of the WTO.

CASE STUDY: THAILAND'S MARKET ACCESSIBILITY ASSESSMENT

Thailand for Case Study Purposes

Thailand is a practical case study choice given its potential strategic importance in modern-day trade as an alternative manufacturing hub for companies that are currently re-evaluating suitability of locations in light of the US and China trade war. Additionally, it is a gateway to the ten Southeast Asian countries of ASEAN and their regional PTA partners, referred to commonly as dialogue partners (or ASEAN+6).

Thailand is the 25th largest economy in the world; eighth largest in Asia (with transcontinental Russia in seventh); and second largest in Southeast Asia based on 2018 gross domestic product (GDP) country rankings (The World Bank, 2019). As a member of ASEAN, Thailand is one of a ten-nation association that is predicted to overtake Japan and become the fourth largest market after the EU, US and China (The Association of South East Asian Nations, 2019).

Thailand is cited by non-governmental organisations as a great development success story (The World Bank, 2019), with average annual GDP growth rates of between seven and eight per cent during 1960 to 1996, followed by some five per cent between 1999 and 2005 (the intervening years being the 1997-98 Asian Crisis) (The World Bank, 2019). Since 2011, the percentage of Thailand's population living below the national poverty line has decreased from almost two-thirds in 1988, to less than 10 per cent in 2016. It is defined as an upper-middle-income country (National Economic and Social Development Board, 2018).

Tariffs

Starting at the main source, using WTO tariff profiles that detail applied MFN tariff rates, it can be seen that Thailand applies tariffs that reach a maximum rates of 181 per cent (within the category of beverages and tobacco) and 549 per cent (manufactures). This compares to maximum MFN applied rates of 35 per cent in Cambodia (in 17 of 22 WTO industry categories); 40 per cent in Laos (8 of 22); 40 per cent in Myanmar (transport; beverages and tobacco; cereals and preparations); 65 per cent in the Philippines (sugars and confectionary); 99 per cent in Singapore (beverages and tobacco); 134 per cent in Brunei (chemicals); 135 per cent in Viet Nam (beverages and tobacco); 150 per cent in Indonesia (beverages and tobacco; cereal and preparations; chemicals); and over 1,000 per cent in Malaysia (beverages and tobacco) (World Trade Organisation, 2019).

The European communities, of which, at the time of writing the UK is a member (and represents four of the seven G7 countries) applies maximum applied MFN tariff rates of 235 per cent within the dairy products category (World Trade Organisation, 2019). For the purposes of this initial, high-level comparative exercise, no effort has been made to consider the maximum applied tariffs for all 164 member countries and therefore calculations of some form of average global comparator rates will not be attempted.

Given that tariff schedules include thousands of line-by-line commodity codes, it is impractical to consider these maximum ranges as anything other than arbitrary values to give high-level context.

Utilising CEPII's country profiles, we are able to compare and contrast average applied tariff rates at industry and production stage levels for Thailand, ASEAN (excluding Brunei Darussalam, Cambodia, Laos and Myanmar, for which data are not available), and also those applied by non-preferential countries of the world (to Thailand).

Of the highlighted 11 industries, Thailand has the highest average applied tariff rates in seven. The most significant variation applies to the motor vehicle industry: Thailand's average applied tariff rate of 42 per cent compares unfavourably to the ASEAN average of 22.4 per cent, Thailand's global non-preferential partner average rate of 15.1 per cent, and the UK average tariff of 8.3 per cent. Thailand also contrasts with its peers in terms of tariffs applied to imports in food and agriculture (with rates 7.4 per cent higher than ASEAN; 4.6 per cent higher than global non-preferential partners, and 8.1 per cent higher than the UK) (Centre d'Etudes Prospectives et d'Informations Internationales, 2019).

In terms of production stage, Thailand underperforms in four of six – including all of the latter stages from intermediate goods, through equipment goods, mixed products, and finally consumption goods. The severity of applied tariffs, along with larger variances compared to its peers, is weighted towards the two final stages of production: mixed products and consumption goods. In the case of consumption goods, Thailand's average applied tariff of 25.6 per cent exceeds the ASEAN rate of 17.4 per cent, global partner average rate of 13.1 per cent, and the UK rate of 7.3 per cent (Centre d'Etudes Prospectives et d'Informations Internationales, 2019).

The high average applied tariff rates relating to consumption goods are skewed somewhat due to large rates applied to certain industries that are important to Thailand in terms of the role of domestic market leaders. For example, its alcoholic beverage industry where Boon Rawd Brewery and Thai Beverage share 58.5 per cent and 32.5 per cent respectively of Thailand's total beer market by volume (Loysmut, 2012).

In a study investigating the effective tariff rate applied to imported wines in Thailand, it was concluded that the average rate applied to wine imports exceeded 60 per cent. It was noted that this protectionist approach to tariffs has an effect on substitute products in the wider category of alcoholic beverages and can favour goods with domestic dominance in Thailand such as beer and whisky. Within the wine category itself, the study noted the rise of a major domestic producer (Siam Winery), which produced over 200,000 bottles of wine in 2007, up from under 2,000 in 1999 (Wiriyapong, 2007).

In the context of imported whiskies, in recent years UK exports to Thailand have been in decline; businesses cite high tariffs and a hybrid tax system that favours domestic production. The combination resulting in a halving of imported foreign spirits by volume over the past decade (Littlewood, Felber, 2019).

Another example of high industry-specific tariffs are those that are applied to imported motor vehicles. Thailand's Automotive Industry Institute noted that domestic producers are desperate for high tariffs to continue to be applied to foreign imports so as to support Thailand's auto industry (referred to as the largest in Southeast Asia). The article emphasised the importance of maintaining high tariff rates in an attempt to reach production highs of over two million per annum – last achieved in the period immediately before the military coup of 2014; the affect to foreign exporters being a fall in demand from some 12,000 units imported before 2016-17, to around 5,000 units (Thailand Automotive Institute, 2017).

Non-Tariff Measures

NTMs have been reported as trade-distorting in ASEAN for many years. In 1987, surveys highlighted that although tariffs were falling in the region as a result of initiatives such as the 1977 ASEAN PTA, companies reported high levels of NTMs (Tin, 1987). More recently, surveys conducted by the International Trade Centre (ITC) regarding Malaysia, the Philippines and Thailand highlighted amongst other findings that 40 per cent of the 959 companies surveyed in Thailand faced restrictive regulations and obstacles (International Trade Centre, 2016). More recently still, business engagement findings from a survey conducted in Thailand by the UK's DIT, in conjunction with the British Chamber of Commerce Thailand and the UK's ASEAN Business Council, found that, amongst 60 participant businesses, almost 85 per cent cited regulatory inconsistencies as a barrier to their business. Other factors included testing and inspections and customs procedures (both 54 per cent); labelling requirements (38 per cent); and rules of origin (31 per cent) (Department for International Trade, 2019).

Data concerning NTMs are fragmented, but there are at least two commonly used resources: UNCTAD's TRAINS NTM database (referred to as the global database on NTMs), shows that on average, for all countries that data exists, a country has approximately 800 NTMs in use. In ASEAN this figure is higher, with an average member of the ten country association using 949. The UK, classified as a member of the EU, has 417 measures. Within the context of ASEAN, there are 9,492 NTMs in use in total. This breaks down across the association in an uneven manner: Thailand outperforms with an almost 35 per cent share (3,276 measures); Philippines ranks second with 1,222 and Indonesia is third with 971. Myanmar has the lowest number with 267 (United Nations Conference on Trade and Development, 2019).

The WTO I-TIP NTM database is an alternative resource that houses similar information, albeit with a different methodology underpinning it. Instead of relying on regulations as the key source of NTM existence, it relies on formal notifications from WTO member countries. For example, in the case of TBT, notifications made under articles 10.6 and 10.7 of the WTO TBT Agreement (World Trade Organisation, 2012).

Using the WTO I-TIP resource, a global average of some 340 NTMs per country have been reported. In ASEAN, the average number of measures per country is similar at around 320, while the EU has 2,434 measures recorded in total. Of the 3,165 NTMs recorded for ASEAN countries, Thailand accounts for over one-third with 1,133 (the Philippines is second with 788, and Malaysia filling third spot ahead of Indonesia with 339; Myanmar again ranks last with just two recognised NTMs). For NTMs of the TBT variety, Thailand has 669 recorded as being in use, representing over 40 per cent of all TBT measures in ASEAN (WTO, n.d.).

In Thailand, NTMs cover all product sectors. This is not dissimilar to the rest of ASEAN, where six of the ten nations have 100% coverage ratios. In comparison, Myanmar (42%); Brunei (65%); Malaysia (71%); and Indonesia (75%) have some sectors that are free from measures of this type (Ing et al, 2016).

The GTA (Global Trade Alert) is another useful resource that tracks the number of new interventions per year, by country, and classifies these as either liberalising or harmful. Launched in 2009, initially as a trade policy monitoring initiative, it was recognised by the International Monetary Fund in 2016 as having the most comprehensive coverage of trade-discriminatory and trade liberalizing measures (Global Trade Alert, n.d.). Over the ten years spanning 2009-18, the GTA has recorded 102 new interventions in Thailand. Of these, 28 were classified as liberalizing and 74 harmful. This compares with some 3,300 liberalizing and 7,334 harmful measures reported globally. Of these, ASEAN has 527 and 867 respectively, with Thailand ranked fifth in terms of the number of liberalising measures initiated, and fourth highest in terms of number of harmful measures. In comparison, the EU initiated 342 liberalising and 768 harmful measures (Global Trade Alert, 2019).

In 2018, the Asian Trade Center (ATC) explored NTMs in ASEAN for three important sectors, namely automotive, agri-food and healthcare. These are sectors of focus due to the fact that they represent areas of significant importance to the nations of Southeast Asia in terms of employment and trade flows. Within the context of Thailand, sub-sectors that were found to be particularly burdensome included beverages (especially alcoholic beverages) and pharmaceutical products, while the automotive sector more generally suffered from a challenging non-tariff environment. For example, using Thailand as a case study within the body of the report, many barriers in the alcoholic beverages sector were highlighted. It was mentioned that imported alcoholic beverages first need to comply with Thai-specific standards for the purposes of obtaining an import permit; and commencing September 2019, this may include the need for samples. Beyond this, additional costs are incurred to ensure alignment with Thai content and format rules, as well as methodologies that are at times inconsistent with regulations from the country of origin. Businesses must also adhere to costly labelling requirements that prohibit the use of quality claims including common phrases such as premium, deluxe etc., and disallow the use of cartoon imagery even when registered as a trade mark (Asian Trade Center, 2019).

Issues highlighted in a recent study that considers the effects of regulation such as Thailand's Alcoholic Beverages Control Act B.E. 2551 flags the challenging restrictions concerning marketing, while also highlighting that Thai alcoholic beverage brands often avoid such restrictions by registering imagery and trademarks that are similar or the same for alcoholic and non-alcoholic products alike (Chenhall et al., 2019).

Regulation concerning the pharmaceutical sector was found to be particularly challenging for foreign participants. ATC's findings highlighted burdensome non-tariff issues such as transparency and consistency relating to pricing; Thailand's 'Innovation List', which requires government hospitals to spend at least 30 per cent of their budgets on products listed, but for which only local firms can register products to; Thailand's 'National List of Essential Medicines', which has an unclear selection methodology; significant delays and lack of term restoration regarding registration of patents; and examples of preferential treatment and pricing for state-owned pharmaceutical enterprises via the existence of the Government Pharmaceutical Organization. While, within the automotive sector, findings included the existence of lengthy certification processes that require testing in Thailand (or Thai-witnessed testing overseas); an inconsistent homologation process; and a particularly closed approach to the importation of eco cars to ensure protection for domestic manufacturing purposes (Asian Trade Center, 2018).

Ease-of-Doing-Business

Thailand ranks twenty-seventh of 190 countries assessed in the World Bank's 2019 'Doing Business' publication (up from 46th in 2017, and down from 26th in 2018). Thailand scored 78.45 in 2019, up from

77.44 in 2018, and 72.53 in 2017 (World Bank, 2019, 2018, 2017). This growth of 5.92 points is the third highest in ASEAN and outpaces average global growth of 1.86, ASEAN growth of 2.15, and UK growth of -0.09. Regarding individual indicators, Thailand performs well in terms of protection for minority investors (15th); and getting electricity (6th), but less so for its dealings with construction permits (67th); when registering property (66th); and trading over borders (59th). Additionally, the 2019 publication considered all significant reformatory change in Thailand that has occurred since 2014 as being either positive or neutral in terms of its impact on doing business (The World Bank, 2019).

The World Economic Forum's 'Global Competitiveness Index' of 2019, ranks Thailand fortieth of 140 countries (down from 32nd and 34th in 2018 and 2017 respectively). Thailand scored 68.10 in 2019, up from 67.50 in 2018, and 66.20 in 2017 (World Economic Forum, 2019, 2018, 2017). This growth of 1.90 points is higher than only Indonesia, Laos PDR, and Malaysia within ASEAN, and is below the Association's average growth of 2.09 (excluding Myanmar). It does however outpace global growth of -0.37, and UK growth of -0.90. In the 2019 edition, of the 12 indicators that form the overall competiveness score, Thailand performed well in terms of its financial system (ranked 14th); market size (18th); and business dynamism (23rd). It performed poorly in terms of its product market (92nd) and skills (66th). The product market score reflecting limited openness for foreign firms (World Economic Forum, 2019).

The Heritage Foundation's 2019 'Index of Economic Freedom' places Thailand forty-third among the 186 countries assessed (up from 53rd and 55th in 2018 and 2017 respectively). Thailand scored 68.30 in 2019, up from 67.10 in 2018, and 66.20 in 2017 (Heritage Foundation, 2019, 2018, 2017). This growth of 2.10 is the fourth highest of the 10 ASEAN countries and outpaces global growth of -0.13. In this publication however, UK growth was higher at 2.50. In the 2019 edition, of the 12 indicators that form the overall economic freedom score, Thailand performed well in terms of its fiscal health (96.5 [out of 100]) and government spending (85.8). It performed poorly regarding government integrity (36.4) and judicial effectiveness (45.9), citing a lack of well-functioning legal frameworks that protect citizens' rights and promote market competition (Heritage Foundation, 2019).

Treating the three publications' score growth in combined percentage terms, Thailand grew at a rate of 4.9 per cent over 2017-19. This compares to 2.2 per cent for ASEAN, 1.0 per cent in terms of global average, and 0.2 per cent for the UK.

EODB is often cited as different in reality to the assessments made by publications that are limited to narrow methodologies. As such, having feedback from businesses on the ground can be useful. A recent, British government-led survey conducted by DIT found that almost half of respondents considered doing business in Thailand as neutral (i.e. neither easy nor difficult) when compared with other nations, while almost one-third of respondents suggested it was difficult. In addition, the majority of respondents (almost 9 out of 10) believe that the EODB environment has not improved over the past five years. The survey also provided firms with an opportunity to explain the deterioration or improvement, with many highlighting deterioration linked to insufficient labour skills, political instability, and immigration and visa rules (Department for International Trade, 2019).

Respondents of the survey, which included business participants spanning 13 distinct sectors of interest, when asked about market access challenges, used terminology such as lack of business control (92% of respondents); land rights (54%); and access to staff (38%) (Department for International Trade, 2019).

The above three highlighted issues correspond, in regulatory language, to three important overarching pieces of legislation:

1. The Foreign Business Act (FBA), BE 2542 that limits majority foreign equity ownership in many types of businesses.
2. The Lease of Immovable Property for Commercial and Industrial Purposes Act B.E. 2542 that bars land ownership for foreign participants.
3. The Foreigners Working Management Emergency Decree (No.2) B.E. 2561 that restricts both domestic and foreign businesses in terms of the numbers of foreign workers who can be hired.

In terms of foreign participation regarding equity ownership stakes in businesses, the FBA, which came into effect in March 2000, places restrictions on 43 categories of business activity. These restrictions are formed of three lists: list one being not permissible to foreigners for special reason, and including sectors such as broadcasting, forestry and fisheries, and Thai herbs and antiques; list two covering businesses related to national safety, security, those impacting arts culture and similar; and list three, which is expansive and covers industries that Thai nationals are not yet ready to compete with foreigners in. Regarding the latter, ownership shall not exceed 49 per cent and applies to predominately service sectors such as accountancy, legal services, architecture, construction and engineering (The Foreign Business Act, 1999).

Regarding land ownership, foreigners are not allowed to own land in Thailand. This is waivered only on special occasion via approvals from Thailand's Board of Investment (BOI), when approved companies may be granted the right to own land in restricted quantities (Siam Legal, 2019). Otherwise, as stated in the Lease of Immovable Property for Commercial and Industrial Purposes Act B.E. 2542 (1999), foreign business owners are only able to lease land for a maximum of 30 years, or 50 years for industrial purposes. However, for access to be granted certain minimum investment thresholds must be met.

In terms of employment of foreign staff, the Foreigner's Working Management Emergency Decree (No.2) B.E. 2561 (2018), and other-related regulations require businesses to meet a Thai to foreign worker ratio of no less than four to one in most cases. In certain cases this ratio is liberalised, but for each additional foreign member of staff a registration fee in the guise of additional paid up capital is required.

Another Act that cross-cuts many industries and limits foreign participation is the Government Procurement and Supplies Act, B.E. 2560 (2017), which through its design limits foreign participation in major government procurement contracts due to the necessity of having a Thai-registered company in order to tender for projects. There is also an element of unlimited liability attached to government contracts, whereby the only realistic approach is for foreign firms to participate as sub-contractors, with major Thai conglomerates being best placed to deal with the affordability and potential risk aspects. There is also the issue faced by foreign businesses of over-reliance of in-country partners, who have contacts within the Thai government, to increase likelihood of participation in government procurement contracts or to ensure visibility of information flows regarding tendering timeframes (which can at times be uncertain or occur during a limited window) (Littlewood, Felber 2019).

In special circumstances, Thailand offers attractive access to land rights, majority equity ownership, and relaxed foreign worker participation restrictions. However, these cases are usually limited to specific, ring-fenced geographical clusters (or special economic zones). This is especially the case for manufacturing businesses via BOI and incentives linked to Thailand's Eastern Economic Corridor (EEC) initiative, which targets increased foreign direct investment in some of Thailand's eastern provinces (Bhrammanachote, 2019).

Beyond the protectionist regulations that limit foreign participation and ownership rights, there are other accessibility issues such as portions of Thailand's elite population holding large stakes in some of the country's major leading businesses and conglomerates. Research conducted by UBS (a Swiss multinational bank) in 2013 highlighted that the Thai government has significant stakes in seven strategic industries through its Ministry of Finance and other state enterprises. The study forensically examines shareholdings of 14 wealthy Thai families with combined public business holdings valued at almost $60 billion. One such family has an almost majority stake in Thai Beverage (UBS, 2013). The dominance of domestic businesses in the sub-sector of alcoholic beverages is also well defined by a study from Krungsri (a leading Thai domestic bank), showing that Thai Beverage and Boon Rawd Brewery, two dominant Thai breweries, have a 93% share of the domestic beer market (Krungsri, 2019).

Thailand's Overall Market Access Profile

Thailand's market accessibility can be assessed at a macro-level, using evidence concerning tariffs, NTMs and EODB. The initial assessment can be as simple as applying a score of between challenging (1) and accommodating (3) for each.

For two of the three elements: tariffs and NTMs, research indicates that Thailand performs poorly based on global norms, and in relation to its peers. This creates accessibility issues for non-preferential trade partners and firms attached to them via equity ownership structures.

From an EODB perspective, Thailand could be considered neutral in terms of its accessibility profile. This is due to a combination of some domestic regulations that border on protectionism, alongside positive reformatory actions that have resulted in EODB ranking improvements across the board in the major recognised publications concerned with regulatory developments related to business infrastructure and processes.

Overall, using the scoring mechanism proposed, Thailand scores four points out of a possible nine, or, in other words, offers non-preferential trade partners an environment that is more challenging (3 points[out of 9]) than neutral (6 points), and one that is a long way off of being completely accommodating (9 points).

Tariffs

Assessment: Challenging (1 point out of 3)

Thailand compares unfavourably to most of its regional partners, with particularly high applied MFN tariff rates in WTO categories of manufactures and beverages and tobacco. Data explored within CEPII's country profiles confirms the high nature of tariffs, with Thailand performing worst amongst all comparator groups in seven of the 11 industries highlighted. At production stage, Thailand ranks lowest (i.e. highest tariff rates applied) by some way in relation to products imported ready for final consumption. Regarding the latter, it could be deemed that the high rates are protectionist measures designed to protect important domestic industries such as Southeast Asia's largest automotive production base (Thai Automotive Institute, 2017), a domestic beer market that is dominated by a duopoly (Krungsri, 2019), and a much improved domestic production situation for the country's wines (Wiriyapong, 2007). Based on the assessment performed, it can be concluded that Thailand performs below that of the comparator group and is willing to use high tariffs in a protectionist manner to assist domestic producers, which in turn reduces the availability of viable alternative or substitute products for consumers.

Non-Tariff Measures

Assessment: Challenging (1 out of 3)

Although NTMs are difficult to compare and contrast due to the fragmented nature of global data, the evidence collected and analysed suggests that Thailand outperforms its peer groups in terms of the number of NTMs applied, while survey findings indicate that many of these are barriers for doing business in the country. Regarding NTMs that could be considered NTBs, Thailand has implemented a challenging trade instrument mix that particularly hampers industries that are strategically important to the domestic marketplace such as motor vehicles, pharmaceuticals and food and beverages. Within the analysis, there are clear examples of NTMs that appear to be designed for protectionist purposes and, much like in the case of high tariffs, can be used to protect domestic producers and therefore limit the range of products for consumers. Most pressing seems to be the fact that often, the regulations that underpin the NTMs are applied in inconsistent ways (Department for International Trade, 2019).

Additionally, findings from an ASEAN-focused research study, revealed particularly burdensome NTMs and similar barriers in the sectors of beverages, pharmaceuticals and medical devices, and automobiles (Asian Trade Center, 2019).

Ease of doing business

Assessment: Neutral (2 out of 3)

Thailand has improved markedly in terms of scores and ranking in well-regarded annual EODB publications during the period under review (2017-19).

Amongst a combination of positive features such as accommodating special economic zones, initiatives, and the aforementioned EODB ranking improvements, is an underbelly of protectionism that is underpinned by three pillars of regulation: the Foreign Business Act, Foreigners Working Management Emergency Decree, and Lease of Immovable Property for Commercial and Industrial Purposes Act. These limit equity and land ownership for foreign firms, and limits foreign participation in the workforce for foreign and domestic actors alike.

Potential trade partners could benefit from initiatives such as the EEC, while it is not inconceivable to expect some of the policy changes that have resulted in recent years' EODB ranking improvements across those publications explored in the study, to become mutually beneficial to both domestic and foreign businesses. However, until regulatory reform liberalises rights and freedoms attached to equity ownership, foreign participation in the workforce, and the ownership of land outside of special economic zones, Thailand will remain a country with neutral EODB credentials for non-preferential trade partner countries.

IMPLICATIONS AND CONCLUSIONS

Findings

Of the three elements that make up the definition of market accessibility, it can be concluded that tariffs are the easiest to assess. This is because from a non-preferential trade partner perspective, little needs to be evidenced beyond the tariff rates detailed on each country's WTO schedules and applied in practice. A good source for understanding the thematic nature of the rates applied in practice is the CEPII country profile pages, which highlight average applied tariffs for goods based on sector and stage of production.

Although simple in terms of initial data collection, tariffs are applied to many types of products (thousands). As such, certain sub-categories of product can cause over-weight effects to average tariffs when presented by sector or production stage. In the case study, there was the potential for the user to make initial inconsistent conclusions had sufficient follow-up study not been performed. The most obvious example relates to the fact that initial high-level data suggests that in Thailand, high tariffs are generally applied to consumption goods; although broadly true, it was clear upon further investigation that there are certain products that attract particularly high tariffs that can skew these averages. Tariffs attached to alcoholic beverages and motor vehicles being two such examples.

In terms of NTMs, as acknowledged by Devadson (2018), it is often difficult to distinguish between legitimate NTMs and NTBs, while data concerning the use and nature of global NTMs remains fragmented. As a start point, measuring the sheer scale of NTMs applied by the country under assessment can provide an overview and an indication of likely protectionist direction. However, it is important to highlight that additional follow-up work is required.

For EODB, note should be taken of issues raised by many commentators concerning methodology issues. These issues appear to focus on the World Bank's annual 'Doing Business' publication primarily, and it has faced scrutiny in recent times. To overcome individual EODB ranking methodology weaknesses, it was suggested that a weighted approach be taken (i.e. to blend scores and trends from each of three well-regarded annual publications). Such an approach is good as an early indicator of status and recent trajectory, but is not fool proof. The main types of issue being raised include the suggestion that EODB publications rarely focus on the realities of doing business in-country, and instead merely consider the existence of regulations (rather than their application in practice), or take governments' words for recent regulatory change (rather than challenge these assumptions) (Sandefur et al., 2018). And also that it is impractical to focus study on (at most two) of a country's most metropolitan cities to create an overall country score (Devadiga, 2017).

Limitations

The suggested use of certain secondary sources is an initial proposal based on a generic understanding of easy to access datasets and publications of an ubiquitous nature within the trade policy landscape. It is not a final shortlist and could be developed to best suit the user. Additional, or alternative, sources may be more useful when assessing each of the market accessibility elements. For instance, there may be premium datasets that house more reliable or complete information.

The suggested three-tiered definition of market accessibility is also potentially incomplete. It could also be further broken down into more nuanced sub-elements.

Lastly, the scoring mechanism is basic at this stage of development and needs formalising in terms of a proper, underlying methodology. For example, a partial scoring mechanism would enable users to differentiate more easily between countries that have the same overall market accessibility score.

Practical Applications

This study acknowledges the challenges faced by trade practitioners and policy makers when attempting to develop a model that suitably assesses a country in terms of its market access credentials. Part of this challenge is that there are many data sources, publications and academic papers that can be used to understand, and compare and contrast different countries' market accessibility for non-preferential trade partners, but working out how best to utilise these is not obviously apparent.

The study recommends and applies the suggested approach in case study form, using a three-pronged definition of market accessibility and scoring system; but this could be considered overly simplistic.

To counter this simplistic design, a suitable next step for practitioners performing market accessibility analysis could be to complement these initial findings by engage with local law firms, trade bodies and/or professional consulting firms. These stakeholders have local knowledge and understand the de-facto reality on the ground as opposed to the de-jure focus that many publications rely on. This would help to overcome the issue that, especially for EODB, publications do not always report accurately on the realities of doing business. Such stakeholders could also highlight inconsistent application of rules in practice such as border regulations that may result in incorrect tariff rates being applied. Legal and trade experts on the ground in-country are a valuable resource that should be utilised as part of market access work. For instance, trade staff representing the UK overseas use in-country trade and investment experts to liaise with British businesses all around the world. After capturing market access issues via this initial liaison, the in-country team records them in its global database of identified market access issues. After this, market access staff ensure issues are thoroughly researched by liaising with legal, sector and trade experts, at post and in London, and also by studying the relevant regulatory texts. This enables a two-step approach whereby issues are initially flagged and then tested to determine the reality of the market access situation and its legal basis (Department for International Trade, 2019). Such a detailed follow-up approach enables assessments to be made against individual NTMs to determine whether they are in violation of their legitimate purpose.

In the case of NTMs, a practical approach would be to focus on those that relate to industries that may be of interest to the country under review from a protectionist point of view. In the case of Thailand, there are examples highlighted throughout the case study of burdensome measures in sectors such as pharmaceuticals, motor vehicles and alcoholic beverages; sectors that in the main attract high tariffs and have well-established and dominant domestic players.

Future Development

In terms of developing the suggested approach, a more comprehensive methodology that allocates partial scores based on specific metrics, critical success factors or key performance indicators, is recommended to ensure greater scrutiny can be applied, and to allow for more precise benchmarking methods.

A market accessibility scoring process such as the one proposed in this study is also only of limited use in isolation; it could, for example, become part of a broader toolkit for use when performing a large piece of work such as a trade policy review (i.e. a review that goes beyond market access).

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APPENDIX A: THAILAND'S TARIFFS

Source: Centre d'Etudes Prospectives et d'Informations Internationales Country Profiles

MFN applied tariff rates by country/region (%)

	Thailand	ASEAN*	World**	UK
INDUSTRY				
Energy	2.7	1.6	3.5	0.4
Food, agriculture	21.4	14.0	16.8	13.3
Textiles	14.8	10.8	9.8	10.0
Wood, paper	7.8	8.3	4.4	1.4
Chemicals	7.4	5.8	7.1	3.6
Iron, steel	2.7	5.9	3.8	0.4
Non ferrous	1.0	2.4	2.8	1.6
Machinery	5.7	4.3	5.2	1.8
Vehicles	42.0	22.4	15.1	8.3
Electrical	8.1	5.8	5.0	2.0
Electronic	3.4	1.9	2.5	1.4
STAGE				
Primary	4.1	2.6	10.7	0.7
Basic manufacturing	3.5	5.2	7.0	2.9
Intermediate goods	7.7	6.5	5.6	2.3
Equipment goods	5.6	3.5	4.5	1.5
Mixed products	14.4	8.1	10.2	7.7
Consumption goods	25.6	17.4	13.1	7.3

Notes:

1. * Average tariffs applied by ASEAN to non-preferential partner countries (excluding Brunei Darussalam, Cambodia, Laos and Myanmar)
2. ** Average tariffs applied by non-preferential partner countries of the world to Thailand
3. Highlighted amounts in table show the highest applied MFN tariff rates for each industry sector or stage of production

ANNEX: THAILAND'S NON-TARIFF MEASURES

Sources
Number of NTMs: UNCTAD TRAINS database
Sector coverage: Yan, L., de Cordoba, S. F., & Cadot, O. (2016). Non-tariff measures in ASEAN. Economic Research Institute for ASEAN and East Asia (ERIA).

Number of NTMs and sector coverage

Country	No. of NTMs
Brunei Darussalam	562
Cambodia	367
Indonesia	971
Laos PDR	520
Malaysia	920
Myanmar	267
Philippines	1222
Singapore	614
Thailand	3276
Vietnam	773
Average - ASEAN	949
Average - World*	809
G7 Comparator - UK**	N/A

Country	Coverage^
Brunei Darussalam	65%
Cambodia	100%
Indonesia	75%
Laos PDR	100%
Malaysia	71%
Myanmar	42%
Philippines	100%
Singapore	100%
Thailand	100%
Vietnam	100%

Notes:
1. * The average number of NTMs per data from 91 available countries
2. ** UK data are not available
3. Highlighted amounts in table show the highest number of NTMs or coverage

ANNEX: THAILAND'S EASE-OF-DOING-BUSINESS

Sources:
Annual Publication scores from World Bank Doing Business; World Economic Forum Global Competitiveness Index; and Heritage Foundation Index of Economic Freedom.

Ease-of-doing-business scores during 2017-19

	World Bank - Doing Business			
Country	**2017**	**2018**	**2019**	**+/-**
Brunei Darussalam	65.51	70.60	72.03	6.52
Cambodia	54.79	54.47	54.80	0.01
Indonesia	61.52	66.47	67.96	6.44
Laos PDR	53.29	53.01	51.26	-2.03
Malaysia	78.11	78.43	80.60	2.49
Myanmar	44.56	44.21	44.72	0.16
Philippines	60.40	58.74	57.68	-2.72
Singapore	85.05	84.57	85.24	0.19
Thailand	72.53	77.44	78.45	5.92
Vietnam	63.83	67.93	68.36	4.53
Average - ASEAN*	63.96	65.59	66.11	2.15
Average - World	60.76	60.85	62.62	1.86
G7 Comparator - UK	82.74	82.22	82.65	-0.09

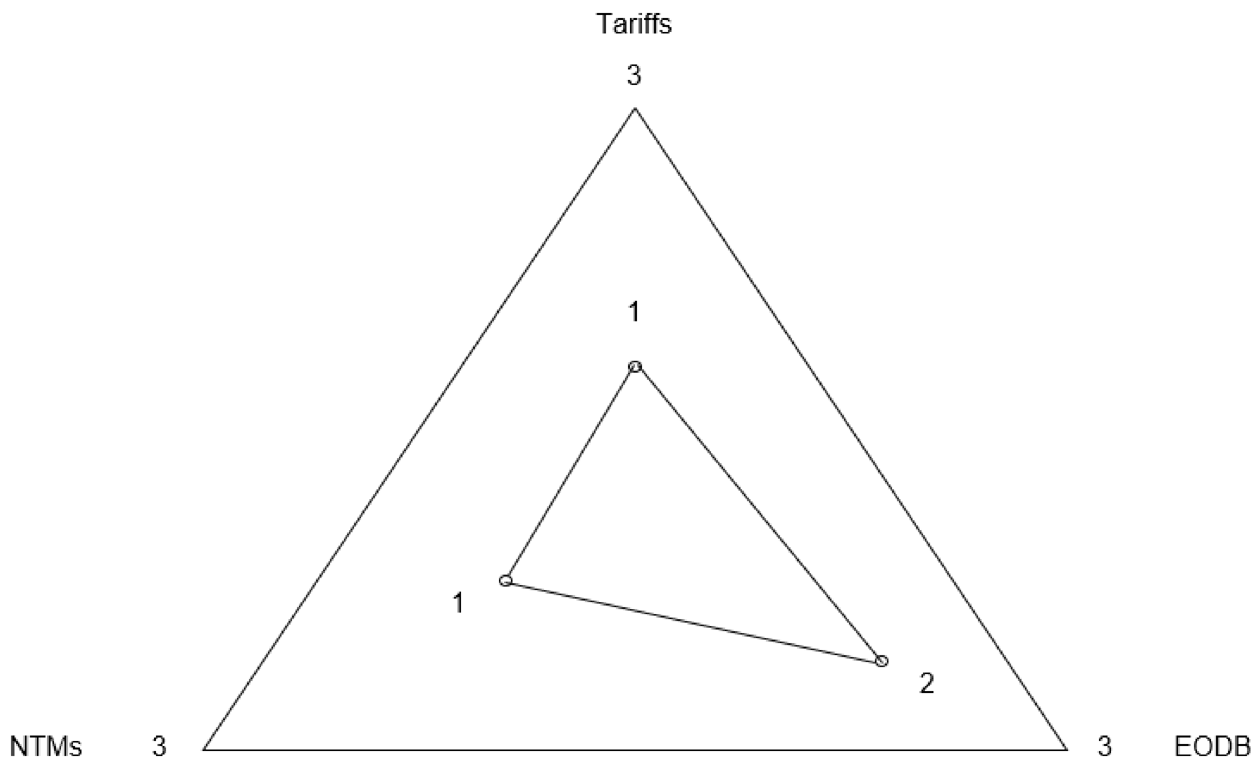
	World Economic Forum - Global Competitiveness Index				Heritage Foundation - Index of Economic Freedom			
Country	**2017**	**2018**	**2019**	**+/-**	**2017**	**2018**	**2019**	**+/-**
Brunei Darussalam	60.40	61.40	62.80	2.40	69.80	64.20	65.10	-4.70
Cambodia	49.40	50.20	52.10	2.70	59.50	58.70	57.80	-1.70
Indonesia	63.50	64.90	64.60	1.10	61.90	64.20	65.80	3.90
Laos PDR	48.60	49.30	50.10	1.50	54.00	53.60	57.40	3.40
Malaysia	73.30	74.40	74.60	1.30	73.80	74.50	74.00	0.20
Myanmar	N/A	N/A	N/A	N/A	52.50	53.90	53.60	1.10
Philippines	59.80	62.10	61.90	2.10	65.60	65.00	63.80	-1.80
Singapore	82.50	83.00	84.80	2.30	88.60	88.80	89.40	0.80
Thailand	66.20	67.50	68.10	1.90	66.20	67.10	68.30	2.10
Vietnam	58.00	58.10	61.50	3.50	52.40	53.10	55.30	2.90
Average - ASEAN*	62.41	63.43	64.50	2.09	64.43	64.31	65.05	0.62
Average - World	59.74	58.95	59.37	-0.37	60.90	61.10	60.77	-0.13
G7 Comparator - UK	82.10	82.00	81.20	-0.90	76.40	78.00	78.90	2.50

Note: *Myanmar scores are not included in the WEF Global Competitiveness Index

ANNEX: THAILAND’S MARKET ACCESSIBILITY PROFILE

Outer triangle shows an ideal score (3 out of 3) for the three market accessibility elements of tariffs, NTMs and EODB. The inner triangle visualises Thailand’s assessed values.

Thailand’s overall accessibility profile score: 4 out of 9
Tariffs: 1 out of 3; NTMs 1 out of 3; EODB: 2 out of 3



<u>Score profiles</u>:

- 3 out of 9 (wholly challenging)
- **4 out of 9 (Thailand’s overall accessibility profile score)**
- 6 out of 9 (neutral)
- 9 out of 9 (wholly accommodating)