

The Impact of Non-tariff Measures within the EU-Mercosur Agreement on Member Countries and the United States

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Abstract

In June 2019, the European Union (EU) and Mercosur – the South American trading bloc comprised of Argentina, Brazil, Paraguay, and Uruguay – reached a political agreement regarding the trade part of the EU-Mercosur Association Agreement. Although the EU-Mercosur Association Agreement has been under negotiation since 1999, there have been few computable general equilibrium (CGE) analyses undertaken that have provided an analysis of the agreement’s non-tariff measures generally, or their potential effects on the U.S. economy. In addition to providing an update to the existing CGE literature on this agreement, and its potential effects on the U.S. economy, this paper will also analyze concurrent trade policy issues. For example, this agreement has garnered press recently as European civil society groups and some government representatives have threatened the ratification of the agreement for failing to protect the Amazon rainforest with enforceable environmental provisions. This paper aims to update the existing, yet somewhat outdated literature on this particular agreement, with additional qualitative information on the nature and coverage of non-tariff provisions related to the security and protection of health and the environment—provisions that are currently serving as a barrier to ratification in the EU. This paper aims to assess the impact of the non-tariff measures contained in the EU-Mercosur Agreement on the member countries and important third-country trade partners (the United States and China) using the comparative static CGE model Global Trade Analysis (GTAP) framework. Consistent with other studies, the results show that both Mercosur and the EU see small gains in real GDP and welfare, with Mercosur gaining relatively more than the EU.

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Introduction

Negotiations between the European Union (EU) and Mercosur—the South American trading bloc comprised of Argentina, Brazil, Paraguay, and Uruguay—were launched on June 28, 1999, although talks were suspended intermittently over the years (2004-2010; 2013-2016). In June 2019, the EU and Mercosur reached a political agreement regarding the trade part of the EU-Mercosur Association Agreement (Agreement).¹ This agreement would create a market of about 780 million people for goods and services, and which makes up almost a quarter of the world's GDP. According to the agreement in principle, duties on about 95 percent of tariff lines for EU exports to Mercosur economies are expected to be eliminated, accounting for about \$4.5 billion in duties on imports from the EU to Mercosur per year.² Duties on about 91 percent of tariff lines for Mercosur's exports to the EU would also be eliminated, while the remaining 7 percent of tariff lines would be granted preferential treatment.³ The agreement would also reduce non-tariff barriers between the two blocs, such as standards and regulations.⁴ The June 2019 agreement still needs to be ratified by the national parliaments of all member countries of both blocs, as well as by the European Parliament and the EU Council, resulting in a current atmosphere of intensified interest into its potential effects on the participating trade blocs and their major trading partners.

This paper examines the impact of the NTMs contained in the EU-Mercosur Agreement on the parties involved, as well as on third-country trade partners such as the United States and China. The analytical approach employed here is a comparative static computable general equilibrium (CGE) model quantifying the impact of selected non-tariff measure provisions enumerated in the agreement in principle. Although numerous studies have explored the economic impacts of the tariff reductions and eliminations included in the agreement, many have neglected to fully investigate the impact of the agreement's non-tariff measures (NTMs), often by either excluding it from modeling exercises or taking a general approximation. This paper aims to bridge this gap by quantifying the relevant NTMs faced by the EU on exporting to Mercosur countries and vice versa, and simulate the economy-wide and sectoral effect of removing such NTMs. The paper is comprised of four sections: (1) Literature review, (2) Overview of Non-tariff Measures (3) Data and Methodology, and (4) Results of the NTM simulations.

Literature Review

Over the nearly two decades since negotiations on the EU-Mercosur Agreement began, scholars across subject areas—economics, political economy, and even climate and environment—have taken up analyses to determine the impact of a potential trade deal covering more than 30 countries, 700 million consumers, and almost \$16 trillion in combined GDP.⁵ Economic studies of the agreement have largely relied on CGE models to calculate the impact, as they entail trade and financial linkages between economic agents, sectors and regions to determine economy-wide effects. This section reviews the existing literature as it relates to the Agreement, first in the area of CGE modeling generally and then specifically in the area of NTM analysis.

¹ EC, "[EU-Mercosur Trade Agreement: Agreement in Principle](#)," June 2019.

² LSE, "[Sustainability Impact Assessment in Support of the Association Agreement Negotiations between the European Union and Mercosur](#)," October 2019.

³ Preferential refers to non-zero tariff rates that are more favorable than MFN rates. EC, "[EU-Mercosur Trade Agreement: Agreement in Principle](#)," June 2019

⁴ Ibid.

⁵ EC, "[The European single market](#)," accessed July 5, 2021.

Model Specification

Some of the earliest models of this agreement use the GTAP framework and database that were current at the time of writing. Diao et al. use GTAP database version 5 with a base year of 1997 and an aggregation of 29 regions and 38 sectors.⁶ This model uniquely employs cash-in-advance technology to anchor nominal variables, combining constraints for both consumption sales and a production, equally weighted.⁷ It also accounts for productivity effects of trade liberalization via an endogenously determined TFP variable for each sector's value-added function.⁸ The liberalization scenario employed by Diao et al. assumes complete elimination of all tariffs, whose initial levels are measured as trade-weighted AVEs.

However, there were also departures from the GTAP framework, such as the work by Flores and Watanuski, which employed the AMIDA model.⁹ This model is comparative static with scale economies and imperfect competition at the firm level. The aggregation consists of 25 sectors and 10 regions, with a baseline year of 2001. The liberalization scenario implemented by Flores and Watanuski reduces tariffs to zero and further reduces 'additional trade costs' (including transport, bureaucracy, etc. estimated at less than 10% of the bilateral flows) by four percent to reflect trade facilitation.

Burrell et al. employ the static GLOBE CGE model, which is different from the GTAP model in that it contains nominal exchange rates and region-specific numéraire prices. The model includes 14 regions¹⁰ and 23 product categories that focus largely on agricultural goods. Its five scenarios reflect the tariff and TRQ negotiating offers from the EU as of 2004¹¹ and Mercosur request as of 2006, and various levels of agreement on the Doha Round multilateral negotiations as of 2008.¹²

More contemporary studies benefit from the increase in finalized public information about the Agreement, as compared to earlier studies that did not have finalized drafts of the agreement text of tariff reduction schedules. With increased information, these studies are able to tailor the model shocks to more appropriately reflect true commitments of the member countries. Carrico et al. employs the macroeconomic perfect competition model MAGNET—a computable general equilibrium model based on neo-classical microeconomic theory as well as the GTAP dataset. The MAGNET model also uniquely includes a land supply function which specifies the relation between total agricultural land supply and the real land price given constraints related to biophysical availability (potential area of suitable land) and institutional factors (agricultural and urban policy, conservation of nature). In another departure from GTAP, factor markets are divided (segmented) into agricultural and non-agricultural labor and

⁶ Diao et al., "[Scenarios for Trade Integration in the Americas-FTAA and EU-Mercosur](#)," 2003, 8.

⁷ This is partially due to the dollarized exchange rate regimes of some countries included in the model at the time. Diao et al., "[Scenarios for Trade Integration in the Americas-FTAA and EU-Mercosur](#)," 2003, 9.

⁸ Diao et al., "[Scenarios for Trade Integration in the Americas-FTAA and EU-Mercosur](#)," 2003, 9.

⁹ Flores and Watanuski, "[Integration Options for MERCOSUR: A Quantitative Analysis by the AMIDA Model](#)," January 2008.

¹⁰ The regions include EU12, EU15, Mercosur4, and 11 other regions.

¹¹ This offer reflects a reduction of EU tariffs to zero on all industrial products, with immediate effect for industrial goods with tariffs less than 2%, by year 5 for goods with tariffs between 2 and 8%, and by year 7 for goods with tariffs in excess of 8%. For agricultural goods not subject to TRQs there is a reduction of tariffs to zero on all products, with immediate effect for goods with tariffs less than 5%, by year 5 for goods with tariffs between 5 and 10%, by year 7 for goods with tariffs between 10 and 15%, and by year 10 for goods with tariffs in excess of 15%. For agricultural goods subject to TRQs there is an expansion of existing TRQs (except for sugar and sheep meat) on a product-by-product basis. New TRQs were created for rice, wheat, other cereals, pork, skim and whole milk powder, butter, cheese and ethanol. In-quota tariff was equal to zero. Authors assumed that the expansion would be fully phased in by 2020.

¹² The three Doha scenarios were Doha only, a reduced EU offer with no Doha, and the Mercosur request post-Doha. Given that the Doha negotiations were never concluded, the effects discussed in this paper refer to the reduced EU offer, no-Doha version ('Scenario 1' in the original paper) because it is the closest to the present situation.

capital to reflect empirical evidence on imperfect mobility of labor. In the policy scenario, Carrico et al. assumes a 15-year implementation period beginning in pre-COVID 2020. The regional aggregation includes the EU (with the UK), the Netherlands, the four Mercosur member countries and the rest of Latin America.

The policy scenarios in Carrico et al. consist of 1) TRQs in existence in the base scenario (prior to EU-Mercosur Agreement), 2) the introduction of new TRQs (as part of the EU-Mercosur Agreement), 3) changes to in-quota tariff rates (as part of the EU-Mercosur Agreement), and 4) changes to the total quota level (as part of the EU-Mercosur Agreement), as well as a 10 percent reduction in the EU-Mercosur NTM AVE gap for sectors where it is determined that the agreement will result in some degree of standards alignment. NTM data is sourced from the World Bank, while services data is sourced from the Organisation for Economic Co-operation and Development (OECD). Although the goods NTM reductions are implemented on a bilateral EU-Mercosur basis, the services NTMs are reduced for all Mercosur trade partners, thus capturing a ‘free-rider’ effect.

GDP and Welfare

According to earlier CGE analyses of drafts of the agreement, EU agrifood producers could suffer significant losses while gains in EU manufacturing could outweigh the losses to the EU agrifood sector, leading to an overall increase in EU GDP and positive but negligible welfare gain.¹³ Similarly, GDP in Mercosur also increases, but by a larger amount in relative terms, due to the fact that Mercosur is the smaller economy in this agreement. These gains are largely driven by welfare gains in agricultural sectors.

Most early studies find increases in real GDP to be positive, but small (less than one percent).¹⁴ Diao et al. find that Argentina and Brazil gained the most in terms of real GDP (4.4 and 2.8 percent, respectively) and even some negative effects for North America and Asian countries. Burrell et al. estimate increases in EU GDP of about 0.02 percent (€3.9 billion) and Mercosur GDP of 0.12 percent (€1.2 billion). They estimate positive but negligible welfare gains of 0.01 percent for the EU as a whole and positive gains of 0.07 percent for Mercosur.¹⁵ This welfare gain is consistent at about 0.01 to 0.02 percent of GDP across similar studies.¹⁶ However, within these trade blocs gains vary across stakeholders. For example, EU agricultural income declines by 0.41 percent (€983 million) and Mercosur consumer surplus declines by 0.1 percent (€751 million).¹⁷ Carrico et al. find GDP increases between zero and one percent, with EU27 and particularly the Netherlands experiencing the smallest gains and Uruguay experiencing the biggest. In terms of real GDP growth in value, Brazil experiences the largest increase (€12 billion), followed by the EU (€2.9 billion) and Argentina (€2 billion).

Trade

Diao et al. estimate large increases in total Mercosur exports and imports, ranging from 1.7-8.1 percent—the largest increases were for Argentina and Brazil. Conversely, the increases in total EU exports and imports were much more limited; 0.5 and 0.6 percent respectively. The impact of the

¹³ Burrell et al. *Potential EU-Mercosur Free Trade Agreement: Impact Assessment*, 2011.

¹⁴ Flôres and Watanuki, “Integration Options for MERCOSUR: A Quantitative Analysis by the AMIDA Model,” January 2008, 36.

¹⁵ Burrell et al. *Potential EU-Mercosur Free Trade Agreement: Impact Assessment*, 2011, 111.

¹⁶ Diao et al., “Scenarios for Trade Integration in the Americas-FTAA and EU-Mercosur,” 2003; Flôres and Watanuki, “Integration Options for MERCOSUR: A Quantitative Analysis by the AMIDA Model,” January 2008, 36; Boyer and Schuschny, “Quantitative assessment of a free trade agreement between MERCOSUR and the European Union,” April 2010.

¹⁷ Burrell et al. *Potential EU-Mercosur Free Trade Agreement: Impact Assessment*, 2011, 90.

agreement on trade with third countries was muted (below one percent).¹⁸ Results from Flores and Watanuski show higher estimates of Mercosur exports to and imports from the EU increasing by about 19 and 18 percent, respectively. Mercosur exports to the EU grew most significantly in traditional sectors in textiles and apparel, leather, wood products, non-ferrous metals, machinery, and paper.¹⁹ By contrast Mercosur imports from the EU in this model increase in nearly all sectors except chemicals and electric equipment, with the largest increases in agrifood sectors.

Burrell et al. estimate total increase of 10 percent (€6.3 billion) in EU exports to Mercosur. At the sector level this is driven mostly by exports of manufactures and machinery, which increase by 14 percent (nearly €6 billion). Conversely, increases in individual agrifood sectors are low,²⁰ except for vegetable oils and fats, and food, and beverages and tobacco, which experience increases of 11 percent and 23 percent (over €21 million and €200 million), respectively.²¹ This result is driven by processed food products rather than primary commodities, and the fact that the former group generally received larger tariff reductions than the latter.²²

Burrell et al. estimate a lower total increase in EU imports from Mercosur of almost 4 percent (€2.3 billion), compared to EU exports. At the sector level this is driven mostly by imports of agriculture goods, which increase by 6.4 percent (nearly €1.3 million). Increases in primary commodities account for the majority of this increase, driven by vegetable oils and fats, and meat beef, sheep, goat, horse, which experience increases of 12 percent and 8 percent (over €616 million and €180 million) respectively.²³ Services imports decline slightly by less than 1 percent (€3.4 million).

NTM analysis

As detailed above, the incorporation of NTM analysis in CGE models of FTAs is becoming increasingly common in contemporary studies. It is therefore necessary to evaluate the existing approaches to quantifying these inherently qualitative policies, and perhaps more importantly and less explored, their application in a CGE context. Econometric models and gravity frameworks are the most well-known and widely accepted methods for quantifying NTMs, often resulting in ad valorem equivalent estimates with bilateral variations.²⁴ Such models rely on classification tools like UNCTAD MAST group's International Classification of Non-tariff Measures, which categorizes NTMs into technical and non-technical measures at the HS six-digit level imports and exports as shown in figure 10.

¹⁸ Diao et al., "[Scenarios for Trade Integration in the Americas-FTAA and EU-Mercosur](#)," 2003.

¹⁹ Flôres and Watanuki, "[Integration Options for MERCOSUR: A Quantitative Analysis by the AMIDA Model](#)," January 2008, 25–27.

²⁰ Less than €20 million in any given sector. The aggregate agrifood sector experiences a 20 percent increase in EU exports to Mercosur.

²¹ Burrell et al. [Potential EU-Mercosur Free Trade Agreement: Impact Assessment](#), 2011, 44.

²² Burrell et al. [Potential EU-Mercosur Free Trade Agreement: Impact Assessment](#), 2011, 44.

²³ Burrell et al. [Potential EU-Mercosur Free Trade Agreement: Impact Assessment](#), 2011, 44.

²⁴ Anderson and Neary, [Measuring the Restrictiveness of International Trade Policy](#), 2005; Kee, Nicita and Olerreaga, "[Estimating Trade Restrictiveness Indices](#)," January 2009; Kee and Nicita, "[Trade Frauds, Trade Elasticities and Non-Tariff Measures](#)," June 2016.

Figure 10. UNCTAD Classification of Non-tariff Measures by Chapter

Imports	Technical measures	A	Sanitary and phytosanitary measures
		B	Technical barriers to trade
		C	Pre-shipment inspection and other formalities
	Non-technical measures	D	Contingent trade-protective measures
		E	Non-automatic import licensing, quotas, prohibitions, quantity-control measures and other restrictions not including sanitary and phytosanitary measures or measures relating to technical barriers to trade
		F	Price-control measures, including additional taxes and charges
		G	Finance measures
		H	Measures affecting competition
		I	Trade-related investment measures
		J	Distribution restrictions
		K	Restrictions on post-sales services
		L	Subsidies and other forms of support
		M	Government procurement restrictions
		N	Intellectual property
		O	Rules of origin
	Exports	P	Export-related measures

Source: UNCTAD, *International Classification of Non-Tariff Measures: 2019 Version*, 2019.

Once NTMs are translated into AVE estimates of restrictiveness they can be incorporated into a CGE model via three main methods; 1) supply curve shifts via export cost²⁵ and iceberg productivity shocks,²⁶ 2) demand curve shifts via consumer willingness to pay (WTP)²⁷ and changes in elasticity of substitution, or 3) transaction costs like import and export taxes.²⁸ Each of these approaches has varying implications for the interpretation of the NTM policy function and in return for the projected results of the model. For example, supply curve shifts could be best suited for modeling the reduction of NTMs seen as decreasing foreign production costs or increasing the productivity of exporters due to harmonization of standards, however, this approach would require the separate treatment of production for domestic versus international markets.²⁹ Supply curve shifts are also implemented through the ever-popular iceberg method, which assumes that “value melts away” during transit reducing the quantity arriving in the importing market, in contrast to that which left the dock in the exporting country.³⁰ In practice, this method is carried out via a shock to the technological productivity variable ‘ams’ which reduces the importer’s price, causing substitution towards that good and an increase in quantity demanded (dominant effect due to elasticity multiplying the price effect); and reduces the amount that needs to be imported to satisfy a given level of demand (productivity shock).³¹

²⁵ Webb, Strutt, and Walmsley, “Regulatory Harmonization in the ASEAN Region: The Effects of Applying Different Types of Non-tariff Measures,” June 6, 2019.

²⁶ Hertel, Walmsley and Itakura, “Dynamic Effects of the ‘New Age’ Free Trade Agreement Between Japan and Singapore,” 2001. See also Samuelson, “The Transfer Problem and Transport Costs, II: Analysis of Effects of Trade Impediments,” June 1, 1954.

²⁷ Walmsley and Minor, “Willingness to Pay in CGE Models,” December 2015.

²⁸ Fugazza and Maur, “Non-Tariff Barriers in Computable General Equilibrium Modelling,” 2008.

²⁹ Walmsley and Minor, “Willingness to Pay in CGE Models,” December 2015, 5.

³⁰ Samuelson, “The Transfer Problem and Transport Costs, II: Analysis of Effects of Trade Impediments,” June 1, 1954.

³¹ Hertel, Walmsley and Itakura, “Dynamic Effects of the ‘New Age’ Free Trade Agreement Between Japan and Singapore,” 2001.

Demand curve shifts like the WTP method, explicitly models the reduction in customs delays as a demand shock that increases a consumer's willingness to pay for faster delivery. Comparison to the iceberg method finds that WTP method produces smaller changes in real GDP, but more expansionary effects of trade volumes, improvements to terms of trade, and higher welfare gains—especially to households.³² Finally, transaction cost methods that model NTM AVEs as import or export taxes are implemented just as tariff liberalization, typically in a CGE model, including the effects of accruing economic rents to the importer or exporter. What's clear from this survey of existing approaches for incorporating NTM measures into a CGE model is that the method necessarily implies assumptions made about the nature of the NTM being modeled, that is, which economic agents pay its cost and which benefit from its removal. Therefore, a fourth method exists which essentially apportions a given sector's NTM AVE into components that operate according to the various methods.³³

Beyond settling on an approach for incorporating NTMs into a CGE context, a modeler must also determine the realistic NTM AVE reduction to apply based on an analysis of the provisions offered by the FTA parties. Implicit in some of the above econometric methods are estimates of changes in sector trade as a result of removing a given NTM. This estimate is then used to calibrate the change in trade in the CGE model, which then determines the necessary technological change variable. In the absence of econometric estimates produced by a tailored model on the relevant trade partners, alternative literature is used as the basis for NTM AVE reductions associated with specific NTM provisions of an FTA. General principles for determining the actionability and magnitude of NTM liberalization include: “removing some regulations; applying existing rules to fewer products; or applying regulations in a less onerous way, for example inspecting a smaller proportion of total shipments or harmonizing requirements to make it easier for traders to comply.”³⁴ In addition to employing these general principles as a type of stringency gradient for the magnitude of the NTM reduction, other studies estimating the impact of regulatory overlap for the key trade partners (EU and Mercosur) can serve as a starting point for determining the NTM AVE reductions. For example, it is recognized that technical NTMs—particularly those that protect human, animal and plant health (SPS measures)—are necessary and cannot be eliminated. Thus, regulatory convergence or harmonization is the more likely path toward NTM ‘reduction’ in this case.³⁵ Consistent with the literature, we ensure that the reduction of a given technical or non-technical NTM AVE resulting from any particular provision within the EU-Mercosur FTA does not exceed 20 percent.³⁶

Non-Tariff Measures

Introduction

The EU-Mercosur trade agreement, aside from reducing and removing tariffs, also focuses on non-tariff measures (NTMs). NTMs can impact trade directly or indirectly by restricting trade (for example, import quotas), but they can also facilitate trade by aligning the regulations of particular industries across countries with that of internationally recognized best practices. Relevant NTMs in the EU and Mercosur

³² Walmsley and Minor, “[Willingness to Pay in CGE Models](#),” December 2015, 5.

³³ Andriamananjara et al., “[The Effects of Non-tariff Measure on Prices, Trade and Welfare: CGE Implementation of Policy Based Price Comparisons](#),” April 2004; ECORYS, “[Non-Tariff Measures in EU-USA Trade and Investment—An Economic Analysis](#),” December 11, 2009; CEPR, “[Reducing Transatlantic Barriers to Trade and Investment](#)” March 2013; Fontagné, Mitaritonna, Signoret, “[Estimated Tariff Equivalents of Services NTMs](#)”, August 2016.

³⁴ Webb et al. “[Modelling the Impact of Non-tariff Measures on Supply Chains in ASEAN](#),” April 12, 2020.

³⁵ UNCTAD, [Non-Tariff Measures in Mercosur: Deepening Regional Integration and Looking Beyond](#), 2017.

³⁶ Walmsley and Strutt, “[Improving the Modelling of Non-Tariff Measures in a CGE Framework](#),” May 27, 2019. Fontagné, Gourdon, and Jean, “[Transatlantic Trade: Whither Partnership, Which Economic Consequences?](#)” September 2013.

trade agreement can be categorized into three broad groups: (1) technical, (2) non-technical (both of which are import-specific), and (3) export-related measures. Technical measures refer to product-specific qualities, such as sanitary or environmental protection measures, while non-technical measures refer to trade requirements, such as customs procedures.³⁷ All three categories are relevant to the EU and Mercosur and were central in the negotiations between the trading blocs.

This paper builds on recent studies and work done to derive *ad valorem* equivalents (AVE) for NTMs outlined by the agreement. The NTM AVE values discussed in this section are adopted from the database of GTAP sector level NTM AVEs provided by the World Bank.³⁸ These base values are then used to model and estimate the average impact of reductions in core NTMs on the EU and Mercosur countries and on different sectors via the variable 'ams' in GTAP database, which reduces the EU and Mercosur importer prices by the change in AVE base values. Following is a discussion of NTMs relevant to the parties to the agreement and potential impact on U.S. industries. It sets out a qualitative basis for the NTM reductions laid out in appendices A.3, A.4, B.3, C.3, D.3 and E.3.

NTMs Relevant to the EU

The EU applies a variety of requirements and procedures to goods imported into its customs union, ranging from the presentation of import certificates for agricultural products to the affixing of the CE marking indicating that the product complies with conformity requirements.³⁹ The measures are vast and are aimed at protecting public health, consumers' demands, the environment, etc. The range of measures impact all product groups that Mercosur countries and the United States export to the EU. Below is an overview of the regulatory framework and import regimes that are classifiable as NTMs, and which are relevant to the top export product groups originating in Mercosur and the United States with the EU as their destination.

EU NTMs Applied to Major Product Groups from Mercosur

In terms of value, the primary product groups of EU imports from Mercosur in 2019 were vegetable oils and fats (14.6 percent), miscellaneous minerals (other extraction; 12.9 percent), paper products for publishing (7.7 percent), and miscellaneous food products (7.6 percent). Imports of products in these groups are subject to the EU's overall regulatory framework for companies doing business in the EU, as well as specific legislation that is directly applicable to certain products in these GTAP categories. The specific product groups discussed below is a selection of product groups with high trade volumes between the trade blocs and product groups facing relatively higher NTM AVEs.

EU NTMs on imports of vegetable oils and fats

The EU applies technical and nontechnical NTMs to vegetable oils and fats produced and sold in the EU market. Overall, around 3,090 NTMs exist that apply to this product group with the vast majority of measures related to sanitary and phytosanitary (SPS) regulations. In terms of AVEs, these overall measures translate to approximately 22.4 percent for exports from Brazil, 0.4 percent for exports from

³⁷ ITC, "[NTM Survey Classification](#)," accessed April 11, 2021.

³⁸ Kee, Nicita and Olerreaga, "[Estimating Trade Restrictiveness Indices](#)," January 2009; Kee and Nicita, "[Trade Frauds, Trade Elasticities and Non-Tariff Measures](#)," June 2016; World Bank, "[Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector](#)," Jan 25, 2019.

³⁹ EC, "[Access2Markets-My Trade Assistant](#)," accessed May 19, 2021.

Argentina, 0.2 percent for exports from Uruguay, and .01 percent for exports from Paraguay.⁴⁰ Of these 3,090 NTMs, approximately 385 labeling requirements exist for vegetable oils and fats sold in the EU market. Labeling requirements include measures regulating the size, color, and kind of printing on packages as well as labels defining information for the consumer about the product, such as instructions on use, safety, and security advice. The vegetable oils and fats product group includes products like flours and meals of oilseeds, and which are required to comply with the EU's labeling rules. There are two types of labeling that apply to these products, such as the general rules on food labeling and certain provisions for specific groups of products, including labeling of genetically modified food, labeling of food additives and flavorings, and labeling of food products for particular nutritional purposes.⁴¹ Similarly, around 320 SPS measures specific to food labeling exist for this product group. These measures define the information that is to be provided to the consumer and which is directly related to food safety, and includes provisions mandating that labels indicate specific storage conditions and any allergens that could be potentially dangerous to consumers.⁴² Other significant SPS measures governing the production and sale of vegetable oils and fats in the EU include authorization requirements for importers for SPS reasons, tolerance limits for residues of or contamination by certain non-microbiological substances, restricted use of certain substances in foods and feeds and their contact materials, hygienic requirements, and others.

SPS measures impact many of the vegetable oils and fats products the EU imports from Mercosur, and the agreement's goals to harmonize these measures and the relevant SPS certificates could have an impact on trade between the two blocs. Generally, both parties agreed to several trade facilitation measures, including adopting and maintaining procedures allowing for expedited SPS import checks and simplifying the import and approval procedures.⁴³

EU NTMs on imports of miscellaneous minerals

According to World Integrated Trade Solutions (WITS)—a collaborative trade and tariff software produced and maintained by the World Bank, UNCTAD and other international organizations—there are 859 technical and non-technical NTMs that apply to miscellaneous minerals marketed and sold in the EU. In terms of AVEs, these overall measures translate to approximately 0.2 percent for exports from Uruguay, 0.8 percent for exports from Paraguay, and less than .01 percent for exports from Argentina and Brazil.⁴⁴ Of these 859 different NTMs, 229 different NTMs related to product quality, safety, and performance requirements apply to the miscellaneous minerals category before they can be produced and marketed in the EU.⁴⁵ These quality, safety, and performance requirements apply to Mercosur

⁴⁰ These AVEs are provided by the World Bank at the GTAP sector level and are estimated according to the econometric methodology described in Kee, Nicita and Olerreaga, "[Estimating Trade Restrictiveness Indices](#)," January 2009; Kee and Nicita, "[Trade Frauds, Trade Elasticities and Non-Tariff Measures](#)," June 2016; World Bank, "[Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector](#)," Jan 25, 2019.

⁴¹ General rules on food labeling include the name of the food, list of ingredients, net quantity, minimum durability rate, storage conditions or conditions of use, country of origin, instructions of use, and nutrition declaration. EC, "[Access2Markets—My Trade Assistant](#)," accessed May 19, 2021.

⁴² Labeling requirements that fall under sanitary and phytosanitary measures include the legal name of the food product, a list of ingredients that includes all ingredients (including additives or enzymes) in descending order of weight, nutrition declaration (energy value, amounts of fat, saturates, carbohydrate, sugars, protein and salt), and others. EC, "[Access2Markets—My Trade Assistant](#)," accessed May 19, 2021.

⁴³ EC, "[EU-Mercosur Trade Agreement: Agreement in Principle—Sanitary and Phytosanitary Measures](#)," June 2019.

⁴⁴ These AVEs are provided by the World Bank at the GTAP sector level and are estimated according to the econometric methodology described in Kee, Nicita and Olerreaga, "[Estimating Trade Restrictiveness Indices](#)," January 2009; Kee and Nicita, "[Trade Frauds, Trade Elasticities and Non-Tariff Measures](#)," June 2016; World Bank, "[Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector](#)," Jan 25, 2019.

⁴⁵ B7 – Product quality, safety or performance requirements.

exports of miscellaneous minerals to the EU as many of these products are intended for construction purposes. Many of the miscellaneous mineral imports from Mercosur to the EU include products intended for construction, such as tarred macadam and sintered magnesite. Besides having to comply with the general requirements associated with the EU's import regime, the EU also has product quality, safety, and performance requirements for construction products. The EU outlines specific conditions for the marketing of construction products in its Construction Products Regulation (CPR). The CPR applies to any construction product or kit produced and marketed for permanent construction works like buildings and civil engineering projects. Also applicable to EU imports from Mercosur of miscellaneous minerals are 240 instances of certification requirements.⁴⁶ Certification requirements offer conformity with a given regulation. Certification of conformity is required by the EU of miscellaneous minerals imported into the EU with origin in Mercosur.

The EU-Mercosur agreement's technical barriers to trade chapter outlines as an objective the identification, prevention, and elimination of technical barriers like the ones applicable to miscellaneous minerals. In particular, the EU and Mercosur agreed to the use of relevant international standards as a basis for their technical regulations including any relevant conformity assessment elements. Both parties agreed to general reciprocity in a supplier's declaration of conformity whether the conformity assessment bodies are located in the territories of Mercosur or the EU. In general, the agreement intends to harmonize and establish conformity assessment procedures that are in accordance and accredited by the EU and Mercosur.⁴⁷

EU NTMs on imports of paper products for publishing

According to WITS, there are 916 technical and non-technical NTMs that apply to paper products for publishing marketed and sold in the EU. In terms of AVEs, these overall measures translate to approximately 1.8 percent for exports from Brazil, 0.9 percent for exports from Argentina, 0.4 percent for exports from Paraguay, and less than .01 percent for exports from Uruguay.⁴⁸ The vast majority of these measures include the prohibition or control of certain imports for non-economic reasons, such as security and the protection of health and the environment.⁴⁹ Traceability requirements also make up a significant portion of the total NTMs to which imports of paper products for publishing are subjected in the EU. Specifically, requirements relating to the disclosure of information on the origin of materials used in the final product apply to most of this product group. For example, mechanical wood pulp (HS code 4701.00) is subject to import requirements related to the control of illegal timber and timber products.⁵⁰ The agreement does not relax these measures. Instead, the trade and sustainable chapter of the agreement specifically calls out the importance of sustainable forest management. This is addressed in the chapter through the implementation of measures to combat illegal logging and related trade,

⁴⁶ Other technical and non-technical NTMs that apply to EU imports from Mercosur include labeling requirements (85 instances), restricted use of certain substances in foods and feeds and their contact materials (63 instances), and non-automatic import-licensing procedures other than authorizations covered under the chapters on sanitary and phytosanitary measures and technical barriers to trade (43 instances). WITS, "[Non-Tariff Measure Data: EU 2018](#)," Accessed April 27, 2021; GTAP, "[Concordance – six-digit HS sectors to GTAP sectors: UN HS GSEC3](#)," updated 2020; UNCTAD, [International Classification of Non-Tariff Measures: 2019 Version](#), 2019.

⁴⁷ https://trade.ec.europa.eu/doclib/docs/2019/july/tradoc_158153.%20Technical%20Barriers%20to%20Trade.pdf

⁴⁸ These AVEs are provided by the World Bank at the GTAP sector level and are estimated according to the econometric methodology described in Kee, Nicita and Olerreaga, "[Estimating Trade Restrictiveness Indices](#)," January 2009; Kee and Nicita, "[Trade Frauds, Trade Elasticities and Non-Tariff Measures](#)," June 2016; World Bank, "[Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector](#)," Jan 25, 2019.

⁴⁹ WITS, "[Non-Tariff Measure Data: EU 2018](#)," Accessed April 27, 2021; GTAP, "[Concordance – six-digit HS sectors to GTAP sectors: UN HS GSEC3](#)," updated 2020; UNCTAD, [International Classification of Non-Tariff Measures: 2019 Version](#), 2019.

⁵⁰ EC, "[Access2Markets–My Trade Assistant](#)," accessed May 19, 2021.

specifically reference commitments made by EU and Mercosur countries as part of the Paris Agreement.⁵¹

EU NTMs on imports of miscellaneous food products

Miscellaneous food products face a significant amount of technical NTMs, specifically EU imports from Argentina and Brazil. According to WITS, there are nearly 25,000 technical and non-technical NTMs that apply to this product group. In terms of AVEs, these overall measures translate to approximately 7.8 percent for exports from Brazil, 40.9 percent for exports from Argentina, 2.5 percent for exports from Uruguay, and 7.0 percent for exports from Paraguay.⁵² The two primary NTM measures that impact EU imports from Mercosur are labeling requirements directly related to food safety and labeling requirement measures regulating the size, kind, color and other technical information on packages and labels. In each of these NTM categories, there are approximately 3,000 measures that impact miscellaneous food products imported from Mercosur. Also significant to this product group are NTMs regulating traceability requirements, including measures regarding the origin of materials, processing history, and the distribution and location of products after delivery. Overall, there are approximately 2,900 NTMs governing traceability requirements for miscellaneous food products entering the EU market. For example, one of the products in this category is chocolate and other food preparations containing cocoa in blocks, slabs, or bars (HS code 1806.32), which is subject to specific import requirements ranging from health control of genetically modified food and foodstuffs of non-animal origin to labeling and traceability.⁵³

EU NTMs on imports of bovine meat products

Bovine meat product imports from Mercosur face significant NTMs due to the calculated AVEs and the volume and distribution of trade affecting the majority of Mercosur countries. According to WITS, there are approximately 1,350 NTMs that apply to this product group. In terms of AVEs, these overall measures translate to approximately 7.0 percent for exports from Brazil, 8.7 percent for exports from Argentina, 12.1 percent for exports from Uruguay, and less than .01 percent for exports from Paraguay.⁵⁴ The two primary NTM measures that impact EU imports of bovine meat products from Mercosur are labeling requirements directly related to food safety and labeling requirement measures regulating the size, kind, color and other technical information on packages and labels. Combined, these NTM categories account for approximately 330 measures that impact bovine meat products imported from Mercosur. Beyond the labeling requirements, there are also other substantial SPS measures applied to this product group. For example, there are prohibitions or restrictions of imports for SPS reasons from specific geographical locations, and tolerance limits for residues of or contamination by certain non-microbiological substances like fertilizers, pesticides, and certain chemicals and metals in food and feed used during their production process.⁵⁵ Also significant to this product group are NTMs regulating

⁵¹ EC, “[EU-Mercosur Trade Agreement: Agreement in Principle—Trade and Sustainable Development](#),” June 2019.

⁵² These AVEs are provided by the World Bank at the GTAP sector level and are estimated according to the econometric methodology described in Kee, Nicita and Olerreaga, “[Estimating Trade Restrictiveness Indices](#),” January 2009; Kee and Nicita, “[Trade Frauds, Trade Elasticities and Non-Tariff Measures](#),” June 2016; World Bank, “[Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector](#),” Jan 25, 2019.

⁵³ EC, “[Access2Markets—My Trade Assistant](#),” accessed May 19, 2021.

⁵⁴ These AVEs are provided by the World Bank at the GTAP sector level and are estimated according to the econometric methodology described in Kee, Nicita and Olerreaga, “[Estimating Trade Restrictiveness Indices](#),” January 2009; Kee and Nicita, “[Trade Frauds, Trade Elasticities and Non-Tariff Measures](#),” June 2016; World Bank, “[Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector](#),” Jan 25, 2019.

⁵⁵ There are approximately 400 combined SPS NTMs related to geographical restrictions on eligibility for SPS reasons and tolerance limits for residues of certain substances. WITS, “[Non-Tariff Measure Data: EU 2018](#),” Accessed April 27, 2021; GTAP,

traceability requirements, including measures regarding the origin of materials, processing history, and the distribution and location of products after delivery. Overall, there are approximately 120 NTMs governing traceability requirements for bovine meat products entering the EU market. For example, one of the products in this category is high quality beef and veal carcasses and half-carcasses, fresh or chilled (HS code 0201.10). This product is subject to a range of import controls, including control of contaminants in foodstuffs, pesticide residues, and residues of veterinary medicines in animals and animal products.⁵⁶

NTMs Relevant to Mercosur

Mercosur also has an import requirement regime and procedures for goods imported into its customs union and its specific member countries. Prior to the finalization of the EU-Mercosur agreement, however, disparate approaches to technical and non-technical measures in its member countries have contributed to limited harmonization across Mercosur. The divergent policy measures and import controls in each country has contributed to barriers to trade resulting in limited intraregional trade, which has had limited growth since the establishment of Mercosur in 1991.⁵⁷ The measures are vast and are aimed at protecting public health, consumers' demands, the environment, but are not fully integrated and harmonized across Mercosur. For example, NTMs diverge most significantly between the more regulated markets, Brazil and Argentina, and the other Mercosur countries. Beyond this divergence, Uruguay is closer to NTM harmonization with Argentina and Brazil, but it converges more with Argentina than Brazil.⁵⁸ The result is a range of NTMs and AVEs specific to each Mercosur country. Below is an overview of the regulatory framework and import regimes that are classifiable as NTMs, and which are relevant to the top export product groups originating in the EU and the United States with Mercosur as their destination.

Mercosur NTMs Applied to Major Product Groups from the EU

In terms of value, the primary product groups of EU exports to Mercosur in 2019 were machinery and equipment (16.8 percent), chemical products (15.6 percent), basic pharmaceutical products (11.0 percent), Motor vehicles and parts (11.0 percent), and electrical equipment (6.5 percent). Imports of merchandise in these groups are subject to Mercosur's overall regulatory framework for companies doing business in the Mercosur, as well as specific legislation that may vary between Mercosur countries and are directly applicable to certain products in these GTAP categories. The specific product groups discussed below is a selection of product groups with high trade volumes between the trade blocs and product groups facing relatively higher NTM AVEs.

Mercosur NTMs on imports of machinery and equipment

Machinery and equipment exports from the EU face various technical and non-technical NTMs, specifically EU exports to Argentina and Brazil, countries which have a domestic industry in this sector.⁵⁹ Included in this list of NTMs are import quantity controls, foreign exchange controls, and licensing schemes.⁶⁰ In terms of AVEs, technical NTMs in Mercosur countries translate to approximately 1.7

"Concordance – six-digit HS sectors to GTAP sectors: UN HS GSEC3," updated 2020; UNCTAD, *International Classification of Non-Tariff Measures: 2019 Version*, 2019.

⁵⁶ Other import requirements include health control of genetically modified food, health control of products of animal origin for human consumption, traceability, labeling of foodstuff, and wildlife regulatory measures of certain endangered species of animals. EC, "Access2Markets–My Trade Assistant," accessed May 19, 2021.

⁵⁷ UNCTAD, *Non-Tariff Measures in Mercosur: Deepening Regional Integration and Looking Beyond*, 2017, ix-x.

⁵⁸ UNCTAD, *Non-Tariff Measures in Mercosur: Deepening Regional Integration and Looking Beyond*, 2017, x-xi.

⁵⁹ UNCTAD, *Non-Tariff Measures in Mercosur: Deepening Regional Integration and Looking Beyond*, 2017, 12.

⁶⁰ UNCTAD, *Non-Tariff Measures in Mercosur: Deepening Regional Integration and Looking Beyond*, 2017, 32.

percent for EU exports to Argentina, 4.9 percent for products entering Brazil, 0.08 percent in Uruguay, and negligible in Paraguay. Non-technical NTMs applied in these countries translate to approximately 6.1 percent in Argentina, 3.6 percent in Brazil, 0.04 percent in Uruguay, and negligible in Paraguay.⁶¹

Technical NTMs in the Agreement

*Sanitary and Phytosanitary Measures (SPS)*⁶²

The SPS chapter of the agreement reaffirms WTO obligations as defined in the WTO SPS Agreement, but also goes beyond the SPS Agreement and requires the EU and Mercosur to apply definitions adopted by the Codex Alimentarius Commission (Codex), the World Organization for Animal Health (OIE), and the International Plant Protection Convention (IPPC).⁶³ In general, the agreement would set the importing party's SPS requirements at the same level for the entire territory of the exporting party. This would harmonize the SPS measures across member countries and ensure a proportionate application of the requirements without risking arbitrary or unjustifiable discrimination between members of the EU and Mercosur. The parties also agreed that any fees imposed for the procedures on imported products are equitable in relation to any fees charged on like domestic products or products originating in any other WTO Member.⁶⁴ The chapter also references the precautionary principle, allowing the EU and Mercosur governments to regulate food safety and take measures to protect the health of their citizens even when the scientific evidence is not conclusive on whether the imported food is safe. The SPS chapter also includes an agreement on the regionalization principle. This principle states that trade can continue despite animal disease outbreaks if the exporting regions can demonstrate that they are not impacted by the disease. This could have an adverse impact on several U.S. industries exporting to Mercosur countries. For example, Brazil has not adopted the regionalization principle for U.S. pork imports and neither has Argentina for U.S. poultry imports. Mercosur's agreement to adopt the regionalization principle could potentially impact U.S. agricultural products to Mercosur trade partners.

Beyond the precautionary principle, the agreement would also establish specific measures meant to facilitate trade between the EU and Mercosur, but does not address other trading partners and therefore may not be applicable to SPS measures applied to third countries. For example, Mercosur and the EU may require the approval of the establishments for the import of animals, animal products, products of animal origin and animal by-products. The agreement states a variety of ways that would facilitate the approval process, including granting approval without prior inspections of individual establishments, requiring the importing party to approve the imports from the proposed establishments within 40 working days following the receipt of the approval request, and making the list of approved establishments publicly available.⁶⁵ Also specific to Mercosur and the EU, the agreement states that each party has the right to carry out verifications of the official SPS control system, including the right to conduct verification visits. The agreement would also establish an SPS subcommittee comprised of representatives from the EU and Mercosur and would address issues raised by the implementation of

⁶¹ These AVEs are provided by the World Bank at the GTAP sector level and are estimated according to the econometric methodology described in Kee, Nicita and Olerreaga, "[Estimating Trade Restrictiveness Indices](#)," January 2009; Kee and Nicita, "[Trade Frauds, Trade Elasticities and Non-Tariff Measures](#)," June 2016; World Bank, "[Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector](#)," Jan 25, 2019.

⁶² EC, "[EU-Mercosur Trade Agreement: Agreement in Principle—Sanitary and Phytosanitary Measures](#)," June 2019.

⁶³ According to the text of the agreement, nothing in the SPS chapter precludes Mercosur or the EU from the rights and obligations each party has under the WTO SPS Agreement. The definitions applicable to the agreement's SPS chapter are those adopted by the WTO's SPS Agreement, Codex, OIE, and IPPC. Definitions set out in the WTO SPS Agreement would prevail in the event of any inconsistencies between the WTO SPS Agreement and those agreed by both the EU and Mercosur or CODEX, OIE, and IPPC. EC, "[EU-Mercosur Trade Agreement: Agreement in Principle—Sanitary and Phytosanitary Measures](#)," June 2019, 2–3.

⁶⁴ EC, "[EU-Mercosur Trade Agreement: Agreement in Principle—Sanitary and Phytosanitary Measures](#)," June 2019, 3–4.

⁶⁵ EC, "[EU-Mercosur Trade Agreement: Agreement in Principle—Sanitary and Phytosanitary Measures](#)," June 2019, 4–5.

the SPS chapter, monitor the implementation process, and provide a venue to discuss problems from the application of the SPS measures.⁶⁶

Conformity Assessment

The agreement would establish general principles on conformity assessment. First, it promotes the use of first-party conformity assessment and transparency of such procedures by publishing approved procedures and the approved conformity assessment bodies. The EU and Mercosur, however, take different conformity assessment approaches when it comes to certain areas, such as energy efficiency, electrical safety, hazardous substances, and electromagnetic compatibility. In these cases, the EU will continue to use suppliers' declarations of conformity, and Mercosur committed to accept test results by EU conformity assessment bodies. This commitment on behalf of Mercosur could facilitate EU exports in the electric and electronic sectors, potentially impacting U.S. exports of products ranging from equipment for use for radiology or medical purposes to machinery and specialized maritime, railway, aviation and vehicle equipment.⁶⁷

Non-Technical NTMs

Import/Export Monopolies

The agreement states that both Uruguay and Brazil reserve the right to maintain and designate import and export monopolies. Specifically, Uruguay's state oil company, ANCAP (Administración Nacional de Combustibles Alcohol y Portland), will maintain an import and export monopoly in the hydrocarbons and derivatives sector. In the case of Brazil, it will reserve the right to maintain and designate import and export monopolies in the petroleum, gas, and other hydrocarbons sector and the nuclear minerals sector.⁶⁸

Intellectual Property

Aside from the elimination of tariffs on agri-food products like sparkling wine and still wines, the agri-food sectors in the EU and Mercosur will also see protection for over 350 European products with protected designation of origin (PDO) and protected geographical indication (PGI), and over 200 Mercosur products with geographical indications (GI).⁶⁹ The agreement allows for the registration of GIs that establish property rights for EU products such as Prosciutto di Parma, Irish Whiskey, Prosecco, French cheese from Hervé, Austrian Tyrolean speck, and Mercosur products such as Mendoza wine from Argentina, Norte Pioneiro do Paraná coffee from Brazil, Chorizo Sanjuanino from Paraguay, and Las Brujas wine from Uruguay.⁷⁰ The agreement would make it illegal to sell imitations as the use of GI term for non-genuine GI products will be banned and using expressions such as *type*, *kind*, *imitation*, *style*, or something to the effect will be disallowed. Also prohibited would be the use of misleading flags, images, or symbols that would suggest a false geographical origin.

⁶⁶ EC, "[EU-Mercosur Trade Agreement: Agreement in Principle—Sanitary and Phytosanitary Measures](#)," June 2019, 14.

⁶⁷ EC, "[EU-Mercosur Trade Agreement: Agreement in Principle—Technical Barriers to Trade](#)," June 2019.

⁶⁸ EC, "[EU-Mercosur Trade Agreement: Agreement in Principle—Annex 3: Import/Export Monopolies](#)," June 2019.

⁶⁹ Geographical indications establish intellectual property rights for specific products, whose qualities are specifically linked to the area of production. PDO (food and wine), PGI (food and wine), and GI (spirit drinks and aromatized wines) all fall under the geographical indications system. The differences between PDO and PGI revolve around how much of the product's raw materials must come from a geographic area or how much of the production process must take place within a specific region. EC, "[Quality Schemes Explained: Geographical Indications](#)," accessed April 28, 2021.

⁷⁰ EC, "[EU-Mercosur Trade Agreement: Agreement in Principle—Annex 1: Legislation of the Parties](#)," June 2019.

Rules of Origin

The Chapter on rules of origin defines requirements for originating products including whole obtained products, the absorption rule, and the principle of territoriality. Claims for preferential tariff treatment must be based on a statement of origin by the exporter (with a transitional period of maximum five years for Mercosur). The agreement will also require EU exporters to register in the Registered Exporter system (REX).⁷¹ Product specific rules of origin are also an important part of the agreement, in particular key EU and Mercosur export sectors. These include rules of origin for cars and car parts as well as most machinery; rules for chemicals based on primary chemical processes; and rules on double transformation for textiles and clothing, which take into consideration inputs to the final good from EU and Mercosur industries.⁷²

Trade Remedies

The trade remedies chapter consists of affirming that the WTO trade defense instruments (anti-dumping, anti-subsidy, and global safeguards) will remain at the disposal of EU and Mercosur countries, while also providing additional bilateral safeguard measures. The text provides for imposing a lower duty than the dumping/subsidy margin if this lower duty is sufficient to deal with the injury caused by the subsidized or dumped imports (the so-called “lesser duty rule”).⁷³ The agreement also includes a bilateral safeguard clause that could provide a remedy to economic injury by significant or unexpected increases in preferential imports resulting from the trade agreement. This specific clause has a time limitation of up to 18 years from the entry into force of the agreement, and would only allow for the suspension of preferential treatment for imports during a period of up to two years, with a possible extension of two more years.⁷⁴

Precautionary Principle

The agreement states that governments in the EU and Mercosur have the right to regulate imports on the basis of the precautionary principle. The inclusion of the precautionary principle, specifically detailed in the chapter related to trade and sustainable development, means that governments have a legal right to act accordingly to protect human, plant or animal health, or labor conditions and the environment, when faced by risks associated with the agreement even when scientific evidence is inconclusive.

Public Procurement

The agreement between the trading blocs addresses government procurement restrictions, especially measures controlling the purchase of goods and services by government agencies in Mercosur and EU countries. The agreement would cause the EU and Mercosur, and their respective procuring entities, to accord immediate and unconditional equal treatment to the goods and services of their counterparts and their suppliers offering such goods and services. In essence, the EU and Mercosur agreed to not treat a locally established supplier less favorably than another locally established supplier on the basis of degree of foreign affiliation to the other trading bloc, and to not discriminate against a locally established supplier on the basis that the goods and services offered by the supplier for a particular procurement are goods or services of the other trading bloc.⁷⁵ The agreement will make it easier for Mercosur and EU firms to bid for and win government contracts. This could be especially beneficial to EU firms as the Mercosur public procurement market has yet to open to any other non-Mercosur

⁷¹ EC, “[EU-Mercosur Trade Agreement: Agreement in Principle—Protocol on Rules of Origin](#),” June 2019.

⁷² EC, “[EU-Mercosur Trade Agreement: Agreement in Principle—Product Specific Rules of Origin](#),” June 2019.

⁷³ EC, “[EU-Mercosur Trade Agreement: Agreement in Principle—Trade Defense and Global Safeguards](#),” June 2019.

⁷⁴ EC, “[EU-Mercosur Trade Agreement: Agreement in Principle—Bilateral Safeguard Measures](#),” June 2019.

⁷⁵ EC, “[EU-Mercosur Trade Agreement: Agreement in Principle—Government Procurement](#),” June 2019.

trading partner and only recently began to liberalize internally.⁷⁶ The EU and Mercosur offered reciprocal access to their suppliers at the central level, which includes procurement by the EU, central government contracting authorities in EU Member States, and central government ministries and other governmental and federal agencies in Mercosur. Further, both blocs committed to working on opening their procurement market at sub-central levels (entities at state, province or municipal) with a goal to conclude this sub-central process at the latest two years after the agreement enters into force.⁷⁷ The agreement also establishes a subcommittee on government procurement comprised of EU and Mercosur representatives with the goal of reviewing the implementation of the government procurement chapter, exchange information like procurement statistical data, and facilitate access to the government procurement markets for both parties.⁷⁸

Export-Related NTMs

Export Duties

The agreement would eliminate, reduce, or bind export duties, taxes, or other charges imposed by Mercosur, specifically Argentina and Uruguay, on the export of goods to the EU. The vast majority of goods impacted by these provisions are agricultural exports originating in Argentina and, to a lesser extent, Uruguay. From Argentina, exports of soybeans, biodiesel, and hides and skins, among others are affected. In the case of Uruguay, only exports of hides and skins would be impacted by an elimination or reduction in export duties.⁷⁹ By lowering or removing export taxes, export restrictions and export monopolies, the EU economy and investors could be granted better access to raw materials essential to the EU economy. The United States would not receive this preferential treatment and would continue to be susceptible to changes and uncertainty around export taxes as Mercosur governments attempt to standardize export tax rates for many products.

Data and Methodology

The Global Trade Analysis Project (GTAP) framework is used to simulate the implementation of the June 2019 EU-Mercosur NTM regimes by reducing NTM AVEs in the affected sectors. This model includes 65 sectors and 42 regions. The 42 regions consist of 37 single-country regions and 5 aggregated regions including China/Hong Kong, Oceania, South America, South Asia, and the Rest of World.⁸⁰ This regional aggregation differs significantly from those in the existing literature in that the results are distinguishable at the individual member country-sector level, as well as at the EU and Mercosur trade bloc levels, with the use of a regional mapping. This comparative static version of the GTAP model uses the standard version 11 of the GTAP database, which has a 2017 base year.⁸¹ The baseline of the current version of the model has not been updated, because, although macroeconomic data for the modeled regions has changed significantly between 2017 and 2019, trade values and shares remained largely consistent.⁸²

⁷⁶ EC, “[EU-Mercosur Trade Agreement: Agreement in Principle](#),” June 2019, 10.

⁷⁷ EC, “[EU-Mercosur Trade Agreement: Agreement in Principle—Government Procurement](#),” June 2019.

⁷⁸ EC, “[EU-Mercosur Trade Agreement: Agreement in Principle—Government Procurement](#),” June 2019.

⁷⁹ EC, “[EU-Mercosur Trade Agreement: Agreement in Principle—Annex 2: Export Duties](#),” June 2019.

⁸⁰ The 37 single-country regions include the 27 EU countries excluding the UK, four Mercosur countries, the United States, Canada, Mexico, UK, Japan, and Korea.

⁸¹ Aguiar et al., [GTAP 11 Pre-release 1](#), 2020; Corong et al., “[The Standard GTAP Model, Version 7](#),” 2017; Hertel, [Global Trade Analysis: Modeling and Applications](#), 1997.

⁸² With regard to future work, authors intend on updating the 2017 baseline to 2019, both in terms of trade and macroeconomic variables.

The model assumes that the Agreement would reduce customs inefficiencies and other trade frictions among the parties, which are simulated as reductions to existing NTM AVEs using the iceberg productivity shock method described above. The base level GTAP sector NTM AVEs are sourced from the World Bank which are estimated according to the econometric methodology described in seminal work by Kee and Nicita.⁸³ They are structured as technical and non-technical NTM AVE estimates for 47 manufacturing and agricultural sectors⁸⁴ of bilateral trade between the EU (as a single economy) and each of the four Mercosur member countries. In this paper, we first run a simulation to adjust our model baseline so that the initial equilibrium incorporates the technical and non-technical NTM AVEs.⁸⁵ The base NTM AVE magnitudes are listed in appendix tables A.1, B.1, C.1, D.1, and E.1.

The base NTM AVEs are then reduced to simulate various provisions in the Agreement highlighted in the previous section, which are suggested to harmonize standards and streamline customs procedures—ultimately reducing these initial frictions. This reduction exercise is carried out using a range of values to reflect practical levels of implementation based on existing research highlighted in the literature review above, as well as industry expertise within the Commission and authors’ analysis of the Agreement provisions. For example, we follow conservative approaches in the literature, such that the cumulative reductions to sectoral NTM AVEs (‘ams’) resulting from commitments in the Agreement do not exceed 20 percent. Our general principles for determining NTM AVE reductions, absent econometric estimates, are that the implementation of agreement obligations or harmonization of technical NTMs require traveling more regulatory distance, such that they involved fundamentally changing standards and customs procedures or harmonizing requirements to a potentially more stringent policy. The implementation of non-tariff provisions within the Agreement generally entail Mercosur countries accepting and conforming to the standards and practices already in place in the EU and thus represent larger reductions in barriers faced by EU exporters to Mercosur in comparison to the reduction in barriers faced by Mercosur exporters to the EU.⁸⁶ For example, the Agreement includes obligations for the mutual establishment of general conformity assessment (CA) principles for trade in all sectors

⁸³ Kee and Nicita use HS 6-digit level bilateral import and export data from UN Comtrade for 34 importing countries and 96 exporting countries, as well as tariff and NTM data from UNCTAD TRAINS. To address the issue that tariffs and NTMs could be endogenous to trading volume, they run first stage instrumental variable (IV) regressions: (1) using the average tariff of the three closest countries as an instrument for tariff to get fitted tariff; and (2) a probit regression using the average presence of a non-tariff measure (NTM) via dummy variables for the presence in the three closest countries from which they retrieve the inverse Mill ratio. Then, to estimate how much trade is reduced due to the presence of NTMs they perform separate quantity-based gravity regressions for each of the nearly 5,000 HS 6-digit level for 2011, controlling for importer-product and importer-exporter fixed effects. Independent variables include the fitted tariff and NTM dummy whose bilateral coefficients are obtained by using the interaction terms based on the share of the importer in the world market, and the share of the exporter in the world market, as well as the inverse Mill ratio and standard gravity variables (the log of GDP of importer and exporter, bilateral distance between importer and exporter, landlocked indicators for importer and exporter, and a common border indicator). To convert the estimated coefficients to AVEs, they also estimate the bilateral import demand elasticity, which is the percentage of trade reduced due to the presence of tariff, and use the estimated import demand elasticity to re-scale NTM coefficient to obtain AVE. Because the dependent variable (bilateral import quantity at the HS 6-digit level) is zero or extremely variable for many country pairs, for each HS 6-digit product, in addition to Zero-Inflated Negative Binomial (ZINB) Model for the main estimation specification, they also run Negative Binomial (NB), Zero-Inflated Poisson (ZIP), OLS in log and Poisson Models, and use model specification test to pick the best fitted regressions for their AVE estimates. Kee, Nicita and Olerreaga, [“Estimating Trade Restrictiveness Indices,”](#) January 2009; Kee and Nicita, [“Trade Frauds, Trade Elasticities and Non-Tariff Measures,”](#) June 2016; World Bank, [“Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector,”](#) Jan 25, 2019.

⁸⁴ NTM AVEs are not provided for GTAP sectors 48-65, which include services sectors such as construction, wholesale and retail trade, forms of transportation and warehousing, information and communication, accommodations, education, government and other professional services. For a full list of sectors, see GTAP, [GTAP Data Base: Detailed Sectoral List \(version 10\)](#), September 30, 2019.

⁸⁵ The technical and non-technical NTM AVEs are referred to in this paper and in the model as ‘ams1’ and ‘ams2’ respectively.

⁸⁶ UNCTAD, [Non-Tariff Measures in Mercosur: Deepening Regional Integration and Looking Beyond](#), 2017.

among all parties—Mercosur countries have far less uniformity and stringency in their individual CA principles and will have to implement more policy changes in order to achieve the general CA principles than will their EU counterparts,⁸⁷ implying smaller reductions in NTM AVEs facing Mercosur exporters (2 percent) than those facing EU exporters (4 percent). Furthermore, Mercosur committed specifically to accepting test results by EU CA bodies in the electronics sector in particular, so the reduction in the technical NTM AVE value ('ams1') for EU exporters of electronics ("ele" sector) to Mercosur is 2 percent larger (6 percent) than all other sectors, representing their having to traverse no regulatory distance to implement this obligation.

The reduction values in terms of percentage point change are given in appendix tables A.2, B.2, C.2, D.2, and E.2. Finally, the explanation of the reduction values, as well as the references to specific Agreement provisions—including the aforementioned examples, for each set of NTM AVEs are given in appendix tables A.3, A.4, B.3, C.3, D.3, and E.3. After determining the cumulative ams reduction for each sector within each bilateral pairing between the EU bloc and Mercosur countries, we run the policy simulation to reduce the bilateral, sectoral ams levels based on these percentage change reductions. The resulting equilibrium is discussed below.

Results of NTM simulations

The aforementioned simulations produce effects on production, prices, imports and exports in the EU and Mercosur sectors most heavily affected, as well as indirect, trade diversion effects on their trade with third countries. The simulations of non-tariff measure reductions and harmonization also produce estimates for the resulting change in the welfare and GDP of these two trading blocs and their major trade partners. Consistent with other studies, both Mercosur and the EU see small gains in real GDP and welfare, with Mercosur gaining relatively more than the EU (table 6). These gains are reasonably smaller than estimates of other studies surveyed which simulate reductions in both tariff and non-tariff barriers, as opposed to non-tariff reductions alone. Real GDP and welfare both declined for other third country trading partners like the U.S. and China (including Hong Kong).

Table 6. Impact of NTM reduction simulation on GDP and welfare, selected trade blocs and countries

Key variables	Real GDP		Nominal GDP		Welfare	
	(%)	Million \$	(%)	Million \$	(%)	Million \$
Mercosur	0.0195	545.4	0.125	3,488.6	0.0356	807.1
EU	0.00116	171.0	0.00673	993.0	0.00295	357.9
United States	-0.00004	-8.6	-0.00544	-1,060.0	-0.0004	-75.4
China	-0.0010	-120.7	-0.01271	-1,586.6	-0.003	-324.9

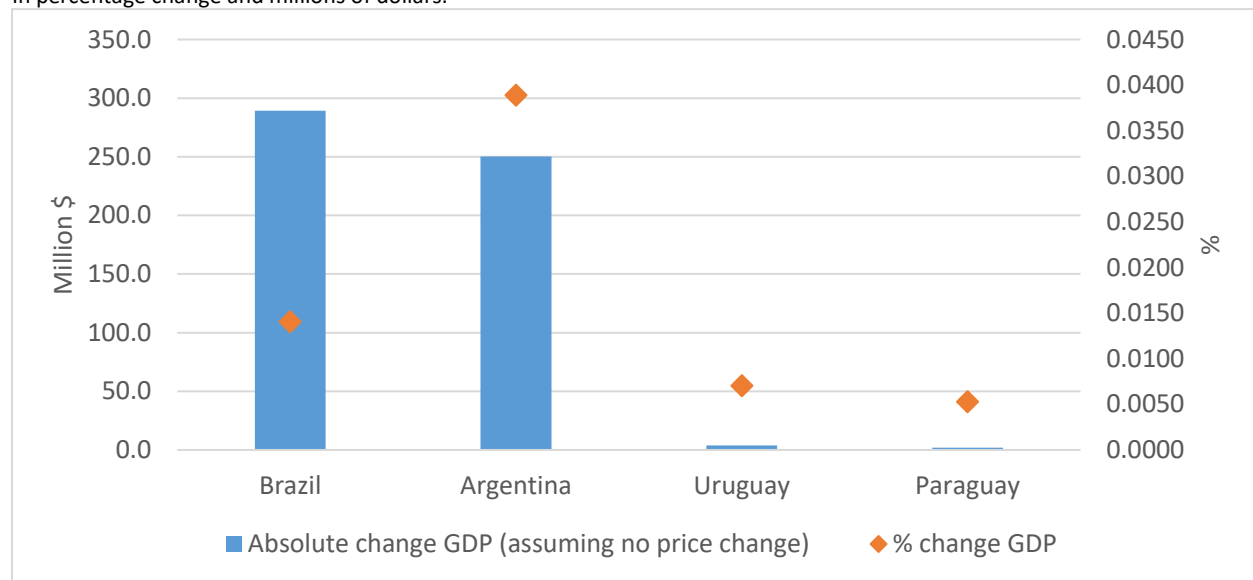
Source: GTAP model simulation results.

A decomposition of the change in GDP within the EU and Mercosur reveals the member countries that gain the most from this agreement. Generally, the expansions in GDP largely track with the overall size of the economy. Although there are some tailored NTM reductions based on the specific provisions of the Agreement, it treats the trade blocs as single entities, so on the whole, shocks are applied mostly uniformly. Larger economies with significant trade flows with FTA partner countries stand to gain the most, as demonstrated by Brazil, Germany, and Spain (figures 11 and 12).

⁸⁷ UNCTAD, *Non-Tariff Measures in Mercosur: Deepening Regional Integration and Looking Beyond*, 2017.

Figure 11. Change in GDP of Mercosur, by member country

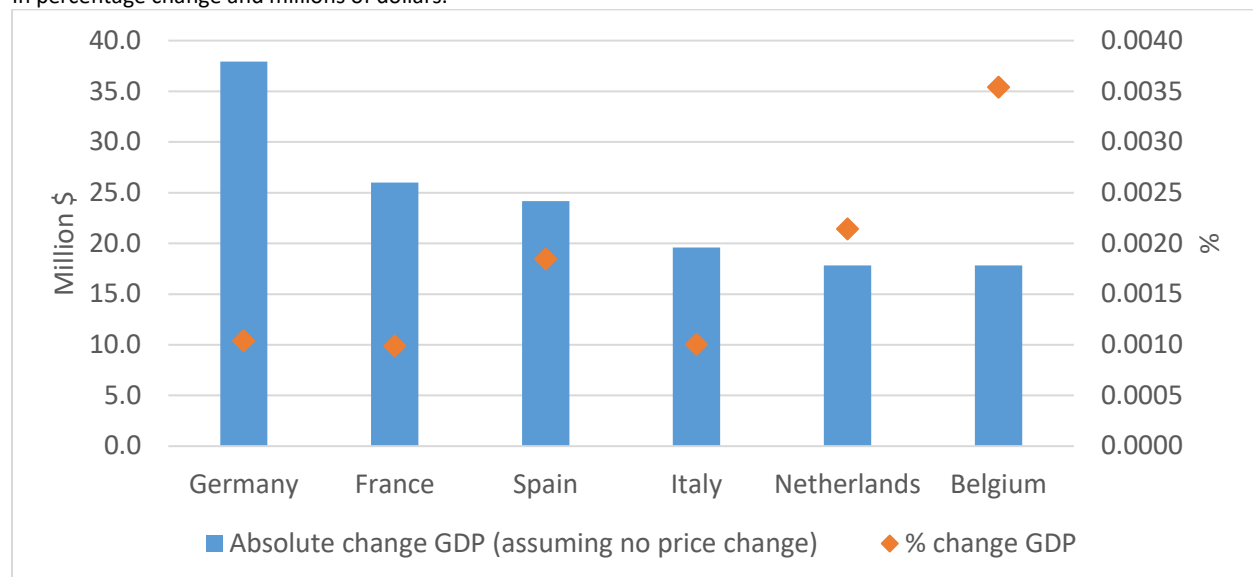
In percentage change and millions of dollars.



Source: GTAP model simulation results.

Figure 12. Change in GDP of the top 6 most impacted EU member countries

In percentage change and millions of dollars.



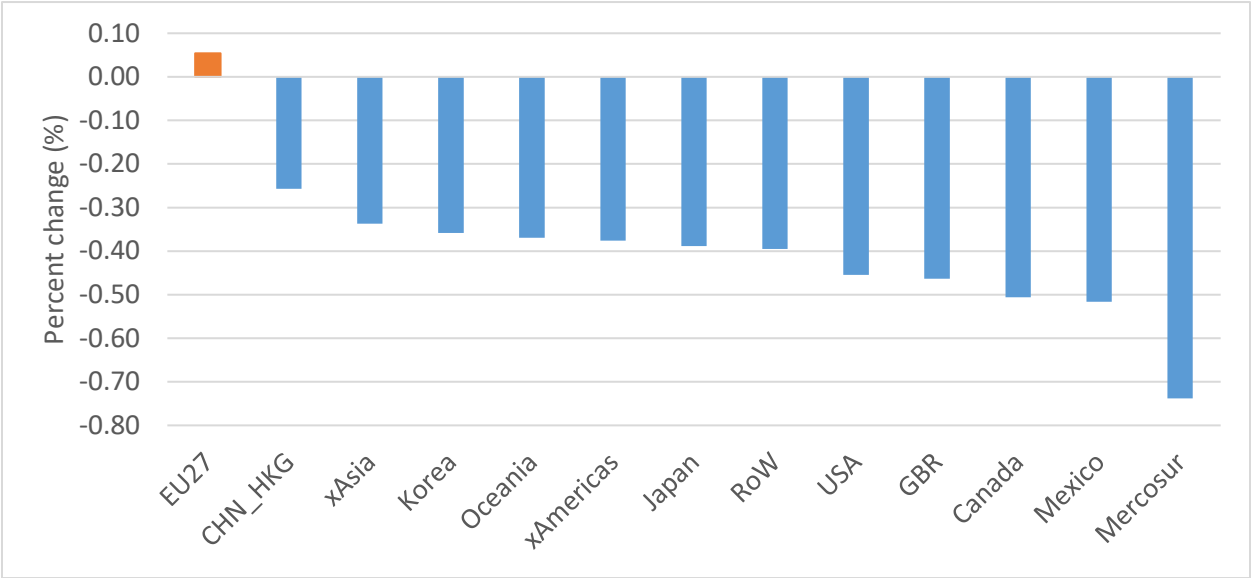
Source: GTAP model simulation results.

Many of the sectors that experience the largest increases in exports to the EU were among those with the highest technical NTMs among both trade blocs in the baseline (figure 13). For example, processed rice (“pcr”) was one of Mercosur’s lowest traded sectors with the EU, as domestic production largely serves domestic demand. Given the low base and significant liberalization (see appendix A for details), combined with the fact that the EU is a net importer of rice, the large percent increase in exports of this sectors is reasonable (figure 14). With the added detail of the regional mapping we can see that Argentina and Uruguay are driving the increase in exports of rice to the EU. Other foods (“ofd”), cattle

meat (“cmt”), vegetable oils (“vol”), and motor vehicles (“mvh”) were among the sectors with the largest increases in Mercosur exports to the EU, in percentage change terms.

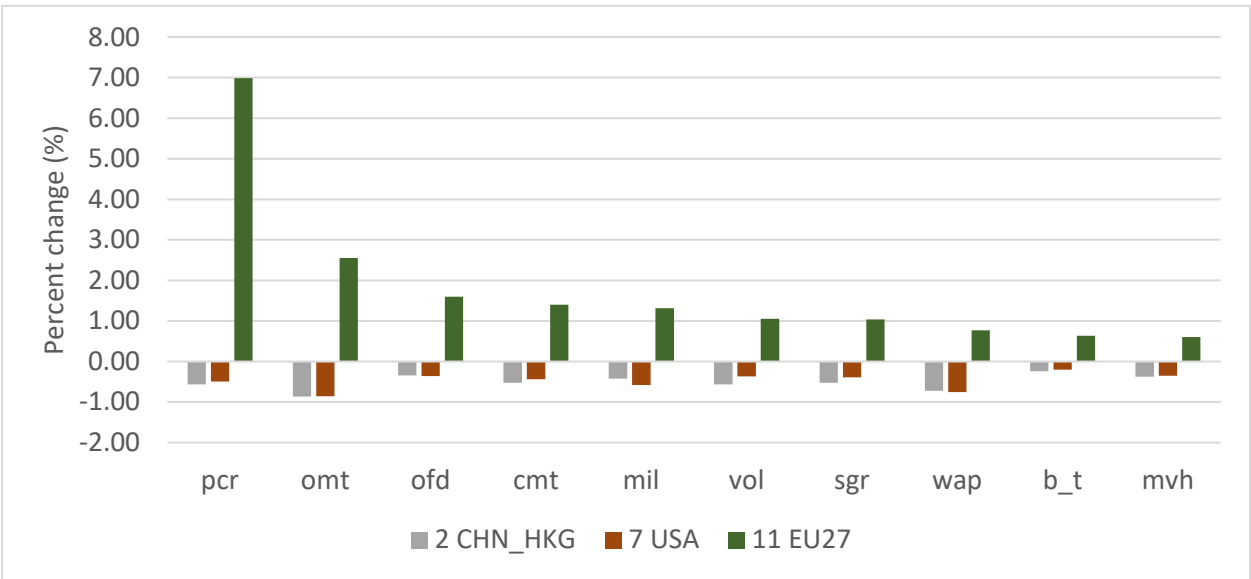
The underlying logic for the other top sectors is similar, though compounded by some additional reductions based on the recognition of Mercosur GIs in the sectors of other meats (“omt”) and beverages and tobacco (“b_t”). Interestingly, although these sectors are not necessarily the top exported to China and the United States, slight trade diversion effects can still be observed given the extremely high existing non-tariff barriers in these sectors.

Figure 13. Change in total Mercosur exports, by destination economy
In percentage change.



Source: GTAP model simulation results.

Figure 14. Change in top ten Mercosur export sectors, by selected destination economies
In percentage change.



Source: GTAP model simulation results.

Note: “Mil” represents the milk and dairy products sector, “sgr” represents the sugar and molasses sector, and “wap” represents the manufacture of wearing apparel sector.

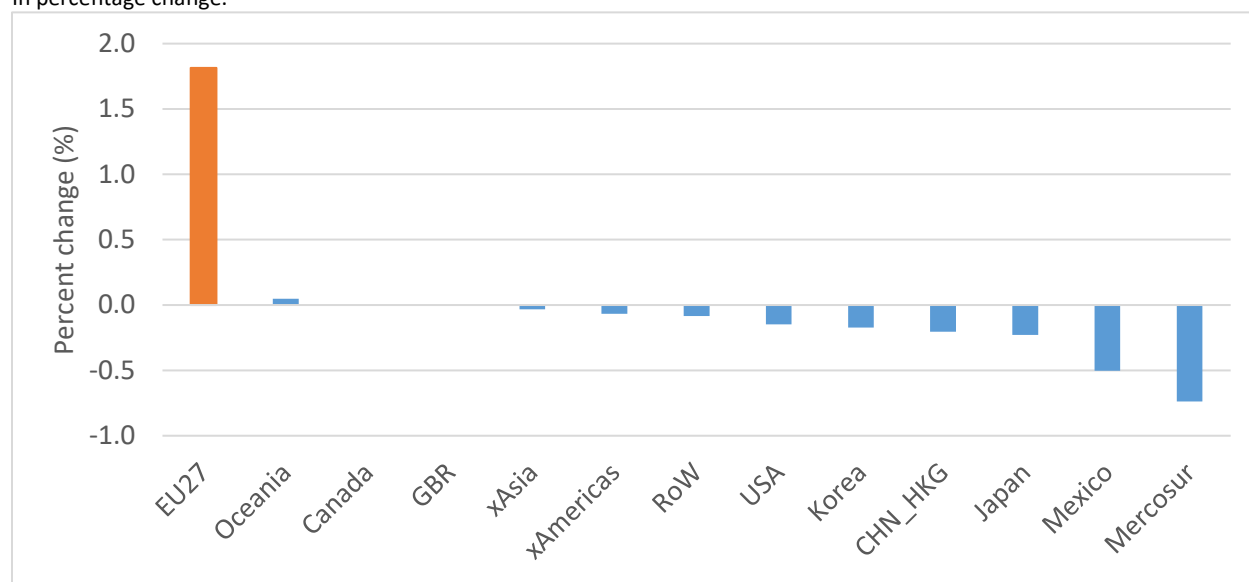
Regarding Mercosur imports from the EU, simulation results show trade diversion that is more a function of decreases in intra-Mercosur trade (figure 15). The relatively larger increase in imports from the EU is driven by the fact that the reduction in Mercosur NTMs facing EU exporters was slightly higher than the reduction for Mercosur exporters. In these agricultural sectors the EU already operates in a way that complies with conformity assessment standards and thus can more readily export to Mercosur without significant changes to its production and trade administration processes, whereas the converse is not necessarily true.

With increasing Mercosur imports from the EU, Mercosur countries are diverting away from their intra-Mercosur trade. Sectors with the largest decrease in intra-Mercosur trade were the manufacture of pharmaceuticals, medicinal chemical and botanical products (“bph”), other crops (“ocr”), manufacture of chemicals and chemical products (“chm”), manufacture of computer, electronic and optical products (“ele”), manufacture of machinery and equipment not elsewhere classified (“ome”), manufacture of rubber and plastics products (“rpp”), and other manufacturing (“omf”).

Regional mapping allows us to dive deeper into the trade effects at the member country level. Exports of pcr from the EU to Mercosur countries increases, but this model shows that such increases are driven by the exports of Italy and Portugal to satisfy increases in demand by Brazil and Argentina (figure 16). The significant increase in Brazilian imports however is less a realistic possibility than it is a function of the incredibly high initial Brazilian NTM in this sector of 286 percent.

Figure 15. Change in total Mercosur imports, by source economy

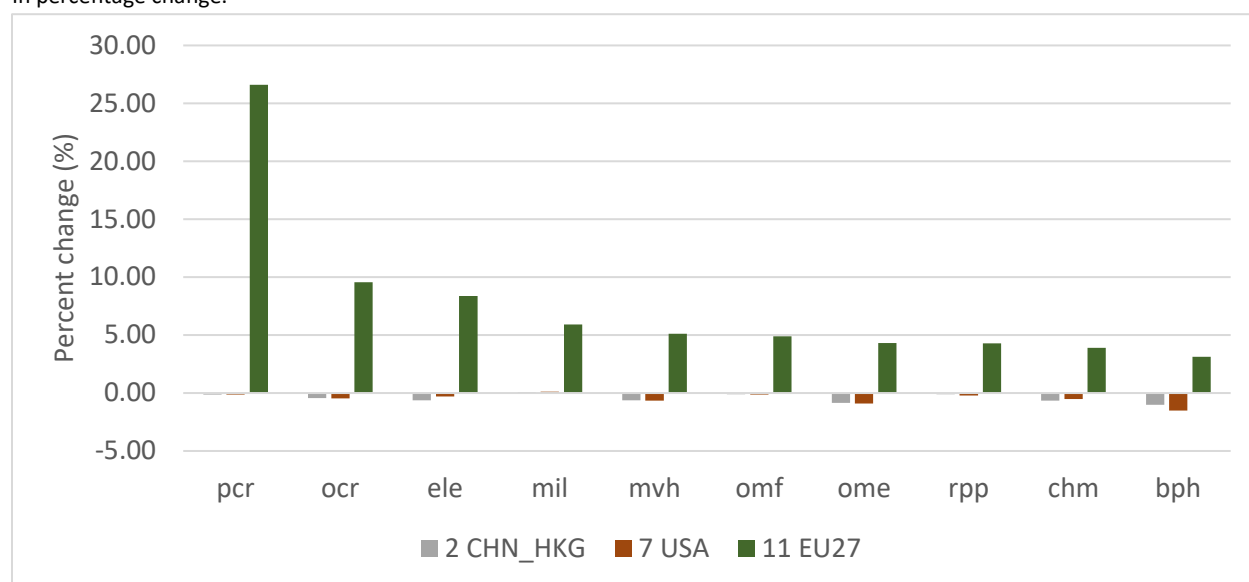
In percentage change.



Source: GTAP model simulation results.

Figure 16. Change in top ten Mercosur import sectors, by selected source economies

In percentage change.

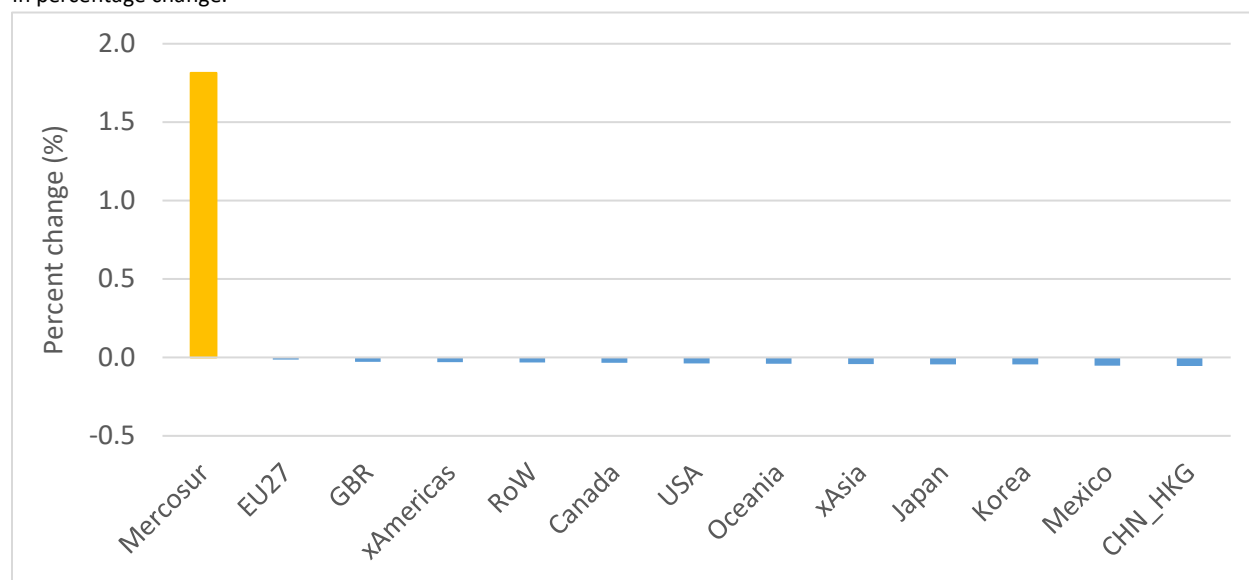


Source: GTAP model simulation results.

Given that Mercosur makes up a much smaller share of EU trade, the increases in EU exports to and imports from Mercosur are not accompanied by the same trade diversion effects that are present in the context of Mercosur trade with its other major partners (figures 17—20).

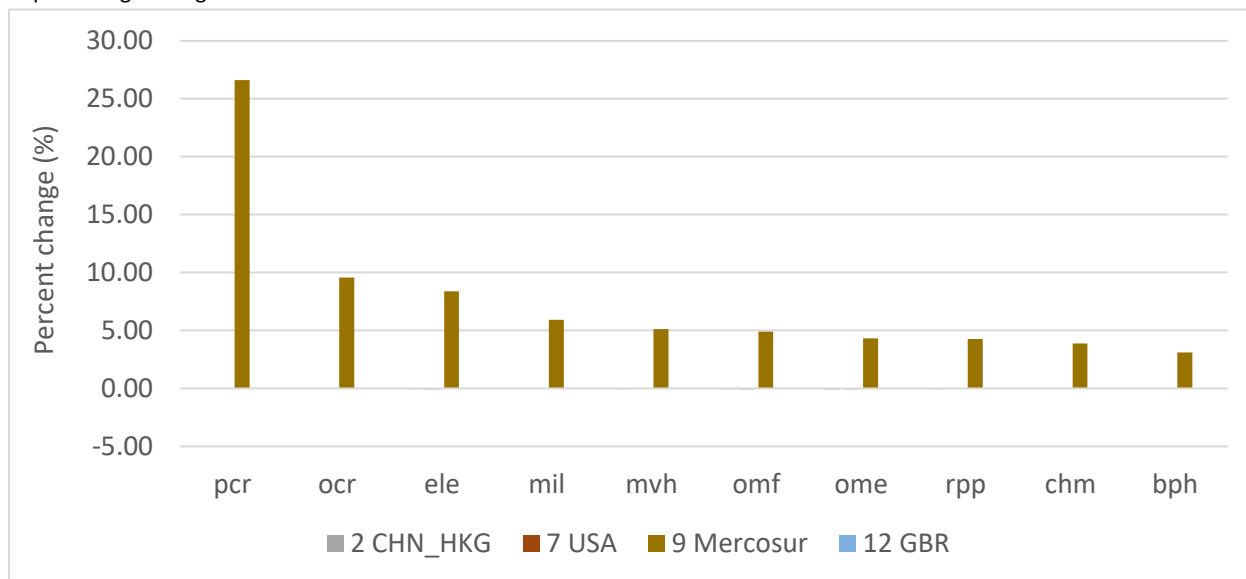
Figure 17. Change in total EU exports, by destination economy

In percentage change.



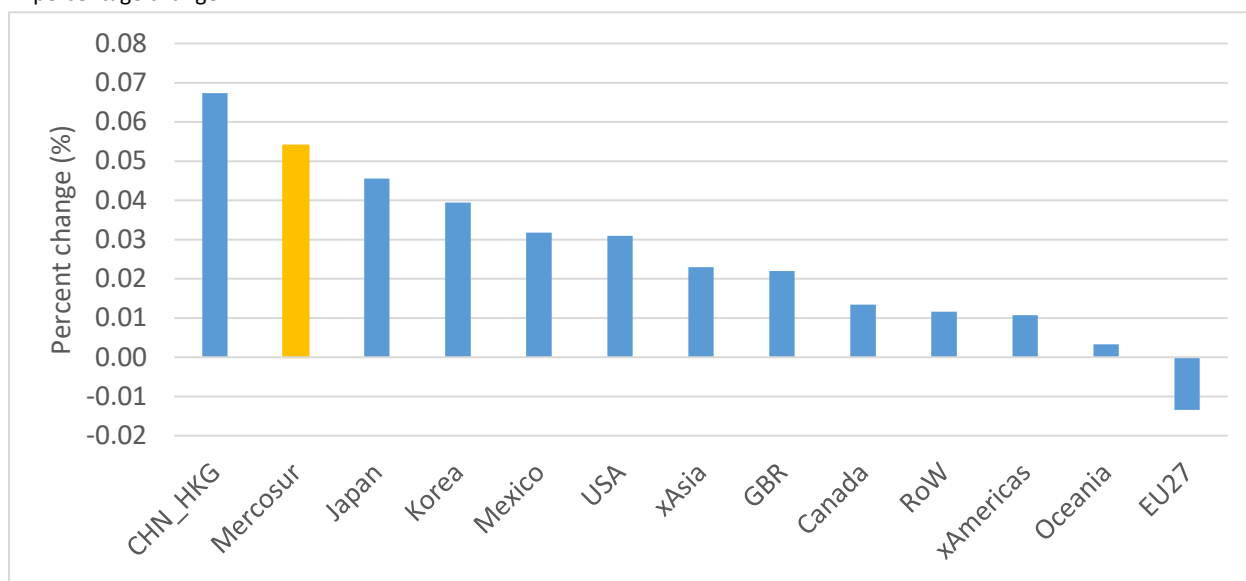
Source: GTAP model simulation results.

Figure 18. Change in top ten EU export sectors, by selected destination economies
In percentage change.



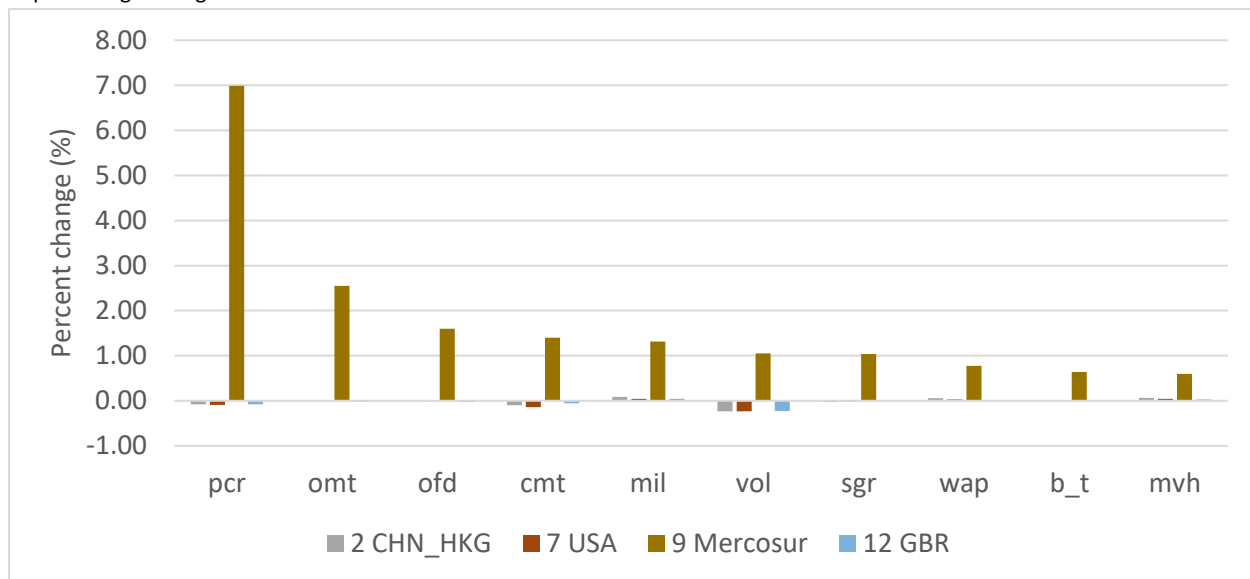
Source: GTAP model simulation results.

Figure 19. Change in total EU imports, by source economy
In percentage change.



Source: GTAP model simulation results.

Figure 20. Change in top ten EU import sectors, by selected source economies
In percentage change.



Source: GTAP model simulation results.

In conclusion, we find evidence to support the growing consensus that modeling of free trade agreements must not only account for traditional tariff elimination commitments, but also for the impact of NTM liberalization and harmonization. In the case of the EU-Mercosur agreement, we found measurable changes in the GDP, welfare, and trade of the parties to the agreement as well as other third country trading partners like the U.S. and China. In order to assess the complete impact of the EU-Mercosur agreement, future research could focus on estimating the impact of both NTM reductions and reductions in tariffs contained within the agreement.

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Appendix A.1 Mercosur base NTM AVE values

NTM AVEs facing EU exports to Mercosur countries (existing World Bank values)										
GTAP num	GTAP_code	GTAP_descript	ams1: technical				ams2: non-technical			
			ARG	BRA	PRY	URY	ARG	BRA	PRY	URY
1	PDR	Paddy rice						0		0.86605
2	WHT	Wheat								
3	GRO	Cereal grains nec								
4	V_F	Vegetables, fruit, nuts	4.501165	3.615214	3.097445	3.02226	3.326247	0	0	2.09514
5	OSD	Oil seeds					0.056672		0	0.034222
6	C_B	Sugar cane, sugar beet								
7	PFB	Plant-based fibers								
8	OCR	Crops nec	29.29573	30.06334	64.52138	16.30554	4.149104	0	0	0.09178
9	CTL	Bovine cattle, sheep and goats, horses		3.934344				0		
10	OAP	Animal products nec	0.136909	0.931066		0.237571	0.35931	0	0	0.072365
11	RMK	Raw milk								
12	WOL	Wool, silk-worm cocoons	0.838941							

NTM AVEs facing EU exports to Mercosur countries (existing World Bank values)										
			ams1: technical				ams2: non-technical			
GTAP num	GTAP_code	GTAP_descript	ARG	BRA	PRY	URY	ARG	BRA	PRY	URY
13	FRS	Forestry			1.476 946	1.924 849		0	0	0
14	FSH	Fishing		1.077 52				0		
15	COA	Coal	0	0	0	0	0.709 27	0	0	0
16	OIL	Oil		0						
17	GAS	Gas	0	1.354 457						
18	OXT	Minerals nec	0.027 192	0.391 856	0	0.013 924	0.694 974	0	0	0
19	CMT	Bovine meat products	3.633 504	2.957 843		0.738 344	3.003 843	0		0
20	OMT	Meat products nec	6.041 112	2.850 048	9.414 385	4.589 753	5.742 198	0	0	0
21	VOL	Vegetable oils and fats	2.662 83	9.400 854		2.057 204	4.353 913	0	0	0
22	MIL	Dairy products	9.779 93	12.63 825	9.695 398	12.51 821	2.313 093	0.041 281	0	0
23	PCR	Processe d rice	108.5 378	286.8 931		106.6 405	41.95 733	0		41.19 191
24	SGR	Sugar	3.340 219	1.420 999		3.340 209		0		
25	OFD	Food products nec	8.797 877	10.35 697	5.966 968	4.959 095	8.773 171	0.049 826	0	0.135 627
26	B_T	Beverage s and tobacco products	8.224 877	7.660 064	8.430 749	8.937 526	8.508 674	0	8.351 64	0
27	TEX	Textiles	2.574 337	2.551 674	0.079 647	1.256 293	4.665 479	0	0	0
28	WAP	Wearing apparel	24.02 581	9.574 46	5.549 749	8.122	9.268 714	0	0.313 628	0
29	LEA	Leather products	2.867 226	1.998 049	1.435 354	1.087 209	16.47 529	0	0.467 774	0

NTM AVEs facing EU exports to Mercosur countries (existing World Bank values)										
			ams1: technical				ams2: non-technical			
GTAP num	GTAP_code	GTAP_descript	ARG	BRA	PRY	URY	ARG	BRA	PRY	URY
30	LUM	Wood products	2.502 072	9.834 022	0.037 927	1.541 131	2.913 909	0	0	0.000 648
31	PPP	Paper products, publishing	3.330 158	0.039 766	0	0.110 158	20.23 068	0.000 819	0	0
32	P_C	Petroleum, coal products	0.144 745	0.142 491	0.144 699	0	0.405 207	0.391 397	0.415 286	0
33	CHM	chemicals	11.55 313	0.741 095	0.219 938	0.579 284	25.58 844	0.016 843	0.040 557	0.009 649
34	BPH	basic pharma	11.55 313	0.741 095	0.219 938	0.579 284	25.58 844	0.016 843	0.040 557	0.009 649
35	RPP	rubber and plastics	11.55 313	0.741 095	0.219 938	0.579 284	25.58 844	0.016 843	0.040 557	0.009 649
36	NMM	Mineral products nec	3.760 617	0.187 782	0	0.006 839	14.13 933	0.111 631	0	0
37	I_S	Ferrous metals	13.89 377	1.114 926	0.133 925	0.256 503	10.34 217	0	0	0.273 909
38	NFM	Metals nec	2.231 886	0.248 622	0	0.035 318	3.247 017	0.233 647	0	0
39	FMP	Metal products	2.224 463	1.509 204	0	0.155 906	14.41 197	0.089 896	0	0
40	ELE	Electronic equipment	3.177 054	0.757 001	0	0.007 621	25.07 378	2.502 573	0	0
41	EEQ	Computer and electronics	3.177 054	0.757 001	0	0.007 621	25.07 378	2.502 573	0	0
42	OME	Machinery and equipment nec	1.666 091	4.910 582	0.002 287	0.084 85	6.119 649	3.574 182	5.81E-05	0.037 718

NTM AVEs facing EU exports to Mercosur countries (existing World Bank values)										
			ams1: technical				ams2: non-technical			
GTAP num	GTAP_ code	GTAP_ descript	ARG	BRA	PRY	URY	ARG	BRA	PRY	URY
43	MVH	Motor vehicles and parts	1.491 123	4.619 35	2.981 915	0.284 082	6.906 252	9.054 376	0	3.586 257
44	OTN	Transport equipme nt nec	0.185 259	0.226 714	0	0	2.742 282	0.415 309	0	1.690 886
45	OMF	Manufact ures nec	8.136 25	0.928 281	0	0.164 698	12.26 752	2.584 563	3.524 013	0
46	ELY	Electricity								
47	GDT	Gas manufact ure, distributi on		0				0		

Source: World Bank, "[Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector,](#)" Jan 25, 2019.

Appendix A.2 Reduction values applied to Mercosur base NTM AVE values

Reduction of NTM AVEs facing EU exports to Mercosur countries (based on author analysis)										
			ams1 shock (reduction)				ams2 shock (reduction)			
GTAP_ _num	GTAP_ _code	GTAP_ _desc	ARG	BRA	PRY	URY	ARG	BRA	PRY	URY
1	PDR	Paddy rice	8	8	8	8	0	0	0	0
2	WHT	Wheat	8	8	8	8	0	0	0	0
3	GRO	Cereal grains nec	8	8	8	8	0	0	0	0
4	V_F	Vegetables, fruit, nuts	8	8	8	8	0	0	0	0
5	OSD	Oil seeds	8	8	8	8	0	0	0	0

Reduction of NTM AVEs facing EU exports to Mercosur countries (based on author analysis)										
			ams1 shock (reduction)				ams2 shock (reduction)			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY	ARG	BRA	PRY	URY
6	C_B	Sugar cane, sugar beet	8	8	8	8	0	0	0	0
7	PFB	Plant-based fibers	8	8	8	8	0	0	0	0
8	OCR	Crops nec	8	8	8	8	0	0	0	0
9	CTL	Bovine cattle, sheep and goats, horses	8	8	8	8	0	0	0	0
10	OAP	Animal products nec	8	8	8	8	0	0	0	0
11	RMK	Raw milk	8	8	8	8	0	0	0	0
12	WOL	Wool, silk-worm cocoons	8	8	8	8	0	0	0	0
13	FRS	Forestry	8	8	8	8	0	0	0	0
14	FSH	Fishing	8	8	8	8	0	0	0	0
15	COA	Coal	4	4	4	4	0	0	0	0
16	OIL	Oil	4	4	4	4	0	0	0	0
17	GAS	Gas	4	4	4	4	2	0	2	0
18	OXT	Minerals nec	4	4	4	4	0	0	0	0
19	CMT	Bovine meat products	8	8	8	8	0	0	0	0
20	OMT	Meat products nec	8	8	8	8	0	0	0	0

Reduction of NTM AVEs facing EU exports to Mercosur countries (based on author analysis)										
			ams1 shock (reduction)				ams2 shock (reduction)			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY	ARG	BRA	PRY	URY
21	VOL	Vegetable oils and fats	8	8	8	8	0	0	0	0
22	MIL	Dairy products	8	8	8	8	15	15	15	15
23	PCR	Processed rice	8	8	8	8	0	0	0	0
24	SGR	Sugar	8	8	8	8	0	0	0	0
25	OFD	Food products nec	8	8	8	8	15	15	15	15
26	B_T	Beverages and tobacco products	8	8	8	8	15	15	15	15
27	TEX	Textiles	4	4	4	4	0	0	0	0
28	WAP	Wearing apparel	4	4	4	4	0	0	0	0
29	LEA	Leather products	4	4	4	4	0	0	0	0
30	LUM	Wood products	4	4	4	4	0	0	0	0
31	PPP	Paper products, publishing	4	4	4	4	0	0	0	0
32	P_C	Petroleum, coal products	4	4	4	4	2	0	2	2
33	CHM	chemicals	4	4	4	4	17	15	17	15
34	BPH	basic pharma	4	4	4	4	15	15	15	15
35	RPP	rubber and plastics	4	4	4	4	15	15	15	15

Reduction of NTM AVEs facing EU exports to Mercosur countries (based on author analysis)										
			ams1 shock (reduction)				ams2 shock (reduction)			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY	ARG	BRA	PRY	URY
36	NMM	Mineral products nec	4	4	4	4	15	15	15	15
37	I_S	Ferrous metals	4	4	4	4	15	15	15	15
38	NFM	Metals nec	4	4	4	4	0	0	0	0
39	FMP	Metal products	4	4	4	4	0	0	0	0
40	ELE	Electronic equipment	6	6	6	6	15	15	15	15
41	EEQ	Computer and electronics	4	4	4	4	0	0	0	0
42	OME	Machinery and equipment nec	4	4	4	4	15	15	15	15
43	MVH	Motor vehicles and parts	4	4	4	4	15	15	15	15
44	OTN	Transport equipment nec	4	4	4	4	0	0	0	0
45	OMF	Manufactures nec	4	4	4	4	15	15	15	15
46	ELY	Electricity	4	4	4	4	0	0	0	0

Reduction of NTM AVEs facing EU exports to Mercosur countries (based on author analysis)										
			ams1 shock (reduction)				ams2 shock (reduction)			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY	ARG	BRA	PRY	URY
47	GDT	Gas manufacture, distribution	4	4	4	4	0	0	0	0

Appendix A.3 Decomposition and explanation of reduction values applied to Mercosur base, technical NTM AVE values (on imports from the EU)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
1	PDR	Paddy rice	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
2	WHT	Wheat	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
3	GRO	Cereal grains nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
4	V_F	Vegetables, fruit, nuts	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
5	OSD	Oil seeds	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
6	C_B	Sugar cane, sugar beet	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
7	PFB	Plant-based fibers	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
8	OCR	Crops nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
9	CTL	Bovine cattle, sheep and goats, horses	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
10	OAP	Animal products nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
11	RMK	Raw milk	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
12	WOL	Wool, silk-worm cocoons	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
13	FRS	Forestry	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
14	FSH	Fishing	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
15	COA	Coal	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
16	OIL	Oil	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
17	GAS	Gas	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
18	OXT	Minerals nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
19	CMT	Bovine meat products	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
20	OMT	Meat products nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
21	VOL	Vegetable oils and fats	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
22	MIL	Dairy products	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
23	PCR	Processed rice	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
24	SGR	Sugar	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
25	OFD	Food products nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
26	B_T	Beverages and tobacco products	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must improve further to meet principles/export so barrier for EU exporters falls by 2% more than Mercosur exporters) +4 (SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
27	TEX	Textiles	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
28	WAP	Wearing apparel	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
29	LEA	Leather products	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
30	LUM	Wood products	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
31	PPP	Paper products, publishing	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
32	P_C	Petroleum, coal products	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
33	CHM	chemicals	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
34	BPH	basic pharmaceuticals	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
35	RPP	rubber and plastics	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
36	NMM	Mineral products nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
37	I_S	Ferrous metals	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
38	NFM	Metals nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
39	FMP	Metal products	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
40	ELE	Electronic equipment	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)+2(Mercosur committed to accept EU conformity assessment test results in electronics sector)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)+2(Mercosur committed to accept EU conformity assessment test results in electronics sector)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)+2(Mercosur committed to accept EU conformity assessment test results in electronics sector)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)+2(Mercosur committed to accept EU conformity assessment test results in electronics sector)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
41	EEQ	Computer and electronics	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
42	OME	Machinery and equipment nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
43	MVH	Motor vehicles and parts	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
44	OTN	Transport equipment nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
45	OMF	Manufactures nec	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)
46	ELY	Electricity	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)

Justification of reduction of technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
47	GDT	Gas manufacture, distribution	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)	=4(Mercosur establishment of widespread general principles of conformity assessment for all sectors; EU retains current policy and Mercosur must improve further to meet principles)

Appendix A.4 Decomposition and explanation of reduction values applied to Mercosur base, non-technical NTM AVE values (on imports from the EU)

Justification of reduction of non-technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
1	PDR	Paddy rice	=0	=0	=0	=0
2	WHT	Wheat	=0	=0	=0	=0
3	GRO	Cereal grains nec	=0	=0	=0	=0
4	V_F	Vegetables, fruit, nuts	=0	=0	=0	=0
5	OSD	Oil seeds	=0	=0	=0	=0
6	C_B	Sugar cane, sugar beet	=0	=0	=0	=0
7	PFB	Plant-based fibers	=0	=0	=0	=0
8	OCR	Crops nec	=0	=0	=0	=0

Justification of reduction of non-technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP _num	GTAP _code	GTAP_ desc	ARG	BRA	PRY	URY
9	CTL	Bovine cattle, sheep and goats, horses	=0	=0	=0	=0
10	OAP	Animal products nec	=0	=0	=0	=0
11	RMK	Raw milk	=0	=0	=0	=0
12	WOL	Wool, silk- worm cocoons	=0	=0	=0	=0
13	FRS	Forestry	=0	=0	=0	=0
14	FSH	Fishing	=0	=0	=0	=0
15	COA	Coal	=0	=0	=0	=0
16	OIL	Oil	=0	=0	=0	=0
17	GAS	Gas	=2(did not retain right to import/export monopolies in this sector)	=0(did retain right to import/export monopolies in this sector)	=2(did not retain right to import/export monopolies in this sector)	=0(did retain right to import/export monopolies in this sector)
18	OXT	Minerals nec	=0	=0	=0	=0
19	CMT	Bovine meat products	=0	=0	=0	=0
20	OMT	Meat products nec	=0	=0	=0	=0
21	VOL	Vegetable oils and fats	=0	=0	=0	=0

Justification of reduction of non-technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP _num	GTAP _code	GTAP_ desc	ARG	BRA	PRY	URY
22	MIL	Dairy products	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)
23	PCR	Processed rice	=0	=0	=0	=0
24	SGR	Sugar	=0	=0	=0	=0
25	OFD	Food products nec	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)

Justification of reduction of non-technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
26	B_T	Beverages and tobacco products	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)	=15(Mercosur must recognize EU GIs, of which there are about 100 more (350 vs. 220 Mercosur GIs) making it harder for Mercosur to produce/market domestic substitutes and encouraging EU exports of these products)
27	TEX	Textiles	=0	=0	=0	=0
28	WAP	Wearing apparel	=0	=0	=0	=0
29	LEA	Leather products	=0	=0	=0	=0
30	LUM	Wood products	=0	=0	=0	=0
31	PPP	Paper products, publishing	=0	=0	=0	=0
32	P_C	Petroleum, coal products	=2(did not retain right to import/export monopolies in this sector)	=0(did retain right to import/export monopolies in this sector)	=2(did not retain right to import/export monopolies in this sector)	=2(did not retain right to import/export monopolies in this sector)

Justification of reduction of non-technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
33	CHM	chemicals	=2(did not retain right to import/export monopolies in this sector)+15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=0(did retain right to import/export monopolies in this sector)+15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=2(did not retain right to import/export monopolies in this sector)+15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=0(did retain right to import/export monopolies in this sector)+15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)
34	BPH	basic pharma	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)
35	RPP	rubber and plastics	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)
36	NMM	Mineral products nec	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)

Justification of reduction of non-technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP _num	GTAP _code	GTAP_ desc	ARG	BRA	PRY	URY
37	I_S	Ferrous metals	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)
38	NFM	Metals nec	=0	=0	=0	=0
39	FMP	Metal products	=0	=0	=0	=0
40	ELE	Electronic equipment	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)
41	EEQ	Computer and electronics	=0	=0	=0	=0
42	OME	Machinery and equipment nec	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)
43	MVH	Motor vehicles and parts	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)
44	OTN	Transport equipment nec	=0	=0	=0	=0

Justification of reduction of non-technical AVEs facing EU exports to Mercosur countries (based on author analysis)						
			ams1 shock (reduction) decomposed			
GTAP_num	GTAP_code	GTAP_desc	ARG	BRA	PRY	URY
45	OMF	Manufactures nec	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)	=15(Mercosur grants national treatment for public procurement; this is major sector involved in pp)
46	ELY	Electricity	=0	=0	=0	=0
47	GDT	Gas manufacture, distribution	=0	=0	=0	=0

Appendix B.1 EU base NTM AVE values facing imports from Argentina

NTM AVEs facing Argentinian exports to the EU (existing World Bank values)				
			ams1	ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	0	0
2	WHT	Wheat	0	0
3	GRO	Cereal grains nec	0	0
4	V_F	Vegetables, fruit, nuts	5.625999	9.51E-06
5	OSD	Oil seeds	0.000146	0
6	C_B	Sugar cane, sugar beet	0	0
7	PFB	Plant-based fibers	0	0
8	OCR	Crops nec	167.306	0
9	CTL	Bovine cattle, sheep and goats, horses	0	0
10	OAP	Animal products nec	0.0685	0.002434
11	RMK	Raw milk	0	0
12	WOL	Wool, silk-worm cocoons	0	0
13	FRS	Forestry	0	0.009583
14	FSH	Fishing	1.754384	0
15	COA	Coal	0	0
16	OIL	Oil	0	0
17	GAS	Gas	0	0
18	OXT	Minerals nec	0.001077	0
19	CMT	Bovine meat products	8.713357	0
20	OMT	Meat products nec	72.07194	0
21	VOL	Vegetable oils and fats	0.369061	0

NTM AVEs facing Argentinian exports to the EU (existing World Bank values)				
			ams1	ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
22	MIL	Dairy products	3.212288	0.831885
23	PCR	Processed rice	93.80994	32.007
24	SGR	Sugar	3.44	14.99875
25	OFD	Food products nec	40.8695	1.08E-06
26	B_T	Beverages and tobacco products	29.6244	0
27	TEX	Textiles	3.705658	0
28	WAP	Wearing apparel	6.507931	0.003624
29	LEA	Leather products	5.491663	0.033815
30	LUM	Wood products	3.450532	0.880898
31	PPP	Paper products, publishing	0.912864	0.025317
32	P_C	Petroleum, coal products	0.500301	0
33	CHM	chemicals	2.439758	0.00139
34	BPH	basic pharma	2.439758	0.00139
35	RPP	rubber and plastics	2.439758	0.00139
36	NMM	Mineral products nec	1.650988	0
37	I_S	Ferrous metals	1.11908	0
38	NFM	Metals nec	0.09882	0
39	FMP	Metal products	8.484571	3.85E-05
40	ELE	Electronic equipment	1.324149	0
41	EEQ	Computer and electronics	1.324149	0
42	OME	Machinery and equipment nec	1.987925	0.000466
43	MVH	Motor vehicles and parts	14.92395	0
44	OTN	Transport equipment nec	0.13471	0
45	OMF	Manufactures nec	0.845912	0
46	ELY	Electricity	0	0
47	GDT	Gas manufacture, distribution	0	0

Source: World Bank, [“Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector,”](#) Jan 25, 2019.

Appendix B.2 Reduction values applied to EU base NTM AVE values facing imports from Argentina

Reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1	SHOCK: ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	4	2
2	WHT	Wheat	4	2
3	GRO	Cereal grains nec	4	2
4	V_F	Vegetables, fruit, nuts	4	2
5	OSD	Oil seeds	4	2
6	C_B	Sugar cane, sugar beet	4	2
7	PFB	Plant-based fibers	4	2
8	OCR	Crops nec	4	12

Reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1	SHOCK: ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
9	CTL	Bovine cattle, sheep and goats, horses	4	2
10	OAP	Animal products nec	4	2
11	RMK	Raw milk	4	2
12	WOL	Wool, silk-worm cocoons	4	2
13	FRS	Forestry	4	2
14	FSH	Fishing	4	2
15	COA	Coal	2	2
16	OIL	Oil	2	2
17	GAS	Gas	2	4
18	OXT	Minerals nec	2	2
19	CMT	Bovine meat products	4	2
20	OMT	Meat products nec	4	12
21	VOL	Vegetable oils and fats	4	2
22	MIL	Dairy products	4	2
23	PCR	Processed rice	4	2
24	SGR	Sugar	4	2
25	OFD	Food products nec	4	2
26	B_T	Beverages and tobacco products	4	12
27	TEX	Textiles	2	5
28	WAP	Wearing apparel	2	5
29	LEA	Leather products	2	2
30	LUM	Wood products	2	2
31	PPP	Paper products, publishing	2	2
32	P_C	Petroleum, coal products	2	4
33	CHM	chemicals	2	17
34	BPH	basic pharma	2	12
35	RPP	rubber and plastics	2	12
36	NMM	Mineral products nec	2	12
37	I_S	Ferrous metals	2	12
38	NFM	Metals nec	2	2
39	FMP	Metal products	2	2
40	ELE	Electronic equipment	2	12
41	EEQ	Computer and electronics	2	2
42	OME	Machinery and equipment nec	2	12
43	MVH	Motor vehicles and parts	2	15
44	OTN	Transport equipment nec	2	2
45	OMF	Manufactures nec	2	15
46	ELY	Electricity	2	2
47	GDT	Gas manufacture, distribution	2	2

Appendix B.3 Decomposition and explanation of reduction values applied to EU base NTM AVE values facing imports from Argentina

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
2	WHT	Wheat	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
3	GRO	Cereal grains nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
4	V_F	Vegetables, fruit, nuts	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
5	OSD	Oil seeds	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
6	C_B	Sugar cane, sugar beet	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
7	PFB	Plant-based fibers	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
8	OCR	Crops nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
9	CTL	Bovine cattle, sheep and goats, horses	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
10	OAP	Animal products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
11	RMK	Raw milk	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			+2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	
12	WOL	Wool, silk-worm cocoons	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
13	FRS	Forestry	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
14	FSH	Fishing	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
15	COA	Coal	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
16	OIL	Oil	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
17	GAS	Gas	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(did not retain right to import/export monopolies in this sector)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
18	OXT	Minerals nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
19	CMT	Bovine meat products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
20	OMT	Meat products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
21	VOL	Vegetable oils and fats	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
22	MIL	Dairy products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
23	PCR	Processed rice	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
24	SGR	Sugar	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
25	OFD	Food products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
26	B_T	Beverages and tobacco products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			+2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
27	TEX	Textiles	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)
28	WAP	Wearing apparel	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)
29	LEA	Leather products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
30	LUM	Wood products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU	=2(Mercosur exporters granted leniency for up to 5 years in complying

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	with ROOs which affect all products/sectors)
31	PPP	Paper products, publishing	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
32	P_C	Petroleum, coal products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(did not retain right to import/export monopolies in this sector)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
33	CHM	chemicals	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(did not retain right to import/export monopolies in this sector)+5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
				procurement; this is major sector involved in pp)
34	BPH	basic pharma	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
35	RPP	rubber and plastics	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
36	NMM	Mineral products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
37	I_S	Ferrous metals	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
38	NFM	Metals nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
39	FMP	Metal products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
40	ELE	Electronic equipment	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
41	EEQ	Computer and electronics	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
42	OME	Machinery and equipment nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
43	MVH	Motor vehicles and parts	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
44	OTN	Transport equipment nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
45	OMF	Manufactures nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)

Justification of reduction of NTM AVEs facing Argentinian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
46	ELY	Electricity	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
47	GDT	Gas manufacture, distribution	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Appendix C.1 EU base NTM AVE values facing imports from Brazil

NTM AVEs facing Brazilian exports to the EU (existing World Bank values)				
			ams1	ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	0	0
2	WHT	Wheat	0	0
3	GRO	Cereal grains nec	0	0
4	V_F	Vegetables, fruit, nuts	0.3178655	0.0081708
5	OSD	Oil seeds	0	0
6	C_B	Sugar cane, sugar beet	0	0
7	PFB	Plant-based fibers	0	0
8	OCR	Crops nec	2.147135	0
9	CTL	Bovine cattle, sheep and goats, horses	0	0
10	OAP	Animal products nec	0.4987899	0
11	RMK	Raw milk	0	0
12	WOL	Wool, silk-worm cocoons	0	0

NTM AVEs facing Brazilian exports to the EU (existing World Bank values)				
			ams1	ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
13	FRS	Forestry	0	0
14	FSH	Fishing	1.298823	0
15	COA	Coal	0	0
16	OIL	Oil	0	0
17	GAS	Gas	0.1109213	0
18	OXT	Minerals nec	0.0023503	0
19	CMT	Bovine meat products	6.995924	0
20	OMT	Meat products nec	12.18005	0
21	VOL	Vegetable oils and fats	22.35033	0
22	MIL	Dairy products	14.93706	0.3712471
23	PCR	Processed rice	79.63548	24.78423
24	SGR	Sugar	6.637828	12.5804
25	OFD	Food products nec	7.796538	0.0021756
26	B_T	Beverages and tobacco products	10.86393	1.481774
27	TEX	Textiles	7.264619	0
28	WAP	Wearing apparel	18.44136	0.003823
29	LEA	Leather products	4.612906	0.0040833
30	LUM	Wood products	3.009765	3.772574
31	PPP	Paper products, publishing	1.849629	0.0307465
32	P_C	Petroleum, coal products	1.082216	0
33	CHM	chemicals	2.756584	0.0063432
34	BPH	basic pharma	2.756584	0.0063432
35	RPP	rubber and plastics	2.756584	0.0063432
36	NMM	Mineral products nec	1.268431	0
37	I_S	Ferrous metals	0.4249904	0
38	NFM	Metals nec	0.4087874	0
39	FMP	Metal products	7.229509	0
40	ELE	Electronic equipment	0.7398602	0
41	EEQ	Computer and electronics	0.7398602	0
42	OME	Machinery and equipment nec	1.003859	0.0001421
43	MVH	Motor vehicles and parts	9.319284	0
44	OTN	Transport equipment nec	0.252766	0
45	OMF	Manufactures nec	2.180014	0
46	ELY	Electricity	0	0
47	GDT	Gas manufacture, distribution	0	0

Source: World Bank, [“Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector,”](#) Jan 25, 2019.

Appendix C.2 Reduction values applied to EU base NTM AVE values facing imports from Brazil

Reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1	SHOCK: ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	4	2
2	WHT	Wheat	4	2
3	GRO	Cereal grains nec	4	2
4	V_F	Vegetables, fruit, nuts	4	2
5	OSD	Oil seeds	4	2
6	C_B	Sugar cane, sugar beet	4	2
7	PFB	Plant-based fibers	4	2
8	OCR	Crops nec	4	12
9	CTL	Bovine cattle, sheep and goats, horses	4	2
10	OAP	Animal products nec	4	2
11	RMK	Raw milk	4	2
12	WOL	Wool, silk-worm cocoons	4	2
13	FRS	Forestry	4	2
14	FSH	Fishing	4	2
15	COA	Coal	2	2
16	OIL	Oil	2	2
17	GAS	Gas	2	2
18	OXT	Minerals nec	2	2
19	CMT	Bovine meat products	4	2
20	OMT	Meat products nec	4	12
21	VOL	Vegetable oils and fats	4	2
22	MIL	Dairy products	4	2
23	PCR	Processed rice	4	2
24	SGR	Sugar	4	2
25	OFD	Food products nec	4	2
26	B_T	Beverages and tobacco products	4	12
27	TEX	Textiles	2	5
28	WAP	Wearing apparel	2	5
29	LEA	Leather products	2	2
30	LUM	Wood products	2	2
31	PPP	Paper products, publishing	2	2
32	P_C	Petroleum, coal products	2	2
33	CHM	chemicals	2	15
34	BPH	basic pharma	2	12
35	RPP	rubber and plastics	2	12
36	NMM	Mineral products nec	2	12
37	I_S	Ferrous metals	2	12
38	NFM	Metals nec	2	2
39	FMP	Metal products	2	2
40	ELE	Electronic equipment	2	12

Reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1	SHOCK: ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
41	EEQ	Computer and electronics	2	2
42	OME	Machinery and equipment nec	2	12
43	MVH	Motor vehicles and parts	2	15
44	OTN	Transport equipment nec	2	2
45	OMF	Manufactures nec	2	15
46	ELY	Electricity	2	2
47	GDT	Gas manufacture, distribution	2	2

Appendix C.3 Decomposition and explanation of reduction values applied to EU base NTM AVE values facing imports from Brazil

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
2	WHT	Wheat	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
3	GRO	Cereal grains nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
4	V_F	Vegetables, fruit, nuts	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
5	OSD	Oil seeds	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
6	C_B	Sugar cane, sugar beet	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			+2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	
7	PFB	Plant-based fibers	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
8	OCR	Crops nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
9	CTL	Bovine cattle, sheep and goats, horses	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
10	OAP	Animal products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
11	RMK	Raw milk	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			+2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	
12	WOL	Wool, silk-worm cocoons	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
13	FRS	Forestry	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
14	FSH	Fishing	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	
15	COA	Coal	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
16	OIL	Oil	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
17	GAS	Gas	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=0(BRA did retain right to import/export monopolies in this sector)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
18	OXT	Minerals nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
19	CMT	Bovine meat products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
20	OMT	Meat products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
				ROOs which affect all products/sectors)
21	VOL	Vegetable oils and fats	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
22	MIL	Dairy products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
23	PCR	Processed rice	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
24	SGR	Sugar	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
25	OFD	Food products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
26	B_T	Beverages and tobacco products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
27	TEX	Textiles	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			for Mercosur exporters falls by 3% less than EU exporters)	
28	WAP	Wearing apparel	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)
29	LEA	Leather products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
30	LUM	Wood products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
31	PPP	Paper products, publishing	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
32	P_C	Petroleum, coal products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=0(BRA did retain right to import/export monopolies in this sector)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
33	CHM	chemicals	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=0(BRA did retain right to import/export monopolies in this sector)+5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
34	BPH	basic pharma	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
35	RPP	rubber and plastics	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
36	NMM	Mineral products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
37	I_S	Ferrous metals	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	procurement; this is major sector involved in pp)
38	NFM	Metals nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
39	FMP	Metal products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
40	ELE	Electronic equipment	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
41	EEQ	Computer and electronics	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
42	OME	Machinery and equipment nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
43	MVH	Motor vehicles and parts	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
44	OTN	Transport equipment nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Brazilian exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	
45	OMF	Manufactures nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
46	ELY	Electricity	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
47	GDT	Gas manufacture, distribution	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Appendix D.1 EU base NTM AVE values facing imports from Uruguay

NTM AVEs facing Uruguayan exports to the EU (existing World Bank values)				
			ams1	ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	0	0
2	WHT	Wheat	0	0
3	GRO	Cereal grains nec	0	0
4	V_F	Vegetables, fruit, nuts	5.035686	0
5	OSD	Oil seeds	0	0
6	C_B	Sugar cane, sugar beet	0	0
7	PFB	Plant-based fibers	0	0
8	OCR	Crops nec	0.013165	0
9	CTL	Bovine cattle, sheep and goats, horses	13.05238	0
10	OAP	Animal products nec	0.1094684	0
11	RMK	Raw milk	0	0
12	WOL	Wool, silk-worm cocoons	0	0
13	FRS	Forestry	0	0
14	FSH	Fishing	0	0
15	COA	Coal	0	0
16	OIL	Oil	0	0
17	GAS	Gas	0	0
18	OXT	Minerals nec	0.2103287	0
19	CMT	Bovine meat products	12.07474	0
20	OMT	Meat products nec	4.70525	0
21	VOL	Vegetable oils and fats	0.2282762	0
22	MIL	Dairy products	0	0
23	PCR	Processed rice	60.77716	0
24	SGR	Sugar	0	0
25	OFD	Food products nec	2.532349	0
26	B_T	Beverages and tobacco products	19.08883	0
27	TEX	Textiles	1.532601	0
28	WAP	Wearing apparel	5.199931	0.0800828
29	LEA	Leather products	2.256544	0
30	LUM	Wood products	4.526106	0.2027407
31	PPP	Paper products, publishing	0.0009627	0.0057704
32	P_C	Petroleum, coal products	0.6847476	13.18394
33	CHM	chemicals	14.28887	0.0000179
34	BPH	basic pharma	14.28887	0.0000179
35	RPP	rubber and plastics	14.28887	0.0000179
36	NMM	Mineral products nec	1.245849	0
37	I_S	Ferrous metals	4.301187	0
38	NFM	Metals nec	0.1772981	0
39	FMP	Metal products	11.46876	0
40	ELE	Electronic equipment	0.4910873	0
41	EEQ	Computer and electronics	0.4910873	0

NTM AVEs facing Uruguayan exports to the EU (existing World Bank values)				
			ams1	ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
42	OME	Machinery and equipment nec	4.848944	0.0000306
43	MVH	Motor vehicles and parts	4.957647	0
44	OTN	Transport equipment nec	0.125214	0
45	OMF	Manufactures nec	0.2114936	0
46	ELY	Electricity	0	0
47	GDT	Gas manufacture, distribution	0	0

Source: World Bank, “[Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector](#),” Jan 25, 2019.

Appendix D.2 Reduction values applied to EU base NTM AVE values facing imports from Uruguay

Reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1	SHOCK: ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	4	2
2	WHT	Wheat	4	2
3	GRO	Cereal grains nec	4	2
4	V_F	Vegetables, fruit, nuts	4	2
5	OSD	Oil seeds	4	2
6	C_B	Sugar cane, sugar beet	4	2
7	PFB	Plant-based fibers	4	2
8	OCR	Crops nec	4	12
9	CTL	Bovine cattle, sheep and goats, horses	4	2
10	OAP	Animal products nec	4	2
11	RMK	Raw milk	4	2
12	WOL	Wool, silk-worm cocoons	4	2
13	FRS	Forestry	4	2
14	FSH	Fishing	4	2
15	COA	Coal	2	2
16	OIL	Oil	2	2
17	GAS	Gas	2	2
18	OXT	Minerals nec	2	2
19	CMT	Bovine meat products	4	2
20	OMT	Meat products nec	4	12
21	VOL	Vegetable oils and fats	4	2
22	MIL	Dairy products	4	2
23	PCR	Processed rice	4	2
24	SGR	Sugar	4	2
25	OFD	Food products nec	4	2
26	B_T	Beverages and tobacco products	4	12
27	TEX	Textiles	2	5
28	WAP	Wearing apparel	2	5
29	LEA	Leather products	2	2

Reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1	SHOCK: ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
30	LUM	Wood products	2	2
31	PPP	Paper products, publishing	2	2
32	P_C	Petroleum, coal products	2	4
33	CHM	chemicals	2	15
34	BPH	basic pharma	2	12
35	RPP	rubber and plastics	2	12
36	NMM	Mineral products nec	2	12
37	I_S	Ferrous metals	2	12
38	NFM	Metals nec	2	2
39	FMP	Metal products	2	2
40	ELE	Electronic equipment	2	12
41	EEQ	Computer and electronics	2	2
42	OME	Machinery and equipment nec	2	12
43	MVH	Motor vehicles and parts	2	15
44	OTN	Transport equipment nec	2	2
45	OMF	Manufactures nec	2	15
46	ELY	Electricity	2	2
47	GDT	Gas manufacture, distribution	2	2

Appendix D.3 Decomposition and explanation of reduction values applied to EU base NTM AVE values facing imports from Uruguay

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
2	WHT	Wheat	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
3	GRO	Cereal grains nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
4	V_F	Vegetables, fruit, nuts	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
5	OSD	Oil seeds	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
6	C_B	Sugar cane, sugar beet	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_ num	GTAP_ code	GTAP_ desc	EUN	EUN
			+2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	
7	PFB	Plant-based fibers	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
8	OCR	Crops nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
9	CTL	Bovine cattle, sheep and goats, horses	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
10	OAP	Animal products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
11	RMK	Raw milk	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			+2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	
12	WOL	Wool, silk-worm cocoons	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
13	FRS	Forestry	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
14	FSH	Fishing	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	
15	COA	Coal	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
16	OIL	Oil	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
17	GAS	Gas	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=0(URY did retain right to import/export monopolies in this sector)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
18	OXT	Minerals nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
19	CMT	Bovine meat products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
20	OMT	Meat products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
				ROOs which affect all products/sectors)
21	VOL	Vegetable oils and fats	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
22	MIL	Dairy products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
23	PCR	Processed rice	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
24	SGR	Sugar	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
25	OFD	Food products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
26	B_T	Beverages and tobacco products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
27	TEX	Textiles	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			for Mercosur exporters falls by 3% less than EU exporters)	
28	WAP	Wearing apparel	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)
29	LEA	Leather products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
30	LUM	Wood products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
31	PPP	Paper products, publishing	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
32	P_C	Petroleum, coal products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(URY did not retain right to import/export monopolies in this sector)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
33	CHM	chemicals	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=0(URY did retain right to import/export monopolies in this sector)+5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
34	BPH	basic pharma	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
35	RPP	rubber and plastics	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
36	NMM	Mineral products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
37	I_S	Ferrous metals	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	procurement; this is major sector involved in pp)
38	NFM	Metals nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
39	FMP	Metal products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
40	ELE	Electronic equipment	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
41	EEQ	Computer and electronics	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
42	OME	Machinery and equipment nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
43	MVH	Motor vehicles and parts	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
44	OTN	Transport equipment nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Uruguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	
45	OMF	Manufactures nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
46	ELY	Electricity	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
47	GDT	Gas manufacture, distribution	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Appendix E.1 EU base NTM AVE values facing imports from Paraguay

NTM AVEs facing Paraguayan exports to the EU (existing World Bank values)				
			ams1	ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	0	0
2	WHT	Wheat	0	0
3	GRO	Cereal grains nec	0	0
4	V_F	Vegetables, fruit, nuts	2.089931	0
5	OSD	Oil seeds	0	0
6	C_B	Sugar cane, sugar beet	0	0
7	PFB	Plant-based fibers	0	0
8	OCR	Crops nec	0	0
9	CTL	Bovine cattle, sheep and goats, horses	0	0
10	OAP	Animal products nec	1.365186	0
11	RMK	Raw milk	0	0
12	WOL	Wool, silk-worm cocoons	0	0
13	FRS	Forestry	0	0.3113257
14	FSH	Fishing	0	0
15	COA	Coal	0	0
16	OIL	Oil	0	0
17	GAS	Gas	0	0
18	OXT	Minerals nec	0.7772673	0
19	CMT	Bovine meat products	0	0
20	OMT	Meat products nec	4.578138	0
21	VOL	Vegetable oils and fats	0.0140972	0
22	MIL	Dairy products	0	0
23	PCR	Processed rice	87.3496	0
24	SGR	Sugar	3.199695	7.048149
25	OFD	Food products nec	6.987213	0
26	B_T	Beverages and tobacco products	2.575703	0
27	TEX	Textiles	1.437395	0
28	WAP	Wearing apparel	4.135744	0
29	LEA	Leather products	2.514483	0.2991518
30	LUM	Wood products	1.448304	0
31	PPP	Paper products, publishing	0.3742689	0
32	P_C	Petroleum, coal products	0	30.96293
33	CHM	chemicals	0.2341478	0.0002329
34	BPH	basic pharma	0.2341478	0.0002329
35	RPP	rubber and plastics	0.2341478	0.0002329
36	NMM	Mineral products nec	0.1767041	0
37	I_S	Ferrous metals	0	0
38	NFM	Metals nec	0	0
39	FMP	Metal products	252.1896	0
40	ELE	Electronic equipment	0.7051719	0
41	EEQ	Computer and electronics	0.7051719	0

NTM AVEs facing Paraguayan exports to the EU (existing World Bank values)				
			ams1	ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
42	OME	Machinery and equipment nec	0.0815711	0
43	MVH	Motor vehicles and parts	0	0
44	OTN	Transport equipment nec	0.0463816	0
45	OMF	Manufactures nec	17.38362	0
46	ELY	Electricity	0	0
47	GDT	Gas manufacture, distribution	0	0

Source: World Bank, “[Ad Valorem Equivalent Of Non-Tariff Measures: AVE estimates at GTAP sector](#),” Jan 25, 2019.

Appendix E.2 Reduction values applied to EU base NTM AVE values facing imports from Paraguay

Reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1	SHOCK: ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	4	2
2	WHT	Wheat	4	2
3	GRO	Cereal grains nec	4	2
4	V_F	Vegetables, fruit, nuts	4	2
5	OSD	Oil seeds	4	2
6	C_B	Sugar cane, sugar beet	4	2
7	PFB	Plant-based fibers	4	2
8	OCR	Crops nec	4	12
9	CTL	Bovine cattle, sheep and goats, horses	4	2
10	OAP	Animal products nec	4	2
11	RMK	Raw milk	4	2
12	WOL	Wool, silk-worm cocoons	4	2
13	FRS	Forestry	4	2
14	FSH	Fishing	4	2
15	COA	Coal	2	2
16	OIL	Oil	2	2
17	GAS	Gas	2	4
18	OXT	Minerals nec	2	2
19	CMT	Bovine meat products	4	2
20	OMT	Meat products nec	4	12
21	VOL	Vegetable oils and fats	4	2
22	MIL	Dairy products	4	2
23	PCR	Processed rice	4	2
24	SGR	Sugar	4	2
25	OFD	Food products nec	4	2
26	B_T	Beverages and tobacco products	4	12
27	TEX	Textiles	2	5
28	WAP	Wearing apparel	2	5
29	LEA	Leather products	2	2

Reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1	SHOCK: ams2
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
30	LUM	Wood products	2	2
31	PPP	Paper products, publishing	2	2
32	P_C	Petroleum, coal products	2	4
33	CHM	chemicals	2	17
34	BPH	basic pharma	2	12
35	RPP	rubber and plastics	2	12
36	NMM	Mineral products nec	2	12
37	I_S	Ferrous metals	2	12
38	NFM	Metals nec	2	2
39	FMP	Metal products	2	2
40	ELE	Electronic equipment	2	12
41	EEQ	Computer and electronics	2	2
42	OME	Machinery and equipment nec	2	12
43	MVH	Motor vehicles and parts	2	15
44	OTN	Transport equipment nec	2	2
45	OMF	Manufactures nec	2	15
46	ELY	Electricity	2	2
47	GDT	Gas manufacture, distribution	2	2

Appendix E.3 Decomposition and explanation of reduction values applied to EU base NTM AVE values facing imports from Paraguay

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
1	PDR	Paddy rice	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
2	WHT	Wheat	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
3	GRO	Cereal grains nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
4	V_F	Vegetables, fruit, nuts	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
5	OSD	Oil seeds	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
6	C_B	Sugar cane, sugar beet	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			+2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	
7	PFB	Plant-based fibers	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
8	OCR	Crops nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
9	CTL	Bovine cattle, sheep and goats, horses	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
10	OAP	Animal products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
11	RMK	Raw milk	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			+2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	
12	WOL	Wool, silk-worm cocoons	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
13	FRS	Forestry	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
14	FSH	Fishing	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	
15	COA	Coal	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
16	OIL	Oil	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
17	GAS	Gas	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(did not retain right to import/export monopolies in this sector)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
18	OXT	Minerals nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
19	CMT	Bovine meat products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
20	OMT	Meat products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
				ROOs which affect all products/sectors)
21	VOL	Vegetable oils and fats	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
22	MIL	Dairy products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
23	PCR	Processed rice	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
24	SGR	Sugar	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
25	OFD	Food products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
26	B_T	Beverages and tobacco products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters) +2(SPS; regularization principle reduces potential trade friction due to disease in ag sectors 1-14; 19-26)	=10(EU must recognize Mercosur GIs, of which there are about 100 less (220 vs. 350 EU GIs) making it harder for EU to produce/market domestic substitutes and encouraging Mercosur exports of these products)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
27	TEX	Textiles	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			for Mercosur exporters falls by 3% less than EU exporters)	
28	WAP	Wearing apparel	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)
29	LEA	Leather products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
30	LUM	Wood products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
31	PPP	Paper products, publishing	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
32	P_C	Petroleum, coal products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(did not retain right to import/export monopolies in this sector)+2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
33	CHM	chemicals	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(did not retain right to import/export monopolies in this sector)+5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
34	BPH	basic pharma	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
35	RPP	rubber and plastics	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
36	NMM	Mineral products nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
37	I_S	Ferrous metals	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	procurement; this is major sector involved in pp)
38	NFM	Metals nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
39	FMP	Metal products	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
40	ELE	Electronic equipment	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
41	EEQ	Computer and electronics	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
42	OME	Machinery and equipment nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
43	MVH	Motor vehicles and parts	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
44	OTN	Transport equipment nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)

Justification of reduction of NTM AVEs facing Paraguayan exports to the EU (based on author analysis)				
			SHOCK: ams1 decomposed	SHOCK: ams2 decomposed
GTAP_num	GTAP_code	GTAP_desc	EUN	EUN
			meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	
45	OMF	Manufactures nec	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=5(Mercosur exporters granted leniency for up to 5 years in complying with product-specific ROOs in this sector)+10(EU grants national treatment for public procurement; this is major sector involved in pp)
46	ELY	Electricity	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)
47	GDT	Gas manufacture, distribution	=2(EU continuance of widespread general principles of conformity assessment for all sectors; EU retains current policy meeting most standards already so it's relatively easier for EU exporters to export while Mercosur exporters must step up further to meet principles/export so barrier for Mercosur exporters falls by 3% less than EU exporters)	=2(Mercosur exporters granted leniency for up to 5 years in complying with ROOs which affect all products/sectors)