## Regulation and policy diffusion of environmental/food safety standards in Asia: Challenges for inclusive trade

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## Why do we need to care about regulations?

- Developing countries strive to expand their exports
- That means that they need to comply with regulations and standards of importing countries.
- In some cases, if they are able to ship their products from their countries, they could face rejections at the borders of importing countries, because they do not meet the regulations.

## Challenges of Import Rejections

- In 2013, an estimated US\$9328 million worth of agriculture and food products (all food and feeds) were rejected at the borders of four markets (Australia, EU, Japan, and US).
- The reasons for these rejections are because the products are not complied with the food safety regulations in these markets.
  - In particular, residual traces of agricultural chemicals and veterinary drugs
- The border rejections are just a tip of an iceberg.
  - A larger amount of potentially exportable goods are rejected within the supply chain

## What can developing countries do?

- Some, try to improve their regulatory (and standard) compliance capabilities
- For some governments, adaption of foreign regulations and standards as a way to improve export competitiveness of their industries.
- Taking stock of current regulations that are in force around the globe