

# (Lack of) Clarity, Consistency and Predictability

How exporters and importers in Kazakhstan and Kyrgyzstan experience non-tariff measures

Ursula Hermelink  
Head of programme, Non-tariff measures

Workshop on Reducing the Costs of NTMs in North and Central Asia  
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# What matters to exporters?

Key messages from ITC's interviews with nearly 30,000 businesses



## 1. Clarity of what is being applied when

→ Important for businesses and customs officials alike

## 2. Consistency of what is being applied when

→ Theory versus practice

## 3. Procedural efficiency

→ Predictability of cost and time

# Source: ITC business surveys on NTMs



**28,000**

Phone Interviews

**8,200**

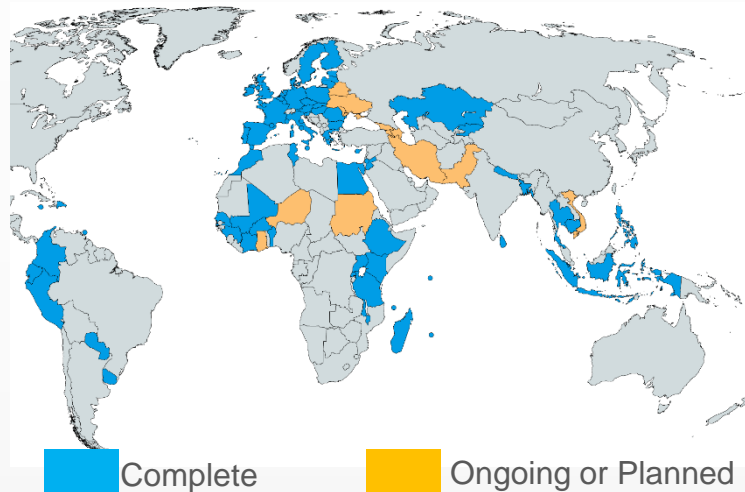


Face-to-face interviews

From over  
developing  
countries

**35**

+ **28** EU countries



More than

**30,000**

reported trade obstacles...



...concerning  
trade with  
partner countries

**185**

# Understanding companies' difficulties with NTMs:

## Three aspects

### Affectedness

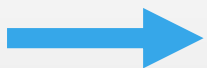
Which companies face difficulties

### Type and Intensity

Which NTMs are experienced as challenging

### Cause

Why NTMs are burdensome



Insights on how to reduce NTM-related trade cost without undermining legitimate objectives that regulations serve

# Type of data captured: Telephone interviews

1. Phone screen data gathering company level information (representative sample by sector) on:

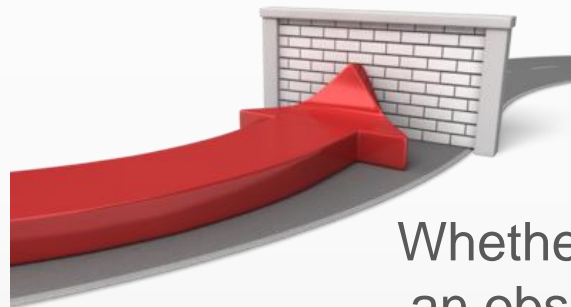
Main  
exported/imported  
product (HS6)



Destination/origin  
markets (at region level)



Number of  
employees



Whether or not  
an obstacle is  
faced

Gender information  
(firm management / ownership  
/ employment)



# Type of data captured: Face-to-face interviews

## 2. Face-to-face data gathering company-level information (only those facing trade obstacles) on:

All affected trade flows



Burdensome regulations

(description, official name, category of NTM, implementing body, applying country)



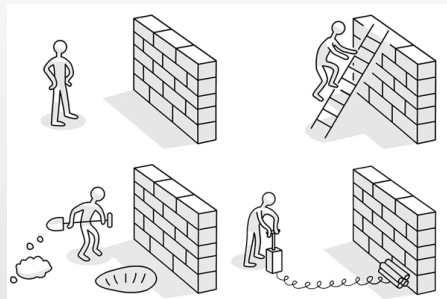
All traded products and partner countries



Related obstacles  
(description, category of obstacles, implementing agency, location)

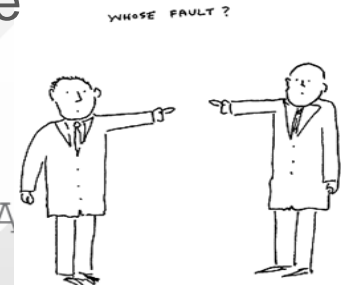


Recommendations to overcome the obstacles



Where the problem occurs

TRADE IMPA





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# Zooming in on survey results in Central Asia

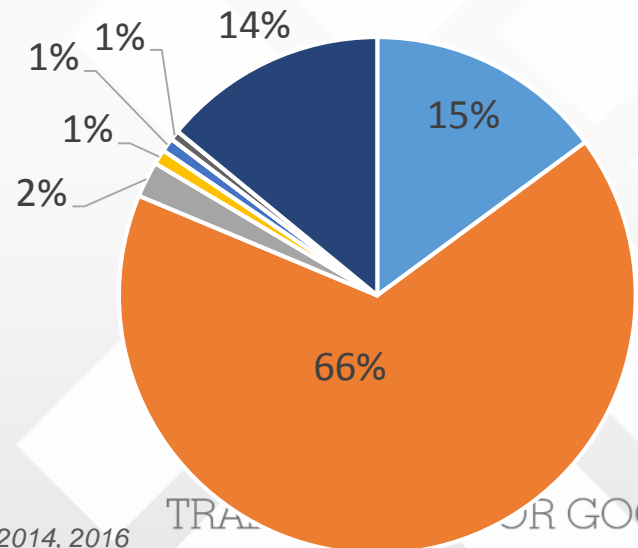
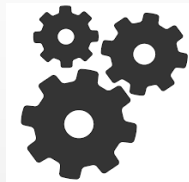
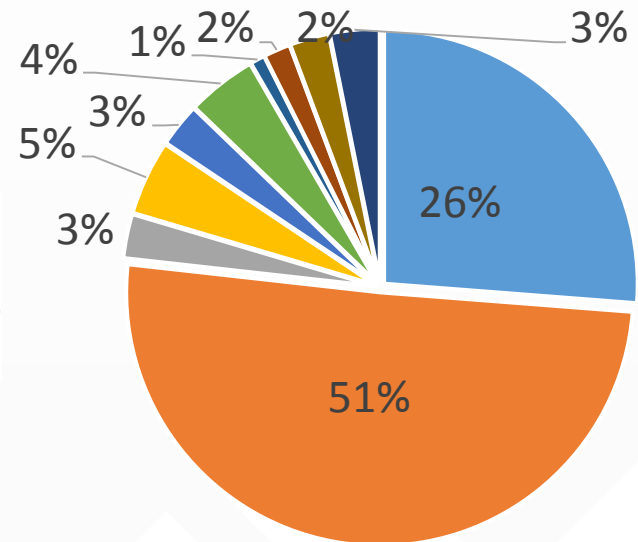
Based on the surveys in Kazakhstan and Kyrgyzstan



# The challenge?

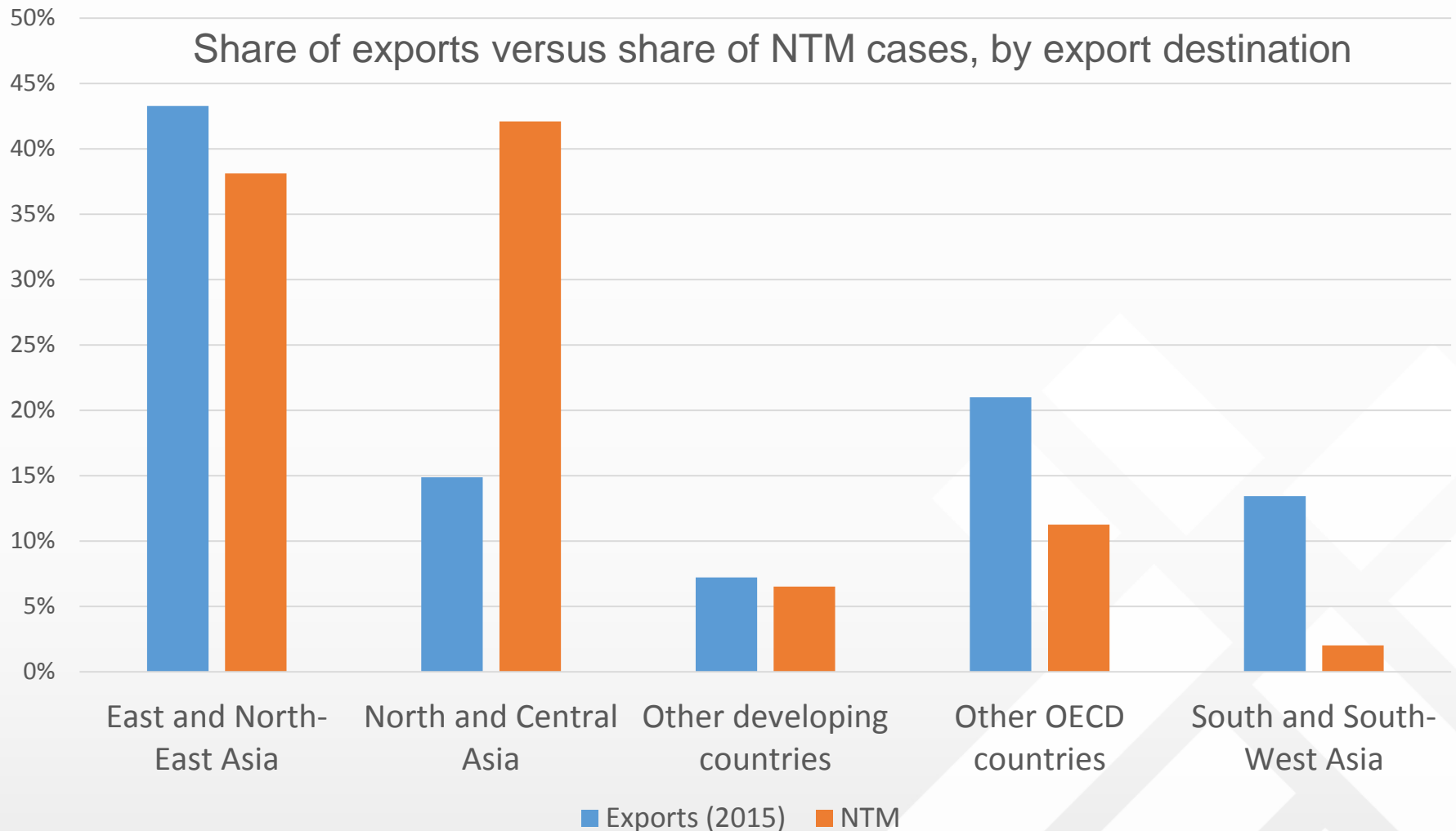
SPS & TBT measures (all sectors) + rules of origin (manufacturing)

- Technical requirements
- Conformity assessment
- Pre-shipment inspection and other entry formalities
- Quantity control measures (e.g. non-automatic licences, quotas, prohibitions)
- Charges, taxes and price control measures
- Finance Measures
- Anti-competitive measures
- Distribution restrictions
- Restriction of post-sales services
- Intellectual property
- Rules of origin and related certificate of origin





# A disproportionate number of challenges occur in intraregional trade





# And what about the exporting country?

Types of challenging NTMs that are applied by the exporting country



Export  
inspections

Export taxes  
and charges



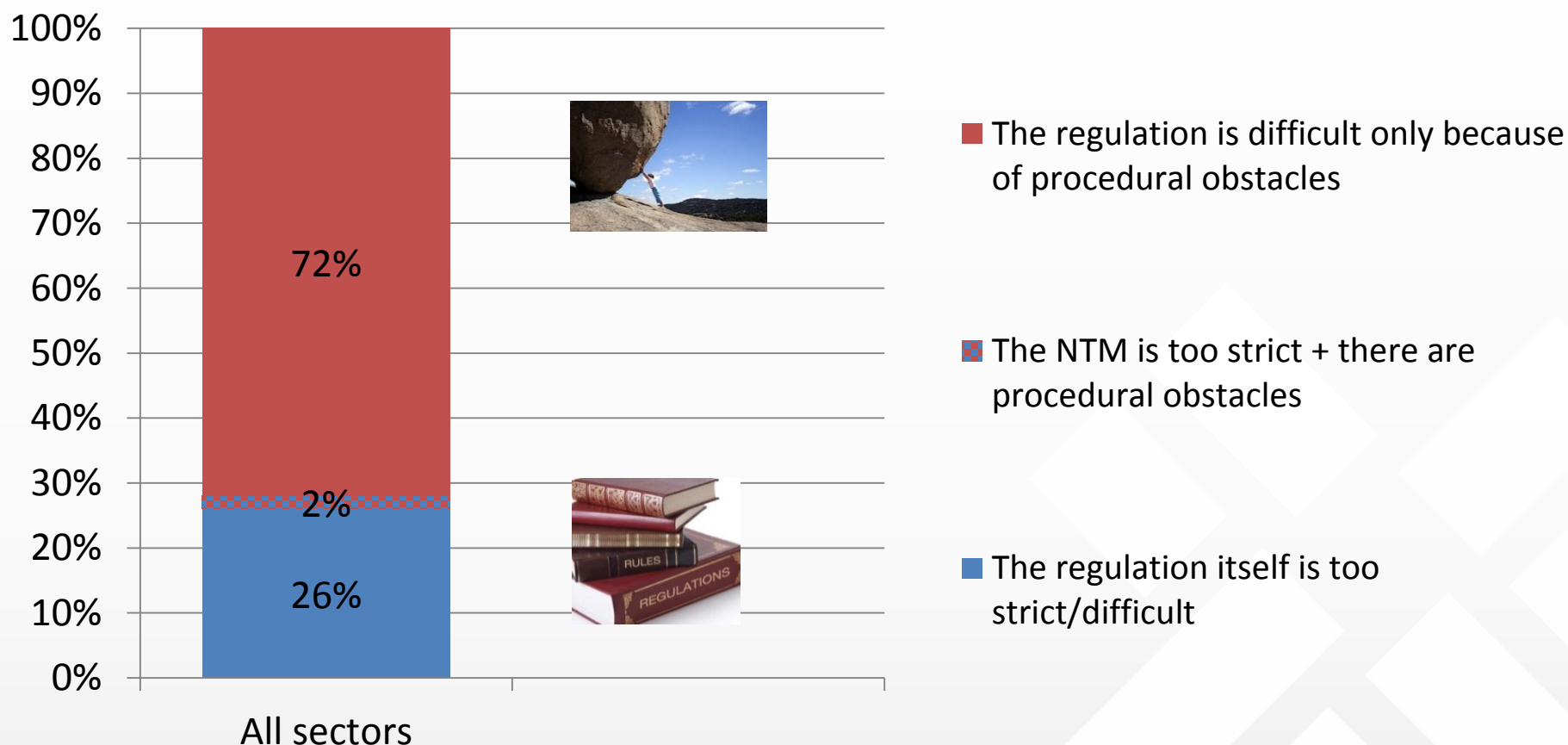
Export  
prohibitions



Export  
certifications

# Most regulations pose a problem because of procedural obstacles

Share of NTM cases\*, by type of difficulty



*\*Note: Only cases reported by exporters; only cases of NTMs applied by Central Asian countries.*

Source: ITC business surveys on NTMs in Kazakhstan and Kyrgyzstan, 2014, 2016; [www.ntmsurvey.org](http://www.ntmsurvey.org)

# Types of procedural obstacles experienced by exporters



## 22%

High fees and charges for reported certification

## 17%

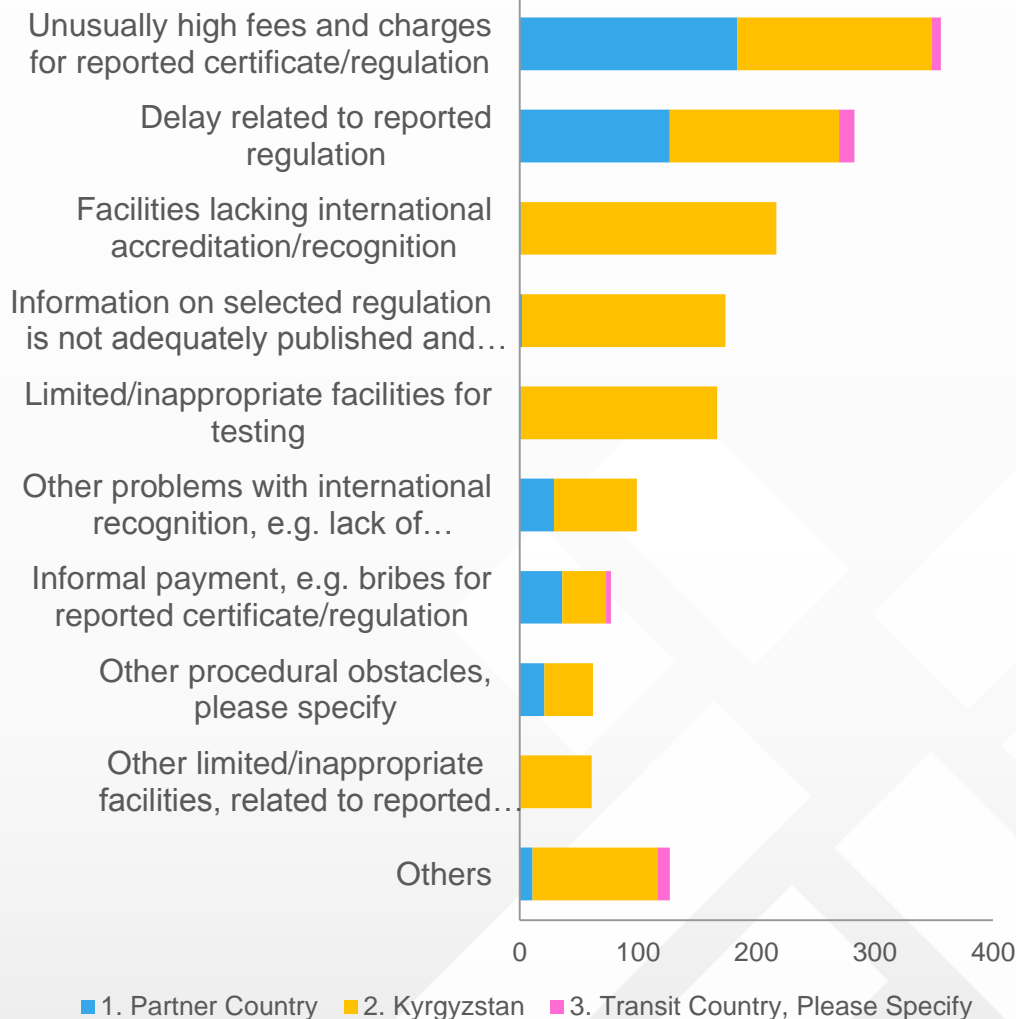


Delay related to reported regulation



## 13%

Facilities lacking international accreditation



# For more details on the survey results in Kazakhstan and Kyrgyzstan:

## KYRGYZSTAN: COMPANY PERSPECTIVES

AN ITC SERIES ON  
NON-TARIFF MEASURES



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## КЫРГЫЗСКАЯ РЕСПУБЛИКА: ТОЧКА ЗРЕНИЯ КОМПАНИЙ

СЕРИЯ ПУБЛИКАЦИЙ МТЦ  
ПО НЕТАРИФНЫМ МЕРАМ

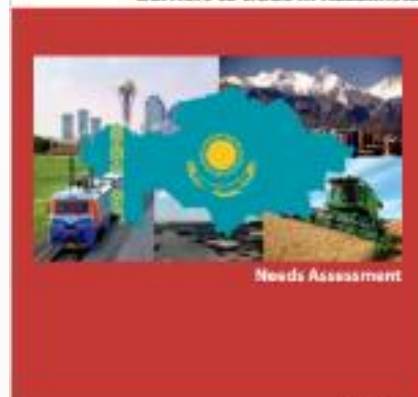


Международный  
Торговый  
Центр

ВЗАИМОПОМОЩЬ  
ВНЕШНЕТОРГОВОЙ

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

## Regulatory and procedural barriers to trade in Kazakhstan



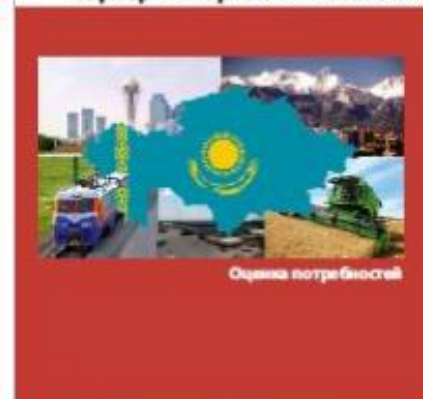
Needs Assessment

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ЕВРОПЕЙСКАЯ ЭКОНОМИЧЕСКАЯ КОМИССИЯ  
ОРГАНИЗАЦИЯ ОБЪЕДИНЕННЫХ НАЦИЙ

## Регулятивные и процедурные барьеры в торговле в Казахстане



Оценка потребностей

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ОРГАНИЗАЦИЯ ОБЪЕДИНЕННЫХ НАЦИЙ

[www.ntmsurvey.org/kyrgyzstan](http://www.ntmsurvey.org/kyrgyzstan)

[www.ntmsurvey.org/kazakhstan](http://www.ntmsurvey.org/kazakhstan)

English and Russian versions available  
Доступны английская и русская версии

# Take-aways from ITC's NTM Surveys



## Market access begins at home

The 'advantage' of home-based problems is that you can solve them, e.g.: simplify trade procedures

→ There is a great need to tackle before-the-border problems that businesses experience with behind-the-border measures

## Trade facilitation: make trade agreements work

*Having policies, laws and agreements is one thing – effectively implementing them another*

## Transparency is key

Processes may be complicated and lengthy for good reasons. But there is no good reason for them to be unclear or non-transparent.

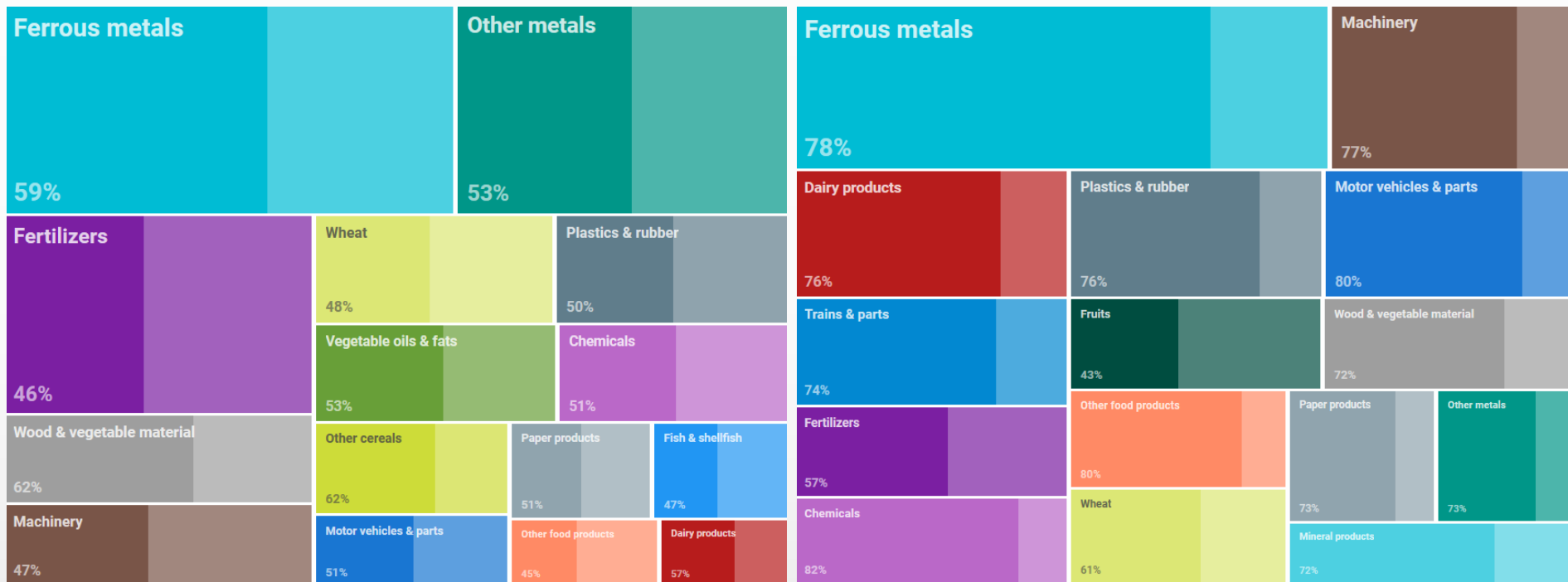


# Why does it matter?

Central Asia has untapped potential to export more ...

**...to the world:** Potassium chloride (fertiliser), wheat and sunflower-seed or oil. Total untapped export potential worth **\$ 117 bn.**

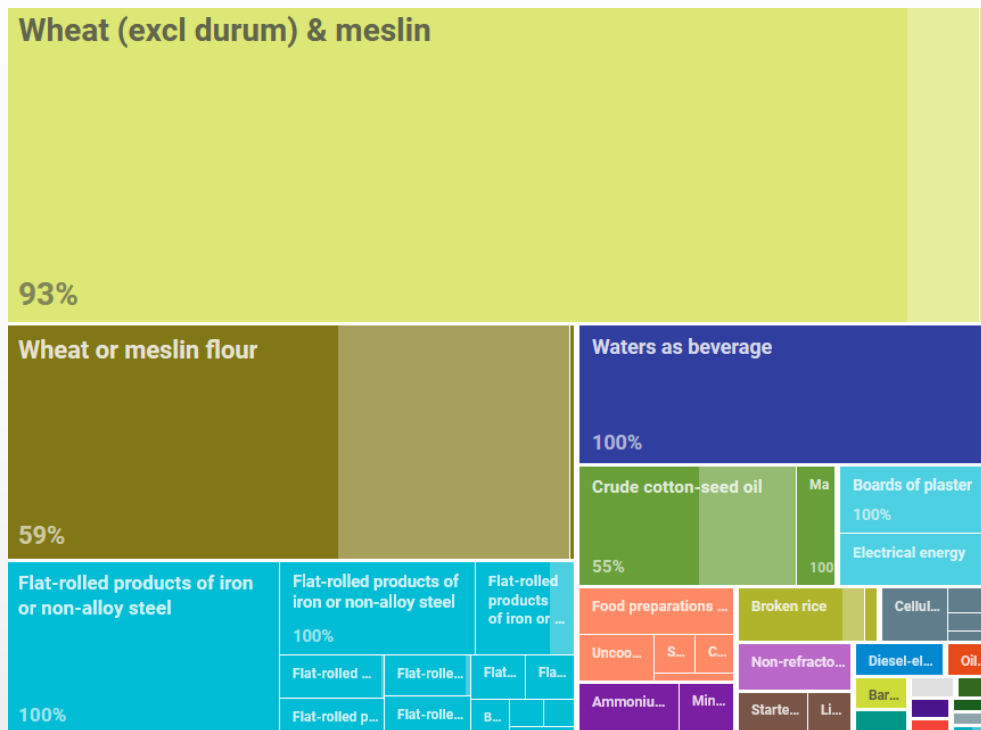
**...to the region:** wheat, wood and Cheese. E.g. wheat alone has an untapped export potential worth **\$625.5 mn.**



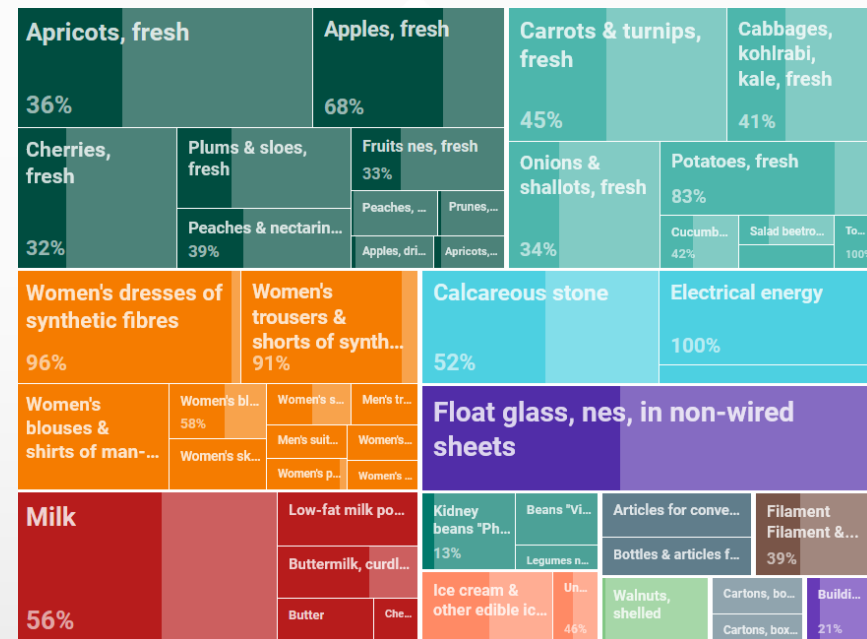


# Increase Kazakhstan - Kyrgyzstan trade

Kazakh wheat shows an additional export potential worth almost **\$14 mn** in the Kyrgyz market



Kyrgyz glass shows an additional export potential worth **\$11 mn** in the Kazakh market





# ITC's work on NTMs: ...and where do we go from here?



## Increased country coverage and adding the time dimension

ITC is committed to expanding the country coverage of NTM Surveys to meet demand. For a number of countries already surveyed, governments wish to take stock of changes.

## Services

In 2018, ITC has also started assessing business concerns with services trade regulations, particularly for transport and logistics, ICT & ICT-enabled services and tourism. This complements the surveys on trade in goods.

## Additional research and analysis

Exploit the potential represented by the survey data in collaboration with partners

**Stay tuned: upcoming joint ITC-ESCAP publication on NTMs in Asia**

## Transparency

**Upcoming data collection project** (regulations applied on exports and imports) in **Central Asia** in collaboration with UNDP and GIZ

# More information

## Trade statistics

Trade map

[www.trademap.org](http://www.trademap.org)

## Market / Product analysis

Export Potential map

[www.exportpotential.intracen.org](http://www.exportpotential.intracen.org)

## Foreign direct investment data

Investment map

[www.investmentmap.org](http://www.investmentmap.org)

## Tariffs and market requirements

Market Access map

[www.macmap.org](http://www.macmap.org)

## Non-tariff measures

Business surveys

[www.ntmsurvey.org](http://www.ntmsurvey.org)

Trade Obstacles Alert Mechanism

[www.tradeobstacles.org](http://www.tradeobstacles.org)

ePing

[www.epingalert.org](http://www.epingalert.org)

## Voluntary standards

Sustainability map

[www.sustainabilitymap.org](http://www.sustainabilitymap.org)

## World prices

Market Price Information

[www.mpi.intracen.org](http://www.mpi.intracen.org)

## Public tenders information

Procurement map

[www.procurementmap.intracen.org](http://www.procurementmap.intracen.org)

## Trade Competitiveness

[www.tradecompetitivenessmap.intracen.org](http://www.tradecompetitivenessmap.intracen.org)

# Our publications: ITC series on NTMs

## **Navigating non-tariff measures –**

Insights From A Business Survey in the European Union (2016)

## **Making Regional Integration Work –**

Company perspectives on Non-Tariff Measures in Arab States (2015)

## **The Invisible Barriers to Trade –**

How Businesses Experience Non-Tariff Measures (2015)

## **Country reports**

Bangladesh (English, 2017)

Benin (French, 2017)

Burkina Faso (French, 2011)

Cambodia (English, 2014)

Comoros (French, 2018)

Côte d'Ivoire (French, 2014)

Ecuador (Spanish, 2018)

Egypt (English, 2016)

Guinea (French, 2015)

Indonesia (forthcoming 2016)

Jamaica (English, 2013)

Kazakhstan (English, Russian, 2014)

Kyrgyzstan (English, Russian, 2018)

Kenya (English, 2014)

Madagascar (French, 2013)

Malawi (English, 2013)

Mali (French, 2018)

Mauritius (English, 2014)

Morocco (French, 2012)

Nepal (English, 2017)

Paraguay (Spanish, 2013)

Peru (English, 2012; Spanish, 2013)

Philippines (English, 2017)

Rwanda (English, 2014)

Senegal (French, 2014)

Sri Lanka (English, 2011)

State of Palestine (English, 2015)

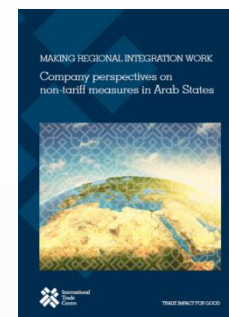
Thailand (English, 2016)

Trinidad and Tobago (English, 2013)

Tunisia (French, 2014)

Uganda (English, 2018)

Uruguay (Spanish, 2013)



## **THE INVISIBLE BARRIERS TO TRADE**

HOW BUSINESSES EXPERIENCE  
NON-TARIFF MEASURES



TRADE IMPACT  
FOR GOOD

# For more information:

