The Private Sector Perspectives on NTMs

ITC’s Program on Non-Tariff Measures

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Content

• ITC and ITC’s Program on NTMs

• Results of the NTM Business Survey in the Asia-Pacific

• Overcoming NTM hurdles

• ITC’s upcoming NTM related activities in Armenia
What is ITC?

ITC works with local and regional institutions and business people to build trade capacity.

Our mission

To foster inclusive and sustainable growth and development through trade and international business development.
ITC’s Trade and Market Intelligence

OUR AREAS OF WORK

GLOBAL PUBLIC GOODS
- Trade Map
- Market Access Map
- Investment Map
- Sustainability Map
- Procurement Map
- Export Potential Map
- ePing

COUNTRY & REGIONAL DIAGNOSTICS
- Business surveys
- Studies of trade potential & market access issues

CAPACITY BUILDING
- Using tools & research methods to analyse markets
ITC’s Programme on NTMs
ITC’s Programme on Non-tariff measures

**Pillar 1**
NTM Regulatory Mapping

Codifying and classification of national trade-related regulations

Data dissemination through Market Access Map (MAcMap)

**Pillar 2**
Business Surveys

Large-scale surveys of businesses on their experiences with government regulations when exporting or importing

**Pillar 3**
Solution Packages

Design and implementation of actions to address companies’ difficulties with NTMs

E.g.: Trade Obstacle Alert (TOA) mechanism
Information on national trade regulations

WHAT?
Information on regulations governing trade.

WHICH NTMs?
All NTMs including SPS and TBT measures

WHICH products?
All products at the National Tariff Line

WHERE is it?
Available at ITC’s Market Access Map
www.macmap.org

In collaboration with UNCTAD

NTM Regulatory Mapping
Codifying and classification of national trade-related regulations
Data dissemination through Market Access Map (MAcMap)

Number of countries with NTM data availability

103

2018
Development of NTM Data Entry Tool (DET)

An online application – developed by ITC – that will improve the efficiency and accuracy of the collection, classification, processing and updating of market access data in developing countries.

It will enabling analysts to collect, classify and code non-tariff measures (NTM) directly into the web tool thus allowing country regulations to be updated without the need for full country batch updates, thus improving updating frequency.

The tool has been introduced to the technical focal points in the EuroMed region, including the priority countries of this project.

The tool can be accessed at [http://det.macmap.org/](http://det.macmap.org/).
ePing: SPS / TBT Notification Alert

WTO OMC

WTO
- Depository of SPS/TBT notifications
- SPS/TBT Committees
- Contact with Enquiry Points

SPS/TBT notification alert system

UN DESA
- Pilot SPS/TBT notification alert system (ePing)
- Contact with LDCs

ITC
- Trade-related web tools including NTMs and trade obstacles alert
- Contact with SMEs

www.epingalert.org
ePing: SPS / TBT Notification Alert

- Sends automated notifications through daily/weekly email alerts
- Option to discuss, ask questions, share files
- About areas of your interest (products and destination markets)
- Publicly available
- Provides a fast and easy-to-use search table
- Covers both SPS and TBT notifications
- Includes listing of SPS and TBT Enquiry Points
- Enquiry Point management tool
- Available in ES, FR and EN

TRADE IMPACT FOR GOOD
Welcome to Standards Map

Standards Map provides information on over 150 standards, codes of conduct, audit protocols addressing sustainability hotspots in global supply chains.

Voluntary Standards: www.standardsmap.org
The NTM Survey

...documents the private sector experience with NTM-related trade obstacles with a view to identify feasible options to overcome these.

...is part of a wider, collaborative approach, beyond company perceptions, which integrates all stakeholders of the import and export process. The survey report will be finalized and published after this stakeholder consultation has taken place through additional interviews and a validation meeting.

...aims at identifying concrete actions that enable countries to reach greater efficiency in the export process and reduce trade cost.

The NTM Survey is NOT

...a collection of or platform for complaints.

...intended to single out specific institutions to blame for inefficiencies.
# Surveys Methodology: Scope

## Goods
- Covers companies involved in international trade in goods.
- Products from all sectors included except minerals and arms.
- Sectors with more than a 2% share in total exports are included.
- Cumulatively, sectors covered account for at least 90% of country’s total export value.

## NTM Survey covers the following sectors:

1. Fresh food and raw agro-based products
2. Processed food and agro-based products
3. Wood, wood products and paper
4. Yarn, fabrics and textiles
5. Chemicals
6. Leather
7. Metal and other basic manufacturing
8. Non-electric machinery
9. Computers, telecommunications; consumer electronics
10. Electronic components
11. Transport equipment
12. Clothing
13. Miscellaneous manufacturing

## Services
- A separate survey covers companies involved in cross-border trade in services such as tourism, ICT, transport and logistics.
- A survey on trade in services requires a different methodology.
Two-step interview process

**Step 1**
Phone Screens (PS)
- 6-8 min per interview
- Identify products exported by the company and partner countries
- Identify if the company face problems with burdensome regulations

**Step 2**
Face-to-Face interviews (FTF)
- Companies facing problems with NTMs as identified in PS interviewed
- 40-60 min per interview
- All details of the problem faced by the company recorded
Type of data: 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)
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)
- Related obstacles (description, category of obstacles, implementing agency, location)
- Recommendations to overcome the obstacles
- Where the problem occurs

Type of data: Face-to-face interviews
NTM Business Surveys in numbers

- **28,000** Phone Interviews
- **8,150** 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**
NTM Business Surveys in The Asia-Pacific Region

Results from NTM Business Surveys in Asian Countries

6455 Companies interviewed

9 Asian countries

IDENTIFYING TRADE HURDLES

TRADE IMPACT FOR GOOD
Additional or ongoing surveys in The Asia-Pacific Region
Understanding companies’ difficulties with NTMs: Three aspects

**Affectedness**
How many and 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
Roughly half of exporters in Asia-Pacific regions facing NTM related hurdles

- Asia-Pacific: 56%
- West Africa: 73%
- East Africa: 64%
- Arab States: 44%
- South America & the Caribbean: 42%
- European Union: 36%
NTMs do not affect every country equally

Share of companies affected by burdensome NTMs

SOUTH AND SOUTH-WEST ASIA
- Bangladesh
- Nepal
- Sri Lanka

NORTH AND CENTRAL ASIA
- Kazakhstan
- Kyrgyzstan

SOUTH-EAST ASIA
- Cambodia
- Indonesia
- Philippines
- Thailand

Regional average, 56%
Most of the NTMs perceived as burdensome by exporters are foreign regulations.

Share of burdensome NTMs applied by partner and home country:

- Destination or Transit country (80%)
- Home (20%)

Foreign regulations

Domestic regulations
Most of the NTMs perceived as burdensome by exporters are foreign regulations

Share of burdensome NTMs applied by partner and home country

Agriculture
- Partner NTM: 86%
- Domestic NTM: 14%

Manufacturing
- Partner NTM: 80%
- Domestic NTM: 20%
Most of the regulations perceived as burdensome are Regional NTMs

**Share of burdensome NTMs applied by partner and home country**

- Destination or Transit country (80%)
- Home (20%)

**Burdensome NTMs applied by partner countries**

- Asia-Pacific: 50%
- EU: 27%
- United States: 11%
- Rest of the world: 13%

*IJC*
NTMs are linked to export values (or not?)

Share of NTM cases vs export shares*

*Data based on nine Asia-Pacific countries that are part of the ITC business survey on NTMs.
What are the most frequent types of burdensome NTMs?

- **Agriculture**
  - Rules of origin: 10%
  - SPS and TBT measures + Conformity assessment requirements: 54%
  - Technical requirement: 25%

- **Manufacturing**
  - Rules of origin: 32%
  - SPS and TBT measures + Conformity assessment requirements: 43%
  - Technical requirement: 14%

**Categories**:
- A. Technical requirement
- B. Conformity assessment
- C. Pre-shipment inspections
- D. Trade remedies
- E. Quantity control measures
- F. Charges, taxes and price control measures
- G. Finance measures
- H. Anti-competitive measures
- J. Distribution restrictions
- K. Restriction of post-sales services
- N. Intellectual property
- O. Rules of origin
Why exporters find NTMs burdensome

Regulatory obstacles (regulations too strict or difficult to comply with)
- 16%

Both regulatory and procedural obstacles
- 18%

Procedural hinderances is a major concern to exporters that make compliance to regulations difficult
- 66%

Because of related Procedural Obstacles (PO)
Most procedural obstacles occur at home

- Time constraints: 28%
- Informal or unusually high payments: 28%
- Unusually high fees and charges for reported certificate/regulation: 19%
- Informal payment, e.g. bribes for reported certificate/regulation: 9%
- Lack of recognition / accreditation: 12%
- Lack of appropriate testing facilities: 10%
- Administrative burdens related to regulations: 9%
- Information / transparency issues: 6%
- Discriminatory behavior of officials: 5%
- Other procedural obstacles: 3%
The bulk of problematic NTMs relate to technical measures and rules of origin

~90% of all export partner NTMs come from: technical barriers to trade, sanitary and phytosanitary measures and rules of origin. Nearly half of all NTMs relate to conformity assessments (compliance is more difficult than the regulation itself!).

Market access begins at home

80% of burdensome NTMs applied by partner country

20% of burdensome NTMs applied by home country

80% problematic because of POs

At least two thirds of problems result from POs at home

90% problematic because of POs
What to do next?

1) Institutional streamlining
   ✓ Identify domestic opportunities for streamlining trade procedures
   ✓ Establish a consultation mechanism on NTMs to foster public-private dialogue
   ✓ Enhance transparency through existing notification channels such as in ASEAN or at the WTO (example: www.ePingalert.org)

2) Soft infrastructure
   ✓ Use mutual recognition agreements and/or international standards to address conformity assessment-related compliance issues
   ✓ Digitalize NTM procedures and foster cross-border paperless trade to eliminate administrative layers

3) Hard infrastructure
   ✓ Develop regional quality infrastructure to address bottlenecks in testing and certification
   ✓ Fully implement the WTO Trade Facilitation Agreement
For more information

ITC Survey results online: www.ntmsurvey.org

ITC series on NTMs (Asia-Pacific country reports):
- Bangladesh (English, 2017)
- Nepal (English, 2017)
- Indonesia (English, 2016)
- Kazakhstan (English, Russian, 2014)
- Kyrgyzstan (English, Russian, 2018)
- Cambodia (English, 2014)
- Philippines (English, 2017)
- Sri Lanka (English, 2011)
- Thailand (English, 2016)

Other NTM publications:
- The Invisible Barriers to Trade – How Businesses Experience Non-Tariff Measures (2015)
How have we addressed SME’s concerns with NTMs?

Pillar 3
Solution Packages

Design and implementation of actions to address companies’ difficulties with NTMs
EuroMed Trade Helpdesk

Free online portal disseminating information necessary to do business leveraging on the already well-established ITC tools and expertise in database management.

Available in English, French, Arabic and Turkish

**It contains user friendly comparable information like**

- Applied customs tariffs
- Preferential arrangements
- Rules and certificates of origin
- VAT, excise taxes and price control measures

- Compulsory requirements
- Trade statistics for existing trade
- Business contacts
- Import procedures

euromed.macmap.org
Development of National companion guides

A Directory of Services for SMEs:

These national guides give small businesses access to quality management information for their sanitary and phyto-sanitary measures, with an overview of the national quality infrastructure and contacts for quality-related service providers.
Guidebooks on customs procedures

WHAT
A procedures guide aims to provide practical information to economic operators on the customs and non-customs formalities export or import goods.

WHY
To increase the transparency of trade procedures and reduce the number of obstacles faced by operators.

THIS GUIDE OFFERS INFORMATION ON
- Customs procedures
- Non-customs procedures

A sectoral approach
A step-by-step guide

PRINT
ONLINE

Guides developed for 7 countries:
Morocco, Tunisia, Egypt, Jordan, State of Palestine, Israel and Turkey

Under development
Understand the applicable rules of origin to your products.

Get the most benefits from available trade agreements.

Findrulesoforigin.org
Rules of Origin Facilitator

- What are the rules of origin applied to my product?
- What are the differences among possible trade agreements, their rules or origins and applied tariffs?
- What are the procedures for the issuance of their certificate?
- Where can I find the necessary documentation?

Increasing transparency in trade agreements and their rules of origin
<table>
<thead>
<tr>
<th>Agreement</th>
<th>Product</th>
<th>Export From</th>
<th>Import To</th>
<th>Product Name or Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTA, Agadir</td>
<td>Jordan-Morocco</td>
<td>1 selected</td>
<td>Morocco</td>
<td>1101001000 - Farines de froment (blé) ou de méteil: de blé dur</td>
</tr>
</tbody>
</table>

**Exporter:** Jordan

**FTA, Agadir**
- **Type:** Free trade agreement
- **Scope:** Plurilateral, Country-Country
- **Parties:** Palestine, State of; Jordan; Lebanon; Morocco; Tunisia; Egypt

**FTA, Jordan-Morocco**
- **Type:** Free trade agreement
- **Scope:** Bilateral, Country-Country
- **Parties:** Jordan; Morocco

**Regional group, League Of Arab States**
- **Type:** Free trade agreement
- **Scope:** Plurilateral, Country-Country
- **Parties:** Algeria; Bahrain; Comoros; Djibouti; Palestine, State of; Iraq; Jordan; Kuwait; Lebanon; Libya; Mauritania; Morocco; Oman; Qatar; Saudi Arabia; Somalia; Sudan; Syrian Arab Republic; United Arab Emirates; Tunisia; Egypt; Yemen
**Rule of Origin (RoO)**

**FSA, Agadir**
- Import Duty: 70% MFN, 0% Preferential
- Does my product qualify?

**FSA, Jordan-Morocco**
- Import Duty: 70% MFN, No preference, Preferential
- Does my product qualify?

**Regional group, League of Arab States**
- Import Duty: 70% MFN, 0% Preferential
- Does my product qualify?

**Original Text**
For the purposes of implementing the Arab rules of origin, without prejudice to Rule 5, the following goods and services shall be considered of national origin:

- a. Products acquired completely from any party-state in accordance with the provisions of Rule (7).
- b. Goods manufactured by any party-state, which includes input(s) from other party-state, and the added value of these goods shall not be less than 40 percent according to the provisions of Rule (3), taking into consideration the provisions of Rule (4).

**Criterion (ITC)**
- RVC 40%
### Rules of Origin Facilitator

**Your gateway to trade agreements**

#### FTA, Agadir
- **Import Duty:** 70% MFN, 0% Preferential
- **Cumulation:** Included
- **Cross-Cumulation:** Included
- **DE Minimis:** Included (10%)
- **Roll-Up:** Included
- **Duty drawback:** Included
- **Outward Processing:** Included
- **Accessories, Spare Parts and Tools:** Included
- **Wholly Obtained Products:** Provided
- **Non-Qualifying Operations:** Provided

#### FTA, Jordan-Morocco
- **Import Duty:** 70% MFN, No preference
- **Cumulation:** Not Included
- **Cross-Cumulation:** Not Included
- **DE Minimis:** Not Included
- **Roll-Up:** Not Included
- **Duty drawback:** Not Included
- **Outward Processing:** Not Included
- **Accessories, Spare Parts and Tools:** Not Included
- **Wholly Obtained Products:** Provided
- **Non-Qualifying Operations:** Not Provided

#### Regional group, League of Arab States
- **Import Duty:** 70% MFN, 0% Preferential
- **Cumulation:** Not Included
- **Cross-Cumulation:** Not Included
- **DE Minimis:** Not Included
- **Roll-Up:** Not Included
- **Duty drawback:** Not Included
- **Outward Processing:** Not Included
- **Accessories, Spare Parts and Tools:** Not Included
- **Wholly Obtained Products:** Provided
- **Non-Qualifying Operations:** Provided
## Rules of Origin Facilitator

**Your gateway to trade agreements**

### FTA, Agadir
- **Certificate Provisions**
  - **Certification**
    - **Authorized Body** (Self-Certification Allowed For Consignments Not Exceeding EUR 6000)
  - **Exemption of Certification**
    - Included (Less Than EUR500)
  - **Approved Exporter**
    - Included
  - **Competent Authority**
    - Not Provided
  - **Period of Validity**
    - 4 Months
  - **Retention Period**
    - 3 Years

### FTA, Jordan-Morocco
- **Certificate Provisions**
  - **Certification**
    - Authorized Body
  - **Exemption of Certification**
    - Not Provided
  - **Approved Exporter**
    - Not Included
  - **Competent Authority**
    - Provided
  - **Period of Validity**
    - Not Provided
  - **Retention Period**
    - Not Provided

### Regional group, League Of Arab States
- **Certificate Provisions**
  - **Certification**
    - Authorized Body
  - **Exemption of Certification**
    - Not Provided
  - **Approved Exporter**
    - Not Included
  - **Competent Authority**
    - Not Provided
  - **Period of Validity**
    - 4 Months
  - **Retention Period**
    - 3 Years

**Documents**
- Certificate of origin
- Product-specific rules of origin
- Chapter on rules of origin
- Full text of agreement

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**TRADE IMPACT FOR GOOD**
• Enhancing the target audience’s knowledge on trade opportunities in international markets
• Participants: SMEs, Trade Support Institutions, Policy Makers
• Online training available: Video tutorials on YouTube and courses on ITC SME Trade Academy

Capacity Building

- Webinars
- Face to Face Workshops
- Mentoring Programs
- Customized Offers
Example: Vietnam – Training on NTMs

104 Public & private sector staff from Vietnam trained

50 Enrolled in “Certified Trainers” Program
Capacity building on: Market Access Conditions in MENA

Workshop:

- On understanding non-tariff measures (NTMs) and market access conditions in the MENA region.

- Delivered to government officials, and the private sector from:
  - Morocco
  - Algeria
  - Tunisia
  - Jordan
  - Egypt*

120 Public & private sector staff from MENA countries trained
Training on Export Quality Management

Multiple workshops organized in:

- Egypt
- Jordan
- Oman
- Palestine
- Qatar

5 COUNTRIES

250 Trained staff
An online tool which allows:

- Trade operators to report online the obstacles they face when exporting or importing their goods and alert the competent authority;
- National authorities to know instantaneously the problems faced by the private sector and be able to provide them directly with an answer;
- All users to be alerted of the reported obstacles for the markets and products of their interest.

Implementation in 16 countries
Trade Obstacles Alert Mechanism

1. Trader create an alert
2. National focal point validate and publish the alert
3. Competent authority answer to the alert
4. National focal point publish the answer

TOA Platform

email + website

email

email + website

National monitoring committee
Ensure the transparency and reactivity of the mechanism
What is ITC’s plan in Armenia?
Eastern Area Partnership (EaP) Program

Objective:
Support trade exchanges between EaP countries and the EU.
- Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine.

Key beneficiaries:
- Small and Medium Enterprises (SMEs)
- Business Support Organisations (BSOs)
- Policy makers

Implemented by:
- ITC in collaboration with national institutions

Supported by:
- European Union
EaP Program: Key Components

- Identification of regulatory and procedural obstacles to trade
- Step-by-step procedure guide
- Development of EaP Trade Helpdesk
- Capacity building
- Trade Obstacle alert mechanism
EaP Trade Helpdesk seeks to bring transparency to economic operators

Fragmented trade information ➔ EaP Trade Helpdesk ➔ Actionable Decisions
Structure of EaP Trade Helpdesk

- Trade & Market Access information
- EPM
- Business Contacts

- Step by step online procedures
- Required documents, costs, time

- Users enquiries and trade obstacles alert mechanism
- Supported by a network of trade related institutions

Export procedures
Helpdesk
EaP Trade Helpdesk helps answer important questions such as:

- What are the **tariffs and market access requirements** that apply to a product and country?
- What are the necessary **export procedures** that need to be fulfilled?
- What are the **trade flows and market demand trends** for the 6 partner countries?
- Which **companies** import the products being sold?
- What is the support mechanism to help me solve a **trade barrier** I face?
Advantages of the EaP Trade Helpdesk

- **Accurate and trusted information**
  - Sustained by the established databases of ITC: Market Access Map, Trade Map, Export Potential Map and ePing
  - Direct validation from national authorities
  - Linked to EU Helpdesk

- **Fully adapted to the 6 partners**: data and language (website & support materials available in English and Russian)

- **Free for all users** of the 6 countries

- **Practical information** such as company, institution contact information and step-by-step guide for exporters
Breadth of the information

CUSTOMS TARIFFS AND TRADE REGIMES:
- Import tariffs (MFN or general tariff) from most current year
- Any preferential tariffs granted bilaterally, regionally and to all trading partners
- Rules of Origin* for preferential arrangements as well as downloadable Certificate of Origin
- Trade Remedies*: countervailing (e.g. subsidies) & antidumping duties; safeguards (import surges)

PRODUCT SPECIFIC REQUIREMENTS:
- Food safety and animal and plant health regulations (SPS)
- Compulsory technical regulations (performance, labelling, size/shape, design, function of products)
- Product specific excise taxes

TRADE STATISTICS:
- Annual and monthly statistics reported by each country at detailed product level – the national tariff line by bilateral partner country

GENERAL COMPULSORY REQUIREMENTS:
- Trade Procedures
- Internal Taxes (e.g. VAT/sales tax & excise duties)

BUSINESS CONTACTS:
- Institutions; customs and taxation authorities; chambers of commerce; industry associations; relevant online marketplaces; and event organizing bodies
User enquiry management system and Trade Obstacles mechanism

EAP Trade Helpdesk
Scope of the enquiry facility

The enquiry facility focuses on questions related to trade data and to publicly available information on trade regulations and procedures.

- If I would like to take advantage of the preferential tariff rate, where can I get the RoO I need to comply with?
- What are the ports equipped with cooling facilities and their capacities?
- Is there a list of approved laboratories to test for SPS measures? Does location of the lab matter?
- Does customs implement fast track procedures for companies that frequently export the same product?
Types of EaP Trade Helpdesk User

Non-Registered User (Observer)

Registered User

Checked resolved enquiries

Check enquiry statistics

Consult market info online

Submit an enquiry to Helpdesk

Receive progress notifications

Check enquiry statistics
Types of Enquiry Management User

- ITC Administrator
- National Technical Focal Point (NFP)
- Secondary National Focal Point (NFP-2)
Roles of Enquiry Management Users

- **Management Users**
  - Monitor the response time
  - Monitor NFP profiles
  - Monitor enquiry statistics
  - Manage user profiles

- **NFP**
  - Answer the incoming enquiries
  - Request info from relevant institutions (NFP-2)
  - Follow-up enquiry and response time
  - Manage list of supporting network (NFP-2)

- **NFP-2**
  - Answer to the information requests from NFP
Thank you!

For further information: www.ntmsurvey.org

ITC Programme on Non-Tariff Measures
Trade and Market Intelligence

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