



International
Trade
Centre

Managing NTMs: Classification, Statistical Challenges and Policy Implications



ADBI-ESCAP JOINT
WORKSHOP

Mondher Mimouni, International Trade Centre
5-6 November 2015, Bangkok, Thailand

What are Non-Tariff Measures (NTM)?



Definitions



Non-tariff measures (NTMs)

Official policy measures on export and import, other than ordinary customs tariffs, that can potentially have an effect on international trade in goods, changing quantities traded, or prices or both.

Mandatory requirements, rules or regulations legally set by the exporting, importing or transit country (in contrast to private standards which are not legally set)

Can affect both export and import

Example: EU labeling requirement on a wine bottle



Labels on wines exported to the EU must include:

- Net contents of the bottle, in milliliters, centiliters or liters;
- Name and address of the importer preferably printed on the main label;
- The wine's alcohol content;
- Indication of manufacturing lot;
- Indication of country of origin.

Example of a Mayonnaise for a Swiss supermarket – labeling requirements



ENGAGEMENT
migros.ch

MIGROS

BIO. Private standard
by Swiss retailer MIGROS

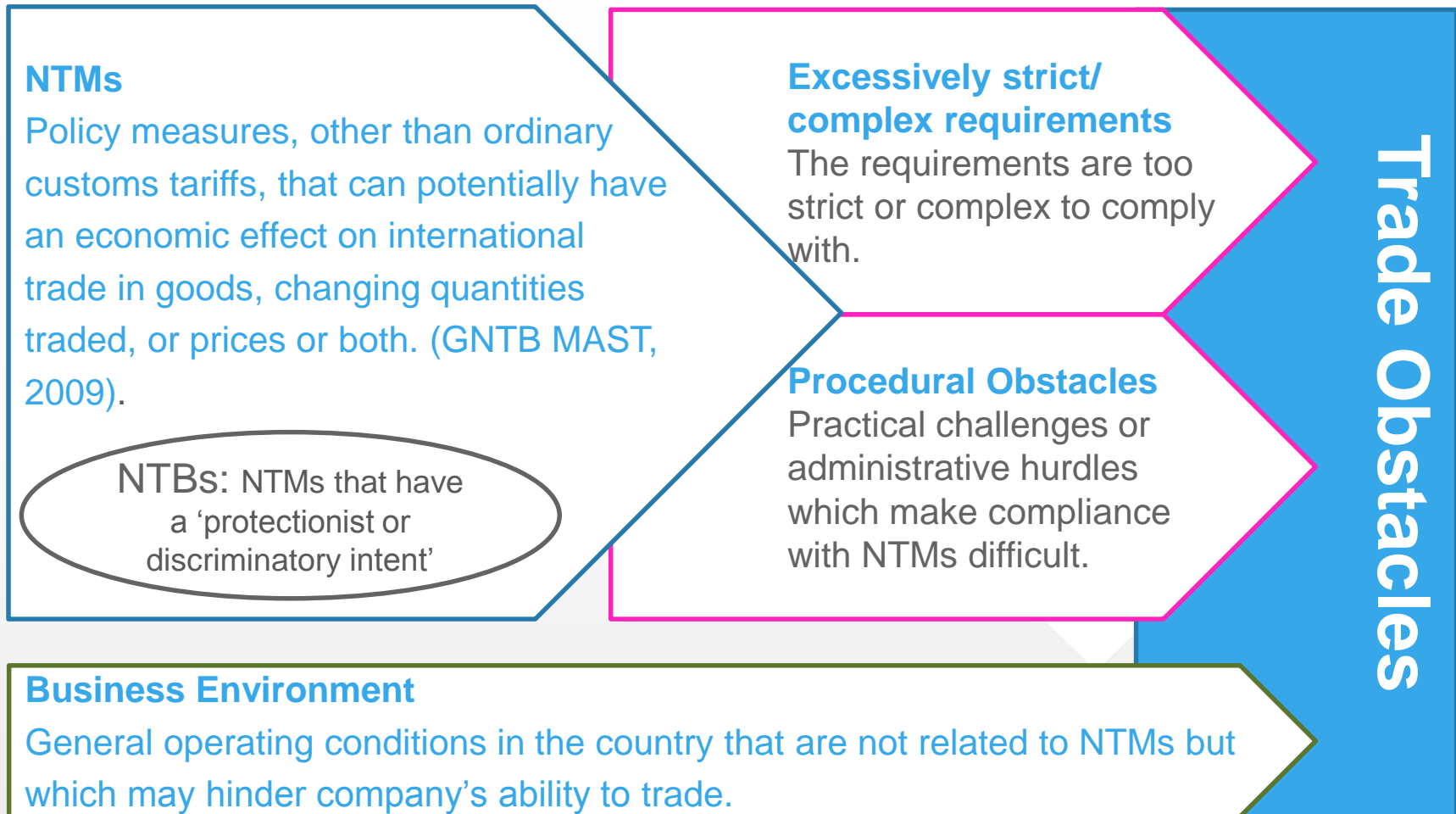
Nutrition Facts			
Serving Size 1 cup (228g)			
Servings Per Container 2			
Amount Per Serving			
Calories 260		Calories from Fat 120	
% Daily Value*			
Total Fat 13g		20%	
Saturated Fat 5g		25%	
Cholesterol 30mg		10%	
Sodium 660mg		28%	
Total Carbohydrate 31g		10%	
Dietary Fiber 0g		0%	
Sugars 5g			
Protein 5g			
Vitamin A 4%		* Vitamin C 2%	
Calcium 15%		* Iron 4%	
* Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs:			
	Calories	2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g
Calories per gram:			
Fat 9	*	Carbohydrates 4	* Protein 4

Mandatory
requirements
by Switzerland

Information is
provided in 3
languages



NTMs and other trade obstacles



Why do governments impose NTMs?

- NTMs are introduced for **legitimate reasons**, for example protection of human, animal and plant health
- But can also be misused as an **instrument of protection**

Why do countries use NTMs?

Importing Country

- Health and safety of consumers
- Environmental factors
- Infant industry protection
- Achieve political goals
-

Why do countries use NTMs?

Exporting Country

- Ensure adequate supply for the domestic market
- Maintain quality
- Ensure best value for their exports
- Political reason
-

NTMs – Why a concern for exporters and importers?

- Products need to comply with a wide range of NTMs; NTMs often vary across products and countries and can change quickly.
- The nature of NTMs has changed over time – they have become less visible and direct, but rather more complex.
- The problems companies face in relation to NTMs and their compliance are often linked to lack of capabilities, infrastructure and efficient procedures (“procedural obstacles”) in a country.
- Often there is no transparency and easy access to relevant information about NTMs that are applied by the destination country.
- Policy makers often lack a clear understanding about the current obstacles to trade their private sector is facing. This makes it difficult to define policies and strategies overcoming these challenges.

What is being done about NTMs?



National level



Regional level



Role of International Organisations

- Multi-Agency Initiative on NTMs
- The Transparency in Trade (TNT) initiative

Multi-Agency Initiative on NTMs – since 2006

- Launched by UNCTAD Secretary-General in 2006
- Multi-Agency Team of technical experts from FAO, IMF, ITC, OECD, UNIDO, UNCTAD; World Bank, WTO. (Observers: European Commission; USITC, US Department of Agriculture)
- Overall objective: Increase transparency and understanding about NTMs
- Addresses need for **common international NTM classification** and **methodology to collect** and disseminate data on NTMs.

Classification of NTMs

- International taxonomy used to classification different types of regulations related to trade in goods.
- Prepared in a multi-agency framework.



- Covers
 - mandatory, government-imposed regulations:
 - both import and export of goods
 - technical and non-technical measures
- Trade in services not covered
- Simplified version of the classification used for NTM business survey

NTM Classification

16 Chapters

A. – O. **Import** related measures

Technical
measures
(product
related)

A. Sanitary and Phytosanitary measures

B. Technical Barriers to Trade

C. Pre-shipment inspection and other entry formalities

D. Trade remedies (anti-dumping, countervailing and safeguards)

E. Quantity control measures (e.g. licences, quotas, prohibitions)

F. Charges, taxes and price control measures

Non-technical
measures
(trade related)

G. Finance measures

H. Anti-competitive measures

I. Trade-related investment measures

J. Distribution restrictions

K. Restriction on post-sales services

L. Subsidies

M. Government procurement restrictions

N. Intellectual property

O. Rules of origin and related certificate of origin

P. **Export** related measures

Three Pillars of ITC's Programme on NTMs

Pillar 1

NTM Regulatory Mapping

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

Pillar 2

Business Survey

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

Pillar 3

Follow Up Actions

- Design and implementation of actions to address companies' difficulties with NTMs
- E.g.: Trade Obstacle Alert (TOA) mechanism

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NTM Official Data Collection

- Identification and classification of national legal documents.
- Jointly done by ITC, UNCTAD, World Bank and the African Development Bank
- Steps to identify a measure:

1. Who applies the measure?

- Importing country (destination) → Import related measures (15 chapters)
- Exporting country (origin) → Export related measures (1 chapter)

2. Is the measure technical or non-technical?

- Import related measures can be either :
 - technical (2 chapters) or
 - non-technical (13 chapters)
- Export related measures (1 chapter) combine both

3. What is the exact measure encountered?

After the chapter has been identified:

- Choose the appropriate NTM chapter and 65 sub-chapters
- And then choose the specific measures (122 measures)

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P. **Export** related measures

International NTM Classification: Tree structure

Example

A SANITARY AND PHYTOSANITARY MEASURES
 A1 Prohibitions/restrictions of imports for SPS reasons
 A2 Tolerance limits for residues and restricted use of substances
 (...)

- A8 Conformity Assessment related to SPS
 - A81 Product registration requirement
 - A82 Testing requirement
 - A83 Certification requirement
 - A84 Inspection requirement
 - A85 Traceability requirement
 - A851 Origin of materials and parts
 - A852 Processing history
 - A853 Distribution and location of products after delivery
 - A859 Traceability requirements n.e.s.
 - A86 Quarantine requirement
 - A89 Conformity assessments related to SPS n.e.s.
- A9 SPS Measures n.e.s.

B TECHNICAL BARRIERS TO TRADE
 C PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES
 D CONTINGENT TRADE PROTECTIVE MEASURES
 E NON-AUTOMATIC LICENSING, QUOTAS, PROHIBITIONS ...
 F PRICECONTROL MEASURES INCLUDING ADDIT. TAXES ...
 G FINANCE MEASURES
 H MEASURES AFFECTING COMPETITION
 I TRADE-RELATED INVESTMENT MEASURES

At this level of coding: 122 measures in the classification

16 Chapters

122 Measures

Official NTM data collection

From here...

...to here



HANDBOOK OF PROCEDURES

[1st April, 2015 – 31st March, 2020]

Government of India
Ministry of Commerce and Industry
Department of Commerce

29.06.2015 NTM data template (EN_HS2012)_INDIA - Microsoft Excel

Non-tariff Measure (NTM)					
Click to add measures	NTM code	NTM code description	Additional comments on NTM	Product level	Product code product group
Foreign Trade Policy Procedures 2015-2020	C1	Pre-shipment inspection		HS code	790200
Foreign Trade Policy Procedures 2015-2020	C1	Pre-shipment inspection		HS code	800200
Foreign Trade Policy Procedures 2015-2020	C1	Pre-shipment inspection		HS code	810420
Foreign Trade Policy Procedures 2015-2020	B7	Product quality or performance requirement	The importer shall furnish to the Customs pre-shipment inspection certificate to the effect that the consignment was checked for radiation level and scrap does not contain radiation level in excess of natural background.	HS code	720410
Foreign Trade Policy Procedures 2015-2020	B7	Product quality or performance requirement	The importer shall furnish to the Customs pre-shipment inspection certificate to the effect that the consignment was checked for radiation level and scrap does not contain radiation level in excess of natural background.	HS code	720421

Sources Legislations Measures HS search Product groups Country groups USER GUIDE

NTM data structure

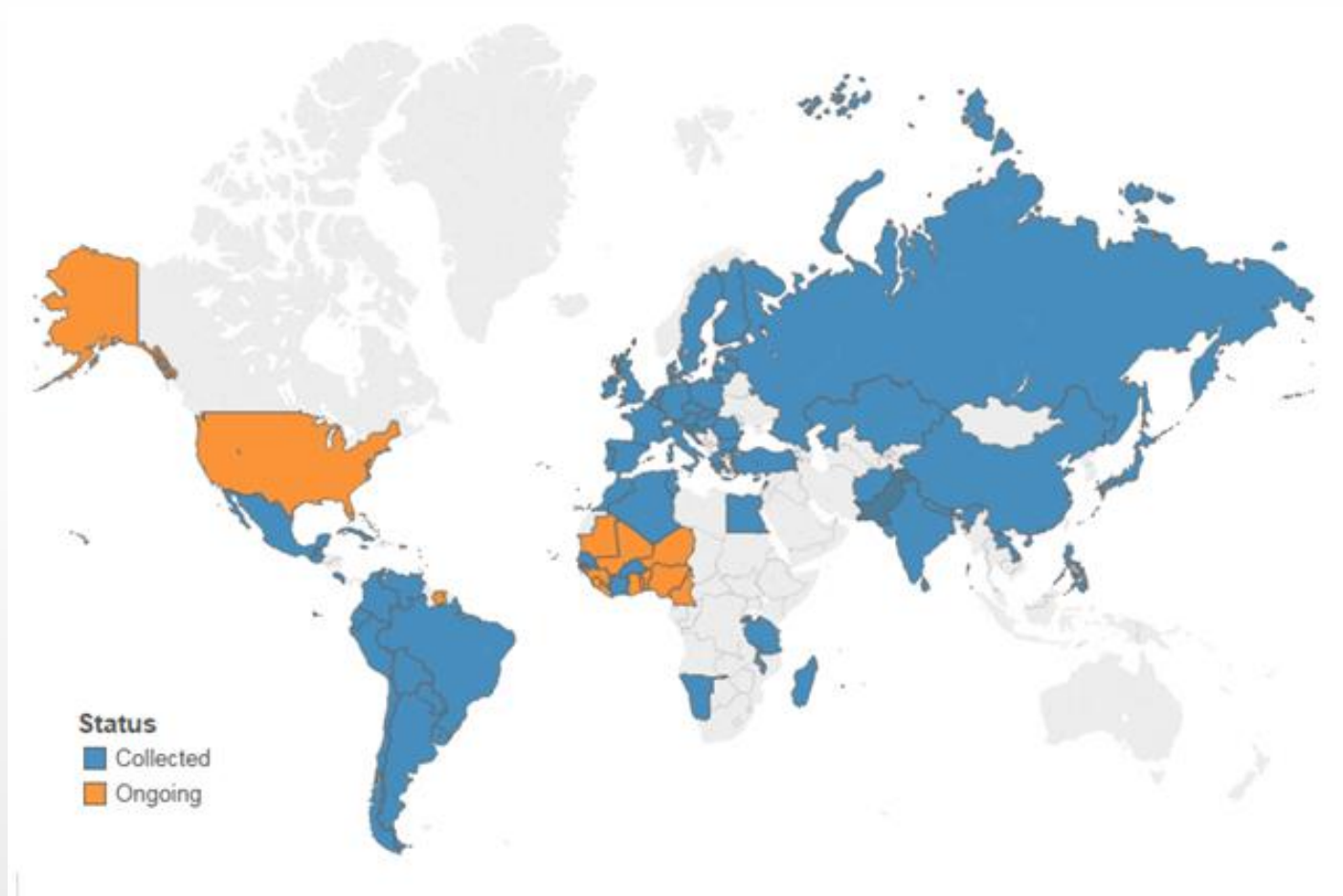
- **NTM Code** (NTM classification)
- **Measure Implementation Date**
- **Measure Repeal Date**
- **Measure Description**
Description of the measure in the regulation
- **Measure Reference**
Specific place within the regulation
- **Affected Products Description**
Description of affected products as stated in the regulation
- **Affected Regions Description**
Description of affected countries/regions as stated in the regulation
- **Notes, Optional additional notes**

Data Availability

Caution:
Partly different
classification
versions

Latin America and the Caribbean	North America	Europe and Central Asia	Middle East and North Africa	Sub-Saharan Africa	South Asia	East-Asia and the Pacific
Argentina	Canada	E.U.	Algeria	Benin	Afghanistan	China
Bolivia	USA	Kazakhstan	Jordan	Burkina Faso	India	Hong Kong, C
Brazil		Russia	Palestine	Cape Verde	Nepal	Japan
Chile		Turkey	Egypt	Cote d'Ivoire	Pakistan	Lao PDR
Colombia			Israel	Gambia	Sri Lanka	Philippines
Costa Rica			Lebanon	Ghana		Australia
Cuba			Morocco	Guinea		New Zealand
Ecuador			Tunisia	Liberia		
Guatemala				Madagascar		
Jamaica				Malawi		
Mexico				Mali		
Paraguay				Mauritius		
Peru				Namibia		
Uruguay				Nigeria		
Venezuela				Rwanda		
El Salvador				Senegal		
Honduras				Tanzania		
Nicaragua				Kenya		
CARICOM countries				Guinea Bissau		

NTM official data collection coverage



(as of July 2015)

WTO - Notifications of trade policy measures

- Government submit official legislation, regulations, other measures (Mainly Import measures)
- Fairly comprehensive coverage of most types of NTMs

One time reporting of legislation: (Customs valuation, Pre-shipment inspection, ...)

Ad hoc reporting of new/planned/changed measures:(SPS, TBT, Import licensing,)

Full regular reporting of all measures:

- Antidumping, countervailing duties (semi-annual)
- Import licensing, TRQ, Export subsidies (annual)
- Quantitative restrictions, state trading (bi-annual)

- Full public dissemination via WTO documents
- Move towards online notification systems and database storage
- Analytical online dissemination increasingly through **I-TIP**

Reporting gaps, late reporting, inconsistent reporting & Missing information: HS codes, in-force dates (SPS TBT only)

NTM notifications covered by I-TIP:

2015

• Regulatory measures

- **TBT** Technical Barriers to Trade (18830)
- **SPS** Sanitary and Phytosanitary measures (13380)

• Trade defense measures / trade remedies

- **ADP** Anti-dumping (1769)
- **CVD** Countervailing duties (118)
- **SG** Safeguards (279)

• Others measures

- **SSG** Special agricultural safeguards (581)
- **QR** Quantitative restrictions (1351)
- **STE** State Trading Enterprises (241)

• To be added by September 2015:

- Import licensing, AG TRQs, AG Export subsidies
- Customs valuation, Pre-shipment inspection, Rules of Origin

Data Collection and Dissemination

Data collection is a collaborative effort

UNCTAD, ITC, World Bank, AfDB (TNT partners)

With other partners involved (Regional Secretariats, WTO, ...)

Data dissemination

Organization	Website	What	Registration
ITC	www.macmap.org	Official NTM data (and other data)	Yes, no fee
UNCTAD&W B	wits.worldbank.org (TRAINS data)	Official NTM data (and other data)	Yes, no fee
WTO	i-tip.wto.org	Notifications	No, no fee

The same
NTM data

ITC's Programme on Non-tariff measures

Pillar 1

NTM Data Collection

- **Transparency pillar:** making regulations publicly available
- Searchable by HS code, country, NTM
- Dissemination through Market Access Map
www.macmap.org

Pillar 2

Business Surveys

- **Giving SMEs a voice:** identifying trade obstacles
- Surveys of exporters and importers on their experiences with government regulations
www.ntmsurvey.org

Pillar 3

Follow Up Actions

- **Overcoming trade obstacles:** designing technical assistance to overcome trade obstacles
- E.g.: Trade Obstacles Alert mechanism
www.tradeobstacles.org

Motivation for the surveys

- Assist countries to better understand the non-tariff obstacles companies face – to identify need for concrete actions that help to overcome these obstacles
- Complement other approaches (direct and indirect approaches)
- Capture perception of exporters and Importers
- Provide de facto (instead of de jure) evidence on NTMs
- Look at the specific role of NTMs implementation (related procedural obstacles)
- Compile a unique set of surveys realized with a common in a sample of developing countries

Survey 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

Services

- The survey does not cover companies involved in cross-border trade in services such as tourism, banking, finance, telecommunication and BPO.
- A survey on trade in services requires a different methodology

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

Two-step interview process

Step 1 Phone Screens (PS)

- 300 – 1100 samples per country
- 6-8 min per interview
- Identify products exported by the company and partner countries
- Identify if the company face problems with burdensome regulations

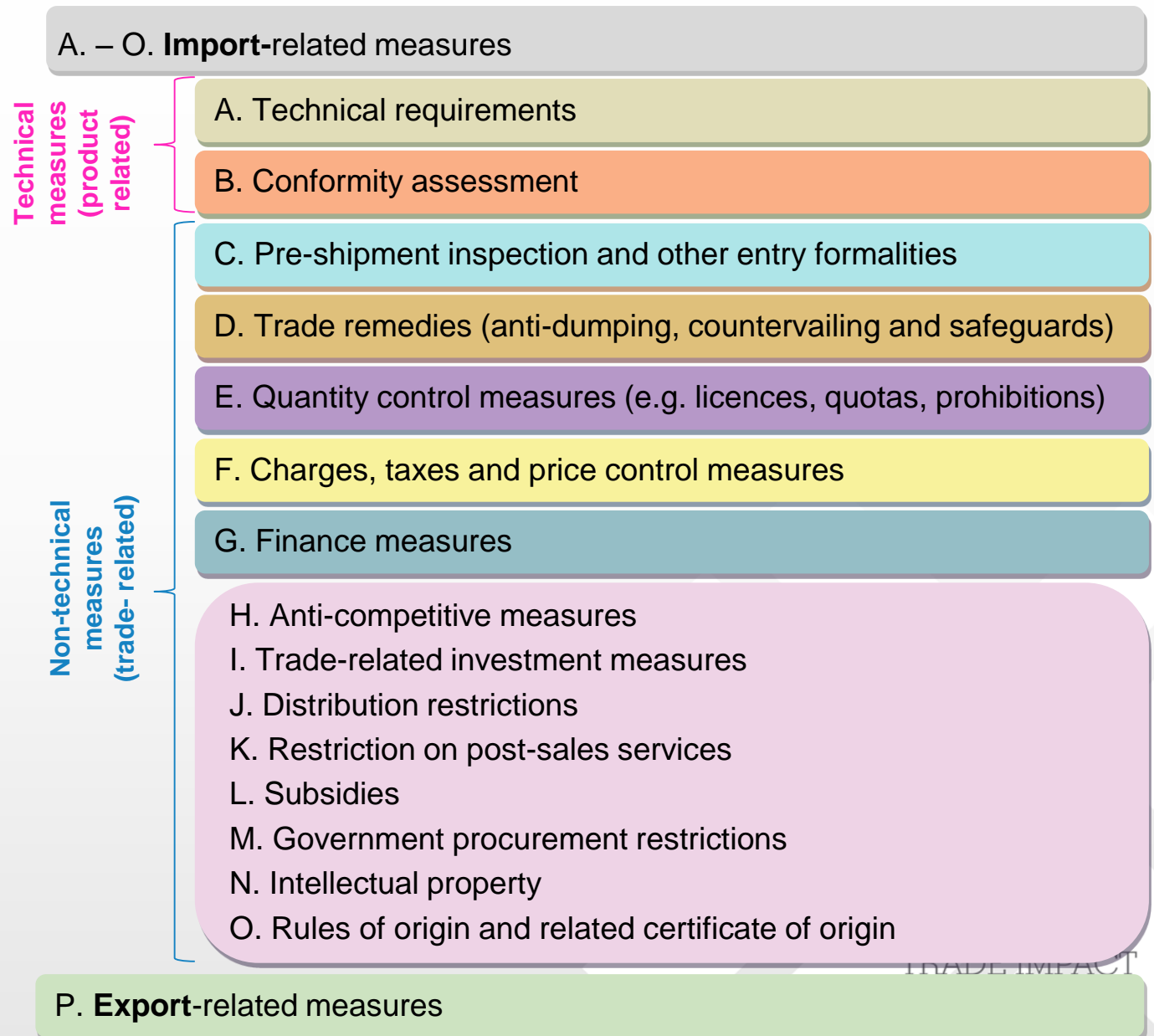


Step 2 Face-to-Face interviews (FTF)

- Companies facing problems with NTMs as identified in PS interviewed
- 120-600 face-to-face interviews per country
- 60-90 min per interview
- All details of the problem faced by the company recorded



NTM Classification for Surveys



II. Procedural obstacles

- ITC survey captures not only NTMs, but also the types of impediments related to a NTM
- **Procedural obstacles** refer to practical issues rather than the regulatory measure itself
- Procedural obstacles are issues such as processes and procedures which exporters or importers must go through to comply with a given regulation BUT find it problematic.
- For example:

Kenyan exporters need to submit EUR.1 certificate of origin form when exporting to EU countries. To get this certificate the exporters have to submit a lot of documents to the authorities to prove that the product is made in Kenya.

NTM: OA0. Rules of Origin

PO: A1. Large number of different documents

List of Procedural Obstacles (PO) to comply with the measures, and other obstacles to trade

List of procedural obstacles (PO)

PO are related to the regulation and explain why the regulation is burdensome.

A.	Administrative burdens related to regulations	A1. Large number of different documents A2. Documentation is difficult to fill out A3. Difficulties with translation of documents from or into other languages A4. Numerous administrative windows/organizations involved, redundant documents
B.	Information/transparency issues	B1. Information on selected regulation is not adequately published and disseminated B2. No due notice for changes in selected regulation and related procedures B3. Selected regulation changes frequently B4. Requirements and processes differ from information published
C.	Discriminatory behavior of officials	C1. Arbitrary behavior of officials regarding classification and valuation of the reported product C2. Arbitrary behavior of officials with regard to the reported regulation
D.	Time constraints	D1. Delay related to reported regulation D2. Deadlines set for completion of requirements are too short
E.	Informal or unusually high payment	E1. Unusually high fees and charges for reported certificate/regulation E2. Informal payment, e.g. bribes for reported certificate/regulation
F.	Lack of sector-specific facilities	F1. Limited/Inappropriate facilities for testing F2. Limited/Inappropriate facilities for sector-specific transport and storage, e.g. cold storage, refrigerated trucks F3. Other limited/inappropriate facilities, related to reported certificate/regulation
G.	Lack of recognition/accreditation	G1. Facilities lacking international accreditation/recognition G2. Other problems with international recognition, e.g. lack of recognition of national certificates
H.	Other	H1. Other obstacles (please specify)

Important: where further information can be given e.g. number of days of delay, number of documents to be submitted, type of facilities required, please ensure these are specified.

Methodology

- Common methodology, adjusted to specific requirements of the surveyed country
- Captures NTM-related obstacles perceived by companies by product (HS6) and partner country
- Focus on exporting companies (also conducted on importers but not analyzed here)
- Covers firms accounting for at least 90% of total export value of each survey country (excl. arms and minerals)
- Covers all sectors which represents more than 2% of total export (excl. arms and minerals)
- Stratified random sampling by sectors (13 sectors)

Sampling process

TARGET POPULATION (information provided by the local partner)

All companies that export products of a given sector

SAMPLE FRAME (information provided by the local partner)

All companies listed per sector in the export register(s)
with their contact details

**NON (WELL)
REGISTERED
COMPANIES**

REPRESENTATIVE SAMPLE SIZE (n_o)

(according to formula)

Required minimum number of companies to be screened on
phone by sector

Companies facing NTM-related
obstacles

Companies that didn't
face NTM-related
obstacles

Companies
participating to FTF

Not willing
to
participate

Interviews look at:

- Companies' experience in the preceding year (narratives)
- Every trade flows (export/import by product and partner countries)
- NTMs representing a serious impediment for their operations
- Regulatory and procedural obstacles related to NTMs
- NTMs applied by home or partner country
- NTM-related obstacles occurring at home or in the partner country

Pro/cons of the survey-based approach

Advantage:

- Complements the usual direct and indirect assessment approaches: business perception
- Presents a detailed qualitative impact analysis
- Directly addresses key stakeholder experiences




Caveats:

- Perception data implies differences in scaling obstacles within and between countries
- Companies do not know all obstacles (e.g. demand-side constraints behind the border)
- Scope of survey limited to legally operating companies

NTM Surveys in numbers

 **22,344**
Phone Interviews

6,164 
Face-to-face interviews

 Complete
 Ongoing
 Planned



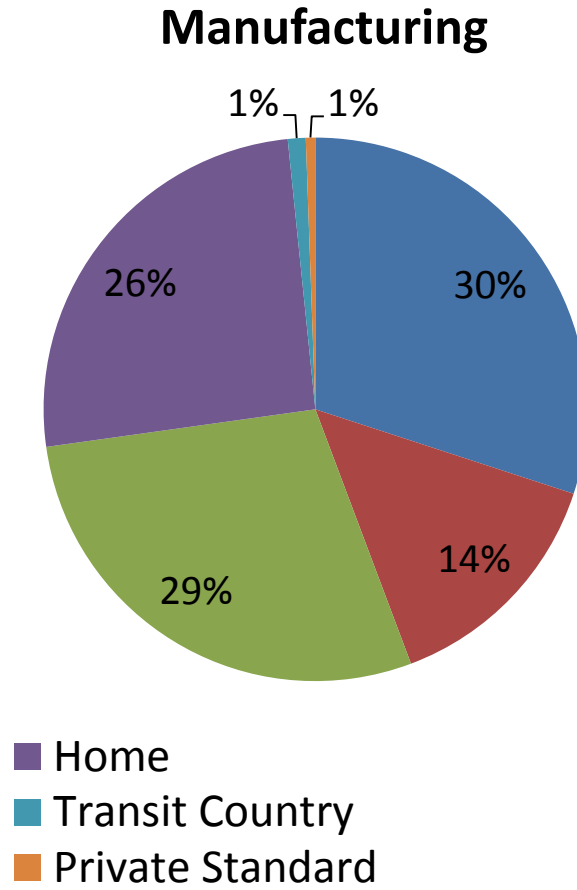
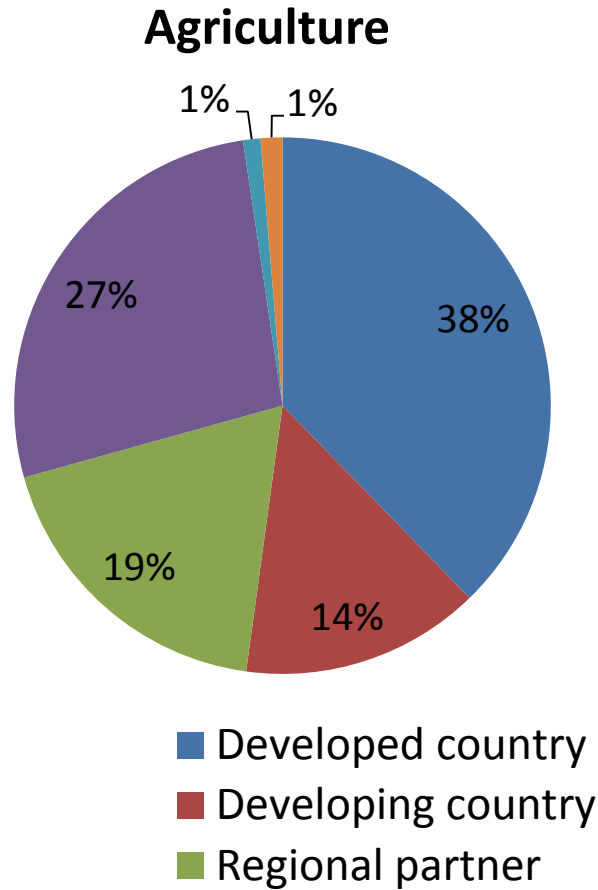
More than
21,000 
reported trade obstacles...

...concerning
trade with **185**
partner countries

From over
developing
countries **30**
+ **28** EU countries

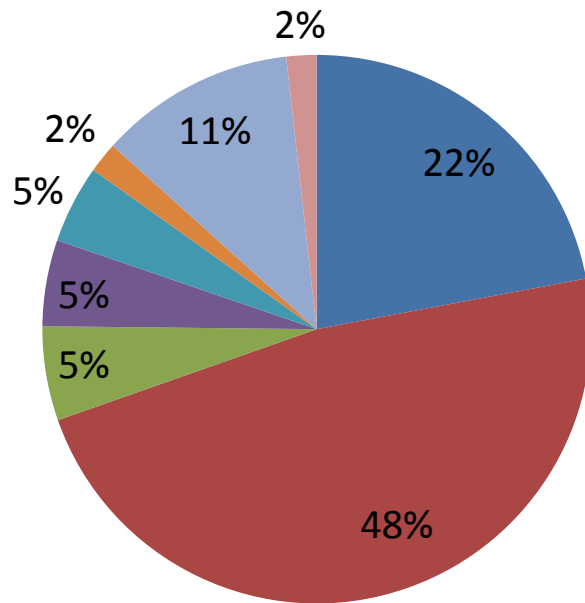
→ A MILLION DATA POINTS
TO EXPLOIT FOR HIGHER
TRTA IMPACT

Distribution of NTM cases by sector and country applying the NTM

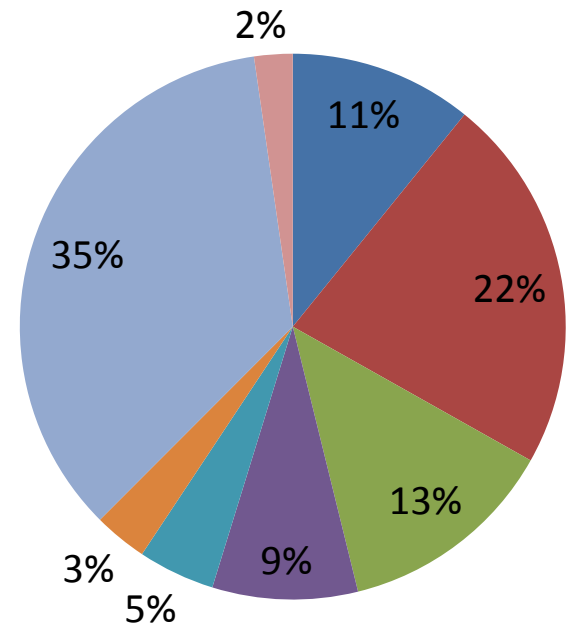


Types of burdensome NTMs by sector

Agriculture



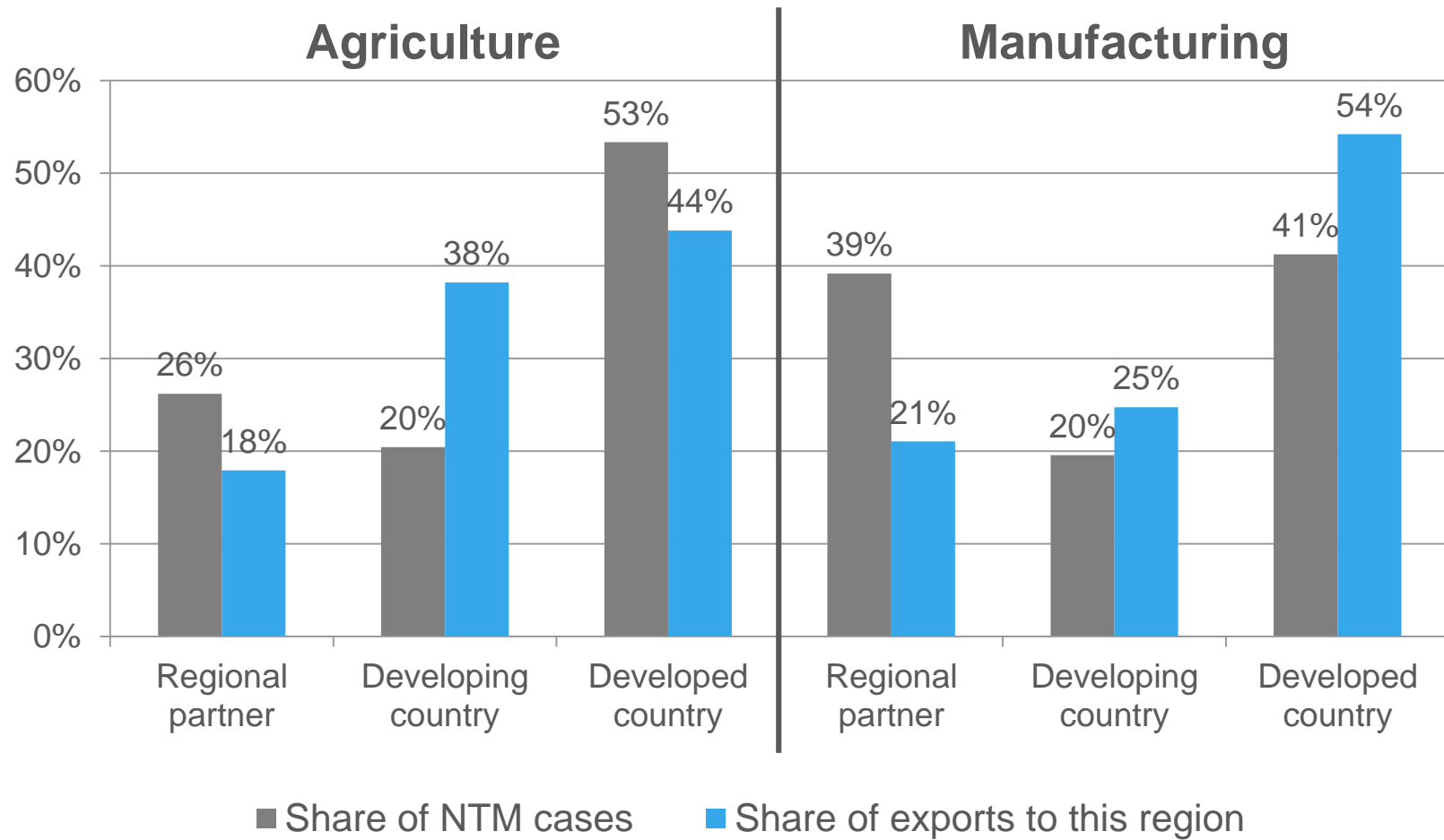
Manufacturing



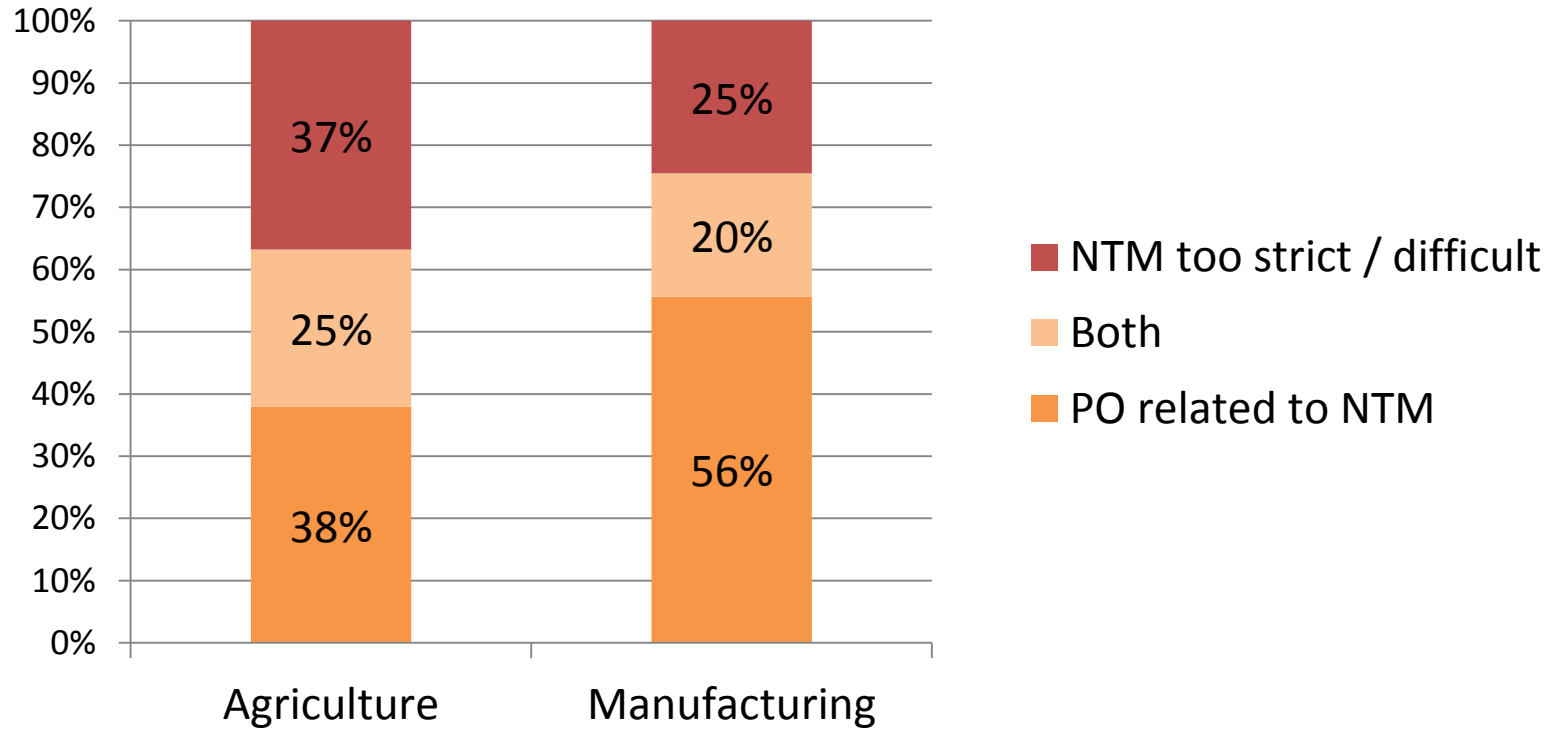
- Technical requirements
- Conformity assessment
- Pre-shipment inspection and other entry formalities
- Charges, taxes and other para-tariff measures

- Quantity control measures
- Finance Measures
- Rules of origin and related certificate of origin
- Other import related measures

Share of NTM cases versus share of exports across trading partners, by sector



Reasons making NTMs burdensome for exporters, by sector



The majority of procedural obstacles are encountered at home (in the exporting country)

Share of procedural obstacles*, by location



In the home country



In the partner country

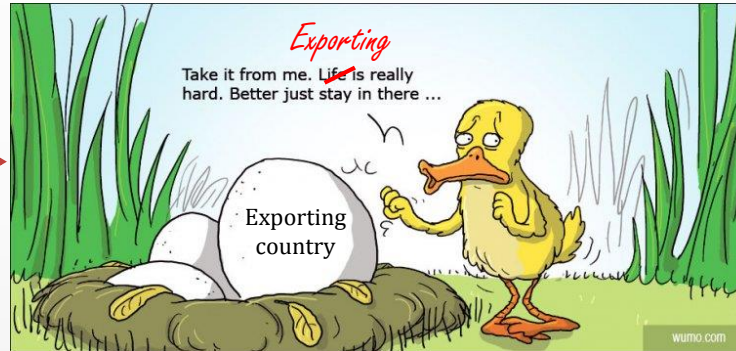
What types of home country procedural obstacles are reported?



High cost
24%



Admin
burden
15%



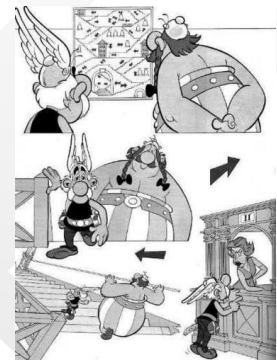
Delays
42%



Lack of
facilities
7 %

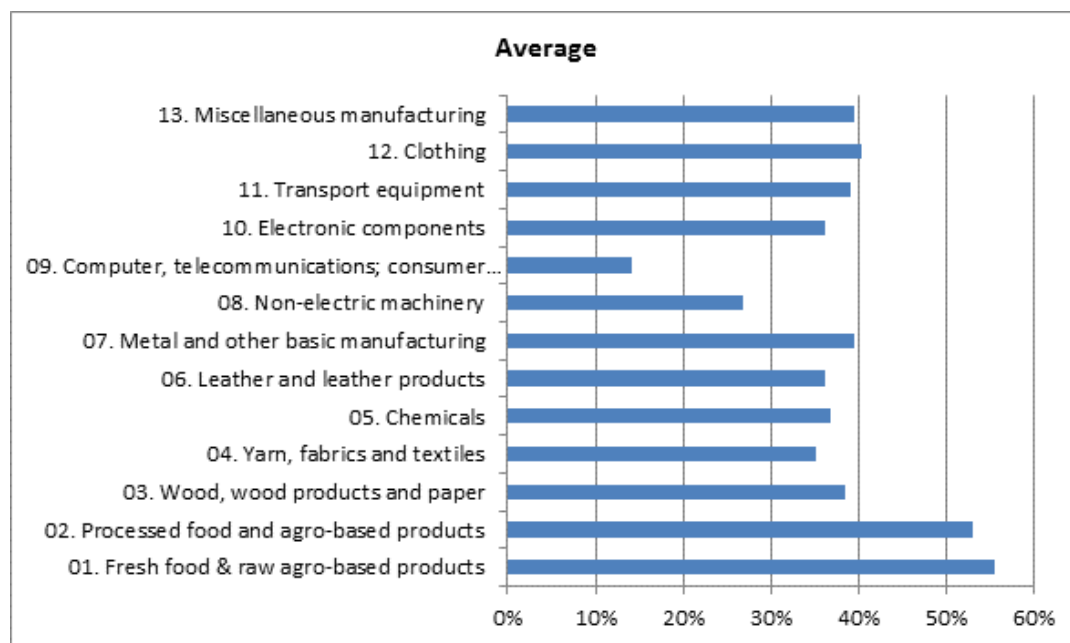


Other
12%



TRADE IMPACT
FOR GOOD

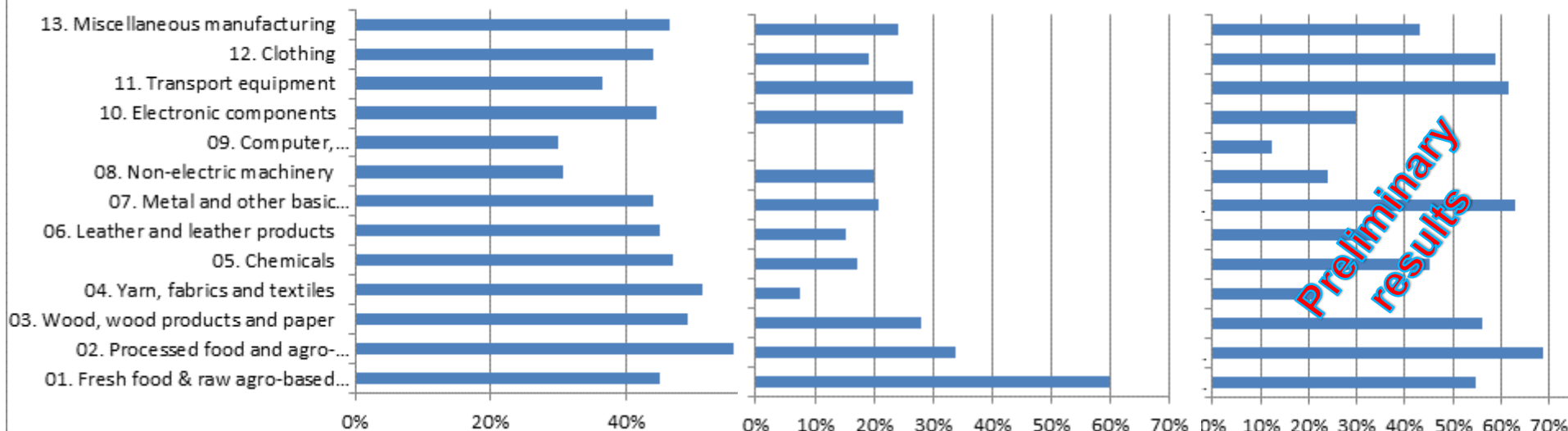
Affectedness per exporting sector for Indonesia, Thailand and Philippines



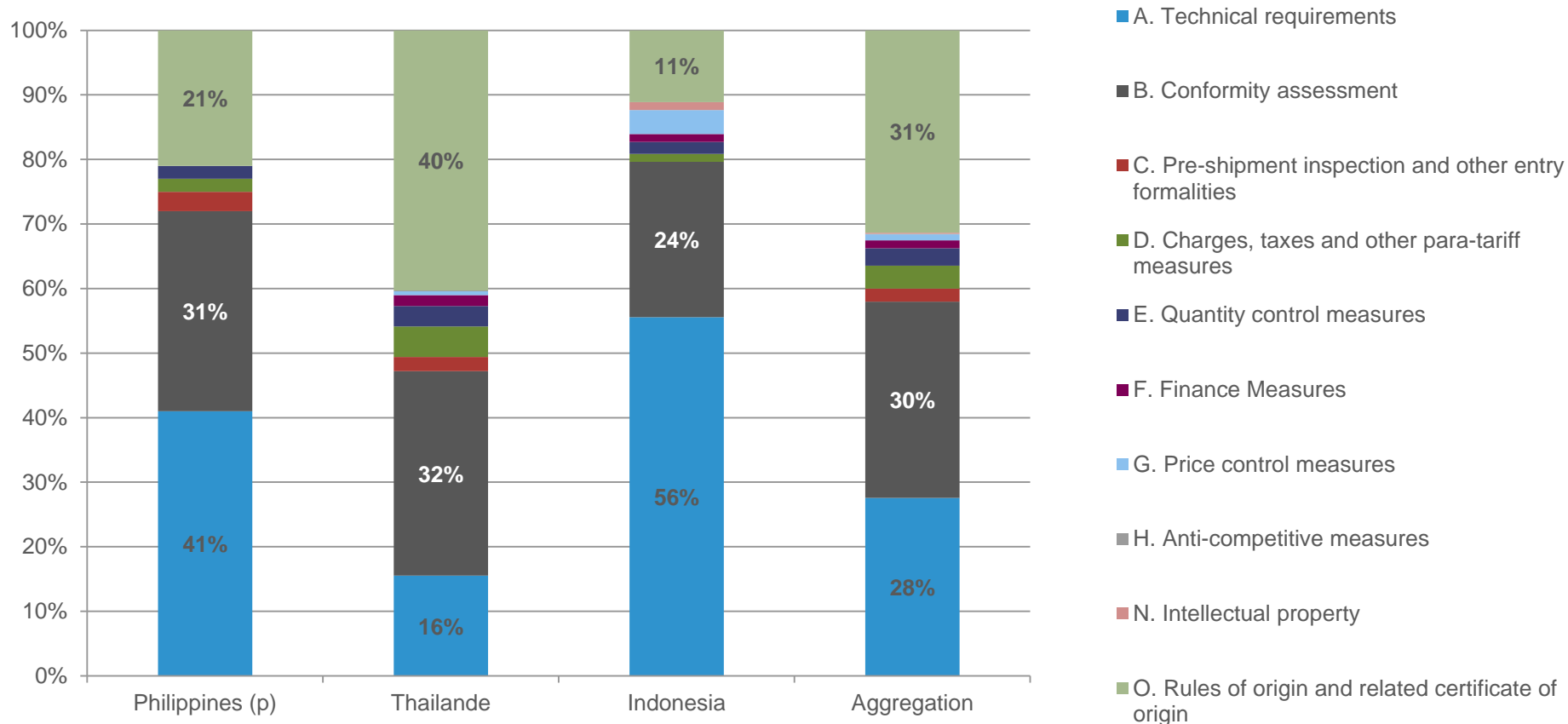
Affectedness THA

Affectedness IDN

Affectedness PHL

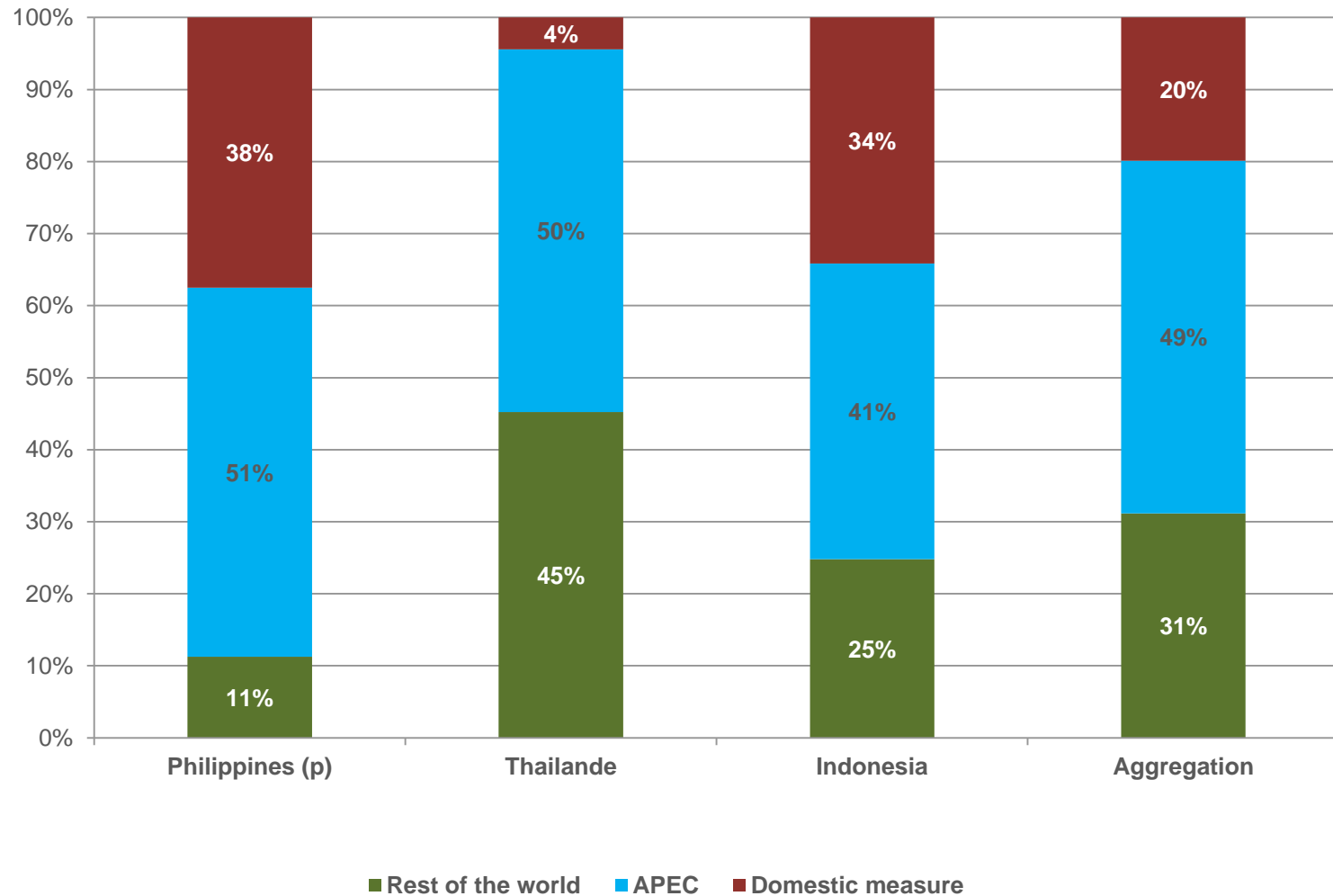


Type of measures applied by partners when exporting from Indonesia, Thailand or Philippines



Rules of Origin (31%), Technical requirements (28%) and conformity assessment (30%) together make up a large share of burdensome NTMs, when exporting.

Countries applying the measures



Zooming in: some examples of a country study for Moroccan exporters

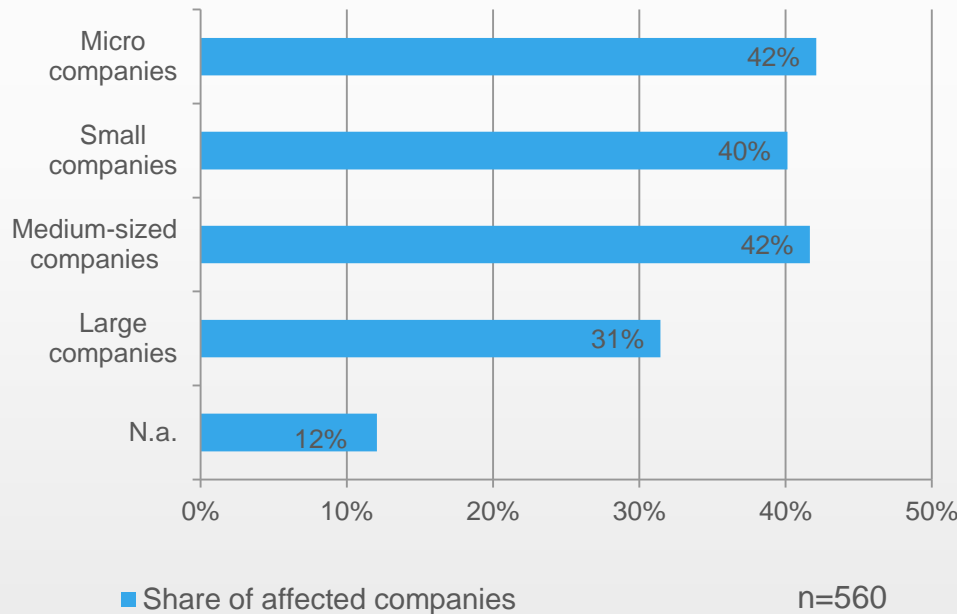


dreamstime.com

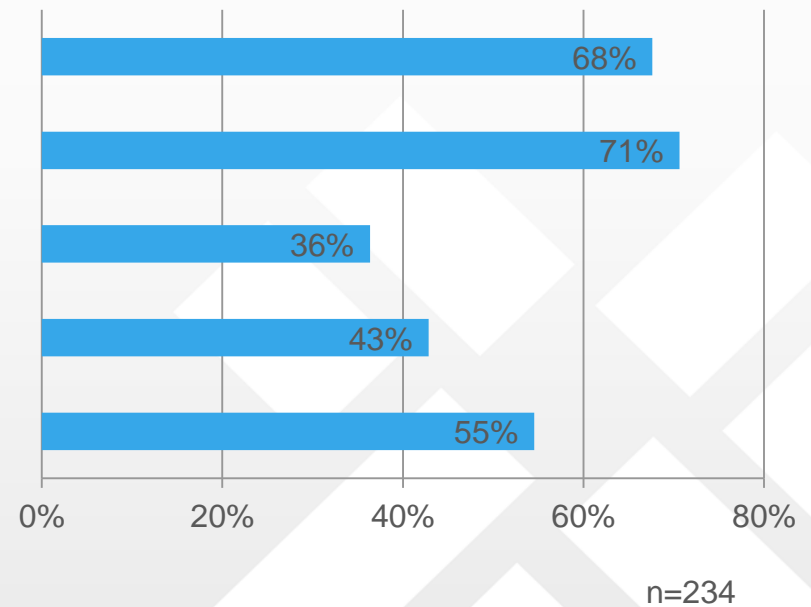
Perception of non-tariff barriers (1/6)

- 35% of exporters et 65% of importers face non-tariff barriers
- SMEs are the most affected

Exporting companies

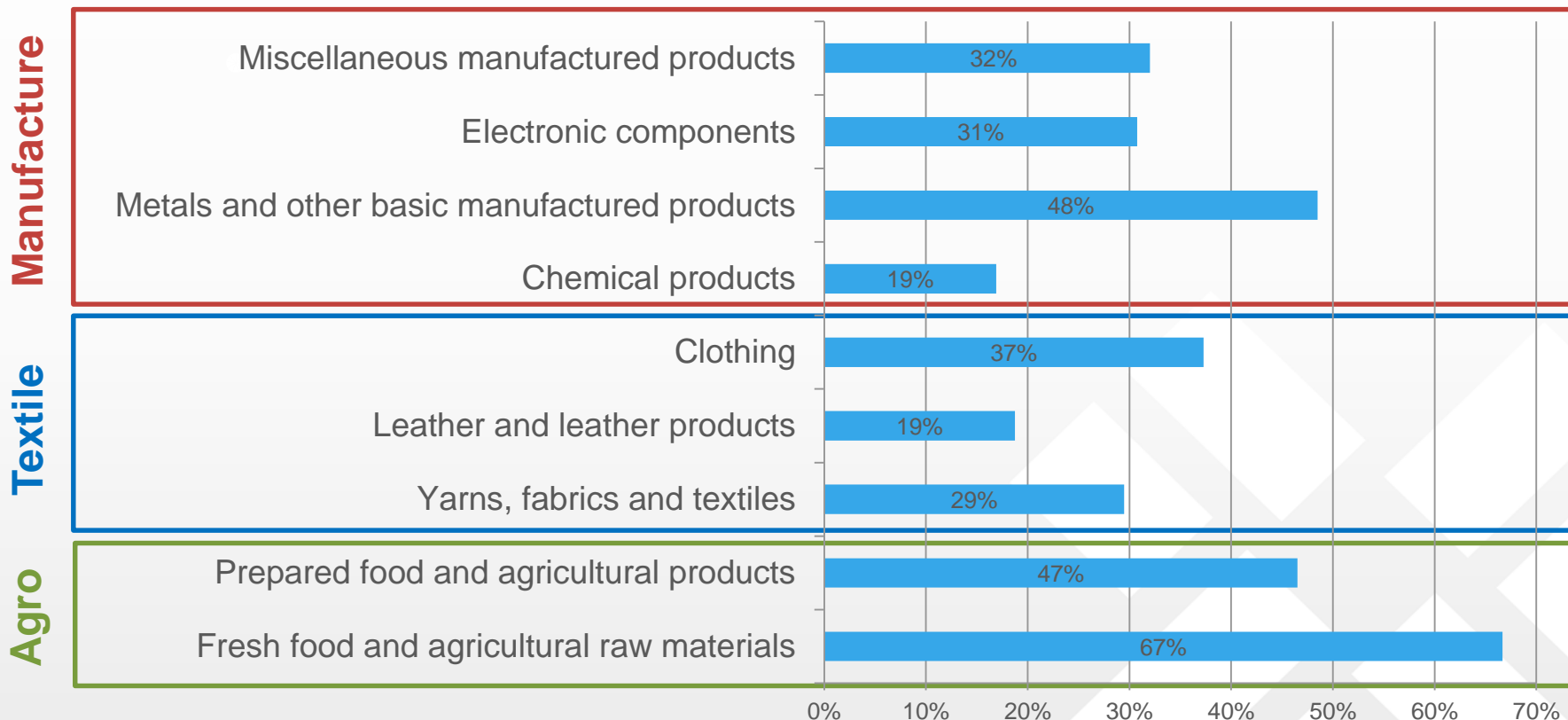


Importing companies



Perception of non-tariff barriers (2/6)

- Exports of agricultural and food products are more affected



■ Share of affected exporters

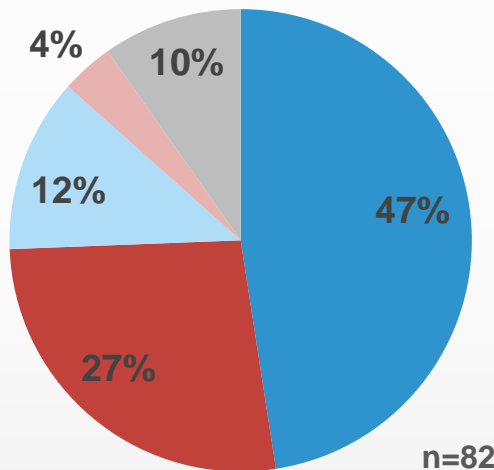
Perception of non-tariff barriers (3/6)

Share of exporters affected by NTMs or other trade barriers, by region

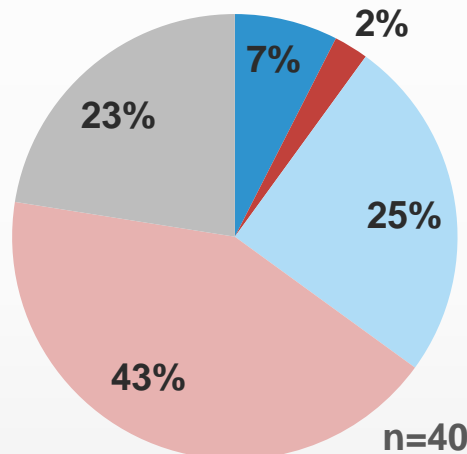
Region	Number of exporting companies* interviewed	Share of exporting companies affected	Number of importing companies interviewed	Share of importing companies affected
Grand Casablanca	401	32.2%	211	61.1%
Boukhalef-Tangier-Tetouan	49	16.3%	19	94.7%
Marrakesh-Ouarzazate	33	45.5%	0	
Fes	30	50.0%	0	
Agadir-Inezgane	21	81.0%	4	100.0%
Kenitra-Rabat-Sale	21	42.9%	0	
Others (Meknes, Settat, Khemisset)	5	20.0%	0	
Total	560	34.6%	234	64.5%

Main restrictive NTMs by exporting sector (4/6)

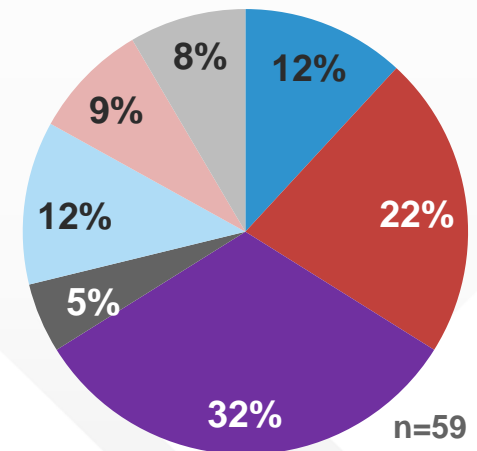
Agricultural and food products



Textiles, clothing and leather products



Other manufactured goods



Measures applied by partner countries

- Technical regulations
- Conformity assessment
- Rules of origin

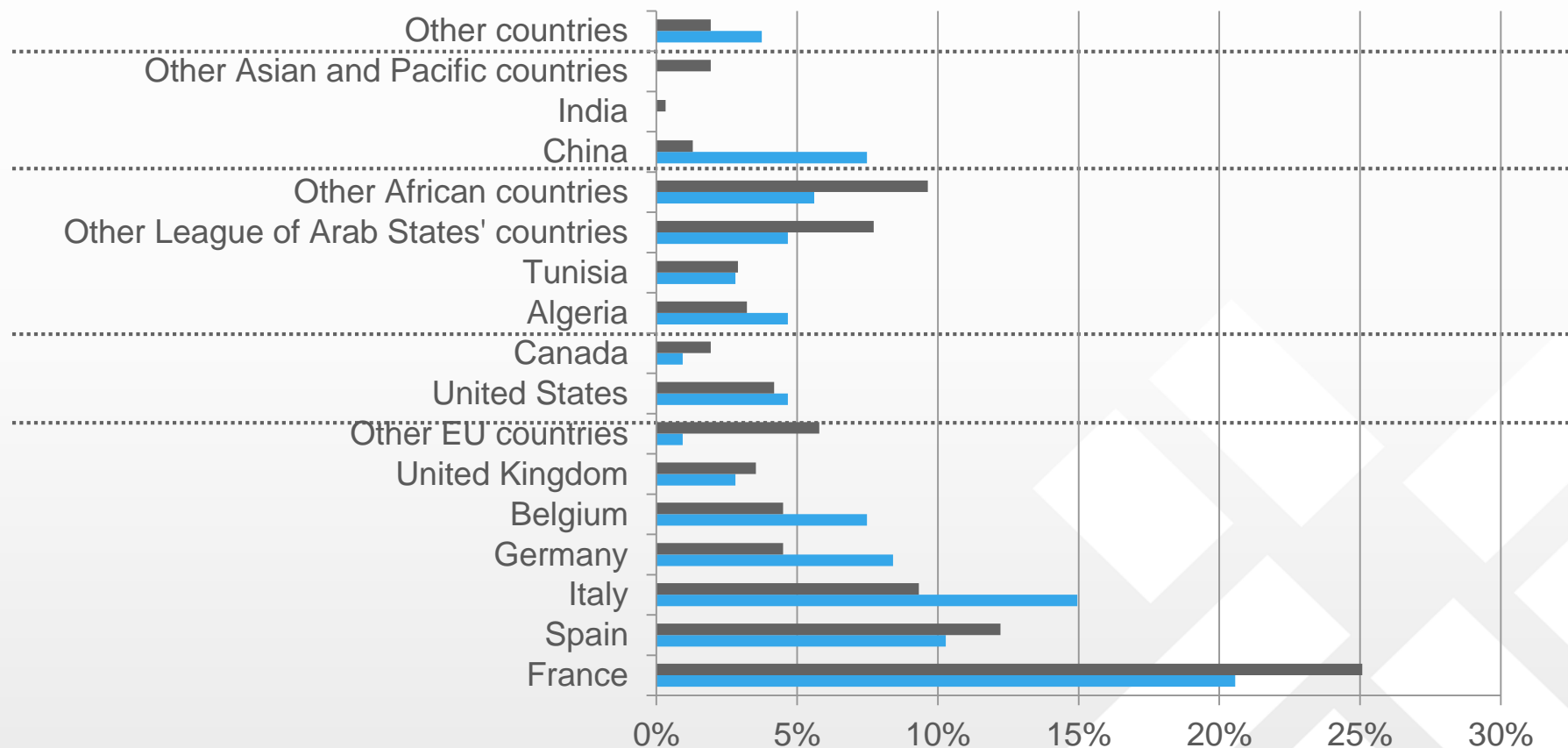
- Other import-related measures
- Pre-shipment inspection and other formalities

- Export registration
- Other export-related measures

Measures applied by Morocco

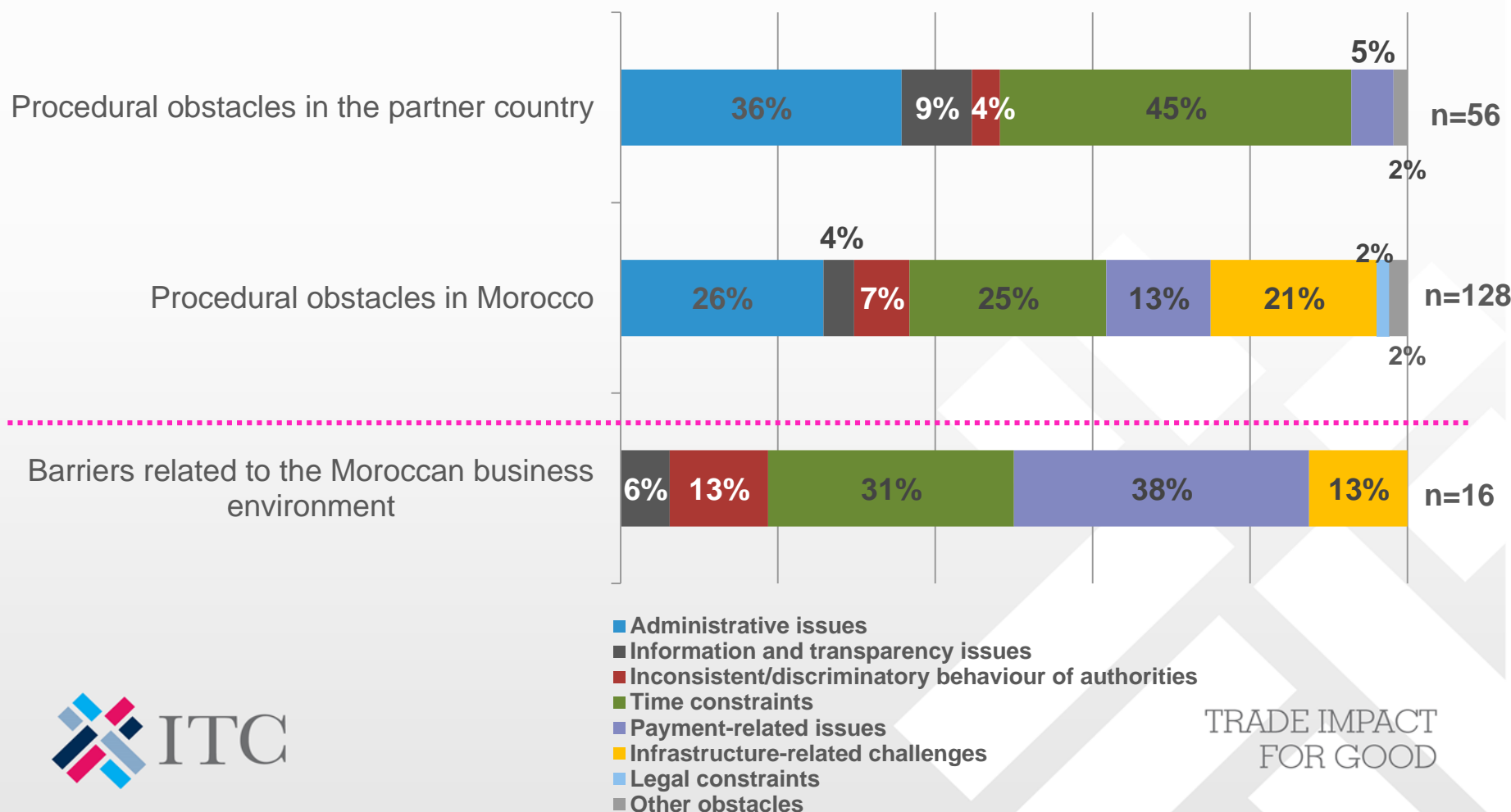
Main partners applying NTMs (5/6)

- The EU is the first importing region applying NTMs



Main obstacles upon exporting (6/6)

- The majority of the procedural obstacles occur in Morocco and relate to delays and other administrative burdens
- There are relatively few business environment-related issues upon exporting



ITC's Programme on Non-tariff measures

Pillar 1

NTM Data Collection

- **Transparency pillar:** making regulations publicly available
- Searchable by HS code, country, NTM
- Dissemination through Market Access Map
www.macmap.org

Pillar 2

Business Surveys

- **Giving SMEs a voice:** identifying trade obstacles
- Surveys of exporters and importers on their experiences with government regulations
www.ntmsurvey.org

Pillar 3

Follow Up Actions

- **Overcoming trade obstacles:** designing technical assistance to overcome trade obstacles
- E.g.: Trade Obstacles Alert mechanism
www.tradeobstacles.org

Where should we look to find the solutions?

Distribution of procedural obstacles, by agency

Type of procedural obstacles Location of the procedural obstacles	Time constraints	Informal or unusually high payment	Administrative burdens related to regulation	Lack of sector-specific facilities	Discriminatory behaviour of officials	Information/ transparency issues	Lack of recognition/ accreditation	Other
Customs authority								
Ministry in charge of international trade								
Ministry in charge of agriculture								
Ministry in charge of public health								
Public/private organization for standard and quality								
Chamber of commerce and trade support institution								
Public/private organizations for certification								
Ministry in charge of environmental affairs								
Public/private organizations for inspection								
Products testing and analysis laboratory								
Port authority								
Airport								
Ministry in charge of finance								
Other ministries/agencies								
Other private companies/banks								
Not specified								

Main challenges reported:

Example customs clearance and border controls

- 1 • Inappropriate infrastructure and lack of high-performing facilities
- 2 • Issues related to the availability and training of officials
- 3 • Frequently changing procedures and inadequate dissemination of information about customs clearance and related documents
- 4 • Insufficient coordination between agencies within a country and between countries

1

- The need to invest in equipment and e-systems

- Outdated equipment (e.g. scanners) leading to limited processing capacities and delays in inspections
- Missing, ill-equipped and/or too expensive storage facilities
- Limited service hours
- Issues related to electronic submission of documents (lacking user friendliness, unreliability or inexistence)

Products exported by air need an obligatory X-ray inspection ... The X-ray devices are very limited and outdated which usually delays the export clearance process - in addition to being very expensive inspection.

2

- The need to strengthen human resources

The customs official who comes to seal the shipments is often not available (absence, on holiday, etc.). We then have to wait for a replacement to arrive which takes a lot of time.

- Insufficient number of staff
- Insufficient training of staff
- Product (mis)handling

The partner country's customs authority requires a physical inspection of the products which usually expose them to damage. [...] Many times the products were smashed in the discharge port either while unloading or during inspection.

The customs authority re-evaluates the commercial invoice value. Usually the valuated customs value of the imported goods is 50% higher than the original value.

3

- The need for transparency

- Ill-informed exporters arriving unprepared at the customs authority
- Lack of transparency of applied regulations, related procedures and fees
- Frequently changing procedures

4

- The need for border agency coordination and risk management

- Lack of coordination between agencies or different control points
- Duplication of inspections at different points within the exporting country and between exporting, transit and destination countries
- Requirement to use private inspection companies (→ high cost)

We permanently face exaggerated inspections – and this on products that we export since many years! Each single batch is repeatedly controlled.

At the last customs point before entering the partner country, the officials ask to re-inspect the whole shipment knowing that it was previously inspected in another customs point. The process causes delays that could reach 2-3 days and may damage the goods as they need refrigeration.

5

- In sum: need to streamline customs procedures

The clearance process is perceived as

- **Lengthy** because of 'unnecessary' delays
- **Bureaucratic and unorganized** because of the paperwork and multitude of administrative windows
- **Costly** because of (a combination of) official and unofficial charges

And finally:

- **Unpredictable** because of all of the above

Examples of recommendations from the surveys

- *Conduct assessment of existing public and private testing laboratories and prepare road map for their upgrading.*
- *Build proper SPS infrastructure to enable exporters meet requirements in destination markets*
- *Expedite the harmonization of standards by certain partner countries (key to further integration and increased regional trade.)*
- *Consider the setting of a technical committee to look at the issues relating to technical requirements.*
- *Set up one-stop shop or single window to process documentation.*

Examples of recommendations from the surveys

- *Set up single enquiry point to obtain all the necessary documents required in destination and home markets.*
- *Introduce a facility to increase industry awareness of new requirements of destination markets.*
- *Assessment of domestic administrative procedures and streamline the issuance of permits and certifications at all agencies*
- *Introduce agency hotlines for follow up on status of applications for permits and certificates and for reporting NTBs.*
- *Conduct an assessment of the main root causes of residues and/or contamination for different products.*

Follow-up: examples



Reduction of
NTM-related
trade
barriers

Sri Lanka: successful application to WTO STDF with a view to improve product quality and cost of exporting

Mauritius: elimination of the need for Tea Board clearance of Rooibos tea imports resulting in reduced time for importing

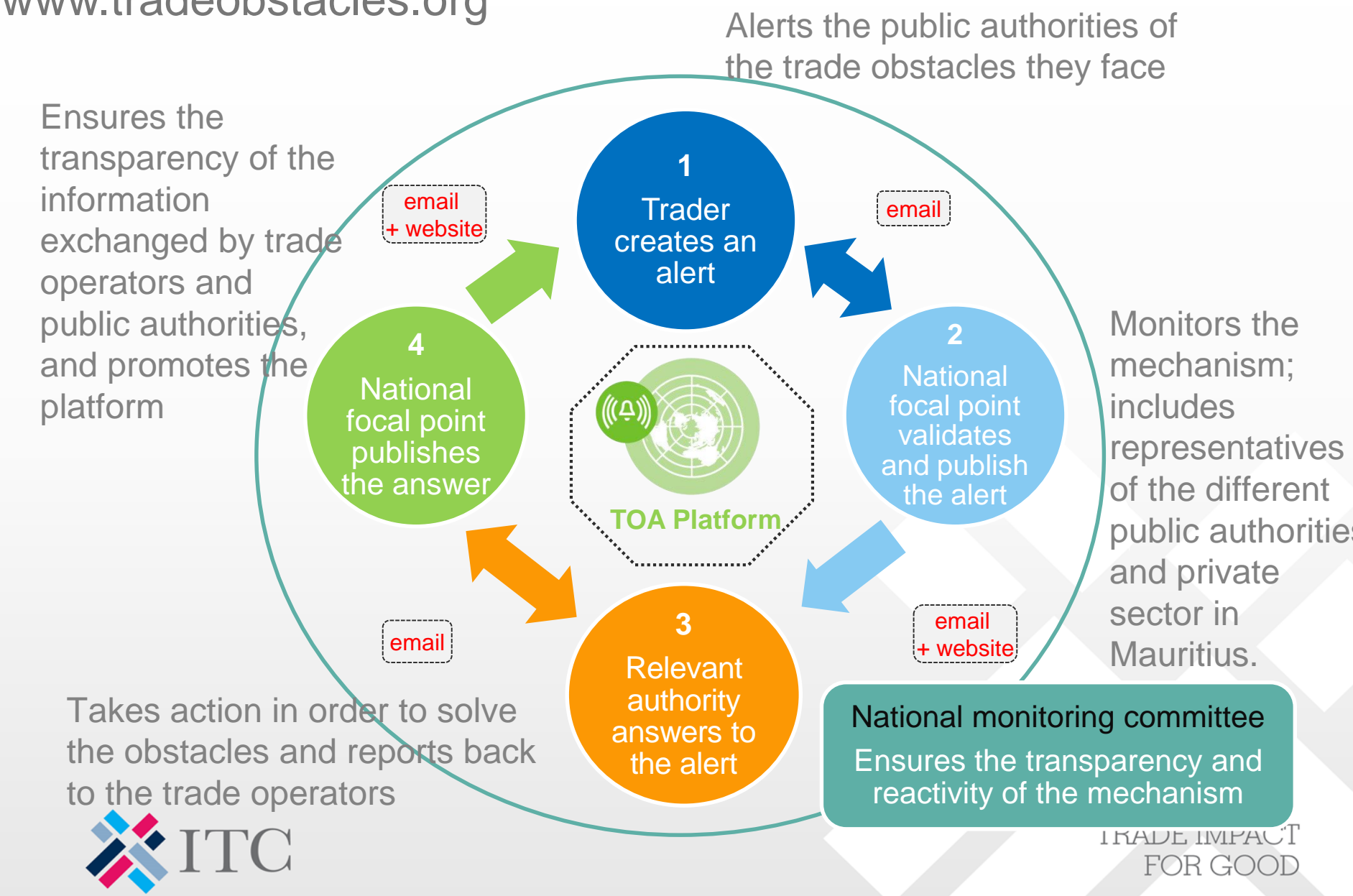
Côte d'Ivoire: continued public-private interaction through the creation of an online trade obstacles alert

Morocco: creation of an inter-ministerial steering committee to address the identified obstacles

Jamaica: request to ITC for assistance in addressing capacity building needs of SMEs as well as customs officials to increase compliance with NTMs and reduce procedural obstacles

Example: Trade obstacles alert & resolution mechanism:

www.tradeobstacles.org



ITC's trade obstacles alert mechanism



The online tool 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.
- **Assists national authorities in the development and implementation of trade facilitation policies**
- **Monitoring tool for national trade facilitation committees**

ITC's trade obstacles alert mechanism

First results



- To date, the trade obstacles alert and resolution mechanism was launched in Côte d'Ivoire (2014) and Mauritius (Sep 2015)
- Resolved cases include examples of
 - Streamlined procedures,
 - Reduced time to obtain certifications and other documents necessary for exporting and importing and
 - Better dissemination of information on regulations and related procedures.

Take-aways from ITC's NTM Surveys



Market access begins at home

The 'advantage' of home-based problems is that you can solve them
→ 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.

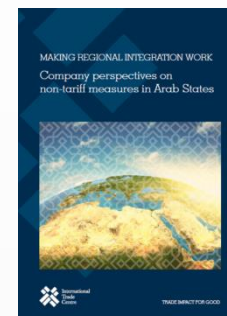
For more information:



ITC publication series on NTMs

Making Regional Integration Work –
Company perspectives on Non-Tariff Measures in Arab States (Oct 2015)

The Invisible Barriers to Trade –
How Businesses Experience Non-Tariff Measures (2015)



Country reports

Burkina Faso (French, 2011)

Cambodia (English, 2014)

Côte d'Ivoire (French, 2014)

Guinea (French, 2015)

Jamaica (English, 2013)

Kazakhstan (English, Russian, 2014)

Kenya (English, 2014)

Madagascar (French, 2013)

Malawi (English, 2013)

Mauritius (English, 2014)

Morocco (French, 2012)

Paraguay (Spanish, 2013)

Peru (English, 2012; Spanish, 2013)

Rwanda (English, 2014)

Senegal (French, 2014)

Sri Lanka (English, 2011)

State of Palestine (English, 2015)

Trinidad and Tobago (English, 2013)

Tunisia (French, 2014)

Uruguay (Spanish, 2013)


THE INVISIBLE BARRIERS TO TRADE
HOW BUSINESSES EXPERIENCE
NON-TARIFF MEASURES



TRADE IMPACT
FOR GOOD



Available from: www.ntmsurvey.org/publication

ITC Survey results online: <http://ntmsurvey.intracen.org>

**ITC**
NTM BUSINESS SURVEYS
Giving Small and Medium-sized Enterprises a Voice


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THE INVISIBLE BARRIERS TO TRADE

How Businesses Experience Non-Tariff Measures



11 500
Companies interviewed

in 23
countries




A new ITC publication presenting the NTM Business Surveys - a series of surveys on the perception of exporters and importers on regulatory and procedural obstacles to trade.

NTM Business Survey

ITC surveys companies in developing countries about the regulatory and procedural obstacles to trade they face at home and abroad.

Select a country for more information on the survey implementation and results.

Select... 

News



ITC highlights SME trade costs at WTO Aid for Trade Review



ITC shines light on how NTMs affect small firms


ANALYSE SURVEY DATA

Identify what are the major types of regulatory and procedural obstacles to trade that companies face, why they are perceived as burdensome and where do these difficulties occur.




COMPARE COUNTRIES

Compare the perceptions of different types of companies (sizes and sectors) from various countries on the regulatory and procedural obstacles to trade they face.



LEARN ABOUT NTMS

Take an online course to learn more about NTMs and its impact on companies, ITC's programme on NTMs, and results of the NTM business surveys in 23 countries.



EVENTS

Upcoming (30 June 2015)
Getting Past Non-Tariff Measures: Reducing Costs for Business.
ITC side event at the 5th Global Review of Aid for Trade.



Thank you!



For further information:

www.intracen.org/marketanalysis/

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FOR GOOD