

NTM Data Collection in Azerbaijan: Process and Results

Subregional Workshop on Non-tariff Measures in Azerbaijan and North
and Central Asia

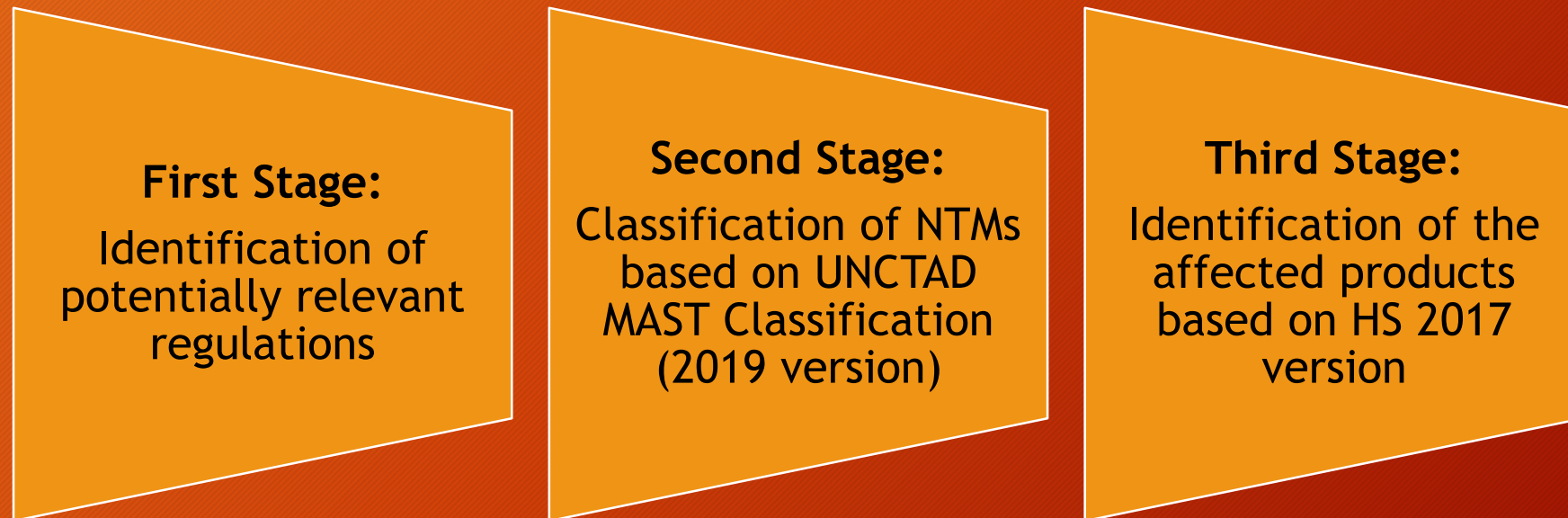
9-11 December, Baku, Azerbaijan

By Said Jafarli

Introduction

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- NTM data collection started in November 2018 and lasted until May 2019. First data collection for Azerbaijan.
- Three stages:

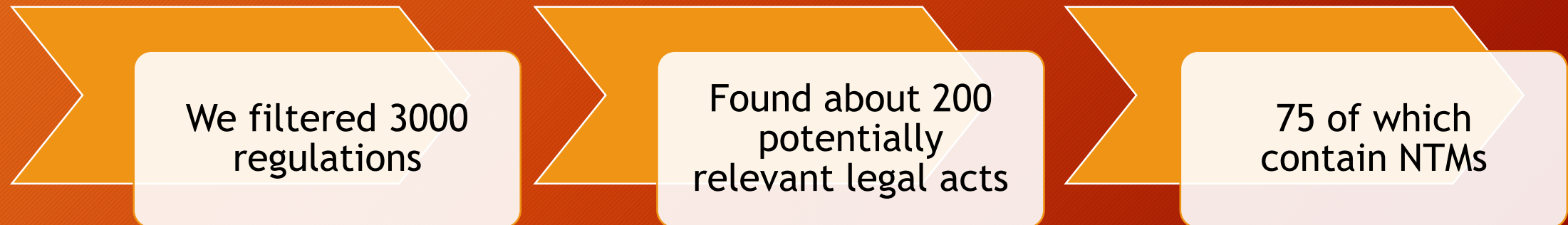


Two reports on the methodology and comprehensivity of the data collection

First Stage: Identification of the Potentially Relevant Acts

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- I have paid visits and met with officials from the Min. of Econ., Min. of Agri., AFSA, and Standardization Inst. and consulted with the officials from these government bodies through phone calls, emails and other means
- Consolidated source of almost all legal normative acts of the Republic of Azerbaijan - www.e-qanun.az



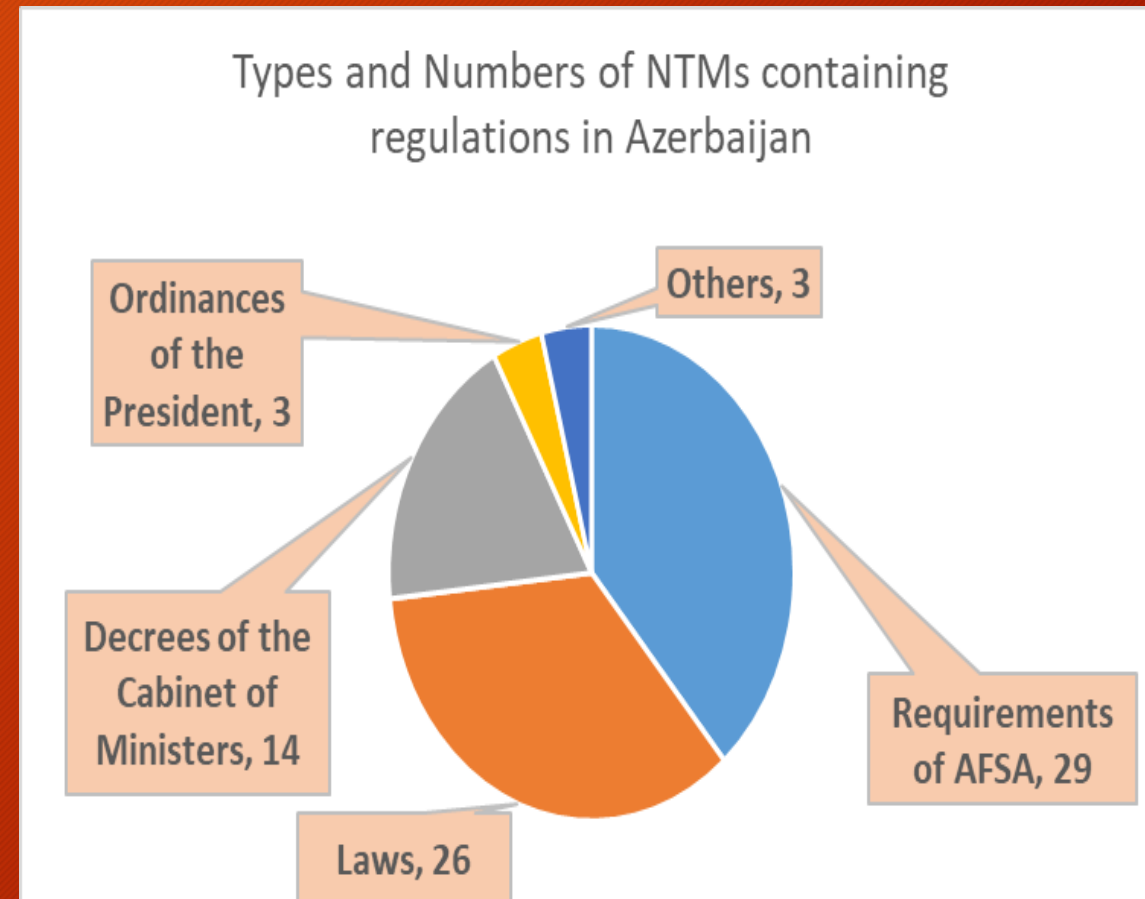
I have also searched the webpages of several international organizations and foreign government agencies, read scholarly articles and news articles to ensure that the affected products and countries included correctly

First Stage: Identification of the Potentially Relevant Acts (cont.)

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Some examples:

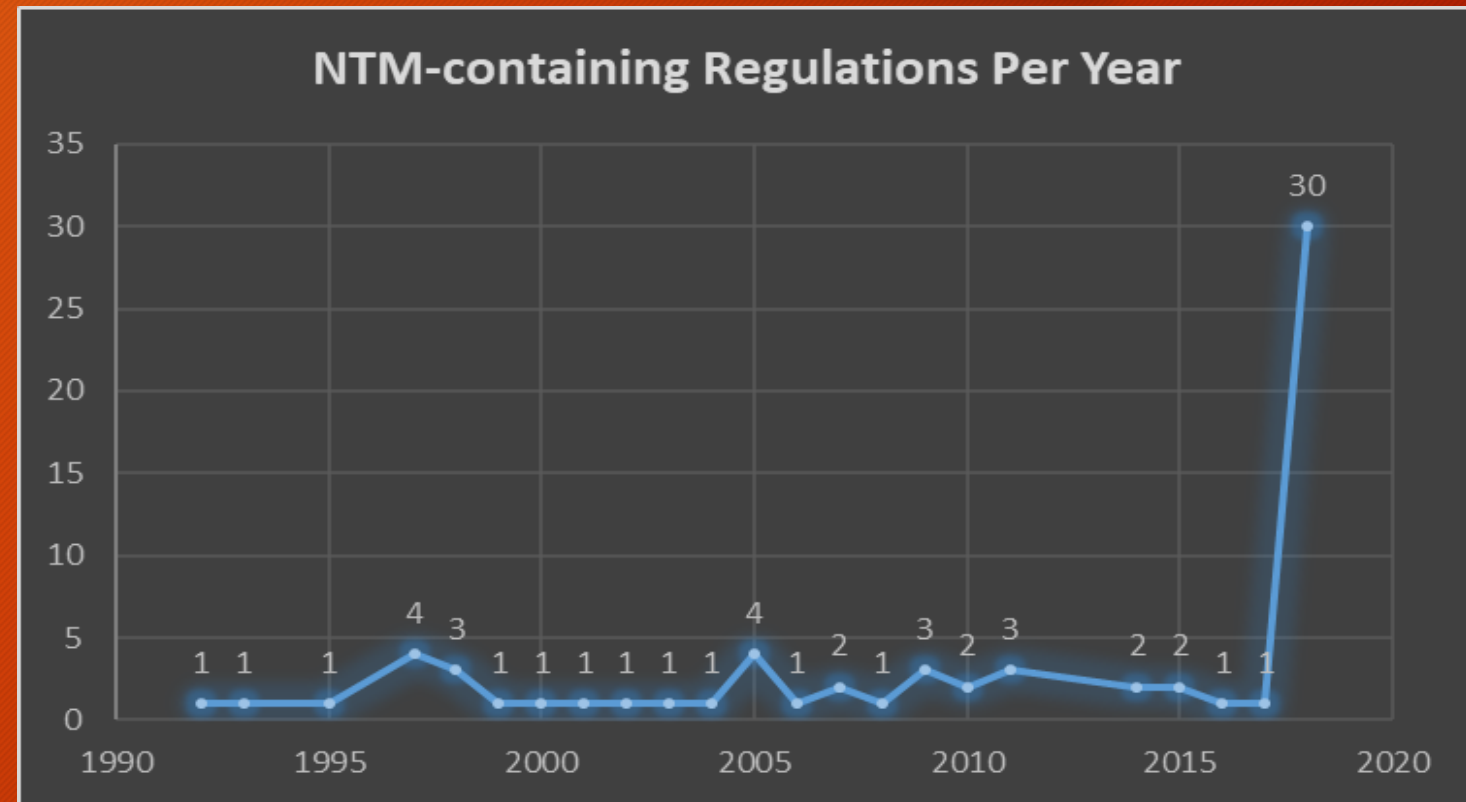
- ❖ Veterinary Requirements for Importation of Fur-bearing Animals, Rabbits, Dogs and Cats into the Republic of Azerbaijan (AFSA requirement)
- ❖ Law of the Azerbaijani Republic on Feeding of Infants and Babies (Law)
- ❖ Decree of the Cabinet of Ministers Azerbaijan on Rules for International Trade of Endangered Wild Fauna and Wild Flora Species (Decree)
- ❖ Ordinance of the President of the Republic of Azerbaijan on Temporary Suspension of Export Scrap and Waste of Ferrous and Non-ferrous Metals (Ordinance)
- ❖ Board of the State Committee on Standardization, Metrology and Patent of the Republic of Azerbaijan, Decision № 150111500016 (Decision of the Standardization Institute - Others)



First Stage: Identification of the Potentially Relevant Acts (cont.)

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- The oldest year NTM containing regulation - Year 1992 (only 1)
- The most recent and the most frequent year for NTM containing regulations - Year 2018 (30)



Second Stage - Classification of NTMs Based on MAST 2019

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- Some of the problems encountered:
 - Unavailable State Standards
 - The State Standards are approved with the Decision of the Standardization Institute. State Standards of the Republic of Azerbaijan covers mandatory and recommended requirements. Food standards are only voluntary (recommended)
 - The www.wto.az website mentions that:
 - “22,000 Intergovernmental Standards (“GOST”) and 700 national standards (“AZS”) are applicable in ... Azerbaijan.”
 - The texts of standards are not publicly available. We found 16 Decisions from the www.e-qanun.az website. Only one of the standards was mandatory, which was containing 4 NTMs

Second Stage - Classification of NTMs Based on MAST 2019 (cont.)

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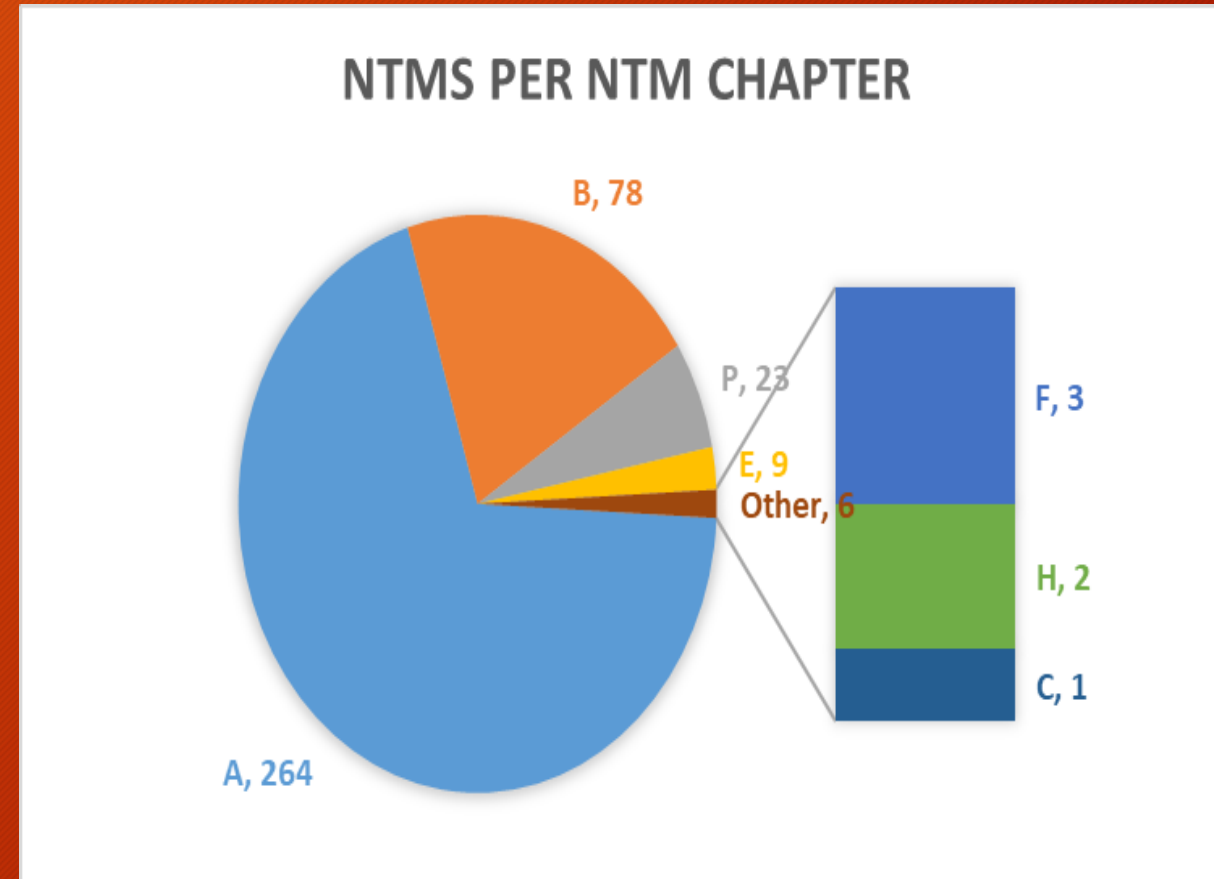
- Some of the problems encountered:
 - In all of the covered regulations of the AFSA, there is a requirement that imported products should come from areas that are safe from diseases specified
 - This measure corresponds to A11 code in the NTM nomenclature. However, affected countries are not mentioned.
 - Because import of the affected products are allowed from non-eligible countries, we could not code the World as an “affected country” for A11. Consequently, we decided to code all the similar requirements listed in the regulations of the AFSA as A19.

Second Stage - Classification of NTMs Based on MAST 2019 (cont.)

- Some of the problems encountered:
 - Law on Veterinary - contain certification requirement (A83), transportation and storage requirement (A64) and n.e.s. prohibition/restriction requirement (A19) for **all** animal products
 - The certification requirement is also present in food products related requirements of the AFSA. Similar requirements, so did code the requirements from AFSA.
 - The Decree of the Cabinet of Ministers on Certification of Products provides the list of products that should have certified before exporting to Azerbaijan. Similar but detailed requirement in other regulations, so we did not include for overlapping products

Second Stage - Classification of NTMs Based on MAST 2019 (cont.)

- In total, we have found 380 NTMs.
- 264 or 69.5 percent of the found NTMs are “Chapter A” NTMs.
- The second most predominant chapter is “Chapter B” with 78 NTMs (20.5 %),
- Third most frequent chapter is Chapter P NTMs with 23 NTMs (6.1 %).
- We did not cover Chapter D, and could not find NTM for Chapter G and I.



Second Stage - Classification of NTMs Based on MAST 2019 (cont.)

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Most frequent “Chapter A” NTMs are **A83** (Certification requirement - 31 measures), **A19** (Prohibition/Restriction of imports - 31 measures), **A64** (Storage and transport conditions - 28 measure)

A83: “Veterinary requirements for the importation of stallion horse semen into Azerbaijan Republic” - The fulfilment of the conditions set out in the present requirements should be fully confirmed by the veterinary certificate signed by the public veterinary doctor of the exporting country, in the language of the exporting country and in the international language, where the diagnostic examinations and the dates of the vaccinations should also be indicated.

Second Stage - Classification of NTMs Based on MAST 2019 (cont.)

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- **A19:** “Veterinary requirement for the importation of the spoils of hunting into Azerbaijan Republic”: Importation of the product is permitted if they are coming from healthy administrative areas that are free of the specified diseases, such as African swine fever, foot-and-mouth disease and others
- **A63:** “Veterinary-Sanitary requirements for the importation of honey and bee products into Azerbaijan Republic”: Vehicles [used for transportation of honey and bee products] should be processed and manufactured in accordance with the rules adopted by the exporting country

Second Stage - Classification of NTMs Based on MAST 2019 (cont.)

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Most frequent “Chapter B” NTMs are **B41** (Production processes - 27 measures), **B31** (Labeling Requirements- 9 measures), **B7** (Product quality/safety - 9 measure)

B41: “Veterinary requirements for importation of the fish (for food), sea products, and the ready products that obtained through thermal processing from those products into Azerbaijan Republic” - Fishes and seafood products shall not be feed with raw materials [i.e. food] that contain products from sources that obtained through gen engineering techniques or other genetical modification means

Second Stage - Classification of NTMs Based on MAST 2019 (cont.)

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- **B31:** “Law of the Republic of Azerbaijan on Viticulture and Winemaking” - The labelling of wine products should contain information about condition, category or group of product; volume of the bottle; product standard and packing date, etc.
- **B7:** “Law of the Republic of Azerbaijan on Tea-growing” - Quality of imported tea products in the Republic of Azerbaijan should meet the requirements of the existing standards. -Tea products produced and imported into the country are analyzed and evaluated for organoleptic indicators.

Second Stage - Classification of NTMs Based on MAST 2019 (cont.)

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- Most frequent “Chapter P” NTMs are **P33** (Licencing/registraton requirments - 8 measures) and **P15** (Labeling and marking requirments - 3 measures)
- **P33**: Document title - “Decree ... ” - Regulation title - “The list of breeder animals and other breeder sources for which restrictions applies for taking out of the country” - Exportation of animals which is restricted to be exported includes animals used for breeding or are highly productive (breeds of sheep, buffalo, horses, cattle, goats, zebu, bees, silkworm).
- **P15**: “Law of the Republic of Azerbaijan on pesticides and agrochemicals” - Only pesticides and agrochemicals that have ... properly packaged can be imported or exported.

Second Stage - Classification of NTMs Based on MAST 2019 (cont.)

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- Example for an NTM from the State Standards: “State Standard on Gas Convection Heaters for Household Use - Safety requirements and test methods”
 - “The gas consumption adjustment device should not have a negative impact on the gas contour. The gas consumption adjustment device should be designed or installed so that it can be protected from accidentally incorrect adjustment. The adjusting device should be sealed after adjusting. The adjusting screws should be so arranged that they cannot fall into the gas flow line.” (B41 - TBT regulations on production processes)

Third Stage: Identification of the Affected Products Based on HS 2017

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- Some of the problems encountered:
 - “The Decree on the Certification of Products” provides name of some products that are not clear which HS code they may belong to. Such as (in Azerbaijani):
 - *Lehim alətləri; əriyən taxmalar; Ortopediya düzəltmələri, etc.*
 - **Decree on Products Subject to Export Control**
 - Voluminous - 224 pages; HS codes at the national tariff line level (at 10-digit). More than 1300 products listed in the Decree. 424 products remained at HS6 digit level.
 - 23 products code could not be found in Harmonised System 1992-2017

Third Stage: Identification of the Affected Products Based on HS 2017 (cont.)

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- Several regulations affect dozens of different products (sometimes hundreds, in one instance more than a thousand different products).
- In order to define the affected products efficiently and correctly, in some instances, I have applied data management techniques using the Stata and Excel software.

Third Stage: Identification of the Affected Products Based on HS 2017 (cont.)

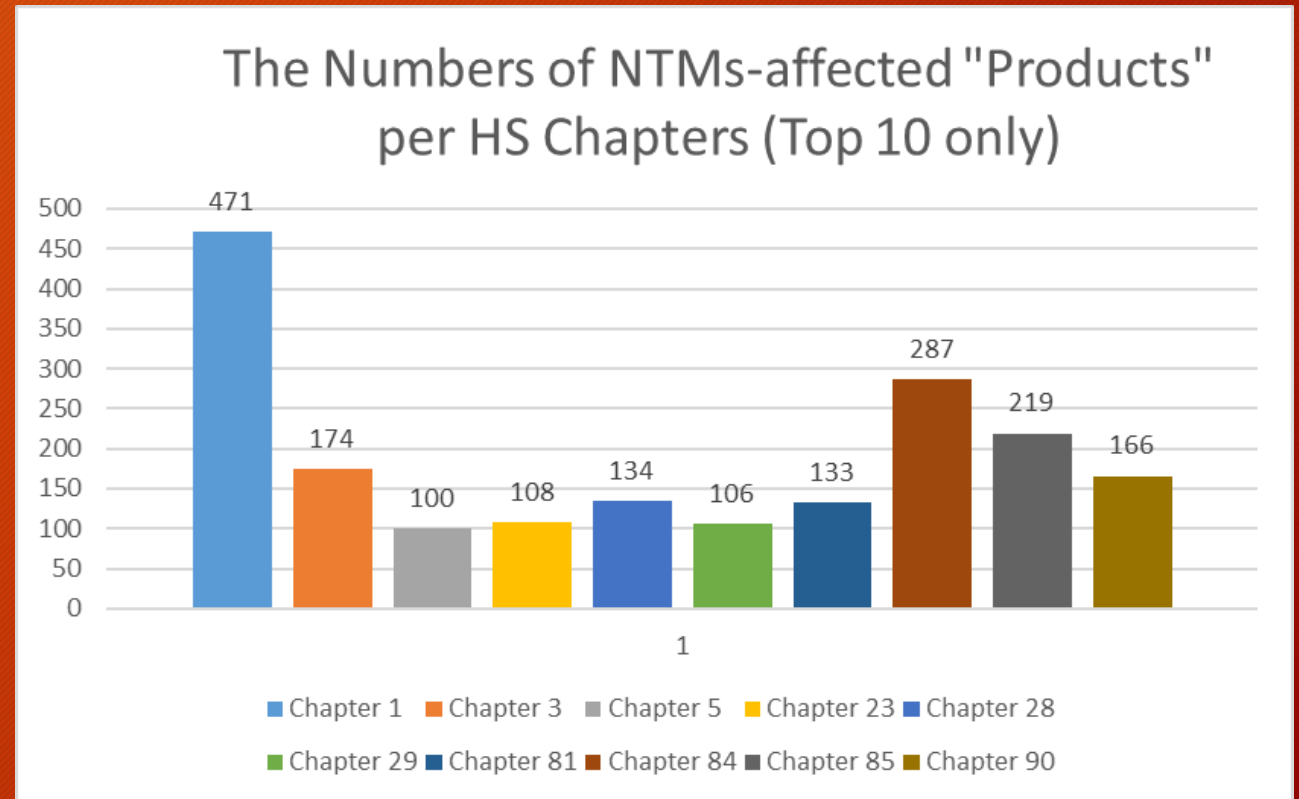
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- In many cases, the affected products are defined at the two-digit or product group level.
 - Example: “Law of the Republic of Azerbaijan on Pesticides and Agrochemicals”: Pesticides imported into the Republic of Azerbaijan should pass prespecified quality tests (B82 - Testing requirement)
- Two measures affect all HS 6-digit level products.
 - Example: “Law of the Republic of Azerbaijan on the Protection of Consumer Rights”: The labels (including user manuals) and names on the goods and products imported into or exported from the Republic of Azerbaijan should also be in Azerbaijani language (A31-B31 - Labeling requirement)

Third Stage: Identification of the Affected Products Based on HS 2017 (cont.)

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- The NTMs found affect 3767 “products”:
 - 2232 Non-agricultural “products” (60%)
 - 1535 Agricultural “products”



Summary

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- NTM data collection for Azerbaijan lasted from November 2018 until May 2019
- 30 of the 75 NTM containing regulations came into force in 2018
- Collected data is limited due to the unavailability of Standards. There is a need for more Regulatory Coherence
- 70 percent of the NTMs are “Chapter A” NTMs
- The NTMs found affect 3767 “products”, 60% of which are non-agricultural products



Thank you