

SPS Measures, technical regulations, Standards and related technical assistance

Joint presentation of ITC and UNCTAD to
STDF Working Group

Plan

1. Non-Tariff Measures and SPS requirements:

- Background
- Data collection
- Research to support policy making

Christian Knebel,
UNCTAD

2. Technical assistance related to Non-Tariff Measures data:

- Improving transparency through web tools
- Building capacity
- Addressing concerns of enterprises

Olga Solleder, ITC



Part 1.
Non-tariff measures and
SPS requirements

STDF WORKING GROUP

WTO, 24-25 March 2015

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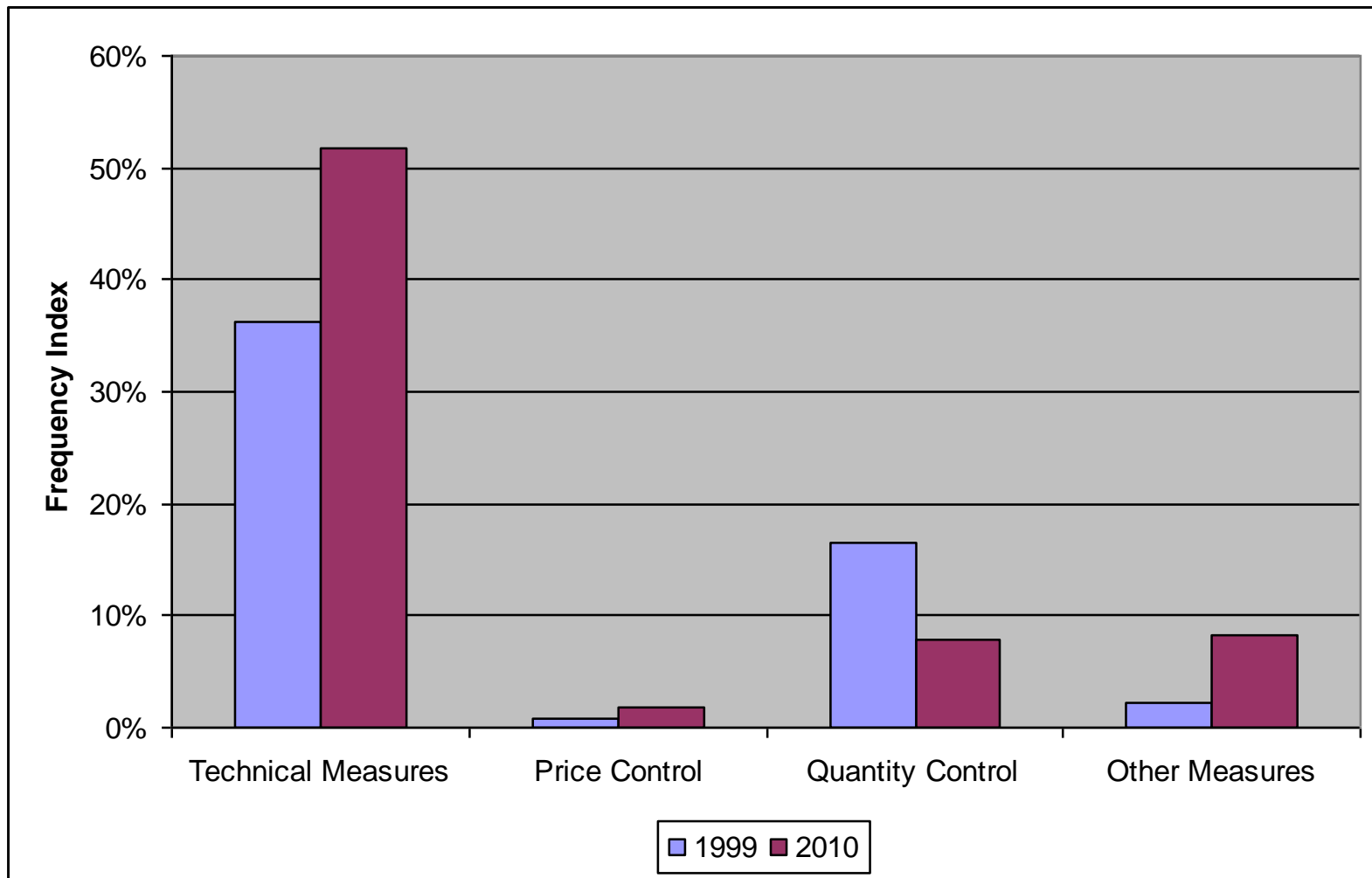
unctad.org/ntm

Definition of NTMs

- **NTM definition by (UNCTAD / GNTB-MAST):**
 - *“Non-tariff measures (NTMs) are policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both.”* → neutral concept!
- **NTBs are a *subset* of NTMs...**
 - with proven negative effects,
 - and/or protectionist intent,
 - or based on complaints (e.g. Tripartite)



NTMs in 1999 and 2010 -- simple count



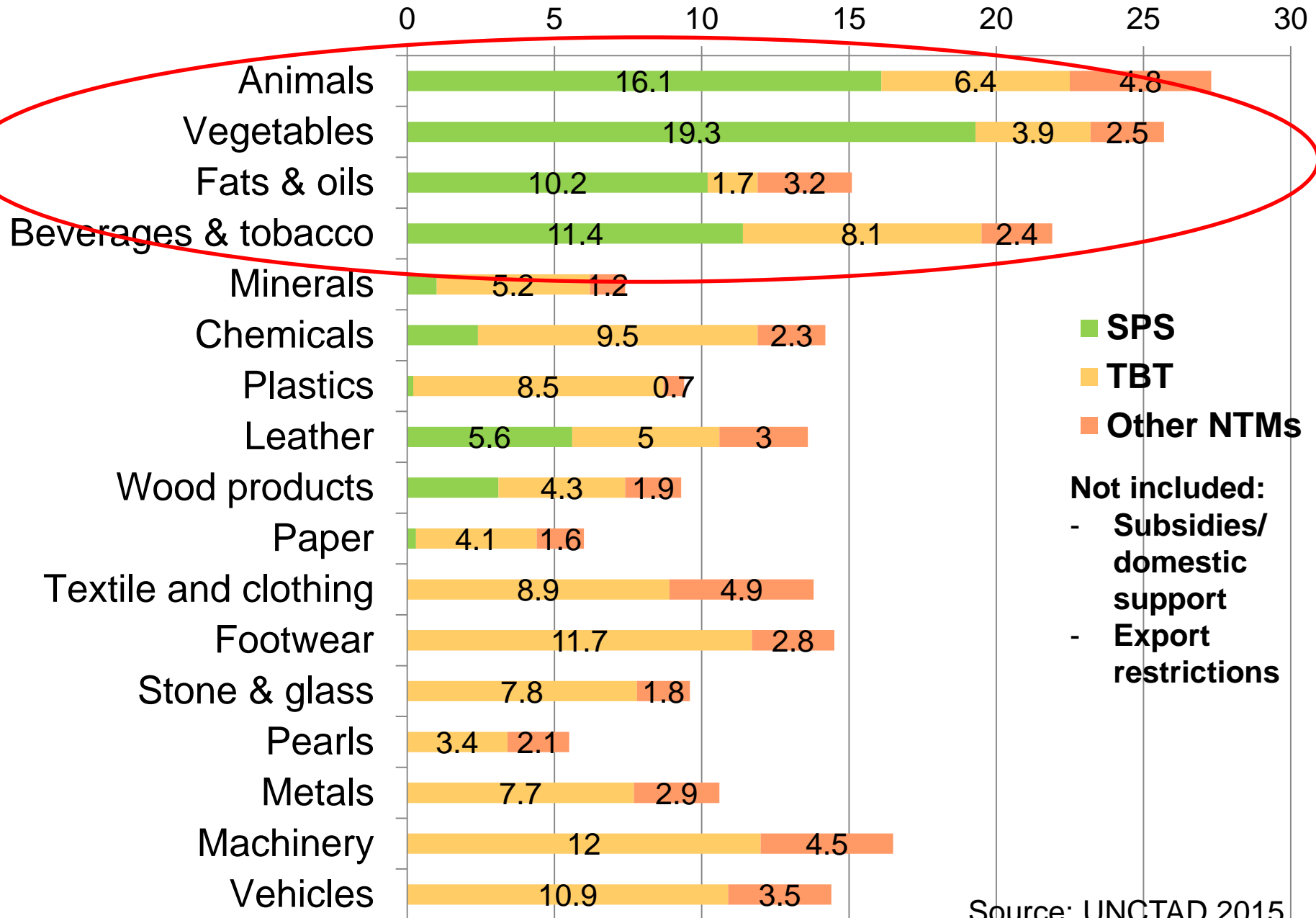
Primer: SPS measures are needed for crucial public objectives

- *"necessary to protect human, animal or plant life or health"* (WTO SPS Agreement)
 - SPS regulations are important and here to stay
 - SPS objectives supersede economic/trade objectives
 - "elimination" not an option
- that's why we call them *"measures"* (a priori), not *"barriers"*

However, *SPS-related* issues may cause significant trade barriers that disproportionately affect developing countries



Average ad-valorem equivalent of NTMs

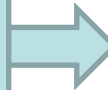


■ SPS
■ TBT
■ Other NTMs

Not included:
 - Subsidies/
 domestic
 support
 - Export
 restrictions

What may turn SPS into "barriers"?

Procedural implementation



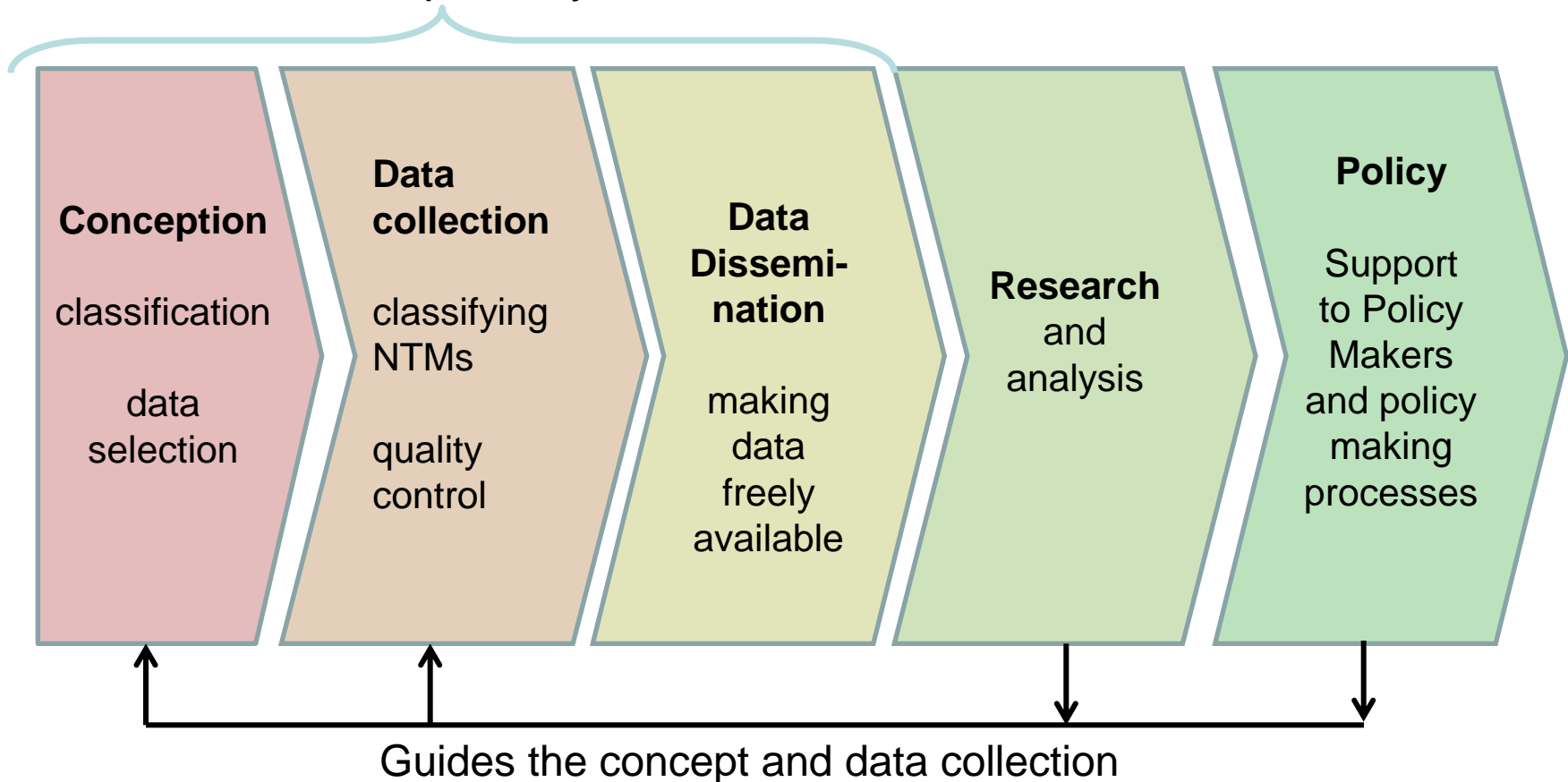
SPS requirement

- Lack of transparency/
information costs
- Conformity assessment
 - Lack of domestic technical infrastructure
 - Lack of mutual recognition
 - Redundant checks
-
- More stringent requirement than international standards
- Not science-based
- Lack of harmonization of requirements
- (fulfilling SPS Agreement..)



UNCTAD Non-Tariff Measure Programme

Transparency

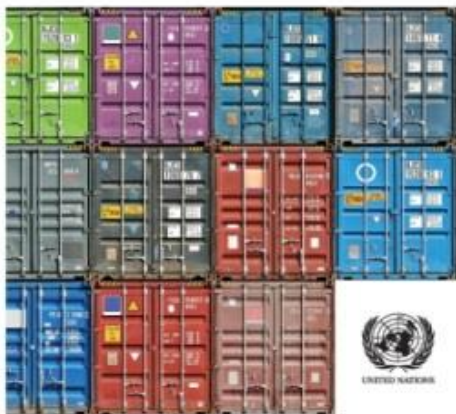


NTM data collection -- why?

- **Transparency needs to be strengthened**
 - Empowers private sector and reduces corruption
 - Facilitates cooperation between countries' policy makers
 - Informed decisions through sound analysis
- **Complementing and re-enforcing WTO notifications**
 - Established WTO notification mechanisms not used sufficiently...
 - ...and only informs about policy *changes*
 - Our data collection adds the *full stock* of measures
 - Notifications remain important: participative law-making (nationally and internationally), addressing measures *before* implementation, etc

UNCTAD-MAST Classification: The common language

- Initiated by UNCTAD,
- the Multi Agency Support Team (FAO, IMF, ITC, OECD, UNCTAD, UNIDO, World Bank, WTO) developed an NTM classification



Imports	Technical measures	<p>A SANITARY AND PHYTOSANITARY MEASURES</p> <p>B TECHNICAL BARRIERS TO TRADE</p> <p>C PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES</p>
	Non technical measures	<p>D CONTINGENT TRADE-PROTECTIVE MEASURES</p> <p>E NON-AUTOMATIC LICENSING, QUOTAS, PROHIBITIONS AND QUANTITY-CONTROL MEASURES OTHER THAN FOR SPS OR TBT REASONS</p> <p>F PRICE-CONTROL MEASURES, INCLUDING ADDITIONAL TAXES AND CHARGES</p> <p>G FINANCE MEASURES</p> <p>H MEASURES AFFECTING COMPETITION</p> <p>I TRADE-RELATED INVESTMENT MEASURES</p> <p>J DISTRIBUTION RESTRICTIONS</p> <p>K RESTRICTIONS ON POST-SALES SERVICES</p> <p>L SUBSIDIES (EXCLUDING EXPORT SUBSIDIES UNDER P7)</p> <p>M GOVERNMENT PROCUREMENT RESTRICTIONS</p> <p>N INTELLECTUAL PROPERTY</p> <p>O RULES OF ORIGIN</p>
	Exports	<p>P EXPORT-RELATED MEASURES</p>

NTM classification tree structure

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 PRICE CONTROL 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

Official NTM data collection

• From here

to here...

The Gazette of the Democratic Socialist Republic of Sri Lanka EXTRAORDINARY

අංක 1376/9 - 2005 ජනවාරි 19 වැනි බදාදා - 2005.01.19
No. 1376/9 - WEDNESDAY, JANUARY 19, 2005

(Published by Authority)

PART I : SECTION (I) — GENERAL Government Notifications

L.D. - B. 11/80 II

FOOD ACT, No. 26 OF 1980

REGULATIONS made by the Minister of Health in consultation with the Food Advisory Committee under No. 26 of 1980.

Colombo.
17th January, 2005.

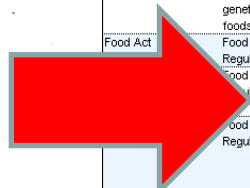
Regulations

01. These Regulations may be cited as " Food (Labelling and Advertising) Regulations 2005."

02. No person shall sell, offer for sale, expose or keep for sale, transport or advertise for sale, any food in a container unless such package or container is labelled in accordance with these regulations.

Provided however that, these regulations shall not apply to any package of food if the food is of the national origin or brand requested by the purchaser and is weighed, counted or measured in the presence of the purchaser.

NIMAL SIR
Minister of Health
Uva Wellas



Consumer Affairs Authority Act

Measures
Enter the list of non-tariff measures you found in the official trade regulations you collected. These must be linked to the corresponding regulation in the official trade regulations you collected.

Document Title	Regulation Title Short	NTM Code	Implementation Date	Measure Repealed Date	Measure Description	Affected Products Description	Affected Countries
Food Act	Food (Control of import, labelling, and sale of genetically modified foods) Regulation 2006	B14	01.01/2007		Needs to get approval of the Chief Food Authority in order to import	Food products	All countries
Food Act	Food (Control of import, labelling, and sale of genetically modified foods) Regulation 2006	B31	01.01/2007		Labelling Requirements	Food products	All countries
Food Act	Food (Irradiation) Regulations 2005	A31	01.05/2006		Labelling Requirements	Food products that had been treated with irradiation	All countries
Food Act	Food (Irradiation) Regulations 2005	A83	01.05/2006		Certification by the competent authorities of the country of origin that the food has been inspected	Food products that had been treated with irradiation	All countries
Food Act	Food (Irradiation) Regulations 2005	A89	01.05/2006		Documentation that the Food Irradiation Facility concerned is approved, licensed, authorised by the competent national authority of food irradiation	Food products that had been treated with irradiation	All countries
Food Act	Food (Irradiation) Regulations 2005	F62	01.05/2006		Certification by the competent authorities of the country of origin that the food has been inspected	Food products that had been treated with irradiation	All countries
Food Act	Food (Melamine in Milk and Milk Products) Regulations 2010	A22	01.01/2011		Specifying permitted ppm levels of melamine in milk and milk products	Milk and Milk Products	All countries
Food Act	Food (Melamine in Milk and Milk Products) Regulations 2010	A83	01.01/2011		A health certificate required from the National Food Safety Authority of the country of origin that the products conform to the levels of melamine specified	Milk and Milk Products	All countries
Food Act	Food (Packaging materials and articles) Regulation 2010	A32	01.06/2011		Marking requirements - need to print the words "FOR FOOD USE" or any other relevant words or symbols as indicated in the regulation	Food packaging material	All countries
Food Act	Food (Packaging materials and articles) Regulation 2010	A83	01.06/2011		Certification by the manufacturer that the material meets required quality standards	Food packaging material	All countries
Food Act	Food (Packaging materials and articles) Regulation 2010	A22	01.06/2011		Restricted use of certain substances in food packaging material	Food packaging material	All countries
Food Act	Food (Preservatives) Regulations	A19	01.01/1991		Prohibited to import, manufacture, sell or distribute food preservatives other than those specified in the regulation & food which has in or upon it any preservative that is permitted by the regulation	Food preservatives	All countries

Cover / Sources / Documents / Regulations / Measures / Measures_Affected_Products / Measures_Affected_Countries / Measures_Objectives

Data Availability

Caution: partly «old Data»
Red colour indicates work in progress

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	US	E.U.	Egypt	Burkina Faso	Afghanistan	China
Bolivia	Canada	Kazakhstan	Lebanon	Cote d'Ivoire	India	Japan
Brazil		Russia	Morocco	Guinea	Nepal	Hong Kong, C
Chile		Turkey	Tunisia	Madagascar	Pakistan	Australia
Colombia			Algeria	Mauritius	Philippines	New Zealand
Costa Rica			Jordan	Namibia	Sri Lanka	All ASEAN
Cuba			Palestine	Senegal		
Ecuador				Tanzania		
Guatemala				Kenya		
Jamaica				Malawi		
Mexico				Rwanda		
Paraguay				Nigeria		
Peru				Benin		
Uruguay				Cape Verde		
Venezuela				Gambia		
El Salvador				Ghana		
Honduras				Guinea Bissau		
Nicaragua				Liberia		
Antigua and Barbuda				Mali		
Barbados				Mauritania		
Dominica						
Suriname						
Trinidad and Tobago						

Data availability – cont.

- NEW
 - Top 25 country project (UNCTAD-WB)
 - ASEAN (ERIA – UNCTAD)
 - Southern Mediterranean countries (Euromed TIFM project, ITC)
- COMING
 - Africa Tripartite (AfDB – UNCTAD)
 - Selected Caribbean countries (ITC)

Data available for free at:

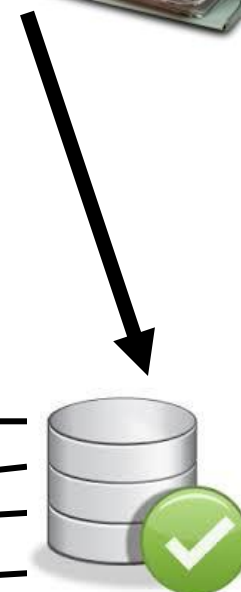


- *World Integrated Trade Solution WITS:*
<http://wits.worldbank.org>

- *ITC Market Access Map MAcMap:*
<http://www.macmap.org/>

- *Accessibility:*

- by NTMs classified
- by products classified by Harmonized System
- by affected countries
- Full regulation detail



What else to do with the data?

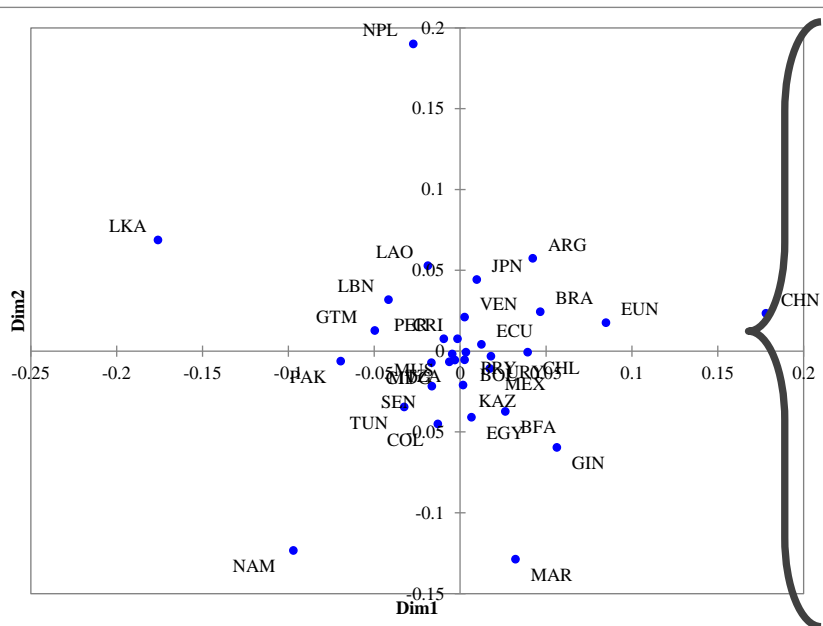
Assessing "regulatory distance"

Where are countries regulations already "close", where "distant"?

a) Distance in regulatory structure

- Benchmark and identify potential and priorities of harmonization
- Identify "shortest harmonization distances", by country, by sector, by sub-sector... then..

b) Distance in stringency: details matter...back to full documents



NTMs at HS6, e.g. oranges	Country A	Country B	Country C
A21: MRL	1 ↔	1	0
A81: SPS Inspection	1	1	0
A83: SPS Certificate	0	1	0
E11: License	0	0	1

Conclusions

- SPS measures are crucial for public health objectives and are here to stay; *elimination is not* an option
- However, related trade costs are substantial and consumers usually pay the price
- Addressing SPS measures in other ways:
 - Procedural obstacles
 - Conformity assessment: building technical capacity and infrastructure; reducing redundant assessment procedures
 - Harmonization: Strengthening of international standards vis-à-vis "murky" protectionism despite SPS/TBT Agreements
 - Transparency and benchmarking are crucial drivers



UNCTAD

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UNITED NATIONS
UNCTAD



International
Trade
Centre

TRADE IMPACT
FOR GOOD

Part 2.

Technical assistance related to Non-Tariff Measures data

STDF WORKING GROUP
WTO, 24-25 March 2015

Olga Solleder, ITC
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www.intracen.org/ntm



The ITC programme on non-tariff measures

→ Identifying and eliminating trade obstacles linked to NTMs

Information transparency

- Collection and dissemination of import regulations imposed world wide (under the lead of UNCTAD)
- Integration of data into ITC's Market Access Map: www.macmap.org

Business perception

- 26 business surveys on NTM-related obstacles and their origins
- +10 in 2015-2016 incl. Benin, Ecuador, Jordan, Kyrgyzstan, Mali, Uganda

Impact through follow-up

- Tailored initiatives to address identified trade obstacles
- In collaboration with other ITC sections & international organisations

New initiatives

- Trade obstacles alert mechanism (TOA)
- NTM data collection tool and mechanism; NTM in services; Analyzing the buyers' perspectives on sourcing from developing countries; Survey database and studies

Live demo of webtools related to SPS measures

(WITS) World Integrated Trade Solution

<http://wits.worldbank.org>

ITC Market Analysis Tools

- Market Access Map (MAcMap)

www.macmap.org

- Standards Map

www.standardsmap.org

Trade Obstacles Alert (TOA)

- Trade Obstacles Alert

<http://www.tradeobstacles.org>

Capacity building activities and customized studies using NTM data

Face-to-face and E-learning capacity building for

- Private sector
- Trade support institutions
- Government agencies

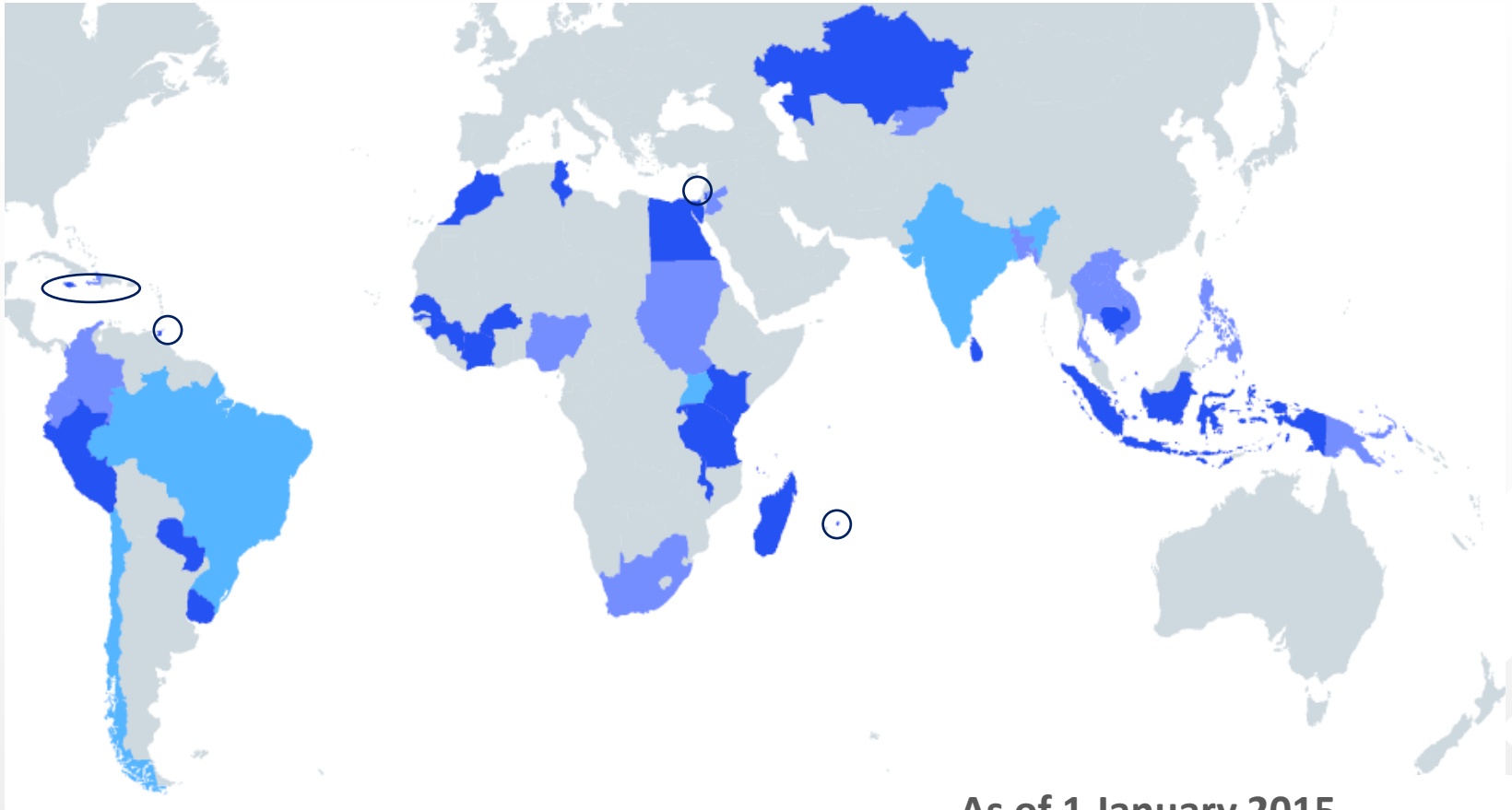
Examples of studies

- Non-Tariff Measures and the Fight Against Malaria: Obstacles to trade in anti-malarial commodities
<http://www.intracen.org/publications/ntm/Anti-Malaria/>
- Facilitating trade in Arab States – Insights from the ITC business surveys on Non-Tariff Measures, ITC, 2014 (available in English and Arabic)

Survey objectives: capture companies' perceptions of NTMs

- Identify burdensome NTMs and related trade obstacles:
 - ONLY those NTMs which companies experience as barriers to trade
 - Underlying reasons making NTMs turning into barriers for companies (regulatory obstacles vs. procedural obstacles)
 - At most detailed level: by product (HS6) and partner country
- Be systematic and representative:
 - NTM surveys cover all sectors that cumulatively account for 90% of national export value (excluding minerals and arms)
 - Stratification based on national registers (and development of those registers if necessary)
 - 2 steps survey process: phone screen and face-to-face interviews

Country coverage



- Pilot phase: NTM classification testing
- NTM survey ongoing / finalized
- Under discussion for 2015

As of 1 January 2015

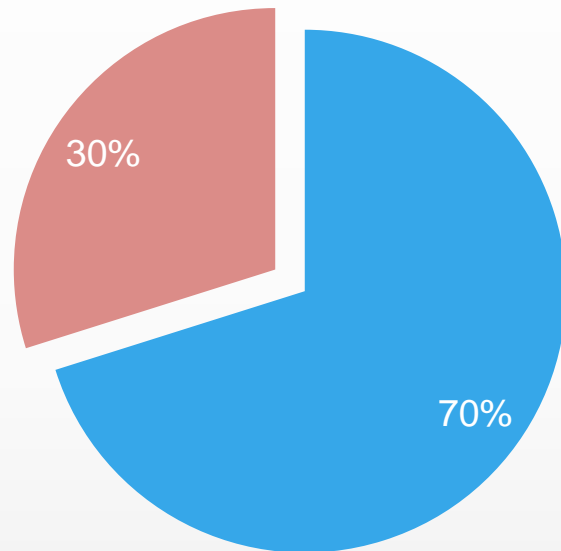
26 countries

14,300 phone interviews

4,300 face-to-face interviews
(plus 7 pilot countries)

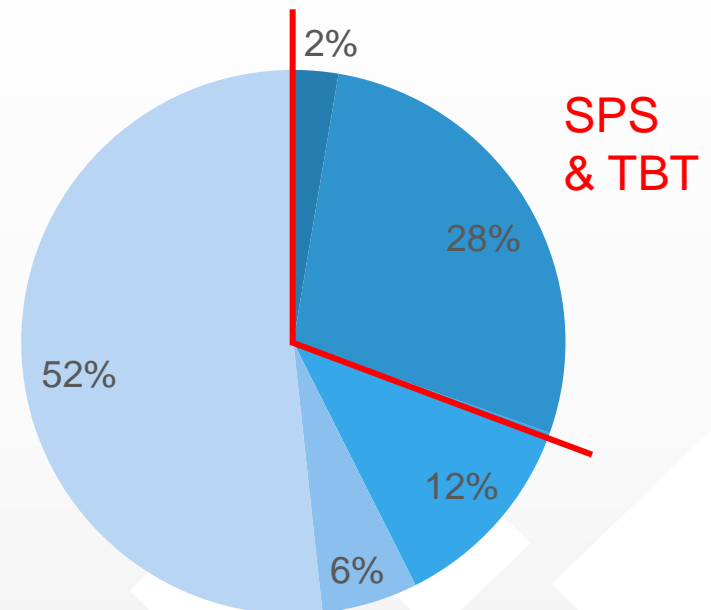
What NTMs are burdensome in CIV?

Who applies burdensome NTMs?



- Partner countries
- Home country (Côte d'Ivoire)

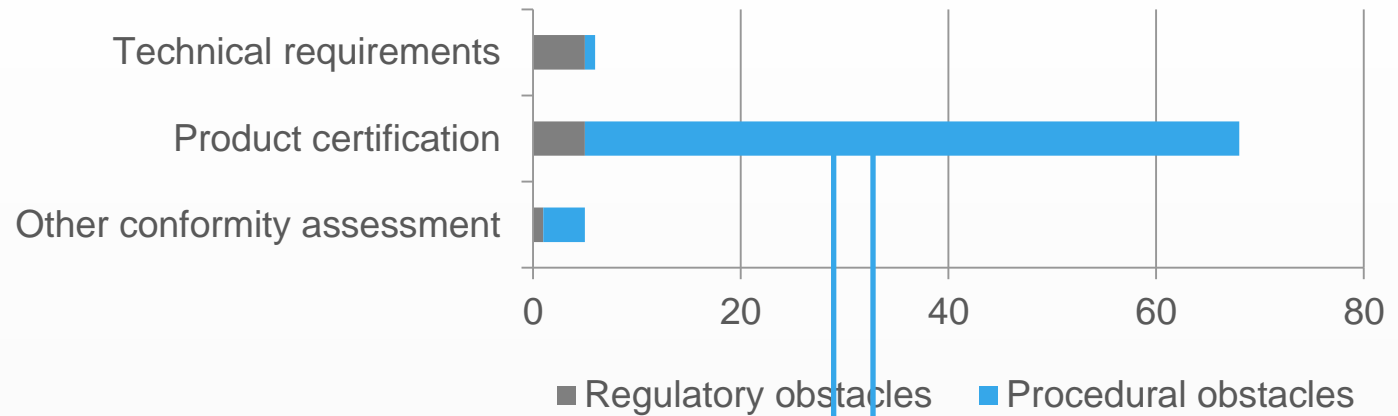
What are burdensome NTMs applied by partners?



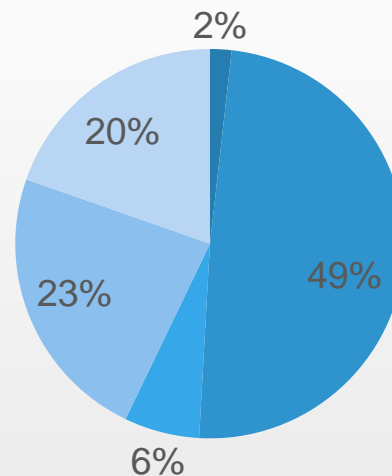
- Technical requirements
- Conformity assessment
- Pre-shipment inspection and other entry formalities
- Quantity control measures
- Rules of origin and related certificate of origin

Why are SPS/TBT burdensome in CIV?

SPS/TBT
type of
obstacles



PO related
to product
certification



- Large number of different documents
- Delay related to reported regulation
- Unusually high fees and charges
- Informal payment
- Limited facilities

Testimonial of domestic obstacle in CIV :

M. Assahouré N’Goran, an Ivoirian exporter, use to wait six months to get the weight certificate required to export cocoa to Belgium:

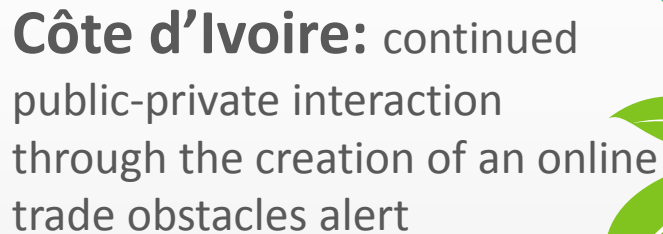
“The weighting certificate delivered by the Chamber of Commerce and Industry is problematic. The responsible service signs the certificate only twice a day which can create unnecessary delays. It can take up to six months.”

- A certification requirement imposed by the partner country creates time delays at home

Survey Follow-up: examples



Reduction of
NTM-related
trade
barriers



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

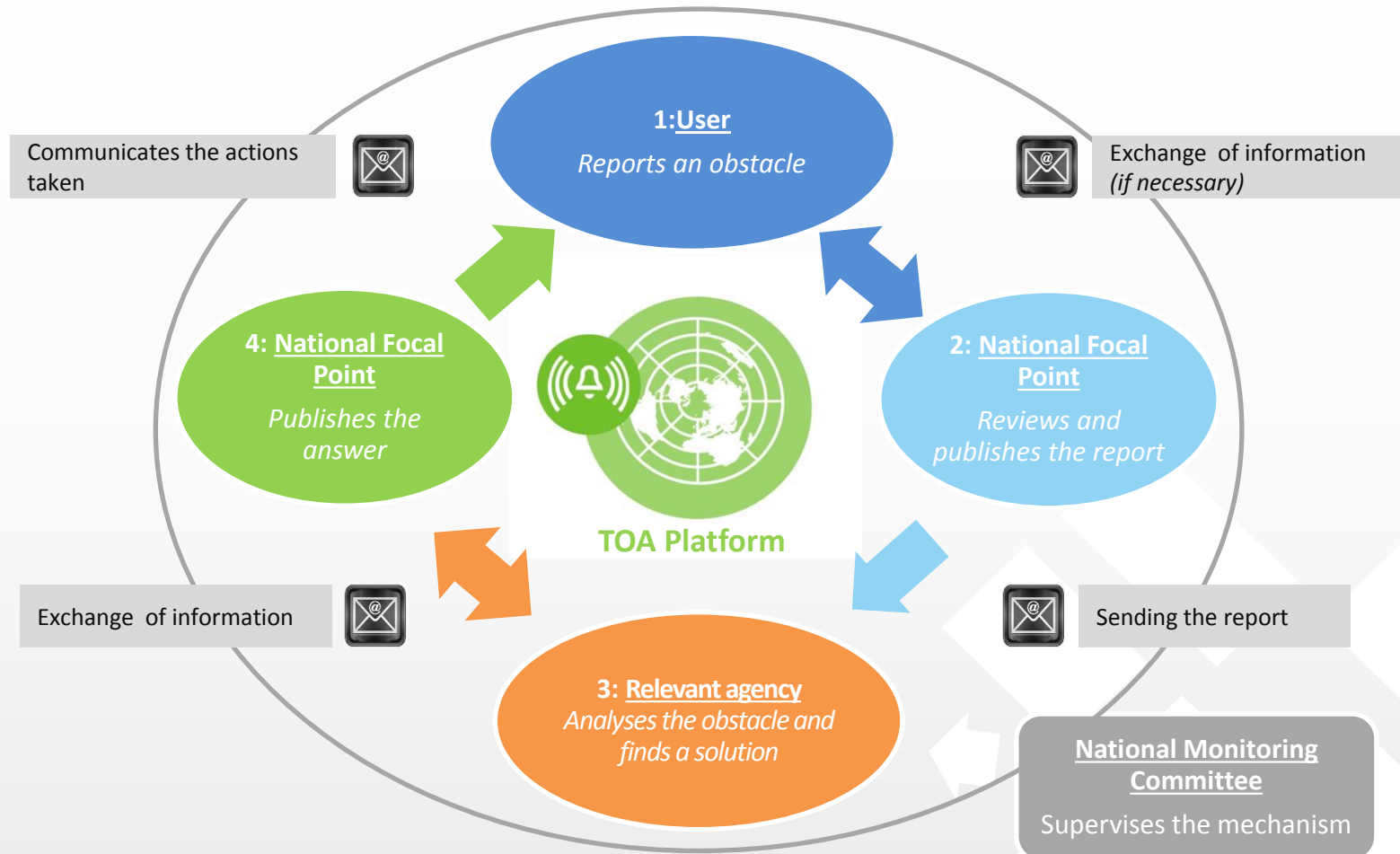
Morocco: creation of an inter-ministerial steering committee to address the identified obstacles

Sri Lanka: survey results were used to support application to 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

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

The Trade obstacles alert (TOA) mechanism



The TOA platform allows...

- 1. Trade operators** to voice their concern and alert the competent authority;
- 2. National authorities** to get instantaneous information on the private sector's problems and answer to it;
- 3. All users** to be alerted of the obstacles and corresponding answers/solutions.

...through 3 main functionalities

- 1. Report a trade obstacle:** allows user to capture the details of the problem faced. The user must be registered to be able to send a report.
- 2. Receive trade alert:** allows users to get email alerts on the obstacles reported by other users and solutions provided by the authorities according to different criteria.
- 3. Analyse the trade obstacles:** allows users to see all trade obstacles reports created as well as summary statistics.

TOA pilot in Cote d'Ivoire (2014)

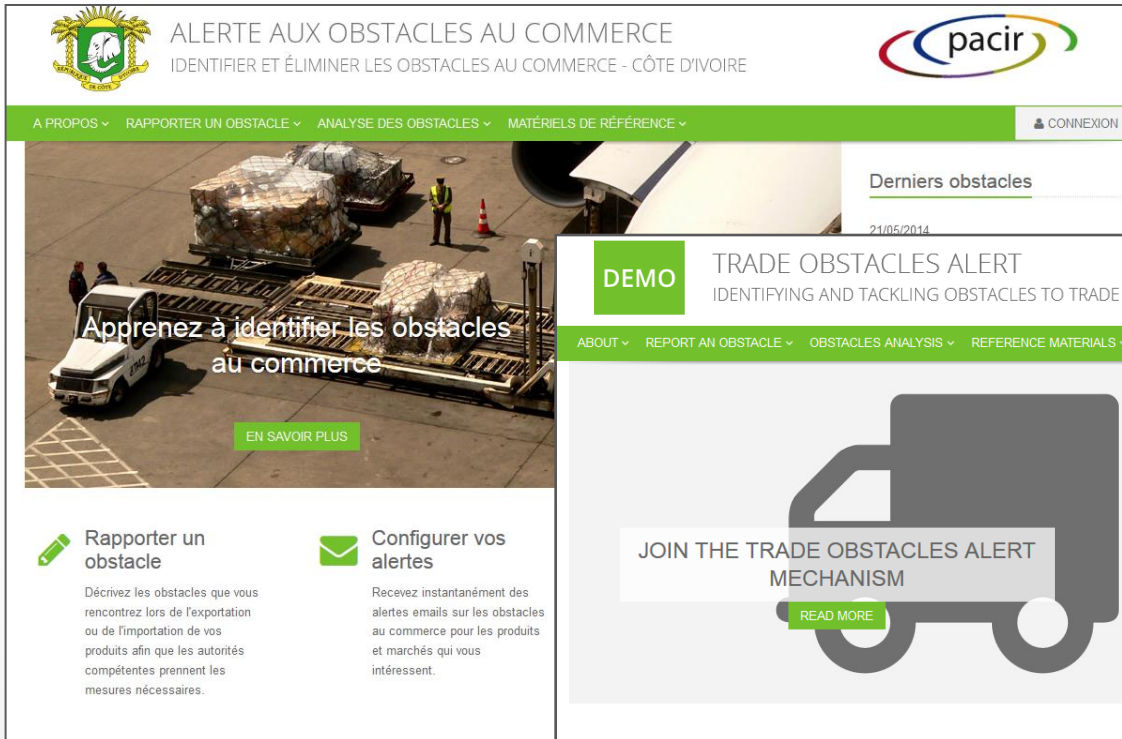
- Launched in June 2014 (project started in May 2013)
- Set up of a NMC through an inter-agency Protocol (signed in October 2014)
- President of the NMC is the Ministry of Trade and the NFP is the Chamber of Commerce and Industry
- 27 member agencies
- 250 registered users (150 companies)
- 100 companies trained
- 50 reports of obstacles

Our Ivorian exporter of cocoa :

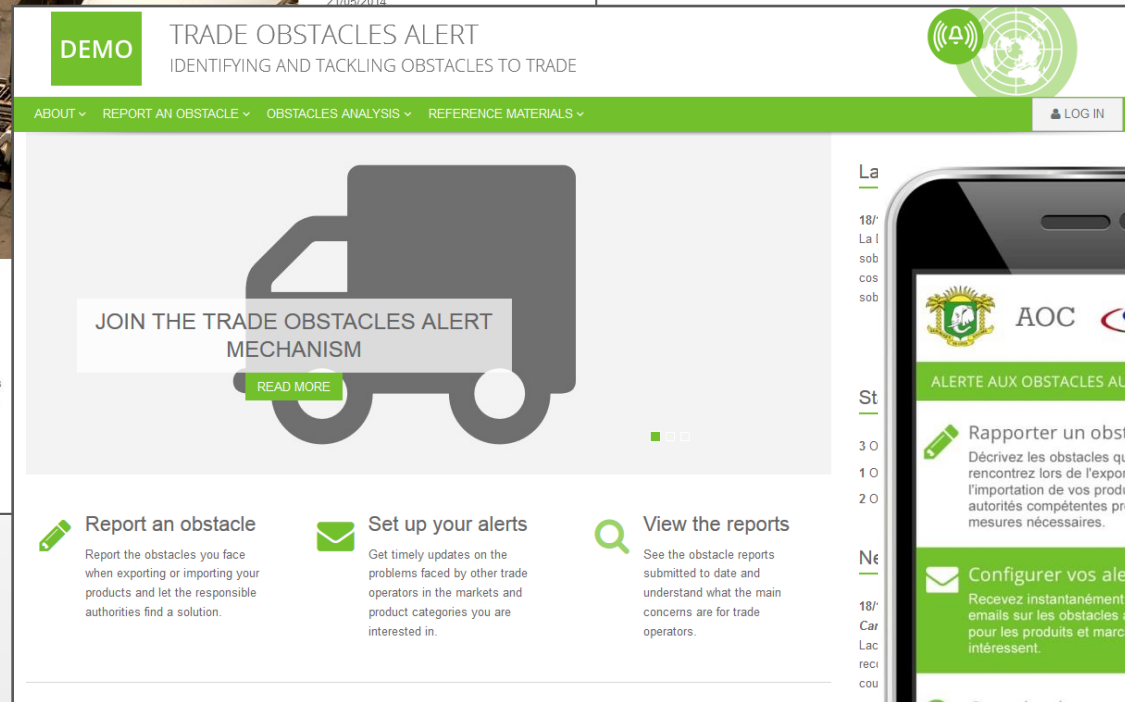
Assahouré N’Goran used to wait six months to get the weight certificate required to export cocoa beans to Belgium. Thanks to the TOA his waiting time has dropped to just two weeks:

‘Having the certificates issued quickly makes a huge difference for us. It increases our competitiveness and will lead to higher exports. What is good for our company is good for employment and the growth of Côte d’Ivoire.’

TOA live demo – www.tradeobstacles.org/demo



The screenshot shows the desktop version of the TOA website. At the top left is the AOC logo and the text "ALERTE AUX OBSTACLES AU COMMERCE IDENTIFIER ET ÉLIMINER LES OBSTACLES AU COMMERCE - CÔTE D'IVOIRE". To the right is the "pacir" logo. A green navigation bar contains links: "A PROPOS", "RAPPORTER UN OBSTACLE", "ANALYSE DES OBSTACLES", "MATÉRIELS DE RÉFÉRENCE", and "CONNEXION". Below the navigation bar is a large image of a truck with a trailer carrying goods, with the text "Apprenez à identifier les obstacles au commerce" and a "EN SAVOIR PLUS" button. To the right of the image is a "Derniers obstacles" section with a date "21/05/2014".



The screenshot shows the mobile version of the TOA website. At the top is the AOC logo and the text "ALERTE AUX OBSTACLES AU COMMERCE". To the right is the "pacir" logo. A green navigation bar contains links: "ABOUT", "REPORT AN OBSTACLE", "OBSTACLES ANALYSIS", "REFERENCE MATERIALS", and "LOG IN". Below the navigation bar is a large image of a truck with the text "JOIN THE TRADE OBSTACLES ALERT MECHANISM" and a "READ MORE" button. To the right of the image is a "Derniers obstacles" section with a date "21/05/2014".



Rapporter un obstacle

Décrivez les obstacles que vous rencontrez lors de l'exportation ou de l'importation de vos produits afin que les autorités compétentes prennent les mesures nécessaires.



Configurer vos alertes

Recevez instantanément des alertes emails sur les obstacles au commerce pour les produits et marchés qui vous intéressent.



Report an obstacle

Report the obstacles you face when exporting or importing your products and let the responsible authorities find a solution.



Set up your alerts

Get timely updates on the problems faced by other trade operators in the markets and product categories you are interested in.



View the reports

See the obstacle reports submitted to date and understand what the main concerns are for trade operators.



AOC



ALERTE AUX OBSTACLES AU COMMERCE



Rapporter un obstacle

Décrivez les obstacles que vous rencontrez lors de l'exportation ou de l'importation de vos produits afin que les autorités compétentes prennent les mesures nécessaires.



Configurer vos alertes

Recevez instantanément des alertes emails sur les obstacles au commerce pour les produits et marchés qui vous intéressent.



Consulter les rapports

Trouvez les rapports d'obstacles enregistrés à ce jour et comprenez quels sont les principales préoccupations des opérateurs ivoiriens.

Forthcoming ITC activities in the area of NTMs

- Continue developing tailored initiatives to address trade obstacles identified through NTM surveys
- Launch Euromed Trade and Investment Facilitation mechanism consisting of data portal and trade helpdesk
- Identify and analyze NTMs in services
- Analyze the buyers' perspectives on sourcing from developing countries
- Make survey results available through a dedicated portal (in addition to country reports already available)