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ITC Project on Non-Tariff Measures (NTMs)

Understanding the non-tariff obstacles to trade exporters and importers experience when trading their goods

To: Presentation to STDF Working Group
By: Mondher Mimouni
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Outline

- Project framework
- Company surveys on NTMs
- Collection and dissemination of official NTM data
- Opportunities for collaboration

NTMs – Why important for ITC?

Greatest challenge to developing exports from client's country/company

ITC Client Survey 2008

TSO Respondents:

- Lack of / access to market information
 - Obtaining financing / attracting investment
- Non-tariff barriers (regulations, standards, etc.)

Large Enterprise Respondents:

- Non-tariff barriers (regulations, standards, etc.)
 - Transport issues
 - Logistical issues other than transport

Government Respondents:

- Non-tariff barriers (regulations, standards, etc.)
- Lack of / access to market information
 - Production capacity / productivity

SME Respondents:

- Marketing/communications (finding buyers/contacts)
- Lack of / access to market information
- Non-tariff barriers (regulations, standards, etc.)

NTMs – Why a concern?

Particular challenges for exporters and importers in developing countries:

- Products need to comply with wide range of NTMs, NTMs vary across products and countries, and can change quickly.
- Only limited information on NTMs existing; scattered across various countries & various sources within countries.
- Only limited understanding about what the private sector of a country currently experiences as predominant obstacles to trade – and why. Impediments in relation to NTMs and their compliance are often linked to a lack of efficient procedures and facilities, and to a lack of information.

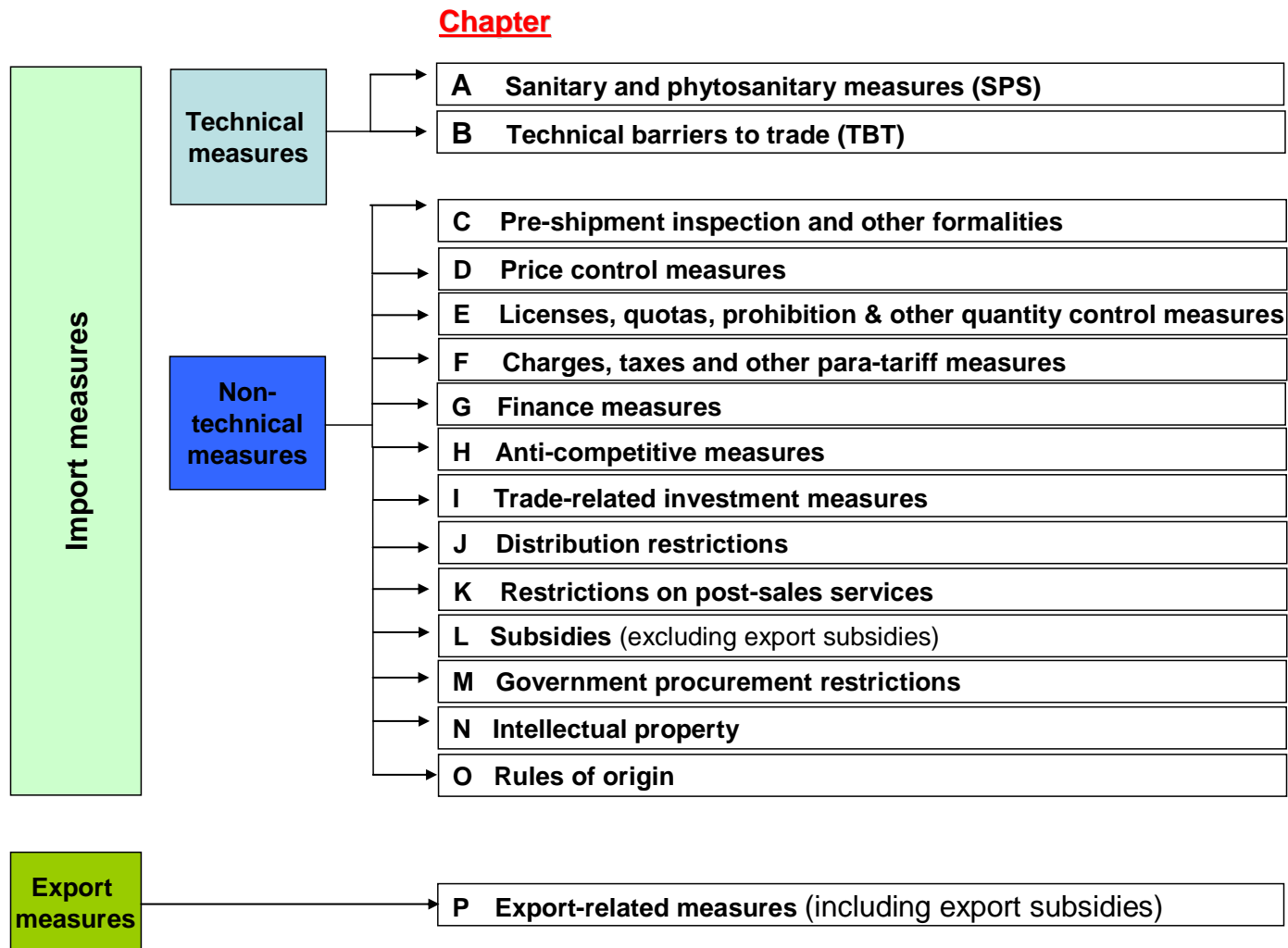
Multi-agency initiative on NTMs – since 2006

- 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
- Group of Eminent Persons as advisory board
- Overall objective: Increase transparency and understanding about NTMs
- Initiative addresses the need for common international NTM classification and methodology to collect and disseminate data on NTMs.
- Key output (2007-09): New NTM classification on goods (Nov 2009), tested and validated during pilot phase.

New NTM classification on goods

- Based on an UNCTAD classification of the 1980's
- Concerns both import and export of goods
- Distinguishes between technical and non-technical measures
- Refers to mandatory measures - voluntary standards are excluded
- Includes a substantial number of new sub-categories, notably Sanitary and Phytosanitary measures (SPS) and Technical Barriers to Trade (TBT)
- More than 200 measures at the most detailed level
- Classification suited to collect and disseminate detailed information across countries

New NTM classification - structure



ITC-UNCTAD pilot project (2008-2009)

- Pilot project to develop and test a new methodology for the systematic collection, classification and dissemination of NTMs:
 - Large-scale company surveys (around 200-400 face-to-face interviews per country) in 7 countries: Brazil, Chile, India, Philippines, Thailand, Tunisia and Uganda.
 - Data Collection and classification of NTM regulations for a number of countries
- Key Outputs pilot project
 - Development and validation of company surveys as tool to identify trade impediments companies face when exporting & importing.
 - Development and validation of a new methodology to collect, classify and disseminate NTM data (regulations).

Demand & interest for NTM activities

NTM classification:

- High interest in the new classification as reference document, in particular by public institutions in developing countries.

NTM surveys:

- Strong interest for private sector perspective on NTMs by public sector and trade support institutions, but also by international organisations.
- Direct link to private sector

Official data:

- High demand and interest for access to official data; in particular by private sector and by trade support institutions (interest in customised content for their clients) and government officials, but also by international organisations and researchers.

ITC NTM project 2009-2012

Key objectives

- Understand the non-tariff obstacles to trade exporters and importers experience when trading their goods
- Provide exporters and importers with easy access to relevant information on the NTMs their products need to comply with

Key activities

- Company-level surveys on NTMs in around 30 countries
- Contribute to collection, classification and dissemination of NTM regulations; under UNCTADs leadership, in collaboration World Bank



ITC NTM project - Two main activities

I) Company surveys

Objective: Understanding the non-tariff obstacles to trade exporters and importers experience when trading their goods

Partners: In close collaboration with national stakeholders

Selected countries:

- Request by a country
- ITC or donor priority country
- Other ITC framework
- 2011: focus on LDCs

Output:

Country reports, shared and discussed in the framework of a national stakeholders' workshop; workshop shall initialise local dialogue and follow-up actions

II) Official NTM data (regulations)

Objective: Providing exporters and importers with easy access to relevant information on the NTMs they need to comply with

Partners: Under UNCTAD's leadership, contribution by ITC & World Bank. Multi-agency framework.

Countries:

- Long-term goal: global coverage
- Initial focus on major importing countries (including EU, China, US, etc) and survey countries

Output:

New web application, providing NTM data by product, partner country and NTM; data centralised on country level;

Methodology based on new NTM classification

NTM company surveys

NTM company surveys – Main objectives

- Identify by product, sector and partner country those NTMs which companies experience as trade barriers; understand related problems with these measures;
- Identify potential bottlenecks with regards to (national) trade procedures and cross-border operations;
- Identify specific needs for capacity building
- Create dialogue among national stakeholders

NTM surveys results relevant for

- **Policy makers:** Better understanding of specific needs of the business sector
- **Trade support institutions:** Better understanding of sector-specific needs, enabling better support for the business sector and the fostering of more transparent and dynamic commercial activity
- **Exporters and importers:** Exchange of experiences with other exporters and importers who may face similar problems through national dialogue

NTM surveys – Methodology (i/ii)

- Global methodology, adjusted to country-specific requirements.
- Focus on exporting and importing companies;
- Implemented by local survey specialist, in collaboration with national stakeholders
- Objective: Representativeness by sector and company size
- Implementation: Two-step approach (phone and face-to-face interviews) with stratified random sampling
 - All export sectors that cumulatively account for more than 90% of country's export value; imports also covered.
 - Economy divided into 13 sectors (excluding minerals and arms).
 - Small, medium-sized, and large companies included in sample proportionally to their actual numbers.

NTM surveys – Methodology (ii/ii)

Two-step approach:

Step 1: Phone screen interviews

- 600-1'200 phone screens, depending on size & diversification of economy
- Random sampling from each strata (sector-size combination)
- Aim: identification of companies strongly affected by NTMs (and share of affected companies by sector and company size)

Step 2: Face-to-face in-depth interviews led by a trained moderator

- 100-300 interviews depending on results of phone screening
- Aim: Understanding of reported NTMs at most detailed level (product – partner country – specific measure)
- Identification of the “problem”: why are reported NTMs difficult?
- (e.g. tight requirements, high cost of compliance, lack of facilities)

In-depth country report with survey findings

- Preparation of in-depth country report in collaboration with local research institution.
- Survey results are analysed by
 - Main export and import sectors, with focus on specific products;
 - Type of NTM categories (eg. SPS) and specific NTM measures
 - Type of problems & problem sources – national challenges, challenges faced in transit and partner countries.
- Quantitative interviews are complemented by qualitative interviews with relevant stakeholders, e.g. business associations.
- Survey results are validated by local partners.
- Dissemination of country report in the framework of a national stakeholders' workshop; discussion of follow up activities.
- Integration of survey results into other ITC projects and projects by ITC partners.

NTM survey countries 2010

	Country	Status
1	Burkina Faso	Interviews ongoing
2	Côte d'Ivoire	Final decision pending
3	Egypt	Confirmed
4	Hong Kong	Interviews ongoing
5	Malawi	Survey initialisation
6	Morocco	Interviews ongoing
7	Paraguay	Interviews ongoing
8	Peru	Interviews ongoing
9	Rwanda	Confirmed
10	Sri Lanka	Interviews ongoing
11	Uruguay	Survey preparation

Collection and dissemination of official NTM data

Official data collection and classification Scope 2009-2012 (UNCTAD, WB, ITC)

- **Under UNCTADs leadership, with contribution from ITC and World Bank**
- Collection and classification of national NTM regulations (in particular SPS and TBT) aiming at a global coverage;
- ITC focus 2010: survey countries and a number of major importing countries: EU; Turkey; Hong Kong (China)
- Around 60 countries covered by 2012
- Annual update of data to ensure sustainability

Official data dissemination – global public good

Data dissemination

- Web application that provides free access to NTM regulations, by country and product (2010), as module of a new, integrated market access web application, under development **World Bank, ITC, UNCTAD**
- The data is disaggregated by measure, product, applying and affected countries.
- For exporters and importers in any country; for trade support institutions and policy makers

Outlook: NTM regulations dissemination

New integrated application on trade, tariff and non-tariff measures will be released by ITC, UNCTAD and the World Bank in 2010

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Tariff and Trade Analysis
Raw Trade Data (Comtrade)
Non-Tariff Measures

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New Nam

Increasing transparency of world trade and market access

ITC, UNCTAD and the World Bank in close collaboration with the WTO and UNSD, are proud to offer a comprehensive solution for analysing market access measures worldwide. Built around the needs of exporters, trade support institutions in developing countries and trade policy makers and academic researchers globally, this application replaces ITC's Market Access Map (MacMap) and the World Integrated Trade Solution (WITS), a collaboration of the World Bank and UNCTAD. Data is sourced from ITC, UNCTAD, WTO and UNSD (Comtrade). Read [About](#) for information on types of data available.

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Opportunities for collaboration (i/iii)

ITC company surveys on NTMs could contribute to STDF SPS-related capacity evaluation by

- Providing the private sector perspective on SPS issues (representative by export sector) and related challenges faced
- Carrying out an in-depth analysis of SPS-issues by sectors as well as specific products;
- Analysing specific SPS measures exporters and importers experience as cumbersome, and the related problems they face in relation to this at the domestic and partner country level.

Opportunities for collaboration (ii/iii)

- In each survey country, ITC organises a national stakeholder's workshop to present and discuss the country report with survey findings. One workshop session could be organised in collaboration with STDF and focus on SPS-related capacity evaluation and follow up activities.
- In discussion with national stakeholders, ITC could encourage survey countries to submit their proposals for follow up activities to STDF.
- The new web application for NTM data dissemination could link to the STDF website.

To be further discussed!

NTM@intracen.org