

Tackling the invisible barriers to trade

Presentation of the NTM Survey on Trade in Goods and Services

NTM Survey Launch
Hanoi, Vietnam
21 November 2018



1. Survey structure in Vietnam

2. Partners & implementation

3. What we need from you

4. Results

5. Feedback / Discussion

NTM Survey structure

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

- Covers companies involved in international trade in services.
- Services sectors covered by the survey:
 - Transport & logistics,
 - ICT and
 - Tourism

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)

- ~**1400** PS in Viet Nam
- 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
- **500** face-to-face interviews in Viet Nam
- 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)



Type of data: Face-to-face interviews

2. Face-to-face data gathering company-level information (only those facing trade obstacles) on:

All affected trade flows



All traded products and partner countries



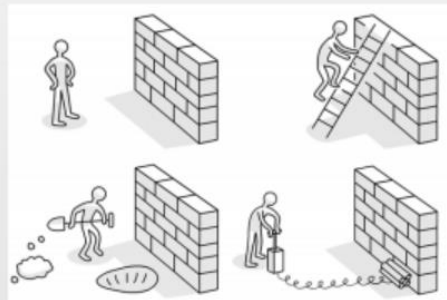
Burdensome regulations

(description, official name, category of NTM, implementing body, applying country)

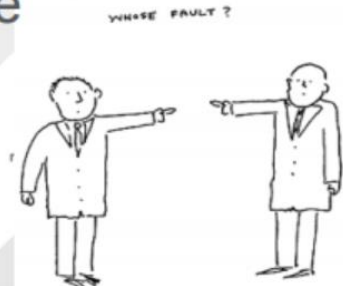
Related obstacles
(description, category of obstacles, implementing agency, location)



Recommendations to overcome the obstacles



Where the problem occurs



Objectives of the survey

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 Oman to reach greater efficiency in the export process and reduced trade cost.

The NTM survey is NOT

...a collection of or platform for complaints.

...intended to single out specific institutions to blame for inefficiencies.

Who will benefit from the ITC survey on NTMs?

1. Exporters

- Channel for reporting the obstacles to trade they face in their daily business to raise awareness among other exports and importers, trade support institutions and policy makers
- Exchange of experiences with other exporters and importers
- → final beneficiaries of removal of NTM-related trade obstacles

2. Trade support institutions

- Better understanding of sector-specific needs;
- Better support for business sector; fostering of transparent and dynamic commercial activity

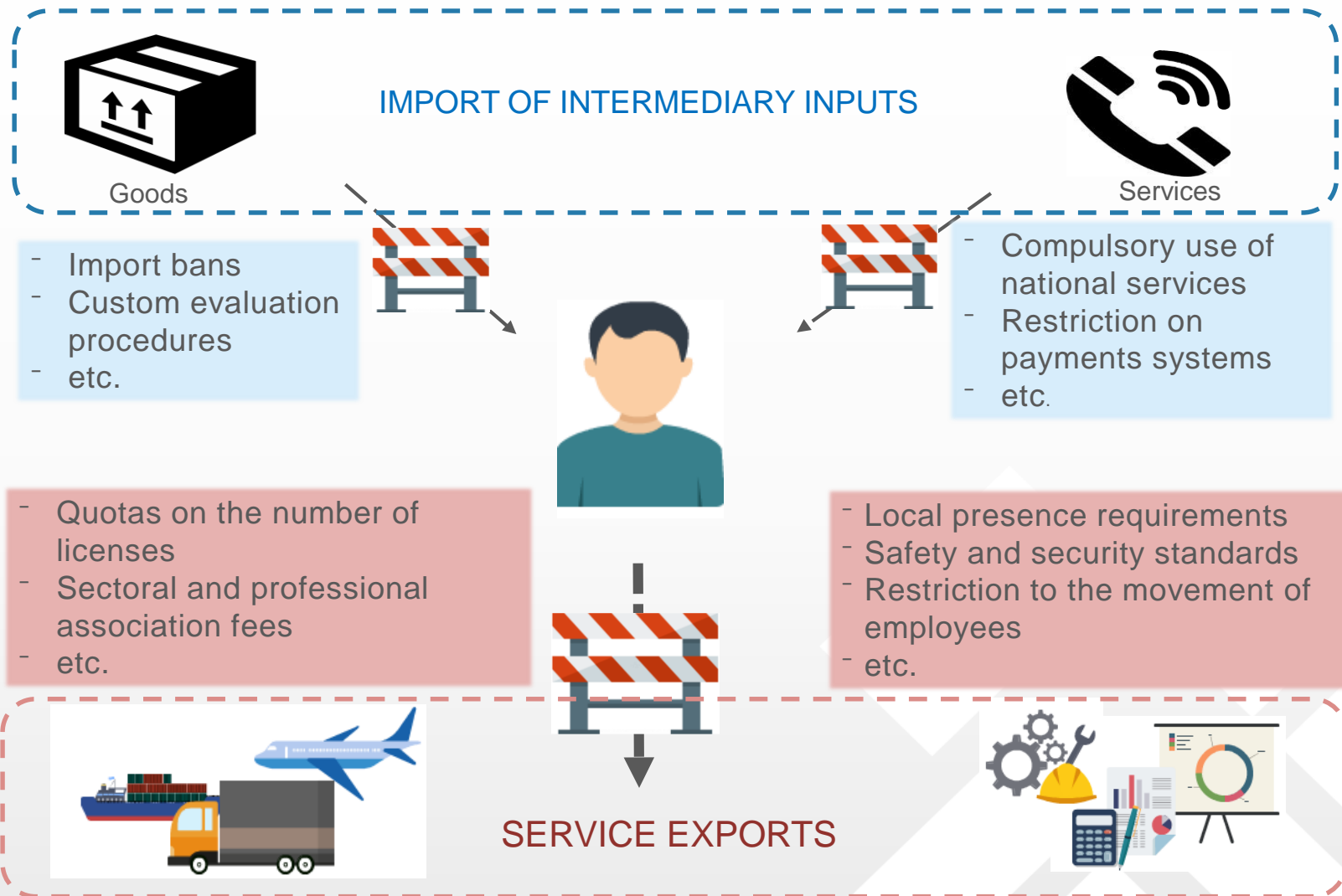
3. Policy makers

- Understanding specific needs of business sector; better formulation of national and regional strategies and policies
- Removal of procedural obstacles

4. Researchers

- Better understanding of the impact of NTMs on international trade – from the perspective of the business sector

For services, business survey focus



Classifying Obstacles to Services Trade

Origin of the obstacle	Definition
Regulations - REG	Regulation refers to a mandatory requirement imposed by national authorities (in the surveyed country, partner country or transit country). The problem, however, might derive from the strictness of its requirements or from the specific way the regulation or law is implemented by institutional authorities. In the latter case, the regulation could be associated to one or more procedures (POs).
Private Standards - PS	A private standard refer to a set of rules required by a private client (or association with whom the company has membership ties) that compromises the company business operations if not duly applied. Can also be associated to one or more procedures (POs).
Procedural obstacles - PO	Procedural obstacles are practical issues, problems or difficulties related to the process of complying with a regulation. Compliance with one regulation can create several procedural obstacles.
Business environment issues – BE	The problem does not derive from a specific mandatory regulation or private standard but is instead related to: the state of the regulatory framework (e.g. lack of regulations); the infrastructural network; and the overall state of affairs and available skills in a country. A business environment issue cannot be associated to a procedure (PO).

Services coverage and segmentation

- Focus on key service clusters for Vietnam with inclusive value chains and strong synergies with merchandise trade
- Tailored questionnaires for **Transport & logistics, Travel & tourism and ICT services.**

- Freight forwarders
- Transporters
- Providers of auxiliary services

Freight transport and logistics



- Tour operators & travel agents
- Tourist guides
- Passenger transport providers
- Accommodation providers

Travel and tourism



- Computer service providers
- IT Enabled services providers
- Telecommunication - related services providers

Information and communication technology



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NTM survey implementation in Vietnam



- Project focal point in Vietnam : VIETRADE
- In the process of hiring a local company, responsible for the implementation of interviews – decision End of November
- Training of interviewers and testing interviews: 3 to 7 December



During the phone screening, the survey company will randomly contact exporting and importing companies from the business register.

NTM survey in Vietnam – the process

(tentative dates)

1. Survey Inception and Preparation	2. Interview Period	3. Data Analysis and results summary	4. Results Validation and Dissemination
Until November 2018	December – March 2018	April - May 2018	June 2018
In collaboration with the survey company	In collaboration with the survey company	In collaboration with local expert(s) (economist, trade specialists)	In collaboration and coordination with the government, TSIs and other local stakeholders (customs, certification bodies, etc.)
<ul style="list-style-type: none"> Survey design adjustment to country specific needs Sample size calculation* Face-to-face training of interviewers* First stakeholder meeting to inform about survey objectives and encourage participation 	<ul style="list-style-type: none"> 1400 phone-screen interviews with exporters and importers 500 face-to-face interviews with exporters and importers Data digitalization Data quality control* 	<ul style="list-style-type: none"> Preparation of analytical tables (by products and sectors, partner countries, types of NTMs and procedural obstacles)* Additional research and complementing discussions and interviews with business associations and institutions involved in export / import process Drafting of key findings 	<ul style="list-style-type: none"> Validation of survey results and formulation of policy options though a second stakeholder meeting Compilation of a matrix of action and definition of follow-up activities with a view to remove identified trade obstacles Summary of key findings and recommendations

*Activities implemented by ITC

ITC survey on NTMs – Methodology

Global Methodology, adjusted to specific requirements of Viet Nam



- The survey will prioritize companies that export products, deemed of high importance by the Government of Viet Nam

- **Confidential**
- **Focus on exporting and importing companies**; if required, further actors taken into consideration
- **Representative by sector** : covers all export sectors **excluding services, minerals and arms** that accumulatively account for +90% of country's export value. Import sectors are also covered. Several geographic regions included.

Results validation / stakeholder consultation

- The survey documents company experiences with non-tariff measures → one side of the story
- This is complemented by stakeholder consultations, including
 - Public agencies (Customs, Standard Agency, etc),
 - Business associations
 - Development agencies etc
- Data quality control and analysis
 - In collaboration with national experts
- Validation of results during a National Stakeholder Meeting
- Publication of survey findings
- Preparation for activities to tackle the challenges identified – in close collaboration with the Government of Viet Nam and other development partners

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What do we need from you

A good registry of exporters is needed to contact relevant companies.

- For all sectors for Goods
- For selected services (Transport, ICT, Tourism)

The methodology hinges upon enterprises being willing to participate in interviews.

- Inform the exporting companies that they may be contacted
- Encourage their participation in the survey.



Help us build a comprehensive list of exporters with contact details



Spread the word!

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NTM Business Surveys in numbers



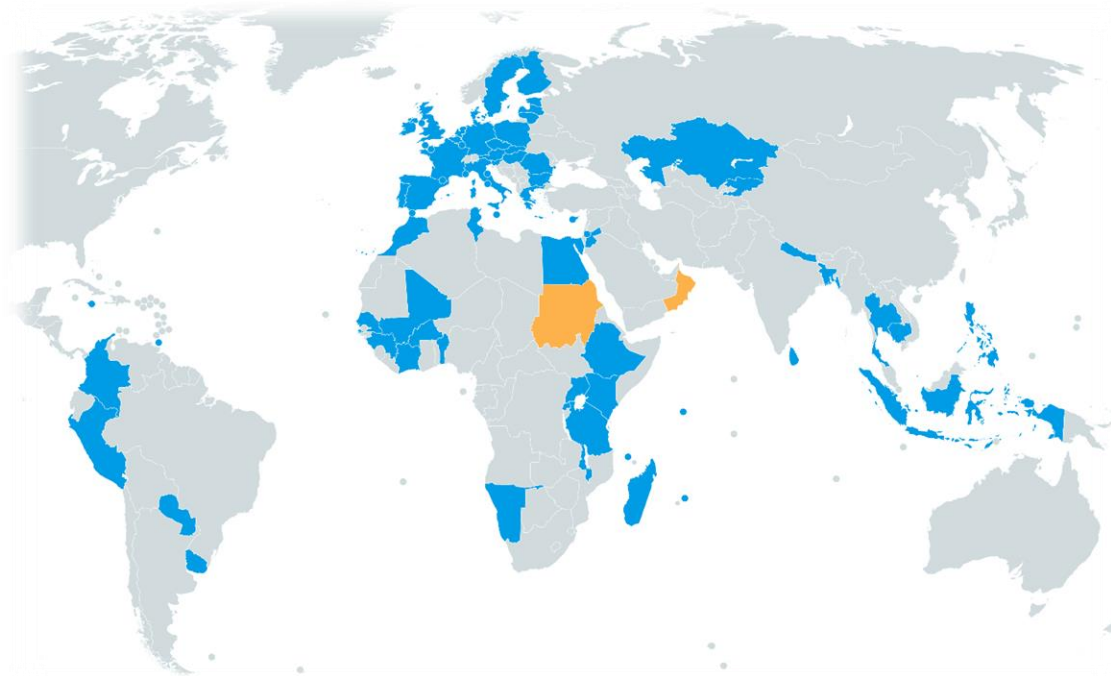
28,000

Phone Interviews

8,150



Face-to-face interviews



Nearly
30,000
reported trade
obstacles...



From over
developing
countries

35

+ **28** EU countries

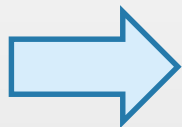
...concerning
trade with
partner countries

185

Example “over-regulation”: opportunities for simplification

ITC’s business survey on NTMs in Mauritius highlighted that companies suffered from what they felt were **excessive import licensing requirements**.

Stakeholders, including government agencies, concluded that a **simplification was warranted** and that some licenses may no longer be needed.



More than 70 import licence requirements have to date been eliminated by the government after a thorough review of existing requirements



*“A direct consequence of the survey and the ITC consultations was the elimination of the need for Tea Board clearance of rooibos tea imports. **This resulted in reduced time and cost for my business.**”*

A Mauritian tea importer

Avoiding costly mistakes: Mitigating the negative impact of changes in regulations

Example ePing: **ITC alerts SMEs about changes in regulations** for products and markets of their interest, including changes that have not yet been implemented
→ **solving trade obstacles before they occur**

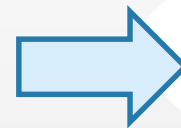


“Countries change their laws so quickly. How can I keep up?”

A frequently voiced concern among the 28,000 exporters interviewed by ITC across the world (including in the EU)

*“Thanks to ePing, I am now able to receive **timely information on changes in technical regulations** concerning fisheries, share it with our members and engage in discussions on the chat forum relating to notifications of concern and help members, for example when our companies face problems with compliance.”*

Head of the Uganda Fish Processors & Exporters Association



SMEs are informed about relevant regulatory changes and **can take action to adjust**



Policy makers are enabled to **clarify implications of changes** and to report concerns back to the multilateral level

Example export procedures: knowing where to start reduces time and cost

Example Bangladesh:



of procedural trade obstacles occur in
Bangladeshi agencies



52%

of these relate to **unclear or overly time-consuming administrative processes** to obtain
necessary documents



High fees and **unexpected charges**,
including informal payments

Source: ITC business survey in Bangladesh 2015

*"There are so many institutions to go to and so many documents to fill in and provide. The procedures should be made simpler and more transparent. **This will also reduce informal payments.**"*

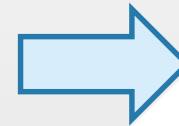
A Bangladeshi exporter

In response, ITC is working with UNCTAD and national partners in Bangladesh to make **export procedures fully transparent in a publicly available step-by-step guide**, validated by institutions and regularly updated.

It provides **detailed and practical description for businesses** on the paperwork to complete, addresses of institutions, administrative fees, duration of processes, etc.



Exporting becomes **more accessible** and **time and cost more predictable** for SMEs



Simplification: identifying unnecessary duplications allows **streamlining procedures**

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Eliminating unnecessary red tape: connecting businesses with institutions

NTM stakeholder consultations in Côte d'Ivoire highlighted the **lack of awareness of institutions about practical problems encountered by businesses**

For example, Ivorian exporters **used to wait up to six months** to get the weight certificate required to export cocoa beans.

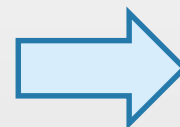
As a response, ITC implemented a **Trade Obstacles Alert Mechanism (TOAM)**, which:

- Connects exporters directly with relevant institutions in the export and import process
- Enables **institutions** to respond to / **solve trade obstacles encountered by businesses**
- Alerts SMEs in real time on trade obstacles encountered by other businesses and corrective steps taken



*"The platform simplifies our life by providing concrete answers within a short time. 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 growth of Côte d'Ivoire."*

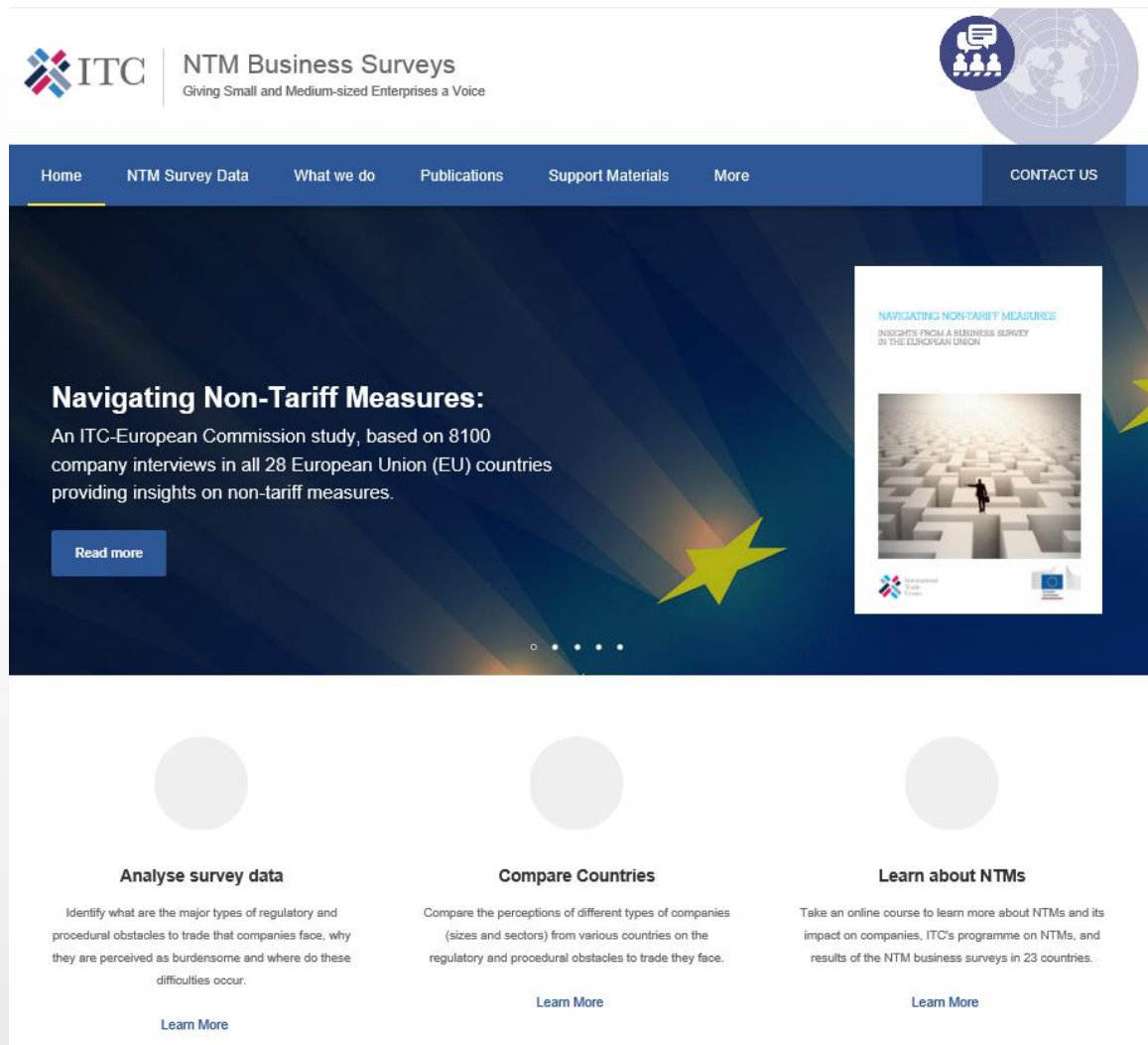
An Ivorian exporter whose problem got resolved through ITC's trade obstacles alert mechanism



Thanks to the TOAM, the **institution-internal procedure was simplified** and **the waiting time has dropped to two weeks.**

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ITC Survey results online: www.ntmsurvey.org



The screenshot shows the ITC NTM Business Surveys website. At the top, the ITC logo is on the left, followed by the text "NTM Business Surveys" and "Giving Small and Medium-sized Enterprises a Voice". On the right, there is a circular icon with three people and a globe. Below this is a navigation bar with links: Home, NTM Survey Data, What we do, Publications, Support Materials, More, and CONTACT US. The main content area features a large banner for "Navigating Non-Tariff Measures: An ITC-European Commission study, based on 8100 company interviews in all 28 European Union (EU) countries providing insights on non-tariff measures." with a "Read more" button. To the right of the banner is a thumbnail image of the study report cover. Below the banner are three circular icons representing different sections: "Analyse survey data", "Compare Countries", and "Learn about NTMs". Each section has a brief description and a "Learn More" link.

ITC NTM Business Surveys
Giving Small and Medium-sized Enterprises a Voice

Home NTM Survey Data What we do Publications Support Materials More CONTACT US

Navigating Non-Tariff Measures:

An ITC-European Commission study, based on 8100 company interviews in all 28 European Union (EU) countries providing insights on non-tariff measures.

[Read more](#)

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.
[Learn More](#)

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 More](#)

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..
[Learn More](#)

Question / Comments?

Thank you!



For further information:

www.ntmsurvey.org

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