



National roundtable on non-tariff measures in the Philippines

Insights from the ITC business survey

29 June 2016
Manila, Philippines



What is ITC?



UNCTAD

The UN body for the design of policy recommendations to achieve economic and social development through trade and investment.



WTO OMC

The forum to negotiate multilateral trade rules, monitor their implementation and handle trade disputes



ITC works with local and regional institutions and the private sector to build trade capacity.

Our mission

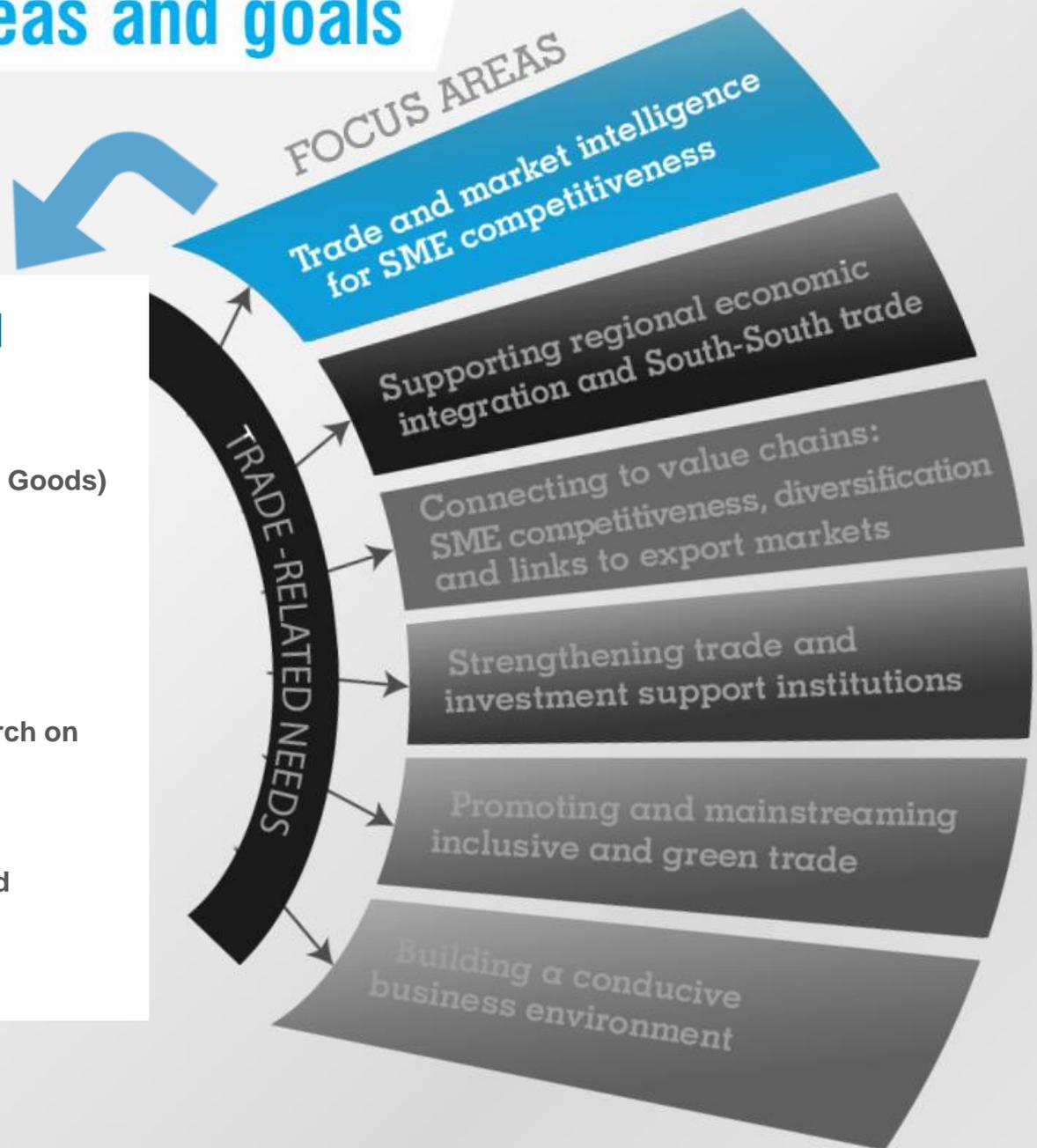
To foster inclusive and sustainable growth and development through trade and international business development.



ITC's six focus areas and goals

ITC's Market Analysis And Research Services

1. Information transparency (Global Public Goods)
 - Trade Map
 - Market Access Map
 - Investment Map
 - Standards Map
2. Country-level trade diagnostics & research on global trade trends
(including **NTM Business Surveys**)
3. Building Capacity in market analysis and research



Objective of today's meeting

- ✓ Present and discuss regulatory and procedural trade obstacles as experienced by Philippine's exporters and importers
- ✓ Identify solutions to mitigate these obstacles taking into account the public and the private sector perspectives
- ✓ Define concrete priority actions and a roadmap for their implementation
- ✓ Inform ongoing and planned trade initiatives and strategies

Agenda

09:00 Welcome and opening remarks

Session 1 **Background and overview of results**

09:30 The ITC Project on NTMs and the implementation of its survey
- Q&A-

10:00 General results of the survey: companies' perception of NTMs
- Q&A -

10:30 Coffee Break

11:00 Main trade barriers affecting Filipino's exports and imports
- Floor Discussions -

12:00 Lunch

Session 2 **Thematic roundtables**

13:00 Roundtable 1: Product requirements and conformity
Roundtable 2: Customs clearance and control
Roundtable 3: Rules of origin and other trade rules

15:00 Coffee Break

Session 3 **Recommendations and conclusion**

15:30 Summary of roundtable discussions

16.00 Overcoming challenges related to NTMs
- Floor Discussions -

17:00 Concluding Remarks and Closing

Session 1: Background and overview results

Chair: Agnes Perpetua R. Legaspi,
Assistant Director, EMB

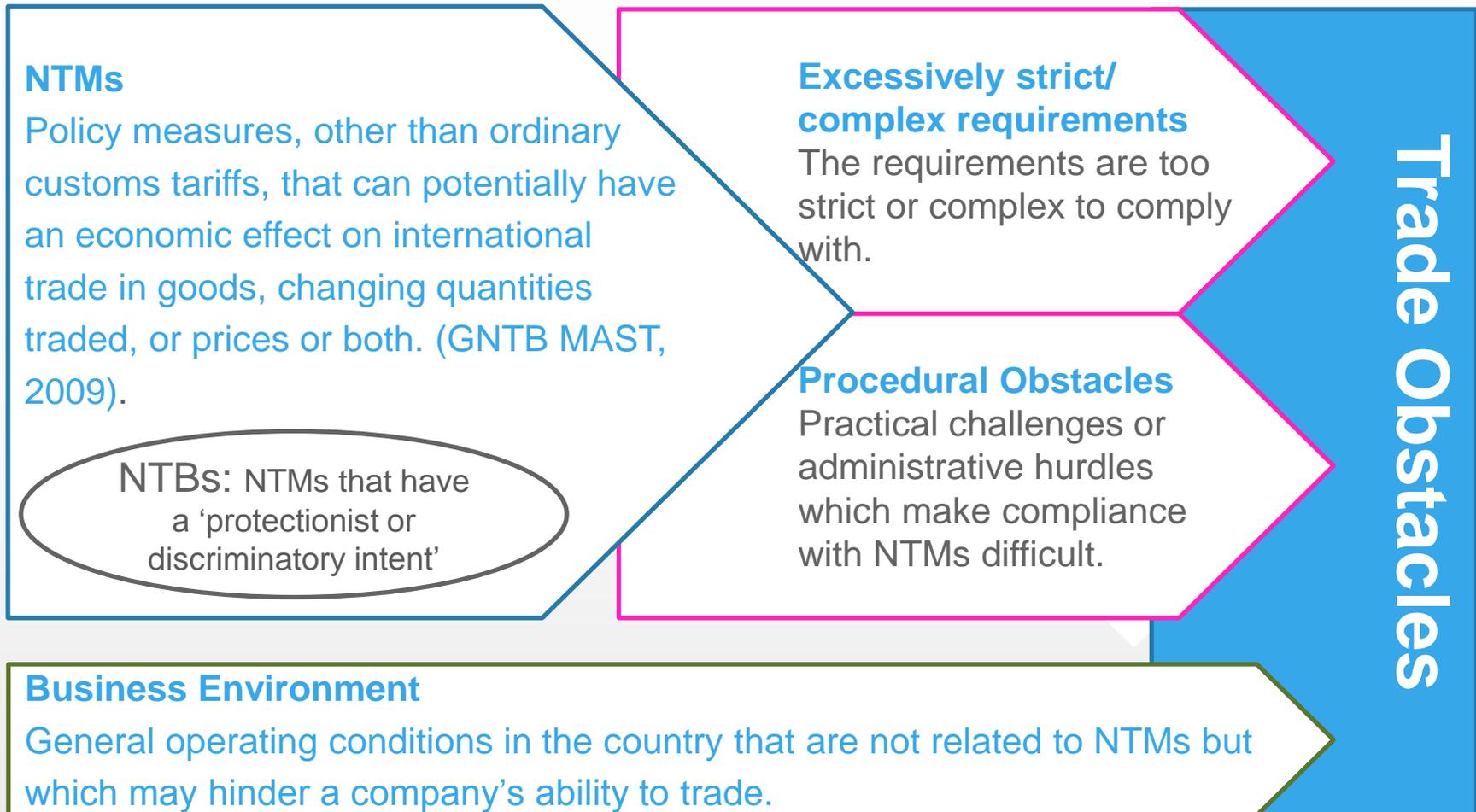
The ITC Survey on NTMs and its implementation in the Philippines

Speaker: Ms. Ursula Hermelink,
NTM programme manager, ITC

What are non-tariff measures (NTMs)?

- **Official policy measures on export and import, other than ordinary customs tariffs**, that can potentially have an economic effect on international trade in goods, changing quantities traded, prices or both
- **Mandatory requirements, rules or regulations** legally set by the government of the exporting, importing or transit country (in contrast to private standards)
- **Can affect both export and import**
- Include technical measures and standards, as well as regulations on customs procedures, para-tariff measures, financial measures, prohibition, etc.

NTM & Trade obstacles: Definitions



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

ITC's NTM Surveys

Objectives

- Document experiences of exporters and importers, particularly small and medium-sized enterprises (SMEs) with NTMs
- Highlight what turns NTMs into regulatory and/or procedural trade obstacles for companies, even if not intended as trade barriers
- Channel the voice and concerns of SMEs to decision-makers
- Highlight the potential to reduce trade cost implied by NTMs without compromising legitimate objectives of measures
- Enable evidence-based policies

Basic principles

- **Representative:** NTM surveys are representative by export sector and cover all sectors that cumulatively account for 90% of national export value (excluding minerals and arms)
- **Comprehensive:** The distribution of companies by size is taken into account
- **Systematic:** Different geographic regions are covered

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 yet 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, which will be developed in 2016

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 – 1,100 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
- 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



Burdensome regulations

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



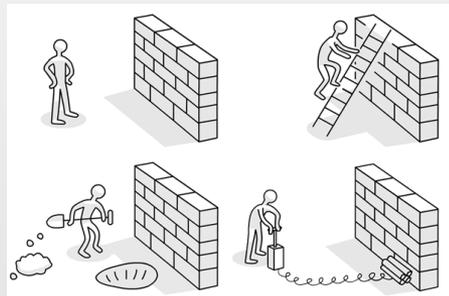
All traded products and partner countries



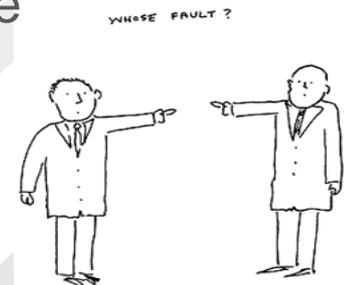
Related obstacles
(description, category of obstacles, implementing agency, location)



Recommendations to overcome the obstacles



Where the problem occurs



ITC's NTM Surveys in numbers

 **22,500**
Phone Interviews

6,400 
Face-to-face interviews

 Complete
 Ongoing
 Planned



More than **21,000** 
reported trade obstacles...

Representative for traders
from over **35**
developing
countries

+ **28** EU countries

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

→ A MILLION DATA POINTS
TO EXPLOIT FOR BETTER
TRADE-RELATED TECHNICAL
ASSISTANCE

As of 08 June 2016

To keep in mind...



1. Perception data: respondents are asked to report burdensome regulations representing *an impediment* to their exports or imports. They may have different scales for judging what constitutes an impediment (cultural, political, social, economic and linguistic differences);
2. Incomplete business registers: The survey is based on a business register compiled by ITC based on different available sources, but it may not be complete;
3. Limited knowledge: for example, exporters may not know the demand-side constraints behind the borders, e.g. 'Buy domestic' campaigns.

The NTM Survey in the Philippines

Why a survey on NTMs in the Philippines?

Starting point: discussion between ITC and DTI, and formal request from DTI Undersecretary Cristino L. Panlilio.

- Need to better understand the Filipino companies' experiences with:
 - Exporting to partner countries
 - Sourcing from partner countries
- Gain a better grasp of the Filipino exporting and importing sectors' needs
- Enable formulation of tailor-made trade policies, trade negotiations and TRTA projects

Survey implementation

- Interviews conducted from 2015 until April 2016 with a preliminary phase in late 2014
- Implemented by field partners (Nielsen Ltd. [preliminary phase] and local experts) in collaboration with the DTI Export Marketing Bureau
- Business register (from BoC, Philexport and DnB) of more than 5,000 companies of all sizes, sectors and ownership structures
- Challenges faced:
 - Slow implementation of interviews during the preliminary
- Actions taken:
 - Implementation of 2nd phase with field experts
 - Sectoral Group meetings with support of DTI

NTM Survey Implementation: Timeline

April / May 2016



- Final data quality control
- Data analysis
- First draft analysis shared with DTI

End 2016 / early 2017



- Publication of the report “Philippines: Company Perspectives - An ITC Series on NTMs”
- Initiation of follow up activities

August 2014 + November 2015



- Training of interviewers by ITC staff
- Nielsen Ltd. (preliminary phase) and local experts contracted to implement the survey

2015 – April 2016



- Survey implementation
- 1,149 companies surveyed in phone screening
- 305 companies in detailed face-to-face interviews
- Data quality control

29 June 2016



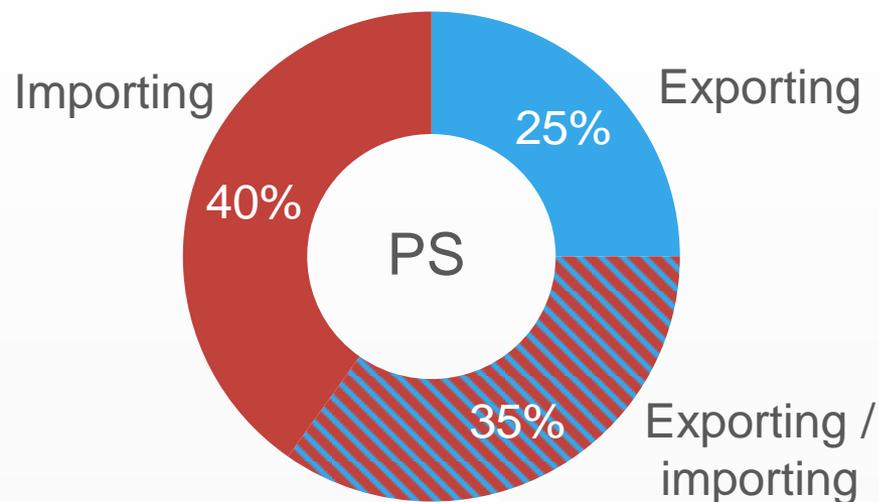
- Stakeholder meeting in Manila to discuss main findings and policy options
- Public sector inputs to the report

Profiles of interviewed companies



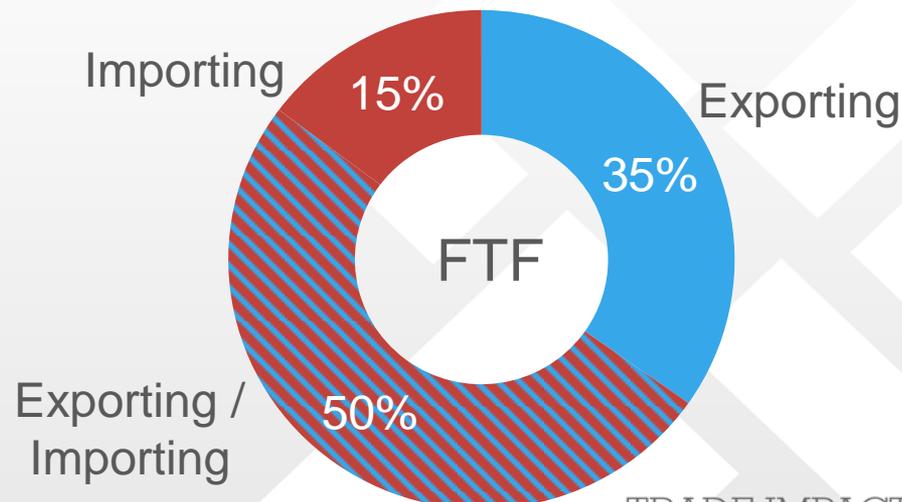
1,149

Companies interviewed at the initial phone screening (PS) stage



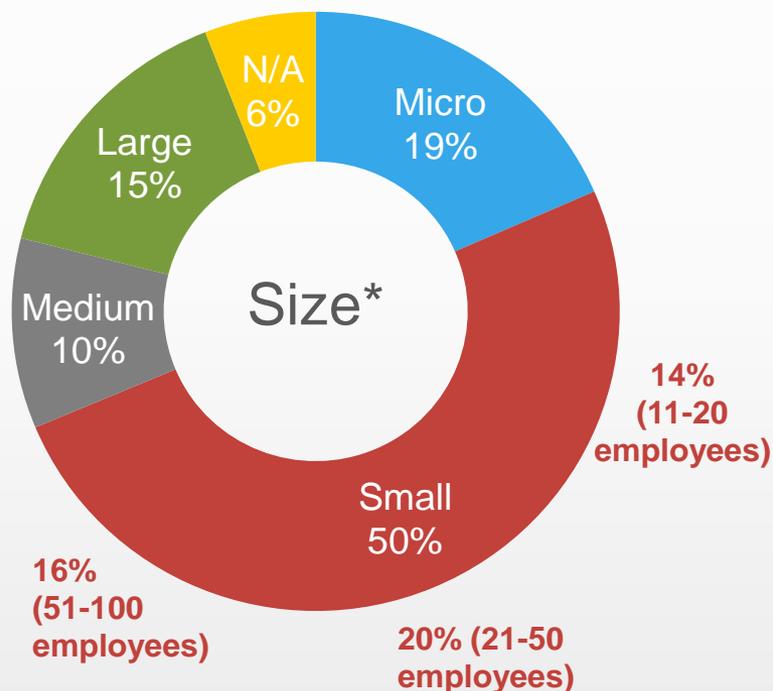
305

Companies interviewed at the detailed face-to-face (FTF) stage

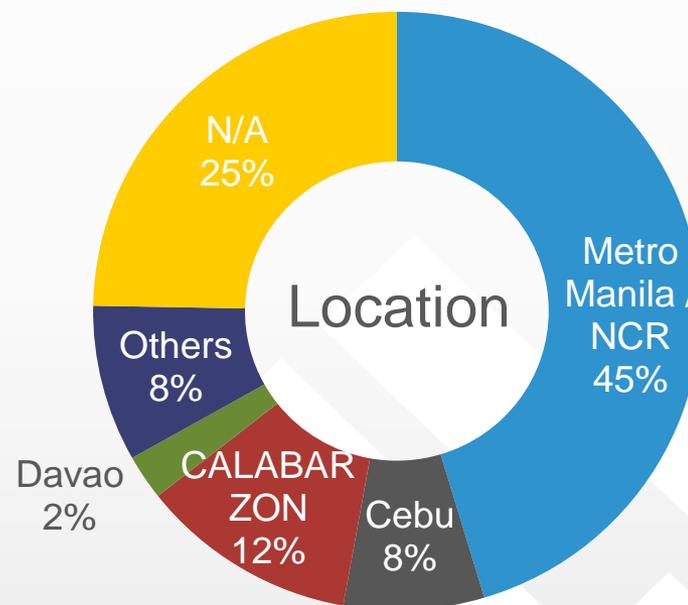


Company size and location

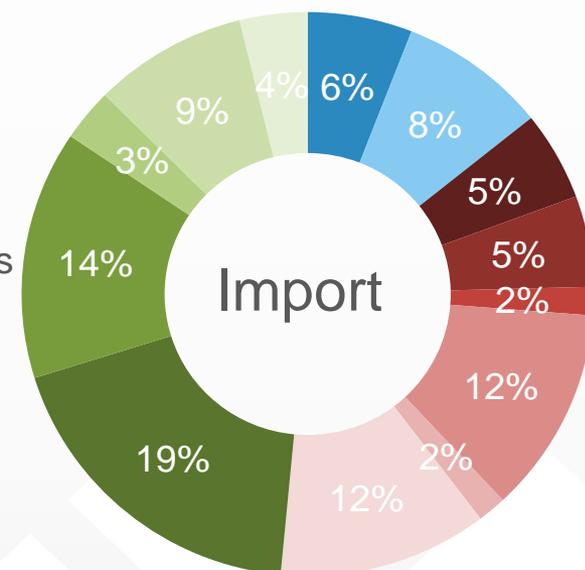
79% of interviewed companies are MSMEs



45% of interviewed companies are located in the Manila area



Sectors



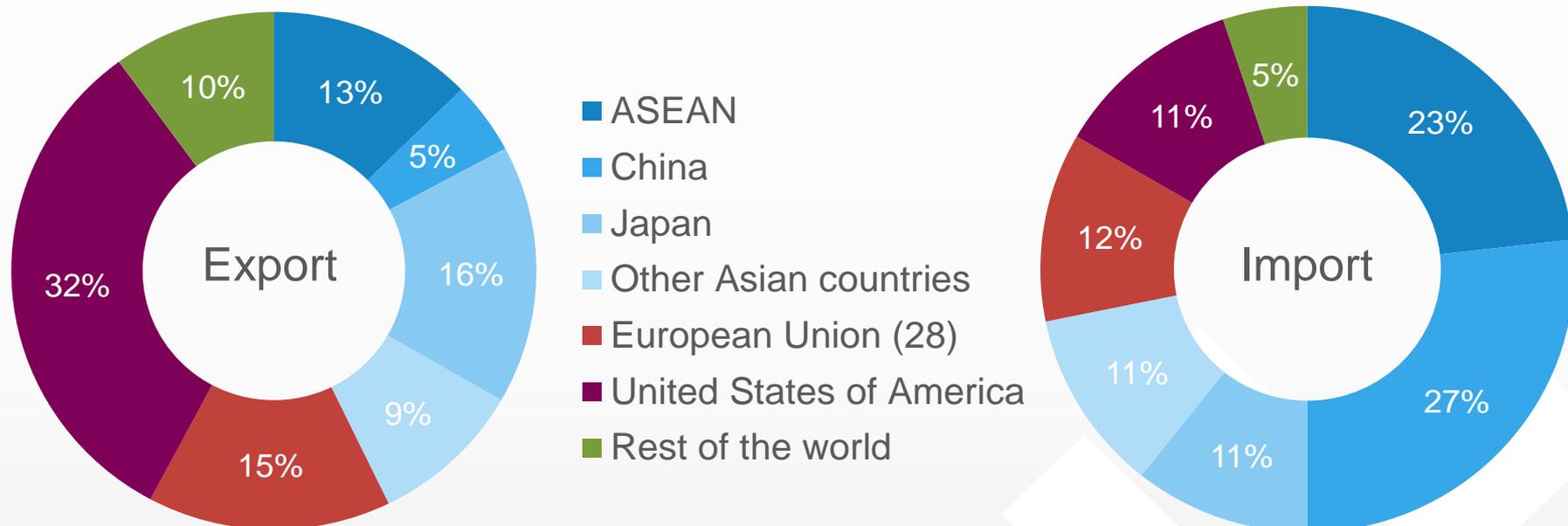
27% of interviewed companies export agricultural products (in blue)

52% low-tech. manuf. (in red)

20% medium-tech. manuf. (in green)

Partner countries

United States, EU and Japan for exports
China and ASEAN for imports



32% of interviewed companies export to USA, their main partner, while 27% of companies import from China, their main supplying country

Female employment and entrepreneurship in exporting and importing firms

99% Companies employ women

32% Companies employ more women than men

28% Companies are managed and/or owned by a woman



41%

Micro

28%

Small

22%

Medium

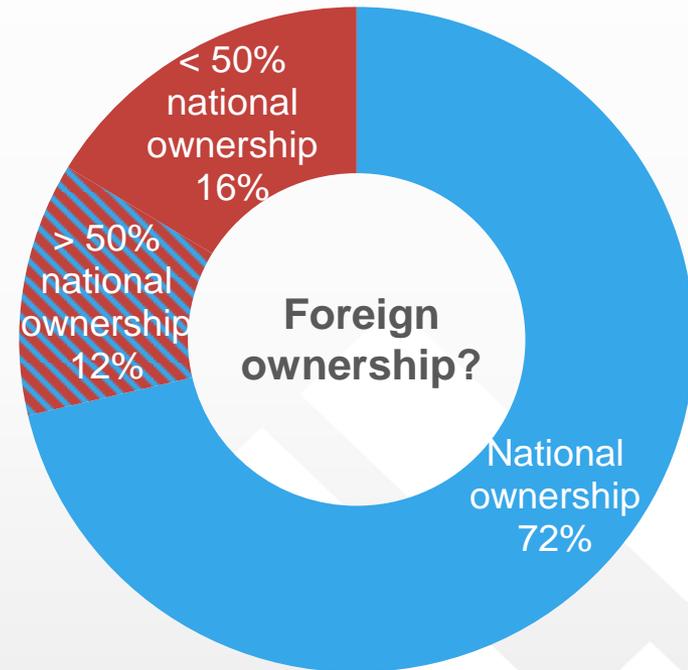
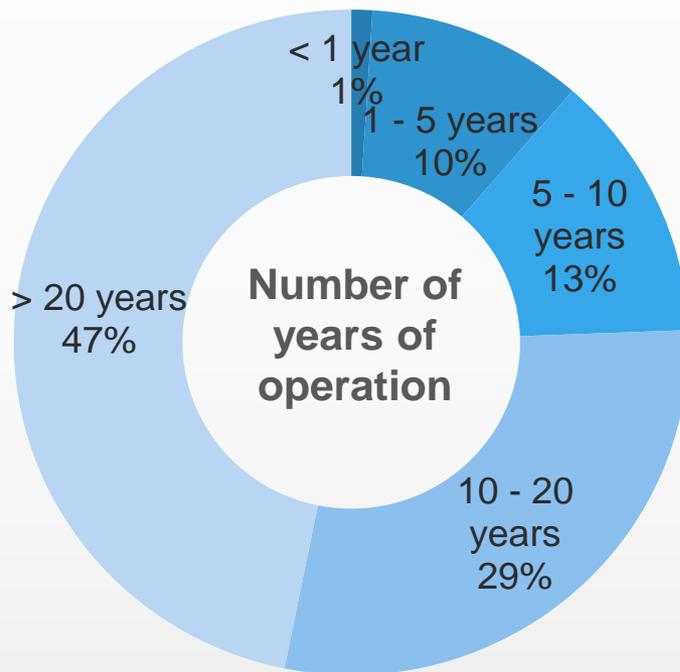
17%

Large

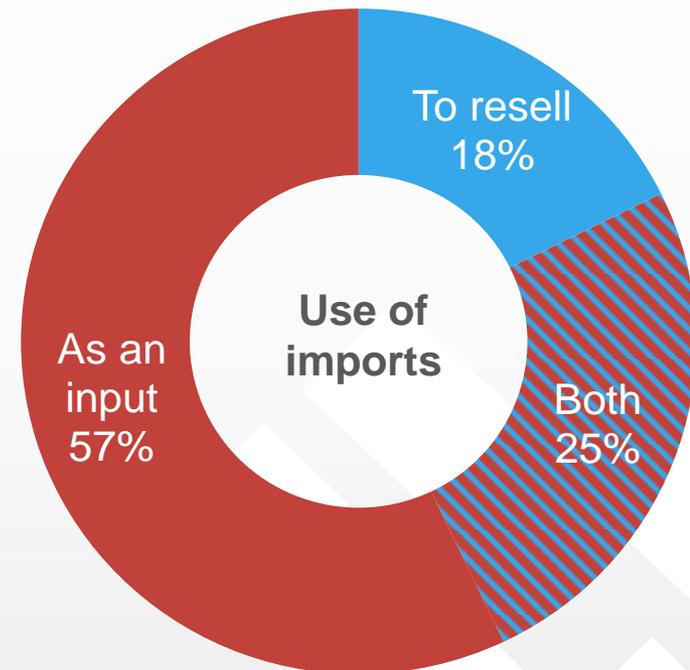
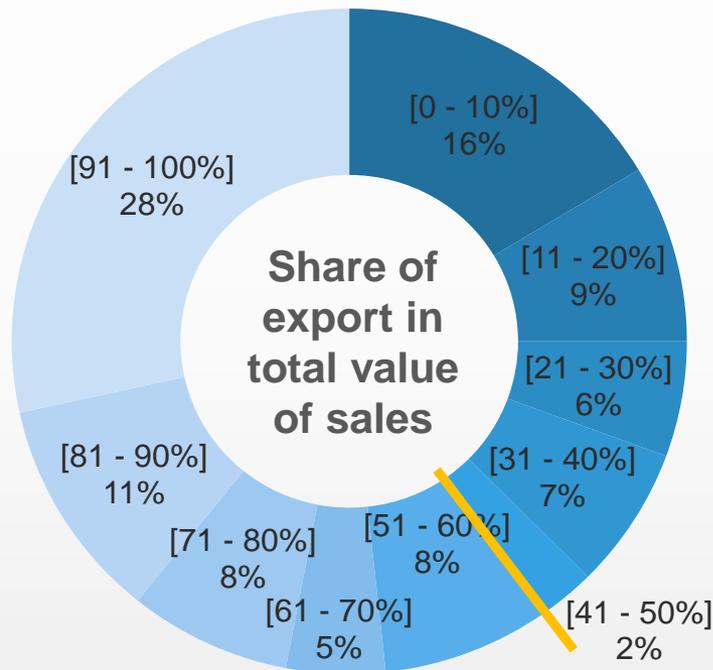


Firm ownership and experience:

Most companies have been operational for more than 5 years and are locally owned by Filipinos



Most interviewed companies are oriented towards international markets



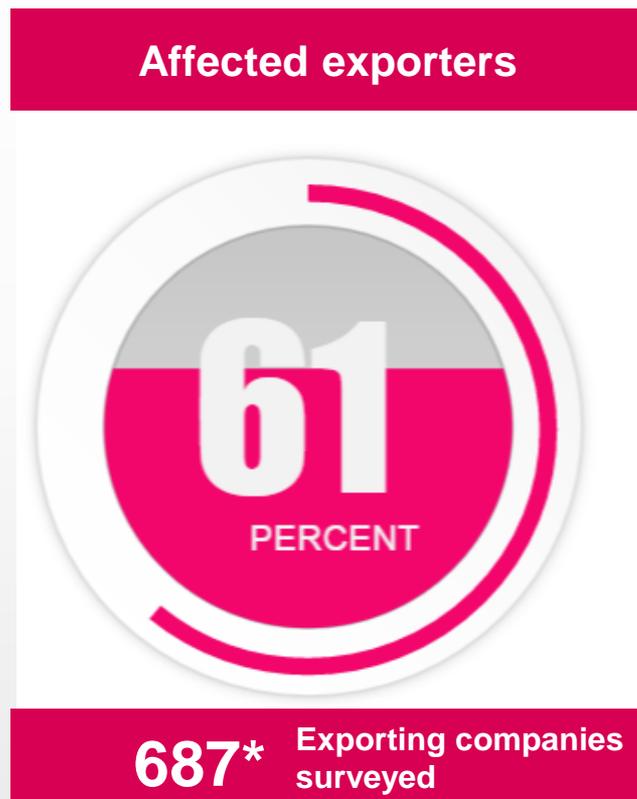
Questions & Answers

General results of the survey: companies' experiences with NTMs

Speaker: Mr. Mondher Mimouni,
Chief, Market Analysis and Research, ITC

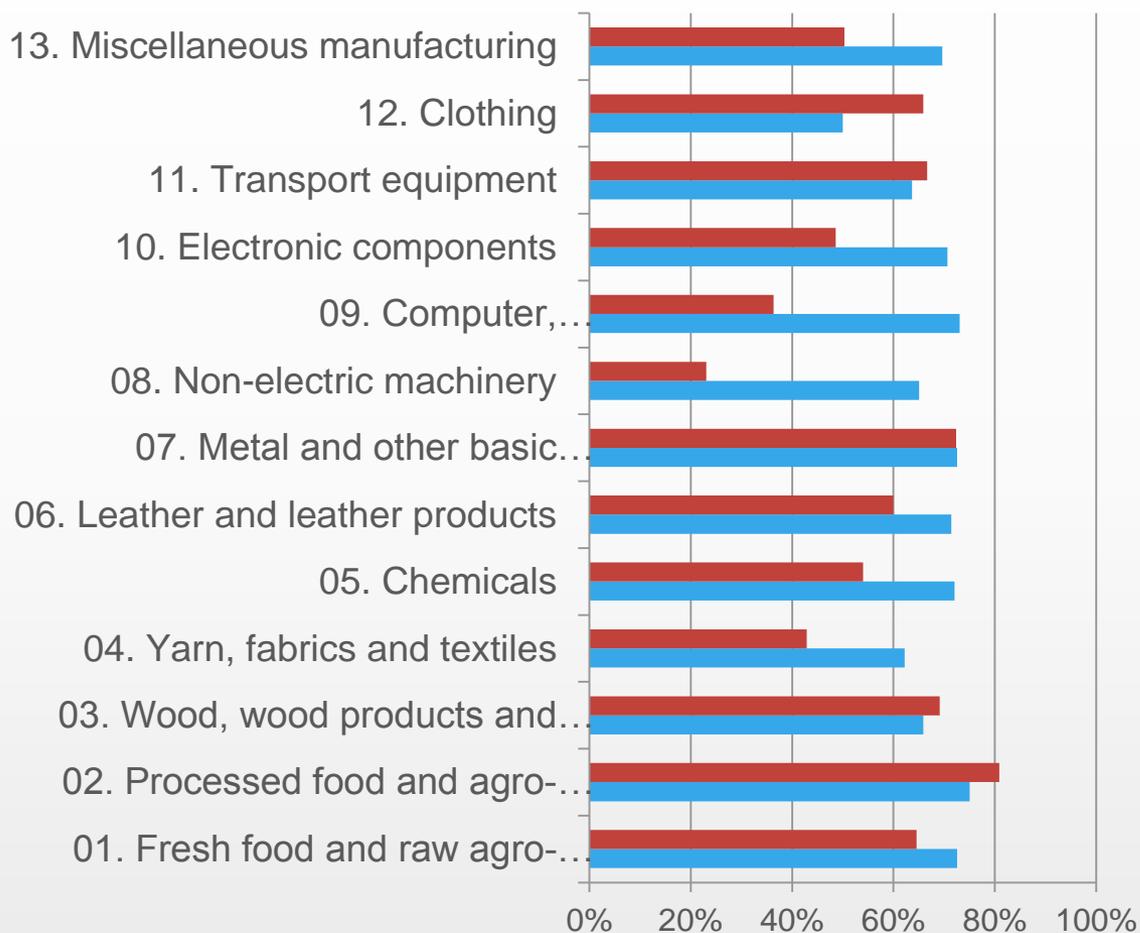
Share of Filipino companies facing difficulties with NTMs

Imports appear slightly more affected than exports

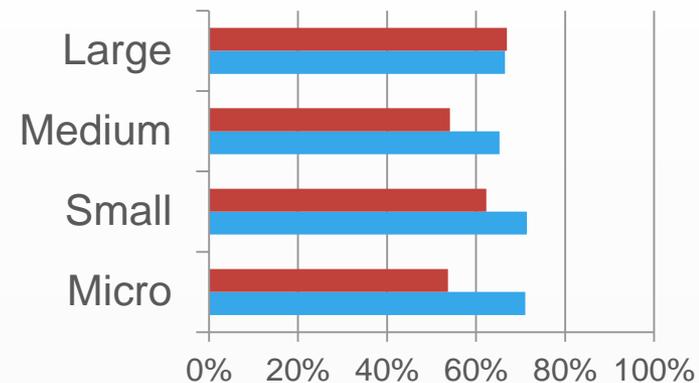


The perception of NTMs varies across...

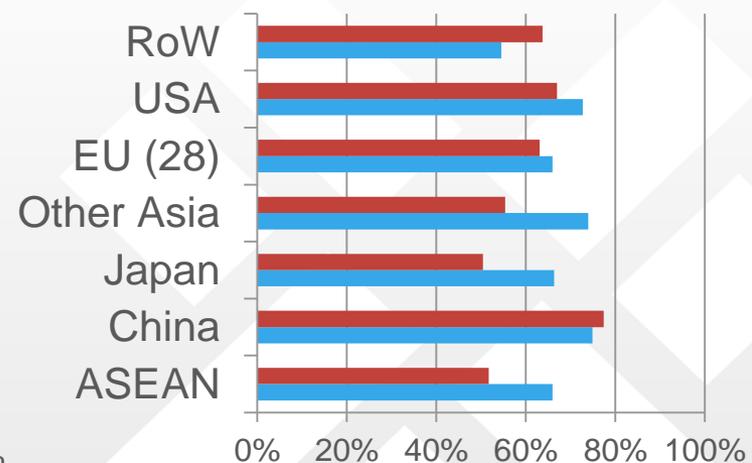
sector, ...



... company size,



... destination/origin market

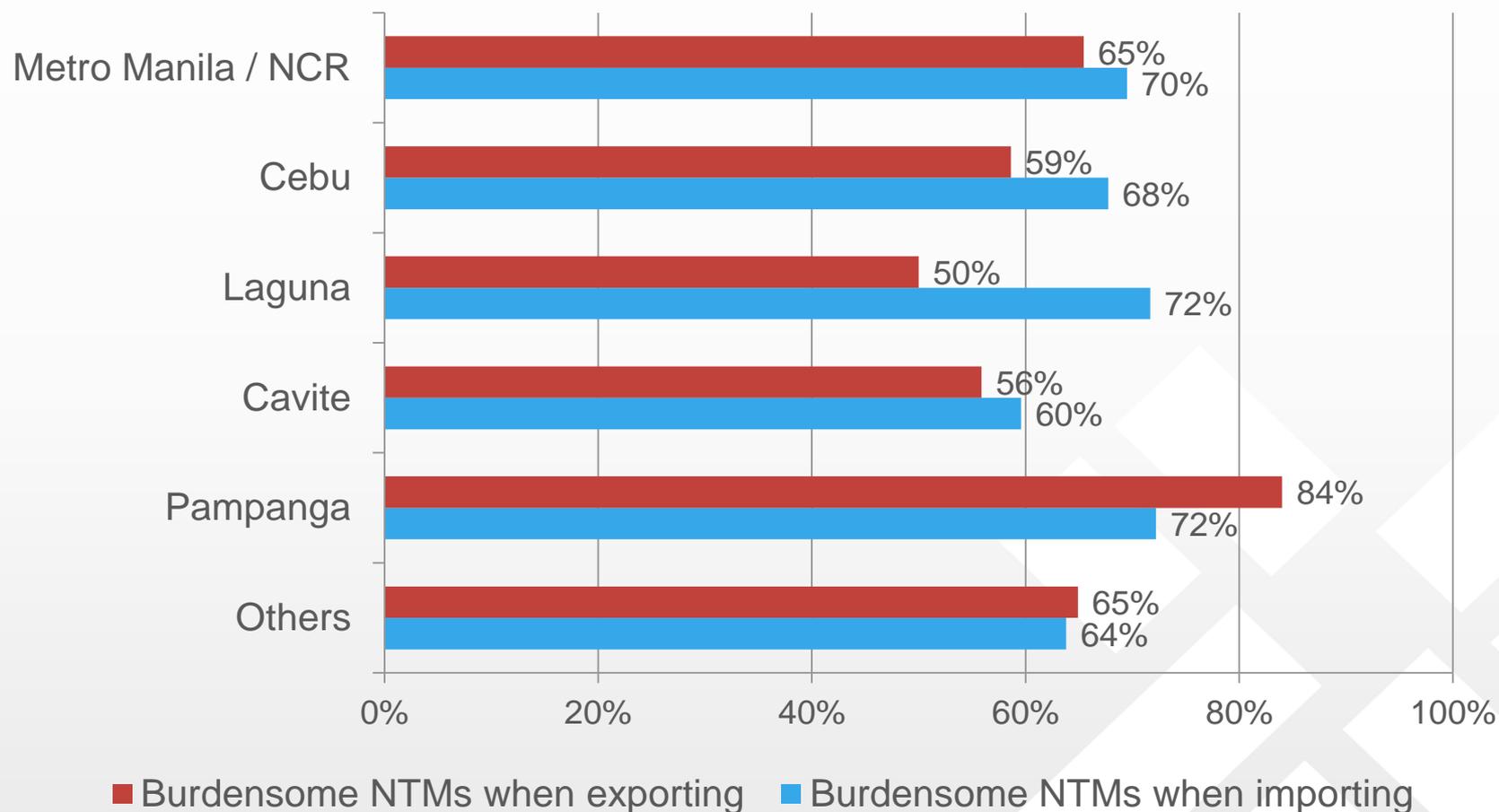


■ Companies facing burdensome NTMs when exporting
 ■ Companies facing burdensome NTMs when importing

TRADE IMPACT
FOR GOOD

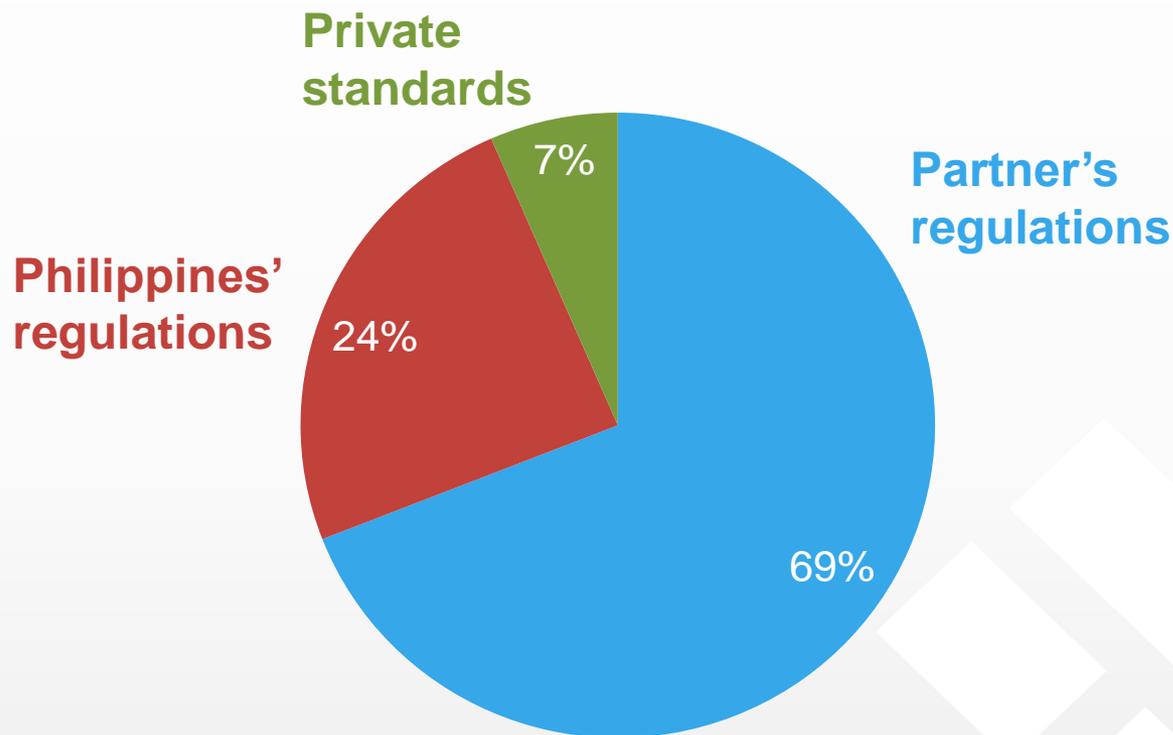
Source: ITC business survey on NTMs in the Philippines, 2015-2016

The perception of NTMs also varies according to the location of the company

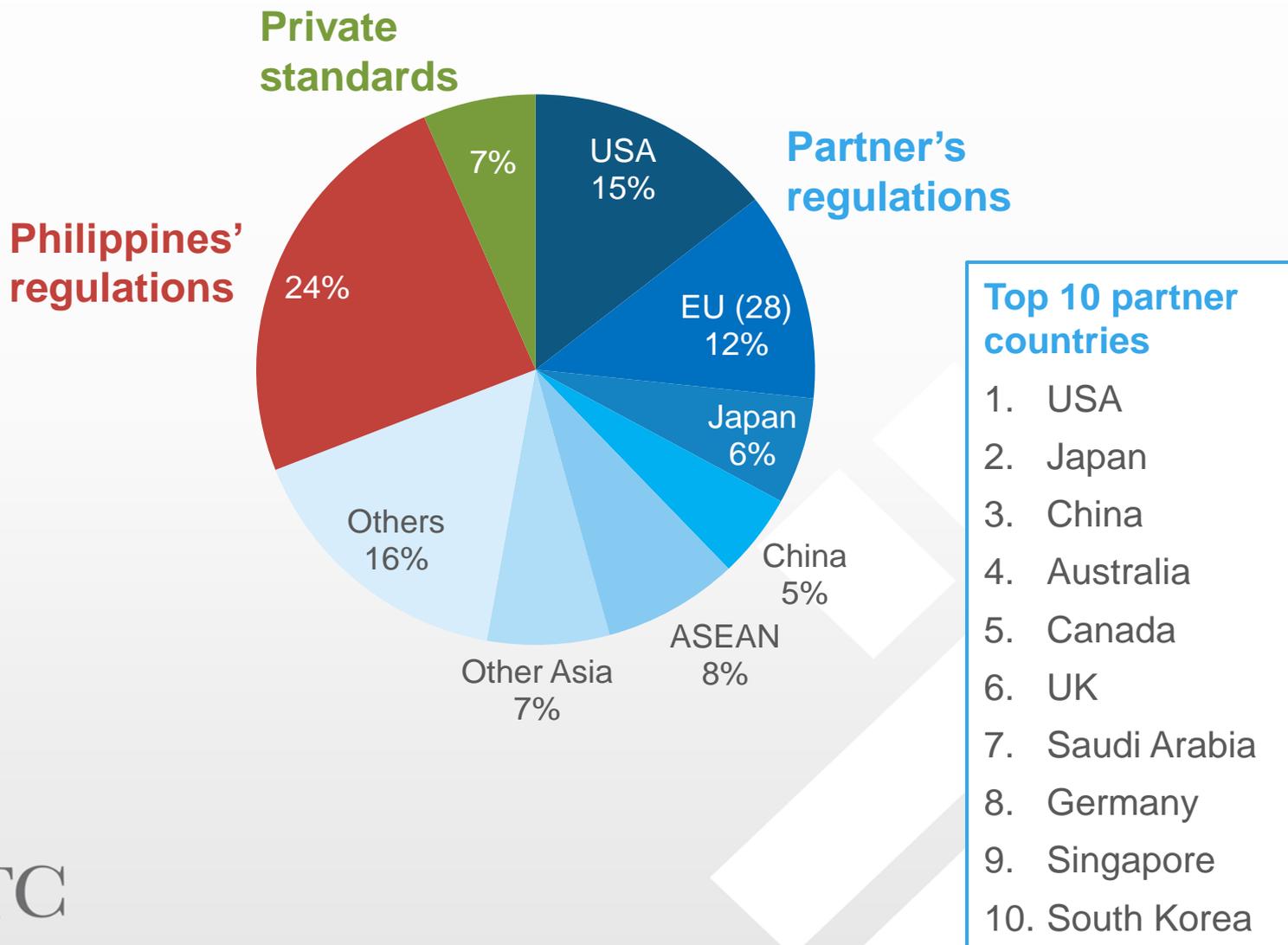


NTMs affecting Philippines' exports

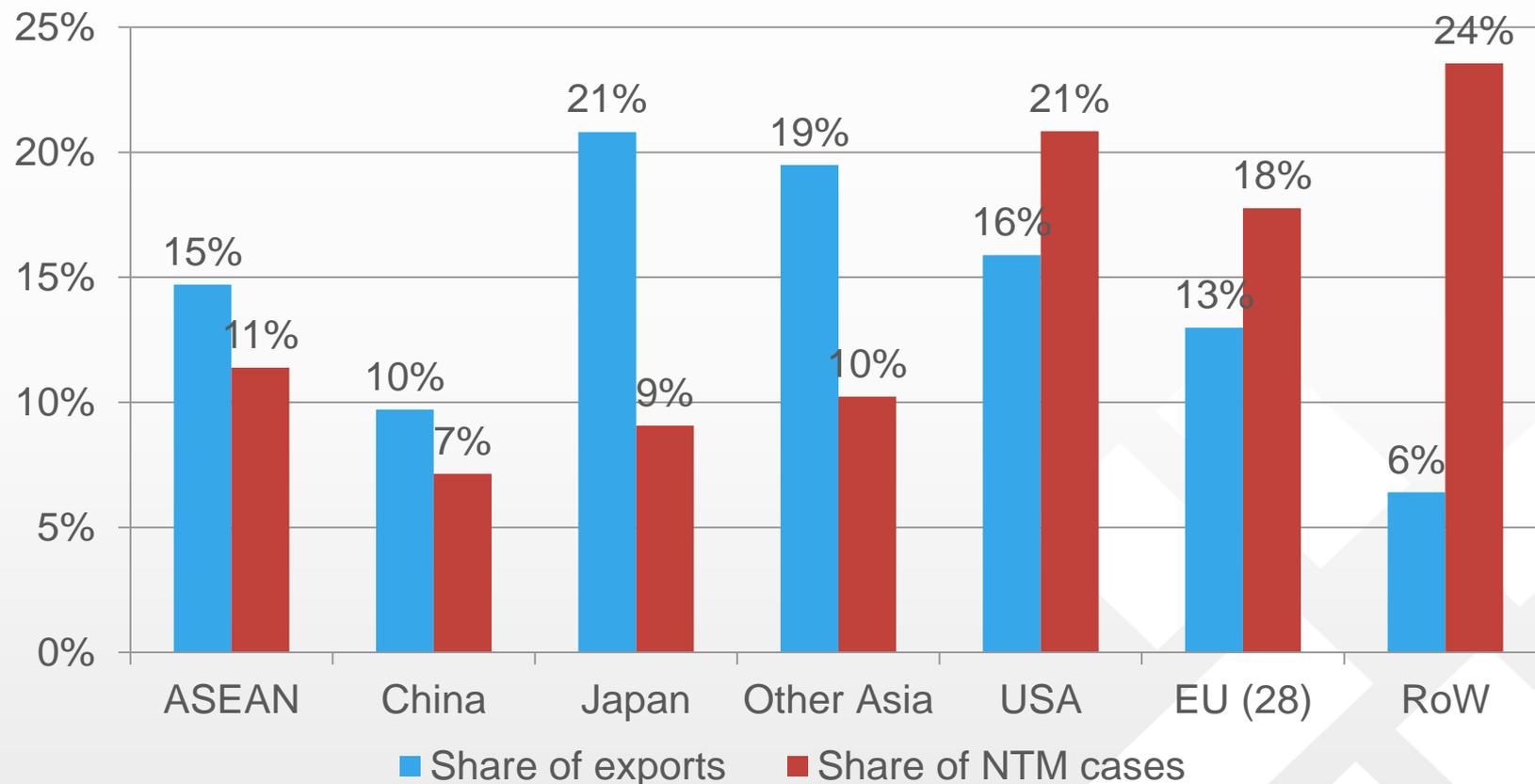
Most NTMs are applied by partner countries...



... and concentrate on few partners

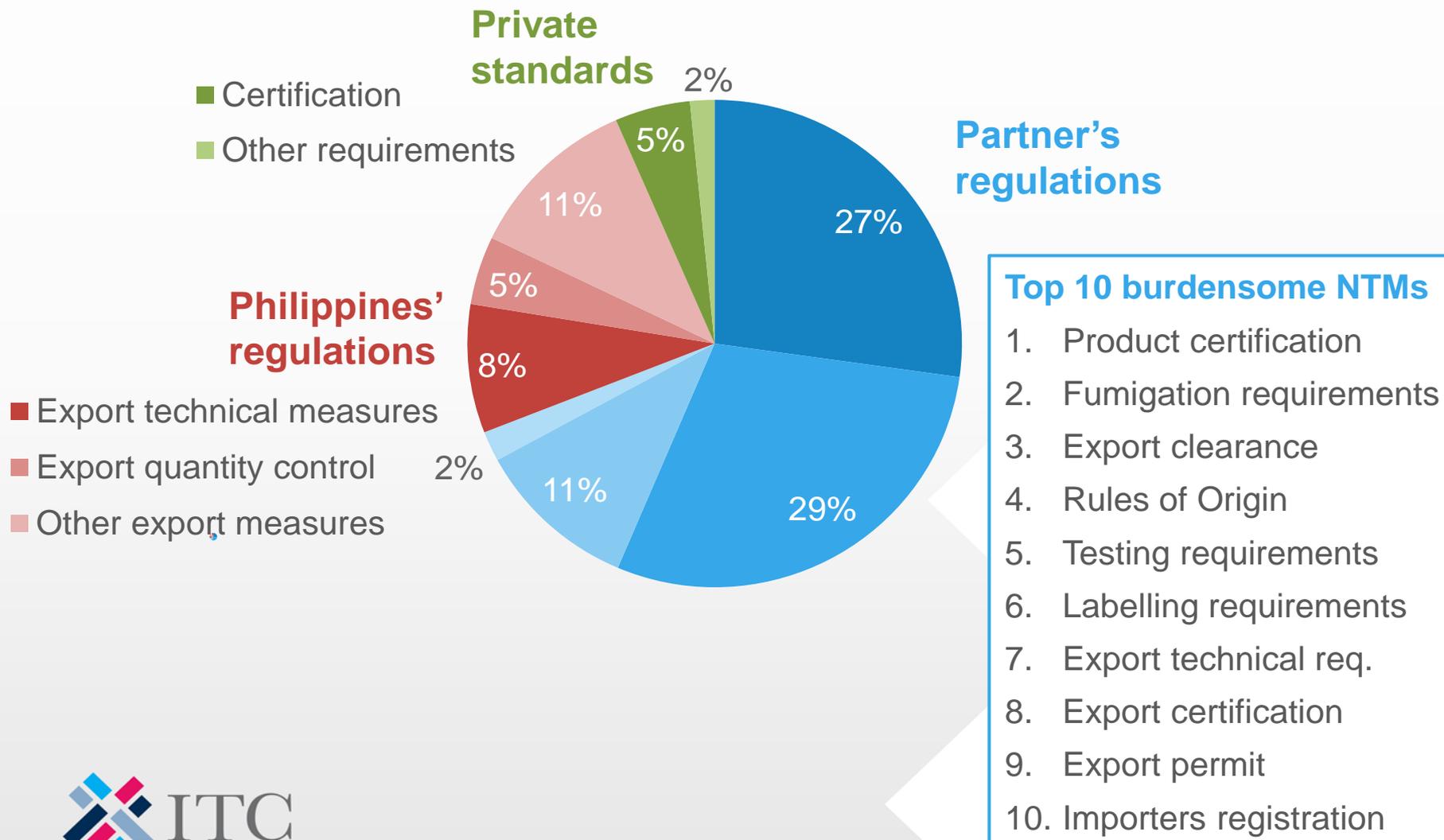


Trading within the region is relatively easier than outside the region



Most obstacles relate to SPS/TBT issues

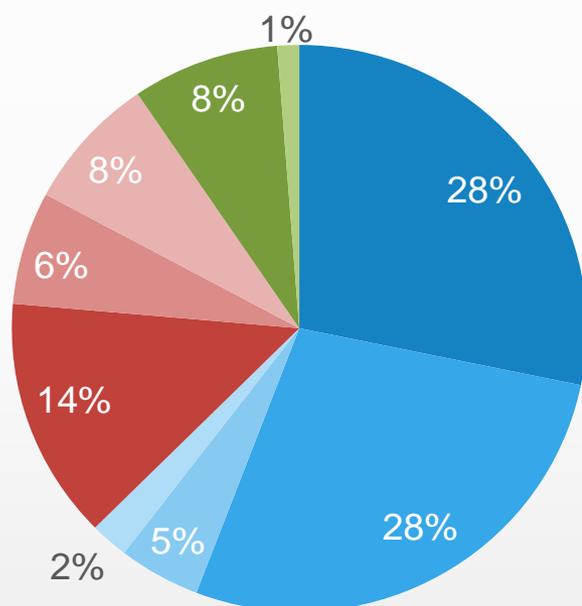
followed by rules of origin and customs clearance



Obstacles vary across sectors

RoO and export clearance in manufacturing vs. export/private technical requirements in agriculture

Agriculture



Partner's regulations

- Technical requirements
- Conformity assessment
- Rules of origin
- Other import measures

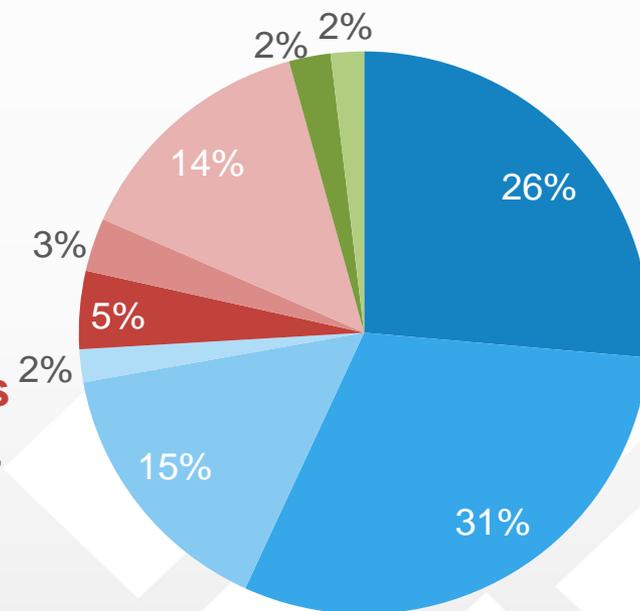
Philippines' regulations

- Export technical measures
- Export quantity control
- Other export measures

Private standards

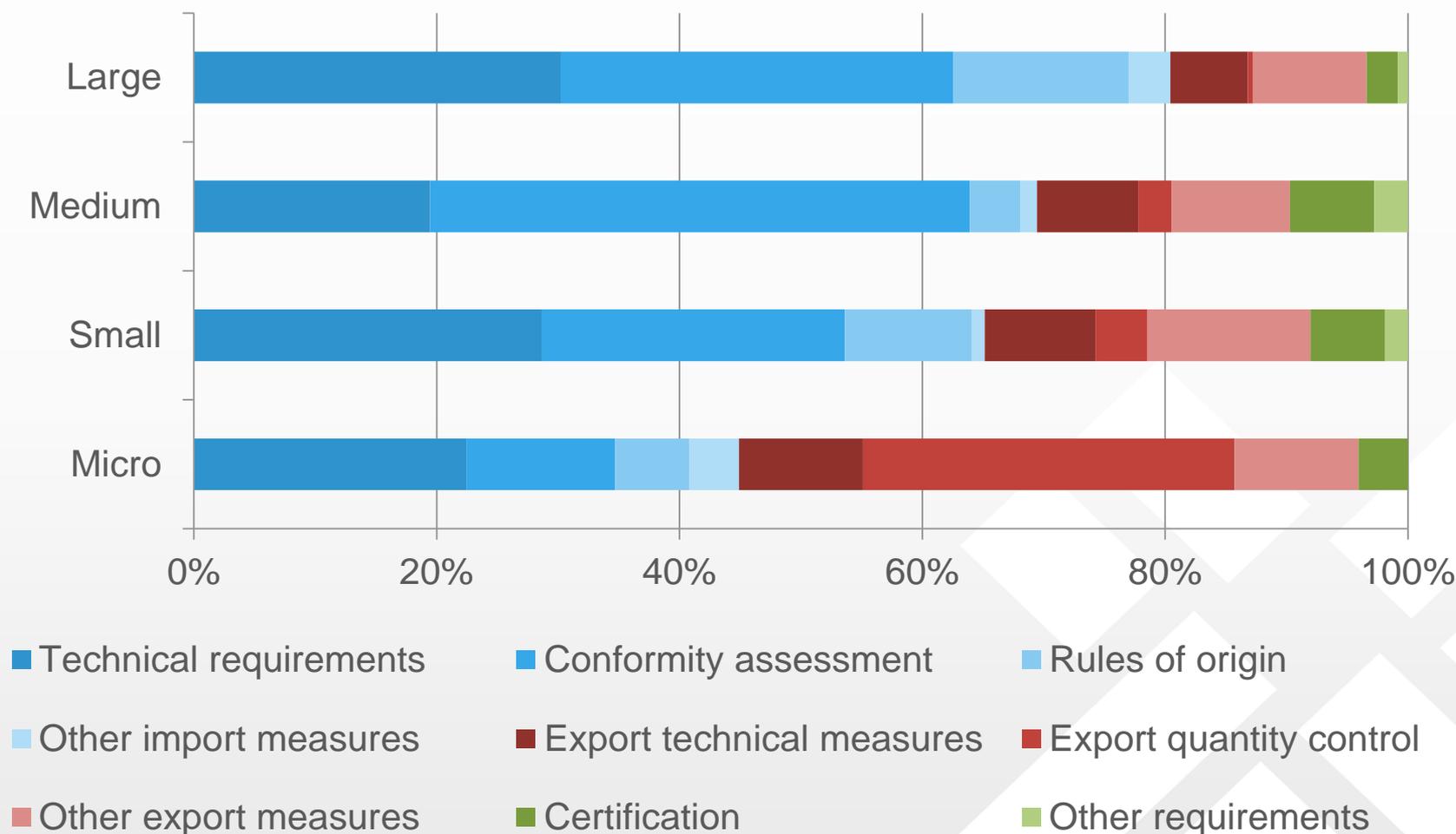
- Certification
- Other requirements

Manufacturing



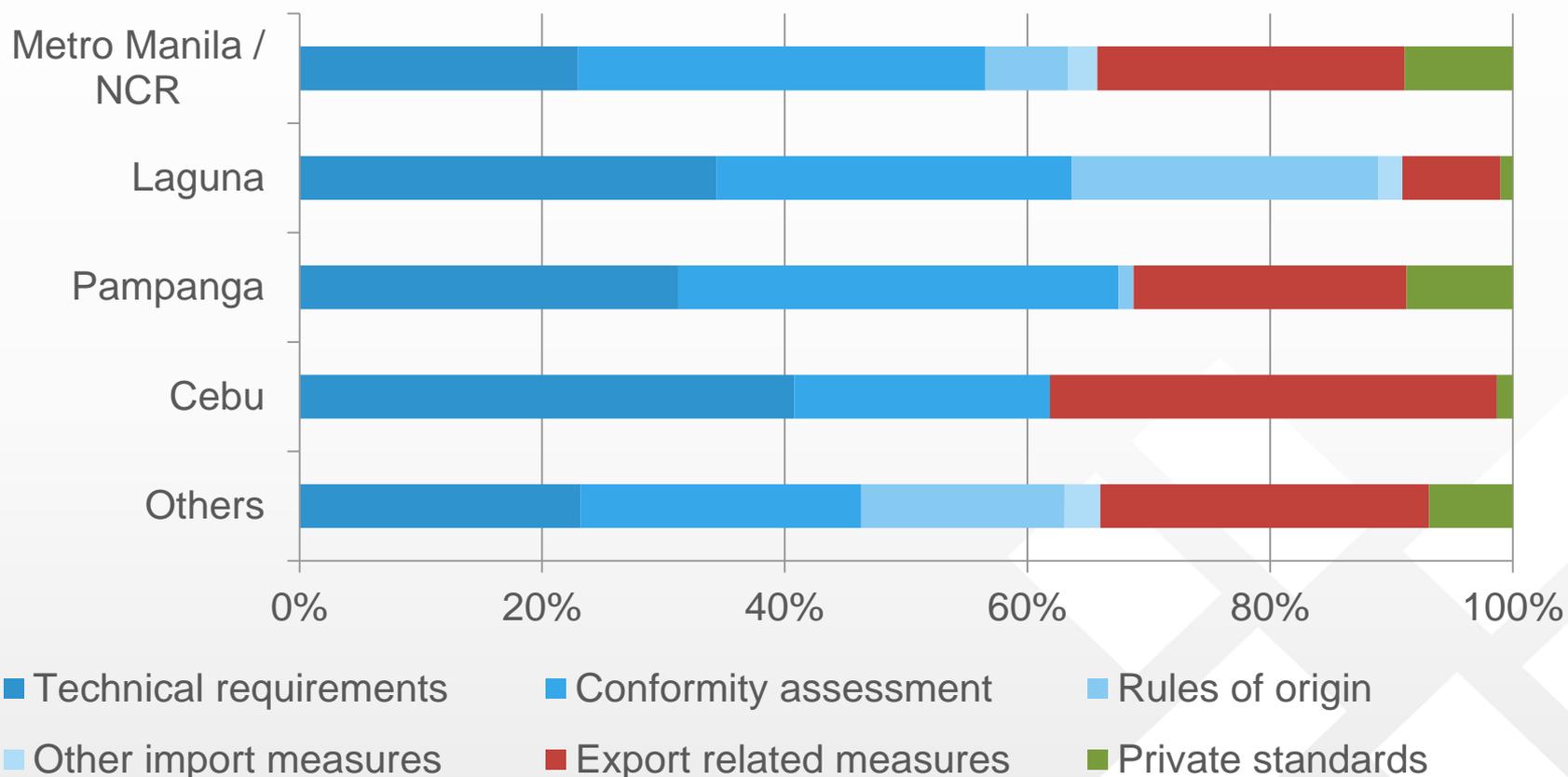
Differences between small and large companies

The smaller a company, the bigger the challenges with export-related measures

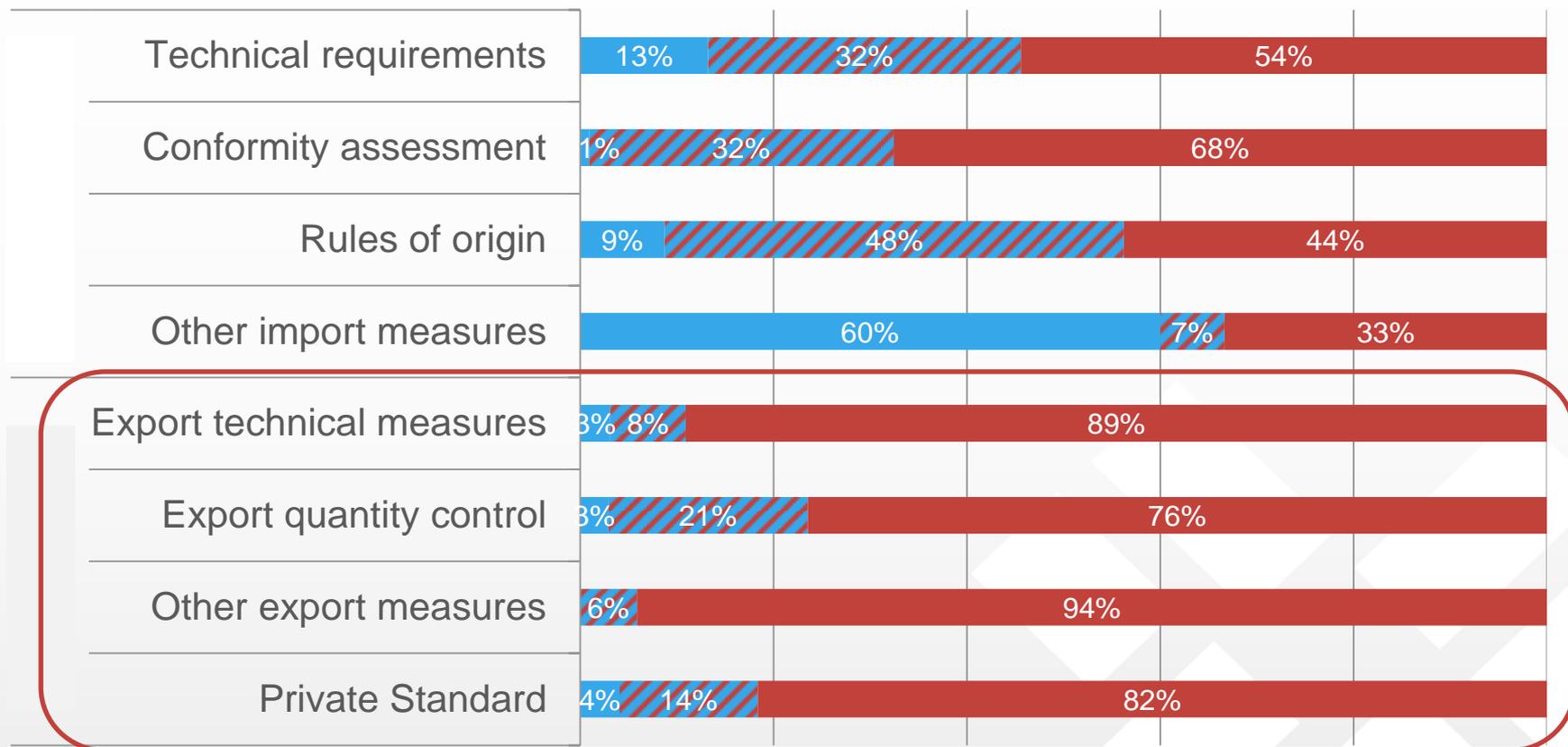


Regional differences

Technical requirements in Cebu, rules of origin in Laguna

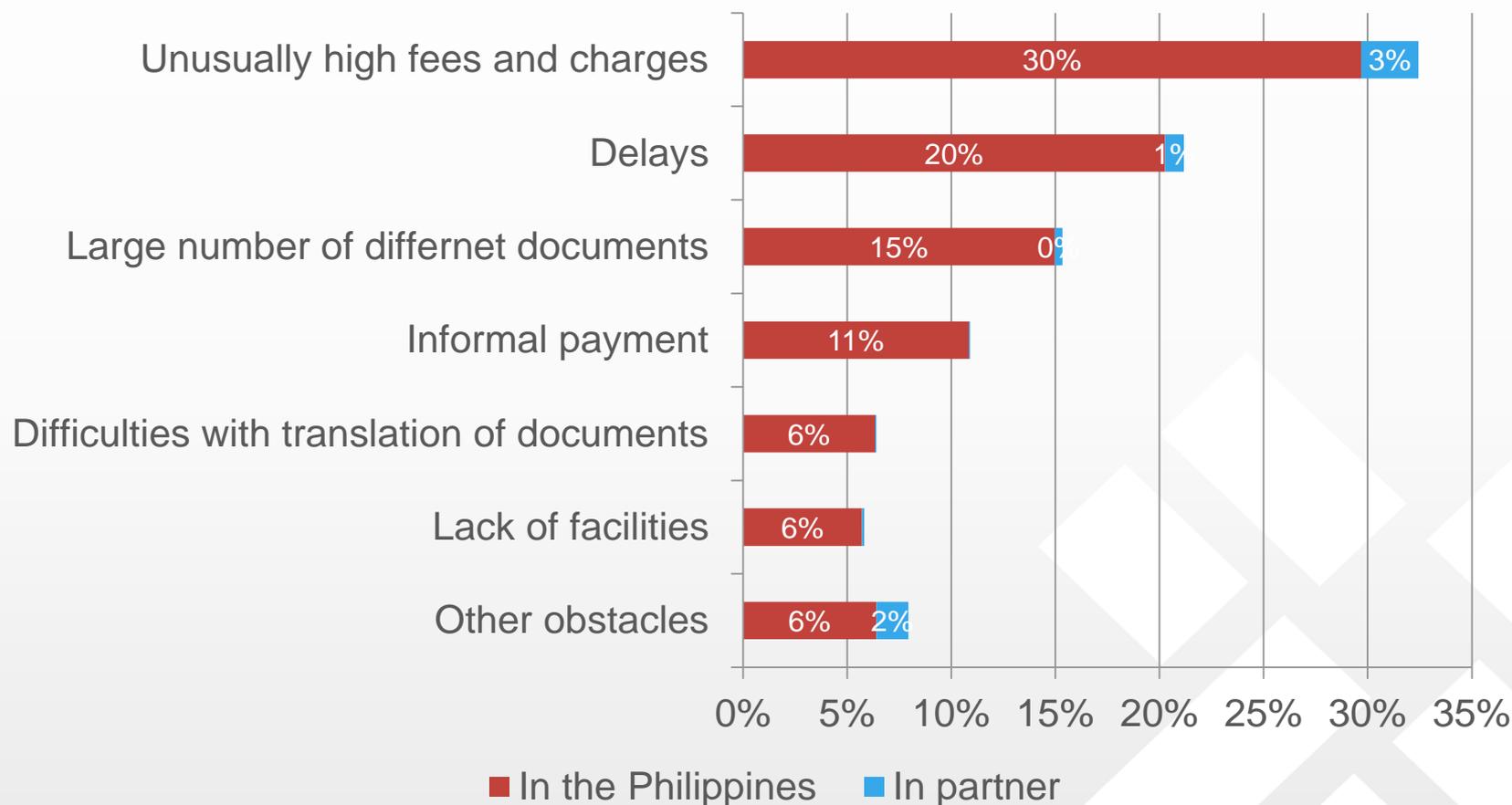


NTMs are often associated with procedural obstacles



- Regulatory obstacles
- ▨ Combination of regulatory and procedural obstacles
- Procedural obstacles

94% of procedural obstacles occur at home and half of them concern delays and fees



Procedural obstacles are encountered in different local agencies/institutions

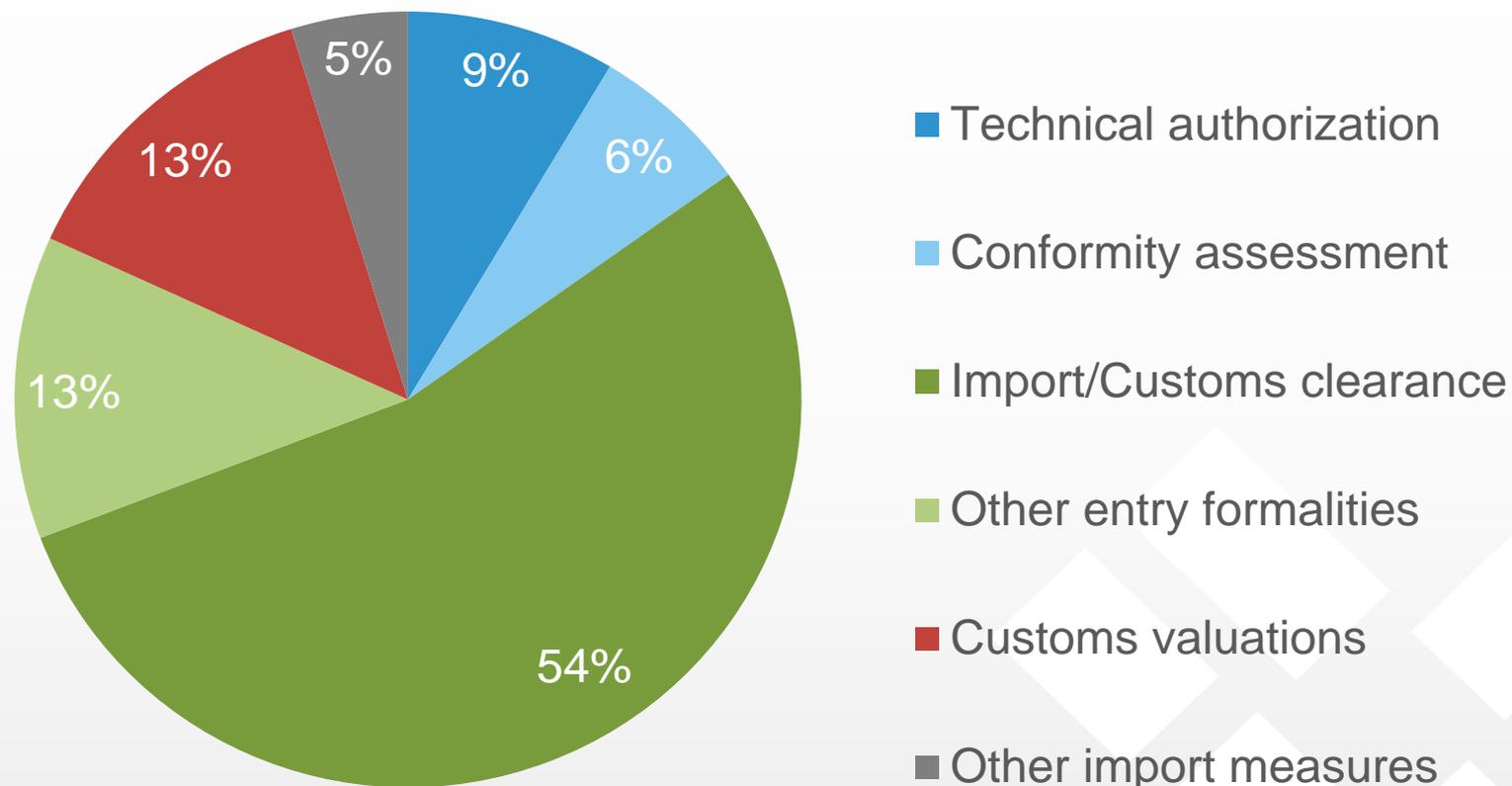
| Agency | Unusually high fees and charges | Delays | Large number of different documents | Informal payment | Difficulties with translation of doc. | Lack of facilities | Other obstacles |
|---|---------------------------------|--------|-------------------------------------|------------------|---------------------------------------|--------------------|-----------------|
| Bureau of Customs (BOC) | Yellow | Yellow | Orange | Red | | | Yellow |
| Accredited third-party | Red | Orange | Yellow | | Green | Green | Green |
| Food and Drug Administration | Yellow | Yellow | Yellow | | Orange | | Green |
| Private standards | Orange | Yellow | | | | | |
| Department of Health (DOH) | Green | | Yellow | | Yellow | | Green |
| Bureau of Plant Industry (BPI) | Orange | Yellow | Green | Green | | | Yellow |
| Department of Trade and Industry (DTI) | | Yellow | Green | | | Yellow | Yellow |
| Bureau of Product Standards | | Yellow | Green | | | Yellow | Green |
| Bureau of Fisheries and Aquatic Resources | Green | Yellow | Green | Green | | Green | Green |
| Department of Science and Technology | Yellow | Green | Green | | | Yellow | |
| Department of Environment and Natural Resources | Yellow | Yellow | | | | | Green |
| Other public institutions | Orange | Yellow | Yellow | Green | | Yellow | Yellow |
| Other private institutions | Yellow | Green | | | Green | Green | Green |
| Not specified | Green | | Green | | | Green | |

Source: ITC business survey on NTMs in the Philippines, 2015-2016

Legend: The different intensities of red, yellow and green indicate the frequency of a procedural obstacle occurrence at a particular public institution. Red indicates highest frequency while green indicates the lowest frequency. Blank cells indicate non-occurrence of such combinations.

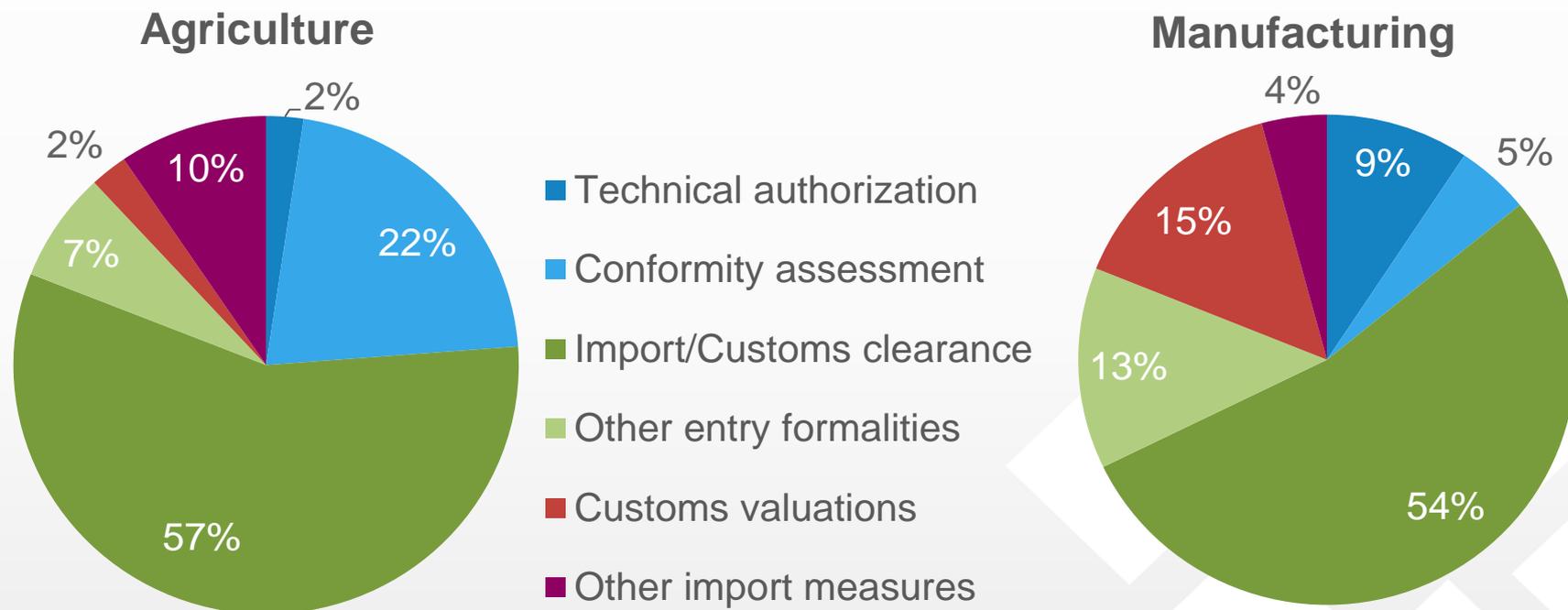
NTMs affecting Philippines' imports

Imports: Most NTMs are applied by local authorities

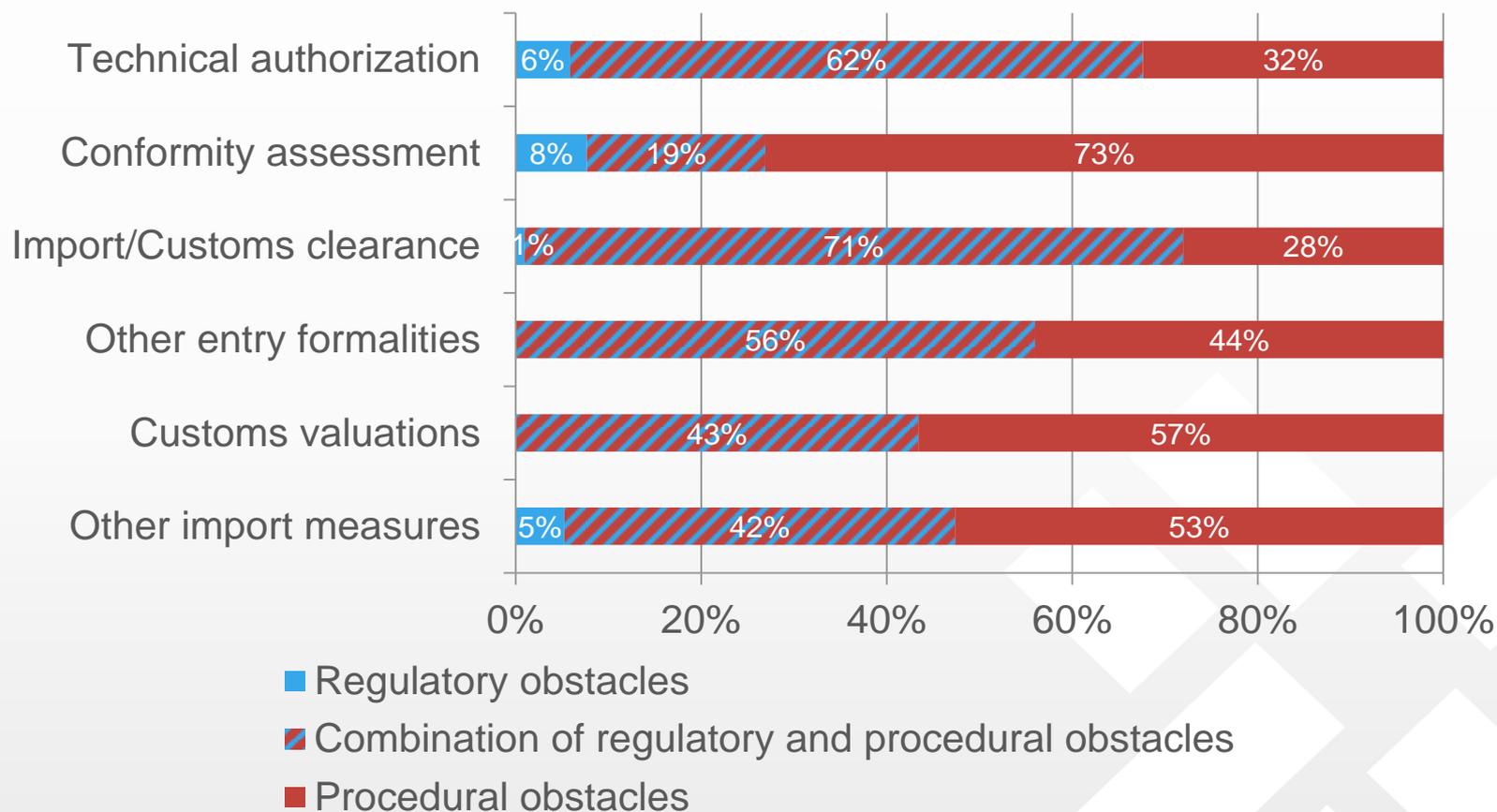


Imports: Obstacles vary across sectors

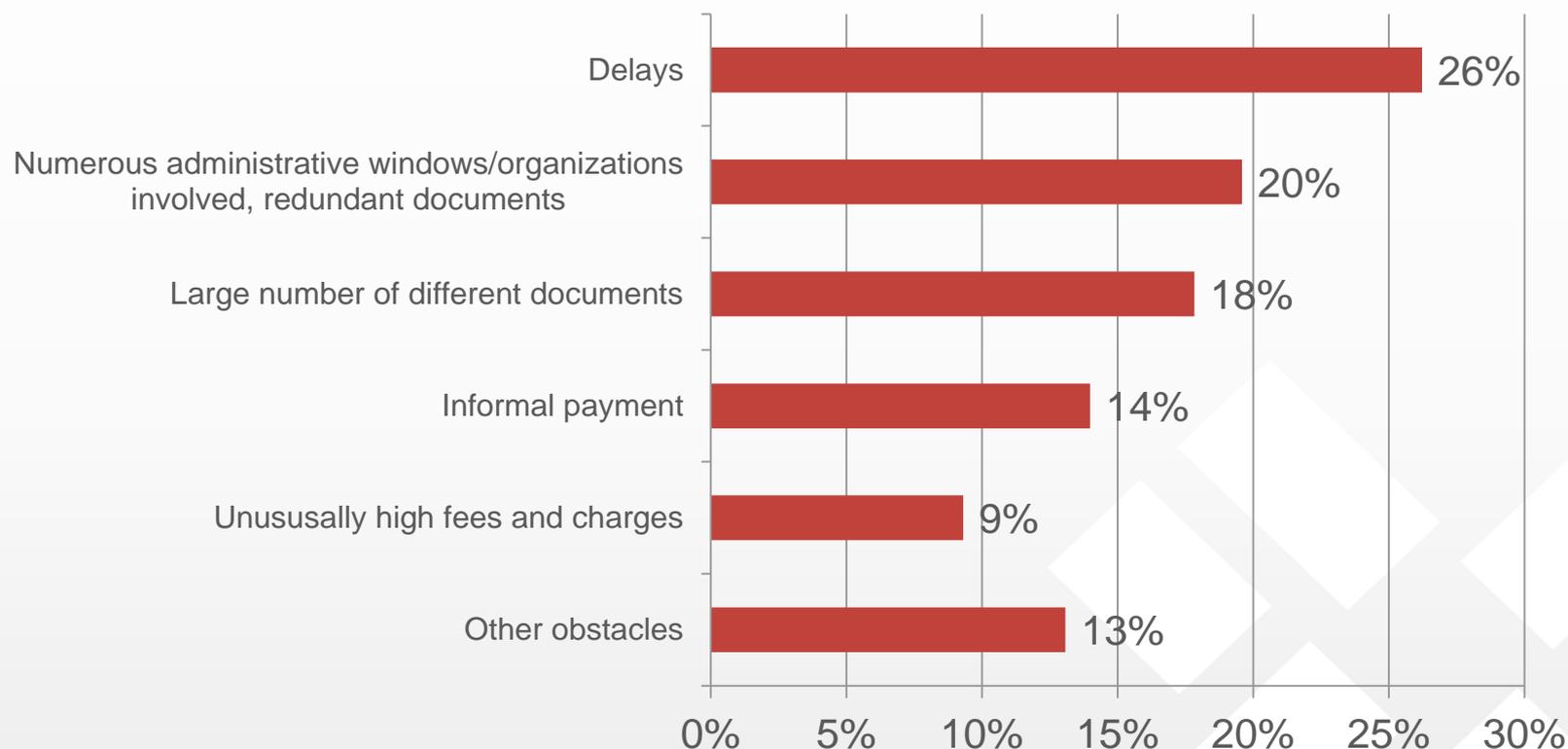
Customs valuations in manufacturing vs. technical requirements in agriculture



Imports: burdensome NTMs are often associated with procedural obstacles



Imports: Procedural obstacles concern mainly delays and administrative constraints



Institutions associated with procedural obstacles (imports)

| Agency | Delays | Numerous admin. windows/org. involved, redundant documents | Large number of different documents | Informal payment | Unusually high fees and charges | Other obstacles |
|---|--------|--|-------------------------------------|------------------|---------------------------------|-----------------|
| Bureau of Customs (BOC) | Red | Orange | Orange | Red | Orange | Orange |
| Bureau of Internal Revenue (BIR) | Red | Orange | Orange | Yellow | Yellow | Yellow |
| Philippine National Police (PNP) | Green | Yellow | Yellow | Yellow | White | Green |
| Philippine Drug Enforcement Agency (PDEA) | Green | Yellow | Yellow | Green | Green | Green |
| Securities and Exchange Commission (SEC) | Yellow | Yellow | Green | Green | Green | Green |
| Commission on Elections | White | Yellow | Yellow | White | White | Green |
| Food and Drug Administration | Yellow | White | Green | White | Green | Yellow |
| Department of Environment and Natural Resources | Green | Green | Yellow | White | Yellow | Green |
| Department of Trade and Industry (DTI) | Yellow | Green | Green | White | White | Green |
| Other public institutions | Yellow | Orange | Yellow | Green | Yellow | Yellow |
| Other private institutions | White | White | Green | White | Green | Green |

Source: NTM Survey in the Philippines, 2014-2015

Legend: The different intensities of red, yellow and green indicate the frequency of a procedural obstacle occurrence at a particular public institution. Red indicates highest frequency while green indicates the lowest frequency. Blank cells indicate non-occurrence of such combinations.

Conclusion: 3 key obstacles

1. Product requirements and conformity (exports):
Technical compliance and expense
2. Customs clearance and control (imports and exports): border transparency and clean up
3. Rules of origin and other trade rules (exports and imports): overcoming domestic POs

Main trade barriers affecting Philippines' exports and imports

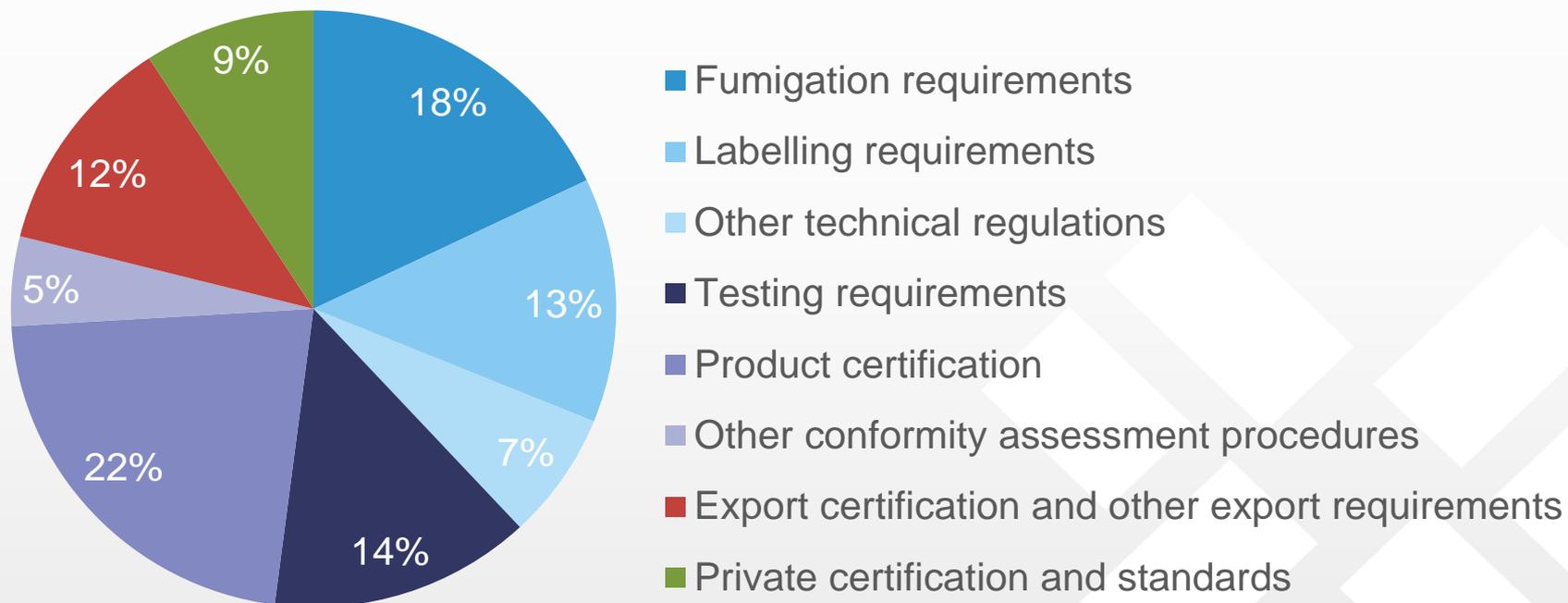
1. Product requirements and conformity

Speaker: Ms. Ursula Hermelink, ITC

Discussant: Dir. Anne Claire Cabochan, BPS

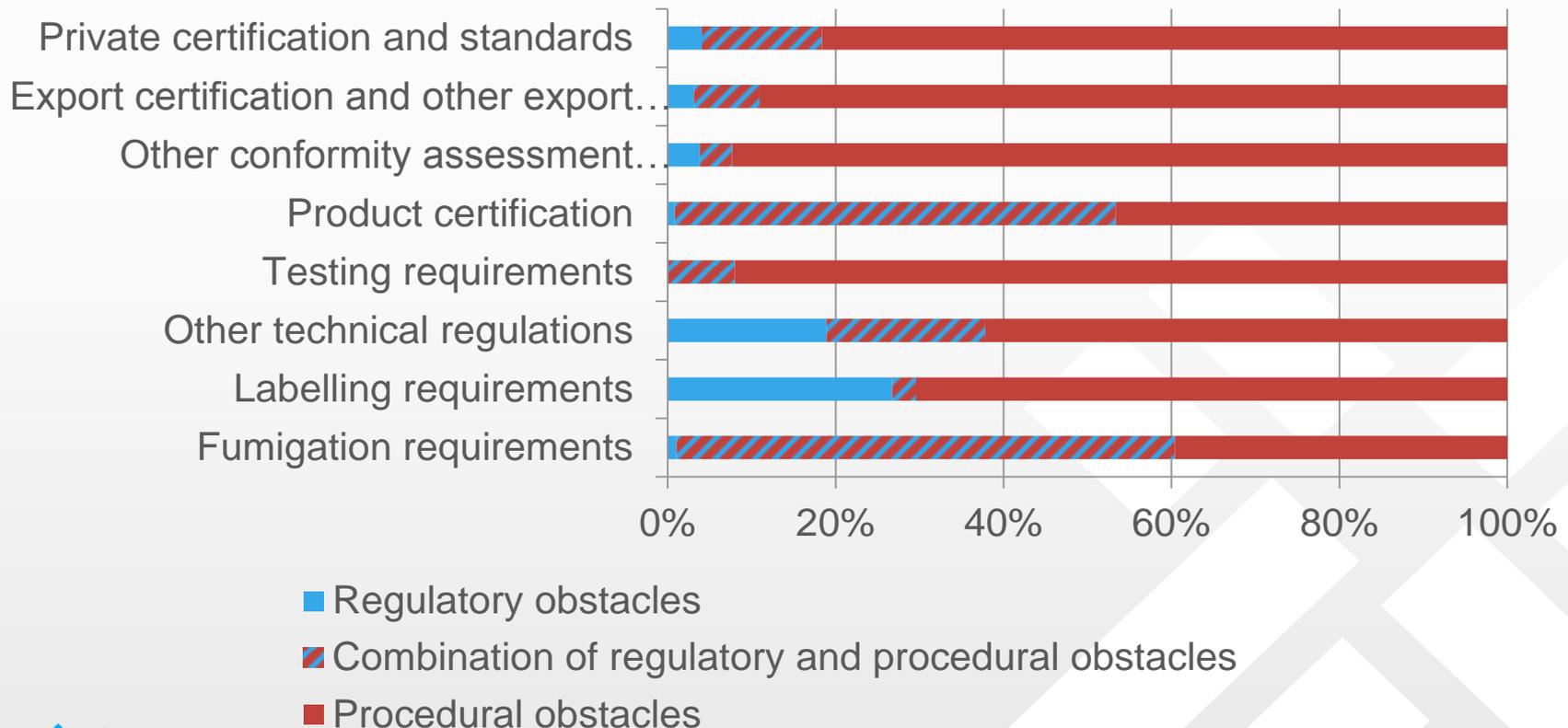
Burdensome technical measures faced by Filipino exporters

Fumigation, labeling, testing and certification stand out as particularly challenging for exporters



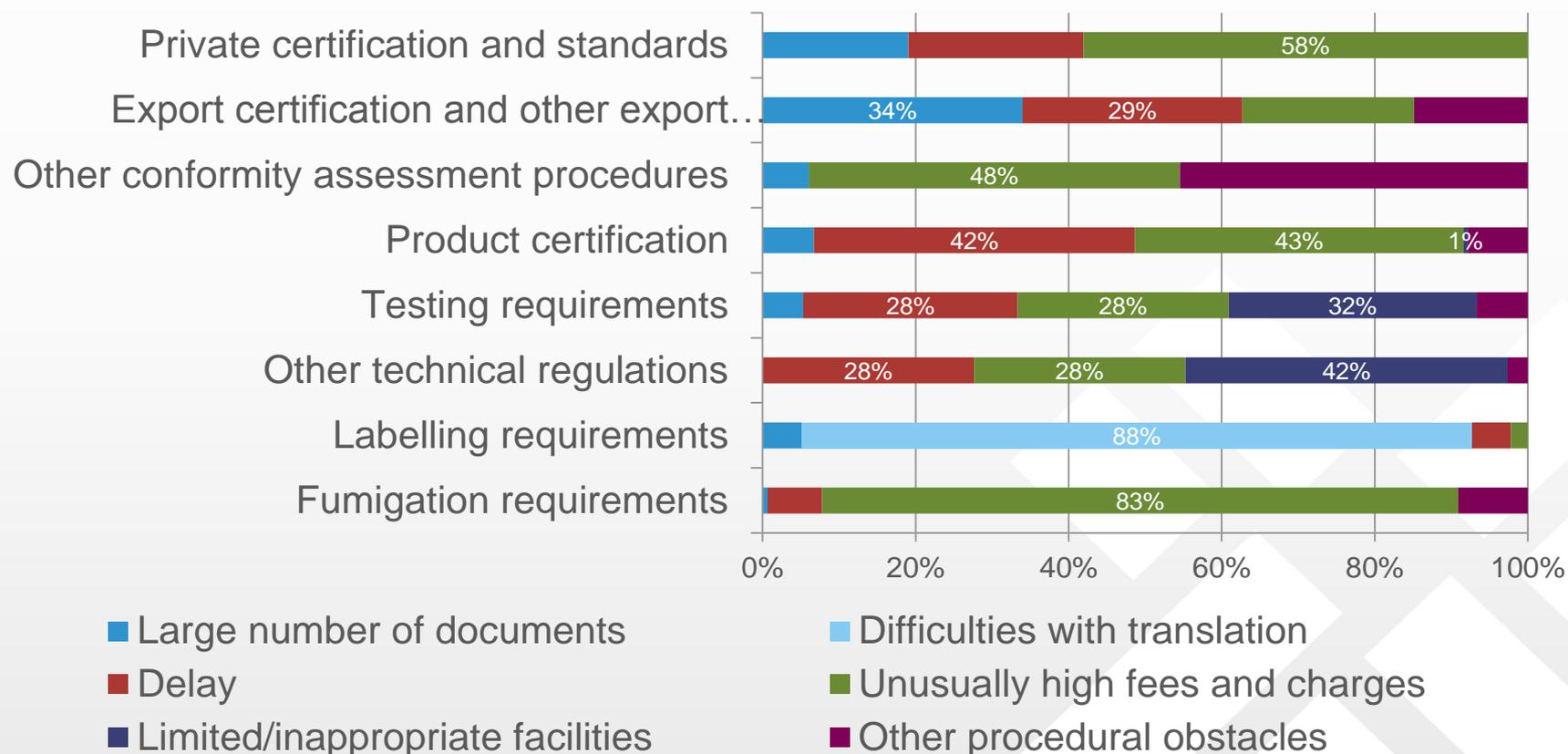
Regulations versus procedures

Strict labelling, fumigation and authorization/registration/ certification versus procedural issues with testing and partner/home/private certification



Procedural obstacles encountered in the Philippines

High cost for fumigation, translation of labelling, delays for certification, too many documents for export regulations



Agencies mentioned in relation to technical NTMs

50 different agencies mentioned, including:

- Public and private agencies in charge of testing and certification
- Customs authorities
- Food and drug administration
- Others: Department of Health, Bureau of Standards, Bureau of Plant Industry, etc.

Main challenges reported

1

- Insufficient private sector capacity to comply with technical regulations

2

- High cost of local procedures

3

- Inadequate testing and certification facilities and procedures

4

- Lack of transparency on standards and conformity assessment procedures

1

- Insufficient private sector capacity to comply with technical regulations

- Specific technical regulations such as labelling (translation) and related packaging requirements are perceived as challenging because of their strictness.
- Necessary and expensive fumigation requirements for all cargo shipments.
- Private standards certification becoming an additional “requirements” on top of other regulations.

“EU has many product labelling requirements such as font and layout formatting, product specification, ingredients used, and must be translated to local language. My entire packaging is covered in sticker labels.”

“Import requires fumigation costing Php 5,000 per container. Local fumigation is still needed even when imported wood is already treated.”

2

- High cost of local procedures

- High cost of conformity assessments
- Lack of clarity on the number of procedures to comply with and related fees. Costs are often unpredictable due to frequently changing regulations.
- In many cases, costs include informal payments

“Export requires numerous tests for product quality and performance through Intertek, which costs \$100-\$200 per item. This used to be available from the Forest Products Research and Development Institute (FPRDI) for Php10-15,000 but this is closed now and there are no local testing facilities. Other tests include flammability, TBS 117, and prohibited chemicals, which can cost up to \$5000.”

3

- Testing and certification facilities and procedures

- Lengthy procedures
- Excessive paperwork and numerous administrative windows, especially for export certification required by local authorities
- Lack of local facilities

“To export our fruits, we need a Health Certificate from the Bureau of Health Quarantine, but basic facilities and personnel to address new regulations are lacking. For instance, Health Certificates can only be secured through the Davao Office despite presence of such office in Cagayan de Oro Port. ”

“I cannot access markets in the US and EU because of the lack of local testing and certifying facilities with CE (for the EU) and UL (for the US) standards in the Philippines. Products have to be sent to Singapore or Hong Kong where facilities are available.”

“Obtaining FDA product certification clearance (Certificate of Product Registration and License to Operate) for export is very difficult. In my region, there are only 2 people handling the processing which takes between 3 months and 1 year.”

4

- Lack of transparency on standards and conformity assessment procedures

- Inadequately published or frequently changing regulations on standards, certification and testing procedures.
- Policy for product quality is not properly applied / disseminated through official campaign.
- Lack of the possibility to verify (or contest) doubtful procedures and practices.

“For all exports to Saudi Arabia, a conformity assessment programme has been implemented which requires that all entering products have the said certificate also renewed as SASO COC to enable export. The said regulation is frequently changing.”

“It is difficult to comply with labelling requirements for our goods, which are always changing.”

Policy options - for discussion in the break-out session:

- Provide technical assistance, capacity upgrading and shared service facilities for exporters to comply with testing and certification requirements.
- Streamline/simplify testing and certification procedures to decrease the related costs and delays.
- Reinforce the Quality Infrastructure including in the different regions; providing adequate facilities and technical staff in government testing and certification offices is key.
- Set up consulting mechanism between public and private sector in setting technical regulations and procedures

2. Customs clearance and control

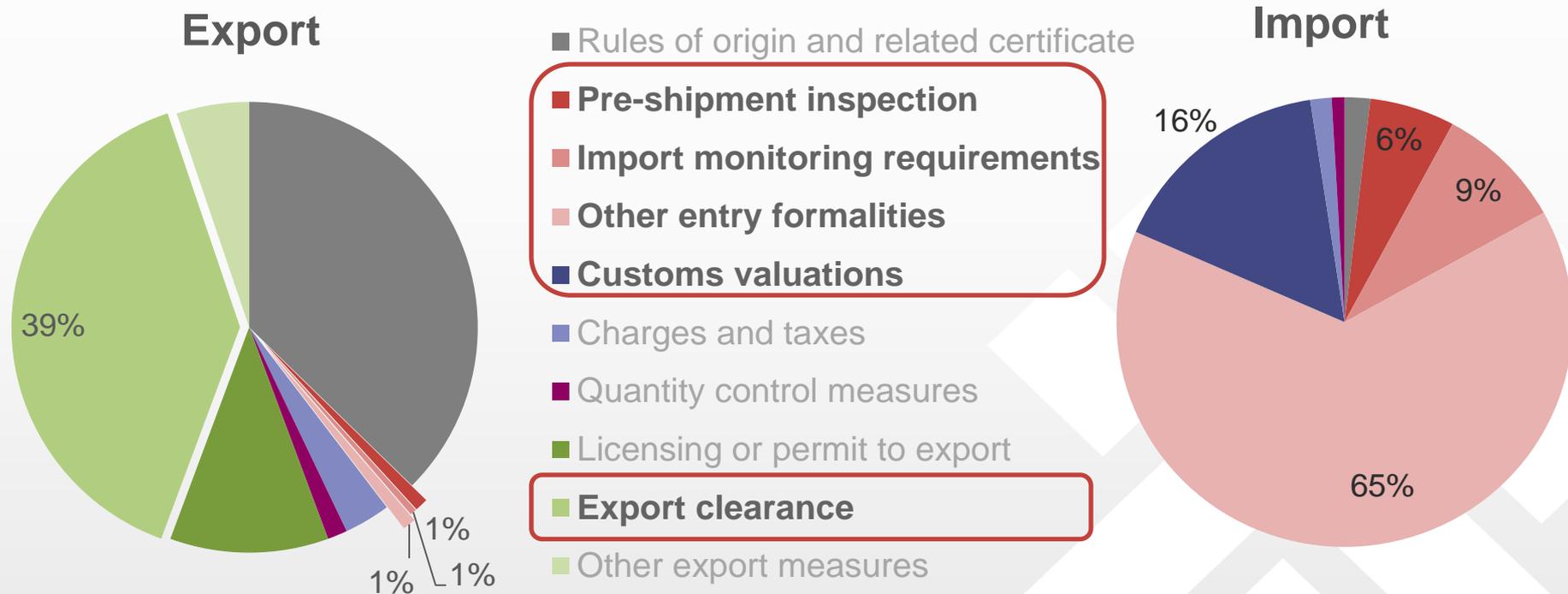
Speaker: Mr. Mondher Mimouni, ITC
Discussant: Atty. Victor Pablo Trinidad, BOC

Before presenting survey results...:

- Customs clearance processes stand in relation with all types of NTMs
 - A countries' customs authority is probably its most important agency in trade facilitation
- Mandate to collect revenue and ensure that safety and quality of imported goods are in line with national standards needs to be reconciled with private sector needs for efficient processes
- The good news: NTM surveys highlight that business concerns are mainly with procedural issues that can be eliminated without compromising on the primary goals of customs authorities

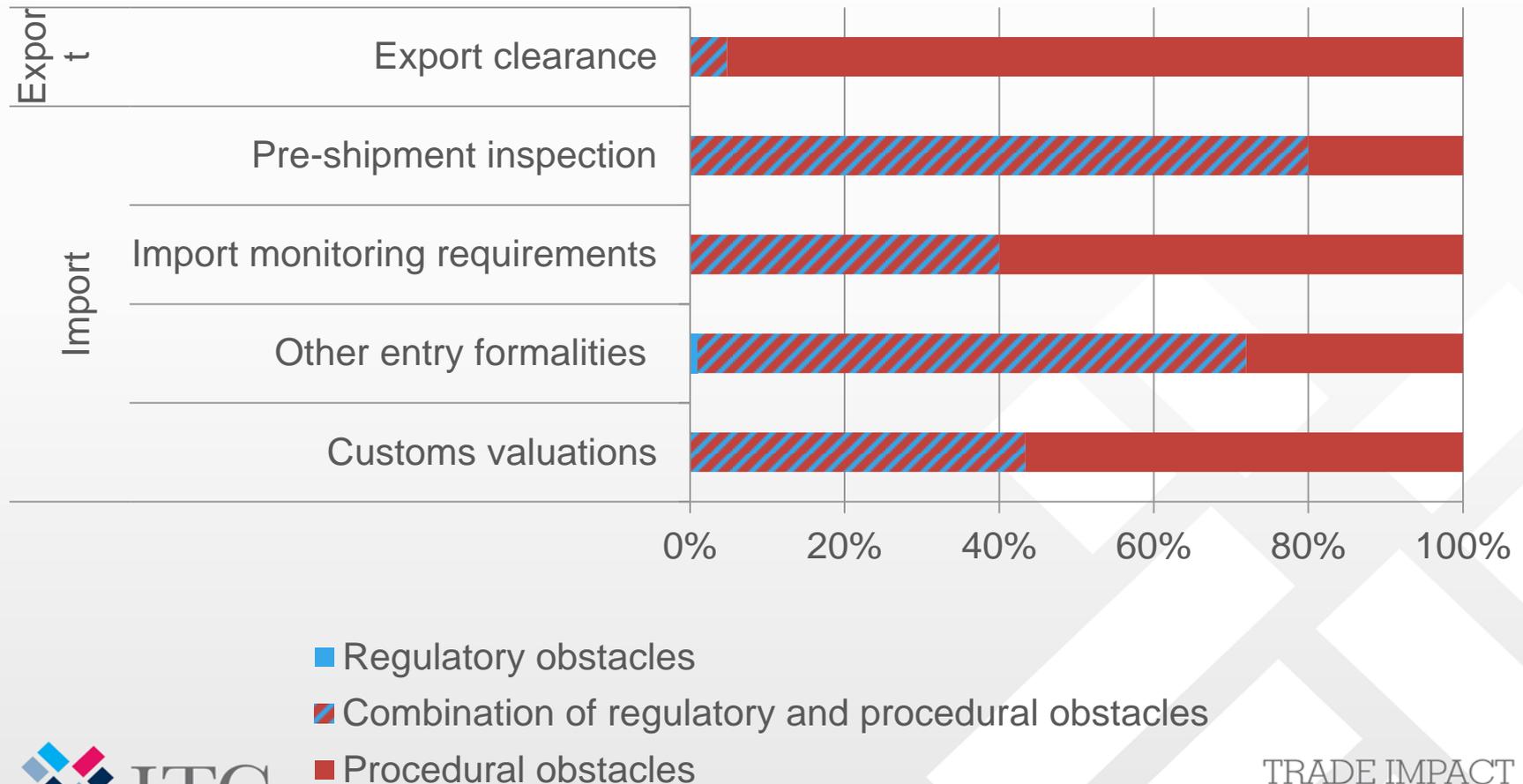
Burdensome non-technical measures faced by Filipino exporters and importers

Export clearance and RoO for exporters,
Import clearance and customs valuation for importers



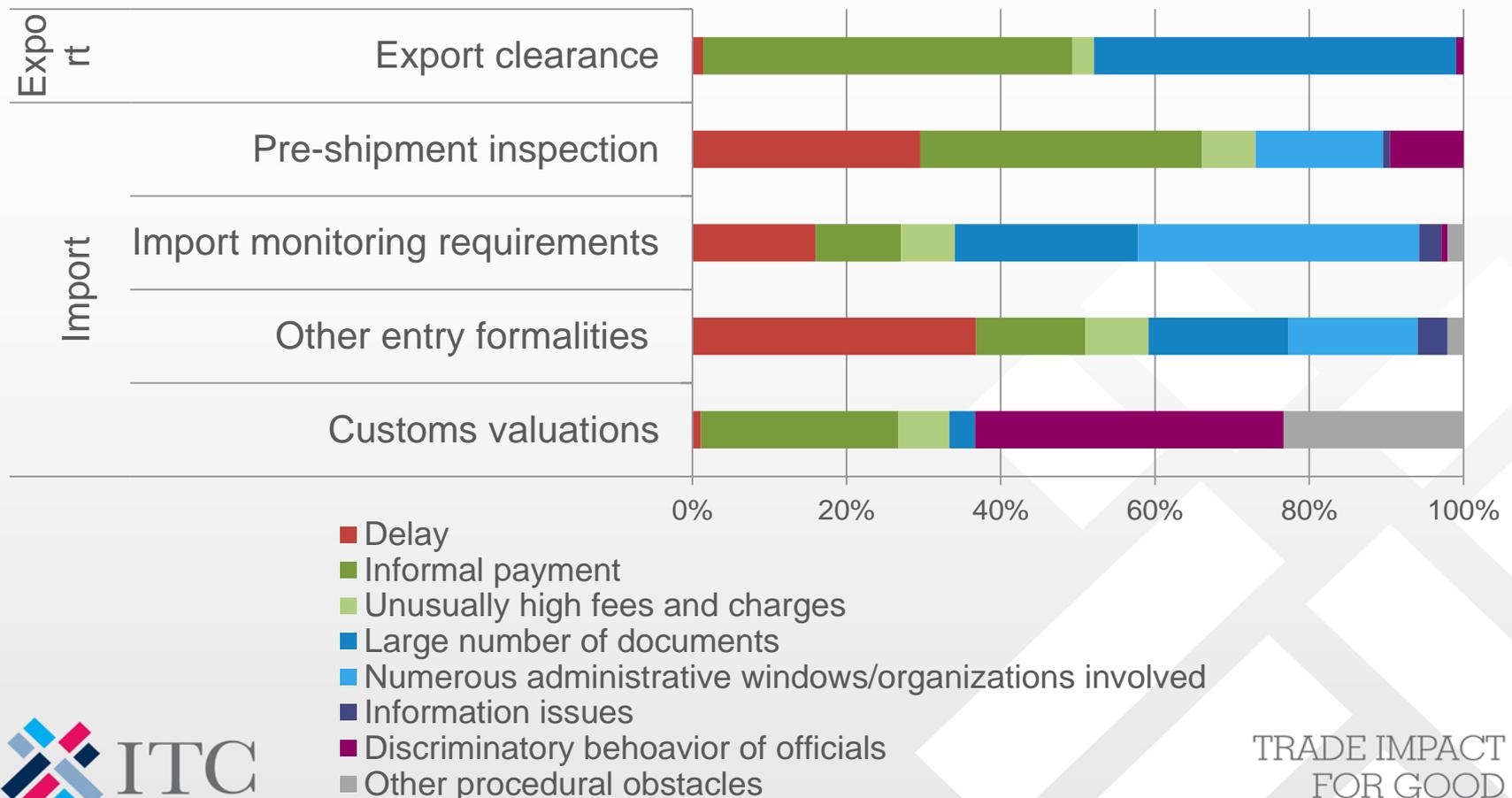
Regulations versus procedures

Export clearance creates mainly procedural obstacles,
Import clearance relates to combination of PO and RO



Procedural obstacles in the Philippines

Informal payment and too many documents at export, delay, informal payment, admin. burdens at import and discriminatory behavior of official for customs valuation



Agencies mentioned in relation to customs clearances and border control

40 different agencies mentioned among which:

- Bureau of Customs (BOC)
- Bureau of Internal Revenue (BIR)
- Others: Philippine National Police (PNP), Securities and Exchange Commission (SEC), Philippine Drug Enforcement Agency (PDEA)

Main challenges reported

- 1 • Organizational structures and coordination
- 2 • Inadequate infrastructure and lack of high-performing facilities
- 3 • Frequently changing procedures and inadequate dissemination of information
- 4 • High fees and delays
- 5 • Importers: customs valuation
- 6 • In sum: too lengthy, bureaucratic and costly customs clearance

1

• Organizational structure and coordination

- Lack of coordination between different control points
- Lack of recognition of official documents delivered by agencies in the exporting country or in partner countries by customs and control agents
- Duplication of inspections
- Lack of clarity in duties and responsibilities of each control agency (customs, national security agency, etc.)

“Nationally, there is a lack of coordination between PNP Manila and Cebu in implementing the PNP regulation, which is creating red tape and corruption.”

2

- Infrastructure and facilities

- Issues related to electronic submission of documents (e.g. E2M frequently offline and requiring manual interactions)
- Port congestion and related logistics for cargo shipments (e.g. Terminal Advanced Booking System)

“Exports processing with the new online system takes longer than the previous manual procedure.”

“Due to modernization, we experience with the export declaration. Before we paid P10.00 only for the stamp and no need to sign by an official. Now, due to their modern system, we are paying P50.00 because it is computerized, and we need to have the document signed by an official. It takes half day to get the documents.”

3

- Frequently changing procedures and inadequate dissemination of information

- Ill-informed exporters arriving unprepared at the customs authority
- Lack of transparency of customs inspection regulations
- Frequently changing procedures
- rent-seeking by officials and freight forwarders

“The Bureau of customs requirements (checklist) change monthly but the agency does not disseminate the information properly. Thus it makes it harder for companies to comply.”

4

- High fees and delays

- High customs fees charged to exporters
- Insufficient dissemination of information on customs clearances charges
- New importer Clearance Certificate requirements subject to frequent delays and paperwork

“Officials demand numerous and oftentimes unnecessary documents to issue an export clearance document.”

“For the Import Clearance Certificate we need to go to BIR main office in another city for a personal appearance for the certificate. In addition, we need to submit many documents. It took 150 days before the certificate was released, causing 150 delays in our supply-chain..”

5

- Importers: customs valuation

- Lack of recognition for foreign valuations
- Disputed assessments leading to informal payments

“Due to overvaluation of our freight shipment, we abandoned the import product. This resulted in the termination of our contract with our partner country. Our company lost six employees because of this case.”

“The Bureau of Customs in the Philippines doubts and does not recognize the declared valuations from the partner countries.”

6

- In sum: too lengthy, bureaucratic and costly customs clearance

The clearance process is perceived as

- **Lengthy** because of ‘unnecessary’ delays
- **Bureaucratic and unorganized** because of multitude control points and lack of coordination between agencies
- **Costly** because of (a combination of) official and unofficial charges

And finally:

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

Policy options - for discussion in the break-out session:

- Effective and sustainable implementation of full customs automation.
- Improved port and road infrastructure to address congestion and logistics issues.
- Inter-agency mechanism under NCTF to properly review new agency regulations that affect trade, and provide avenues for stakeholders to be consulted prior to implementation.
- Clear guidelines on product valuation to reduce ambiguity and misuse of authority by field officials during imports are needed.
- Implementation of the trade facilitation agreement.

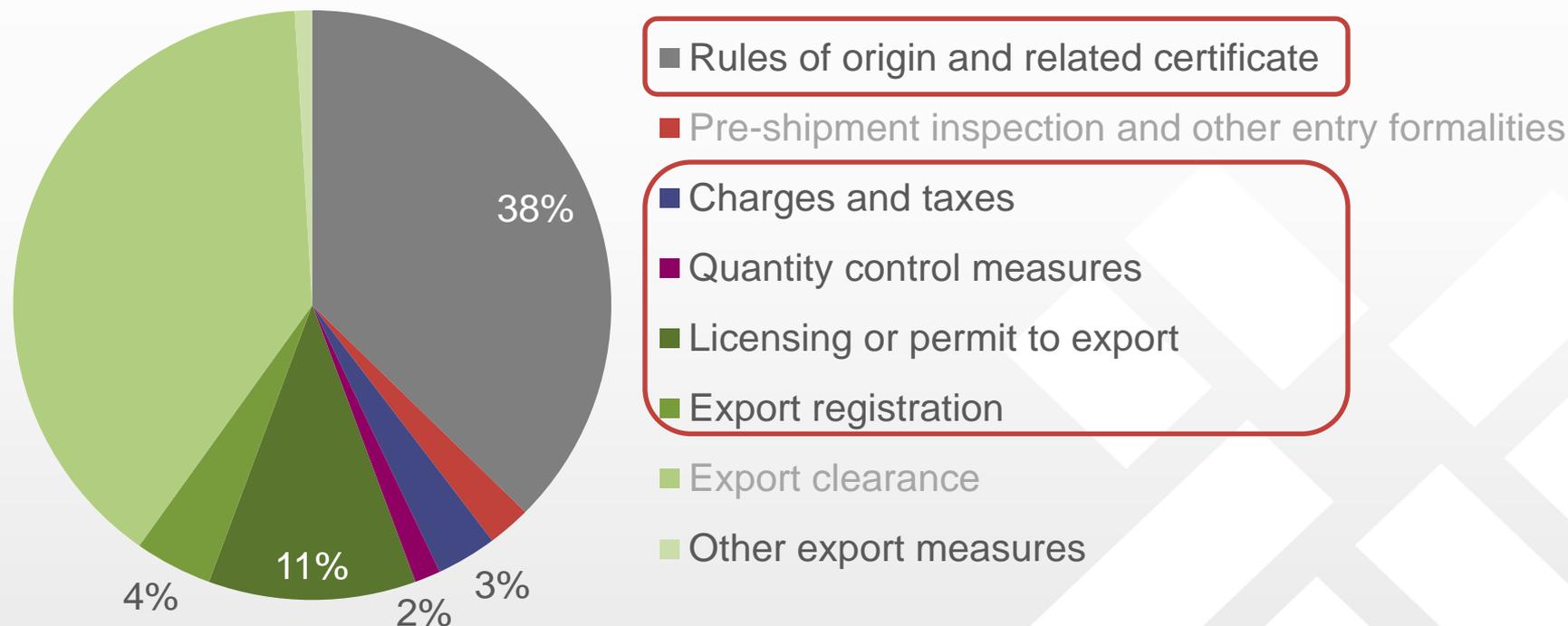
3. Rules of origin and other trade rules

Speaker: Ms. Ursula Hermelink, ITC

Discussant: Ms. Denise Cheska Enriquez, BITR

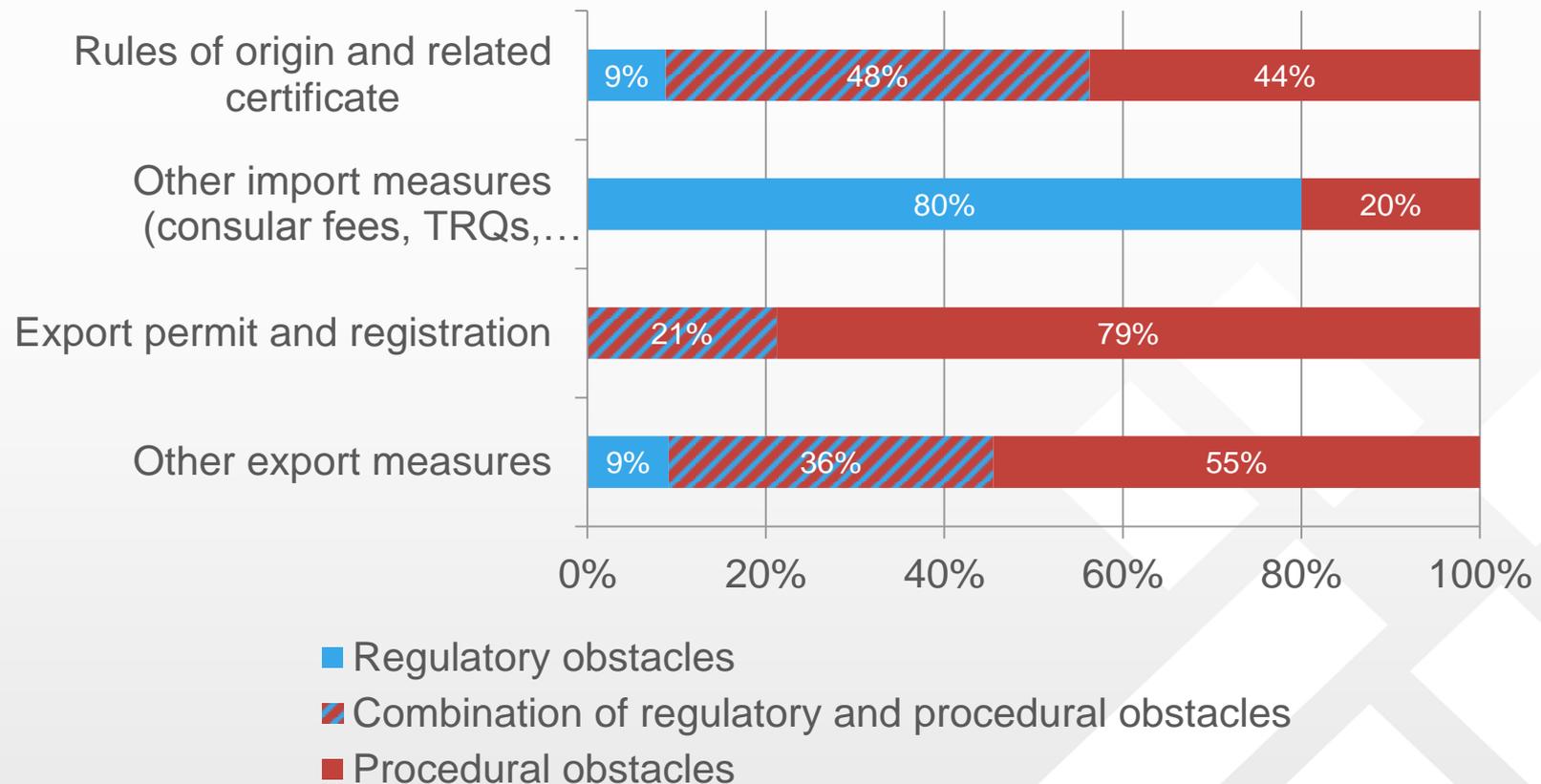
Burdensome non-technical measures faced by Filipino exporters

Rules of origin and export permit/registration stand out as particularly challenging for exporters



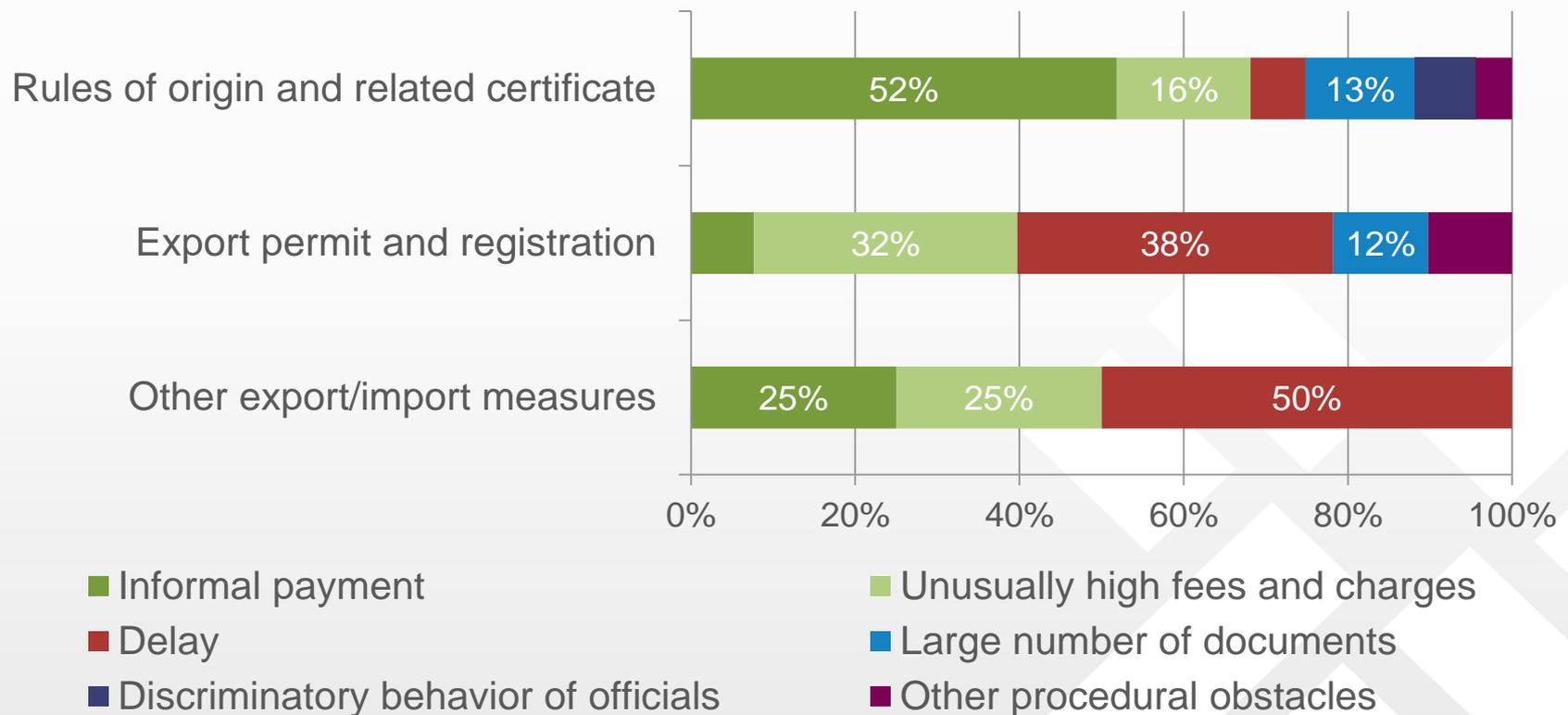
Regulations versus procedures

RoO and export authorizations (the main problematic regulations) are nearly always associated with procedural obstacles



Types of procedural obstacles in Philippines

High fees and informal payment for certificates of origin, delays for export authorizations and other trade rules



Agencies mentioned in relation to RoO and other trade rules

15 different agencies mentioned among which:

- Bureau of Customs (BOC)
- Others: Bureau of Fisheries and Aquatic Resources, Food and Drug Administration, Bureau of Internal Revenue (BIR)

Main challenges reported

1

- Inefficient and lengthy delivery of certificate of origin

2

- Export authorizations

3

- Lack of transparency of trade regulations and related procedures

4

- Insufficient coordination between the different agencies involved in the export/import process

1

- Inefficient and lengthy delivery of certificate of origin

- Rules of origin are particularly complex for manufacturing products
- Leading to informal payment or underutilization of RoO privileges

“Exports of heavy knitted garments are not allowed because raw mats for these are sourced from non-GSP+ countries (e.g. China). Only light knitted fabrics can be exported to these countries.”

“We were impelled to pay extra fees to facilitate origin certification, which is very difficult to obtain - we had to process through Manila which is quite far from our office.”

1

- Inefficient and lengthy delivery of certificate of origin (continued)

➤ As a result: *De jure* versus *de facto* preferential treatment

“Even though our exports are supposed to be eligible for zero duties from other countries under various trade agreements, we have difficulty availing of this from the Bureau of Customs.”

2

• Export authorizations

- Multiple agencies requiring individual technical authorizations leading to confusion and lack of coordination
- Lack of transparency of the regulations
- Processes to get authorizations are time-consuming and costly

“Export of coconut products requires certificate of registration from the Philippine Coconut Authority (PCA), which involves testing, inspections and documents processing, and can be quite tedious and costly especially for firms based outside Manila.”

3

- Lack of transparency of trade regulations and related procedures

- Trade regulations are often well-defined but not properly enforced
- Lack of dissemination of trade regulations - the distinction between regional regulations and national regulations is blurred in practice
- Export procedures remain unclear: numerous windows involved at national and regional levels, numerous documents, frequently changing in responsibilities of agencies

4

- Insufficient coordination between the different agencies involved in the export/import process

- Export/import process involve numerous actors: Customs, Ministry of Trade, sectoral agencies, etc. – High risk of duplicated responsibilities between agencies at national and regional levels
- Official documents are not properly accepted and recognized by all agencies – duplication of official documents and procedures required
- Inadequate/inexistence of control mechanism of law enforcement between agencies

Policy options - for discussion in the break-out session:

- Improvement of BOC implementation of CO-related procedures.
- Simplification and expedition of export technical authorization procedures (e.g. issuance of export licenses and permits) towards streamlining them and reducing redundancies.
- Continue and strengthen the national trade information portal providing up-to-date information on trade rules and procedures and possibility for public-private dialogue.

Key questions to discuss

Key NTM obstacles to Philippines' trade

1. Product requirements and conformity (exports): Technical compliance and expense

How to improve the conformity of exported products?

How to overcome the lack of recognition of Filipino's certificates in international markets?

How to make local conformity assessment procedures more efficient and less expensive?

How to ensure businesses have better access to product standards and conformity assessment procedures?

Key NTM obstacles to Philippines' trade

1. Product requirements and conformity (exports):
Technical compliance and expense
2. Customs clearance and control (imports and exports):
border transparency and clean up

How to improve the transparency of border inspection procedures?

How to streamline border clearance and control procedures?

Key NTM obstacles to Philippines' trade

1. Product requirements and conformity (exports):
Technical compliance and expense
2. Customs clearance and control (imports and exports):
border transparency and clean up
3. Rules of origin and other trade rules (exports and imports):
overcoming domestic POs

What are the roles and responsibilities of each institution involved in issuing of trade documents (licenses, permits, certificates of origin)?

How to simplify the procedures for granting these documents?

How to improve transparency on regulations governing such procedures including the eligibility criteria for companies, costs and time?

Thematic roundtables 1-3pm

RT1: Product requirements and conformity

Moderator: Engr. Ma. **Cecilia De la Paz**, Executive Director,
Philippine Chamber of Food Manufacturers

Room: Joaquin

RT2: Customs clearance and control

Moderator: Ms. **Flordeliza C. Leong**, Assistant Vice President,
PHILEXPORT

Room: Hernandez

RT3: Rules of origin and other trade rules

Moderator: Ms. **Denise Cheska C. Enriquez**, Bureau of International
Trade Relations (BITR)

Room: Balagtas/Balmori



For more information:



Thank you!



For further information:

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