Tackling the invisible barriers to trade

Introduction to ITC NTM Project in Vietnam

NTM Project Launch
Hanoi, Vietnam
21 November 2018
1. Introduction to ITC
2. Why are we here? The NTM Project in Vietnam
3. How you can support us
4. Feedback / Discussion
What is ITC?

**UNCTAD**
The UN body for 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 business people to build trade capacity.

**Our mission**
*To foster inclusive and sustainable growth and development through trade and international business development.*
ITC’s focus areas and goals

TRADE

TRADE-RELATED NEEDS

- Trade and investment support institutions
- Small and medium-sized enterprises
- Policymakers

FOCUS AREAS

- Providing trade and market intelligence
- Building a conducive business environment
- Strengthening trade and investment support institutions
- Connecting to international value chains
- Promoting and mainstreaming inclusive and green trade
- Supporting regional economic integration and South-South links

SME international competitiveness

THE GLOBAL GOALS
For Sustainable Development
ITC’s Trade and Market Intelligence

OUR AREAS OF WORK

GLOBAL PUBLIC GOODS
Trade Map
Market Access Map
Investment Map
Sustainability Map
Procurement Map
Export Potential Map
ePing

COUNTRY & REGIONAL DIAGNOSTICS
Business surveys + Studies of trade potential & market access issues

CAPACITY BUILDING
Using tools & research methods to analyse markets
1. Introduction to ITC

2. Why are we here? The NTM project in Vietnam

3. How you can support us

4. Feedback / Discussion
Making the invisible barriers (a bit more) visible

- How can I improve Vietnam’s services trade performance?
- Which types of regulations are most challenging for businesses and why?
- How can I make sure that our exporters benefit from the trade agreement with the EU? Which challenges do they currently face when exporting there?
- Which export sector is particularly affected by NTMs?
- What trade obstacles do micro and small firms encounter? Are they different from those experienced by large firms?
- How can I reduce trade cost? Do I need to (re-)negotiate trade agreements or is there something else I can do to help my businesses?
But before we start…. What do we mean by non-tariff measures?

**Official policy measures on export and import**, other than ordinary customs tariffs, can potentially have an effect on international trade in goods, changing quantities traded, or prices or both.

**Mandatory requirements, rules or regulations** legally set by the national authorities of the exporting, importing or transit country (in contrast to private standards which are not legally set)

**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.
Trade Obstacles

**NTMs**
Regulations on trade and products, other than tariffs, which may negatively affect the international trade of goods.

**NTBs**
NTMs that have a ‘protectionist or discriminatory intent’

**Excessively strict/complex requirements**
The requirements are too strict or complex to comply with.

**Procedural Obstacles**
Practical challenges or administrative hurdles which make compliance to NTMs difficult.

**Business Environment**
General operating conditions in the country that are not related to NTMs but which may hinder a company’s ability to trade.
Why do countries use NTMs?

NTMs can be applied by importing countries, exporting countries, and in some cases also by transit countries for various different reasons. While many NTMs are in place for legitimate purposes, they may still be perceived as burdensome by exporters if they are applied in a manner that interferes with their ability to export.

Why do countries use non-tariff measures?

Importing Countries
- Health and safety of consumers
- Environmental protection
- Protect domestic industries
- Achieve political goals

Exporting Countries
- Ensure adequate supply for the domestic market
- Maintain quality
- Ensure best value for their exports
Types of regulations: goods trade

- ITC works with the international classification of NTMs (e.g. in the survey)
## Types of regulations: services trade

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<th>Chapter</th>
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<td>market entry</td>
<td><strong>A</strong></td>
<td>Quantity control measures (prohibitions, quotas and monopolies)</td>
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<td><strong>B</strong></td>
<td>Restrictions on foreign ownership and foreign investments</td>
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<td><strong>E</strong></td>
<td>Conditions on licensing, qualifications and registration relating to market entry (for firms and natural persons)</td>
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<td>Domestic market support measures</td>
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<td>Intellectual property rights (IPR)</td>
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<td><strong>J</strong></td>
<td>Hiring and employment requirements</td>
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The ITC programme on non-tariff measures

With the aim of:

Reducing NTM-related trade cost

→ Improving market access

…the ITC programme on NTMs:

• Creates the evidence base that decision makers need to effectively reduce trade cost related to NTMs

• Establish national mechanisms to solve NTM-related trade obstacles experienced by developing country SMEs

• Builds capacity of SMEs, TISIs and policy makers to better understand NTMs and their effect on trade and competitiveness

• Increases the transparency of trade regulations and related procedures

For more information: www.ntmsurvey.org
# 4 components of the NTM project in Viet Nam

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| 1. Business survey on regulatory and procedural trade obstacles                                      | Gathering evidence **from the ground** about unnecessary trade costs that NTMs imply  
  - All goods sectors (export and import)  
  - Selected services sectors: IT&ITES, Tourism and Transport and Logistics  

| 2. Stakeholder consultations & Trade Obstacles Alert Mechanism                                      |  
  - Identify how to reduce the costs, design targeted TRTA projects  
  - **TOAM** - A web-platform for trade operators to:  
    - Regularly report trade obstacles  
    - Stay alerted  

| 3. Capacity building                                                                                 | **Trainings to increase awareness** on NTMs and understand their impact on businesses  
  - Designed with and for institutions  
  - For government agencies, trade support institutions, academia and journalists  
  - Emphasis on training trainers  

| 4. Enhancing transparency                                                                            | Make use of ITC databases and public data dissemination tools.  
  - Market Access Map; Procedural Guides  
  - **ePing**: alert system for WTO notifications  
  - Possible customization to Vietnam  

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*The project has been made possible thanks to the financial contribution of Denmark to ITC’s NTM programme.*
NTM Project in Vietnam: Timeline

**Jun-Sep 2018**
- Project design and validation through stakeholder consultations
- Project formulation mission (July 2018)

**December 2018**
- Training of interviewers by ITC survey experts
- Pilot interviews and survey launch

**December 2018 – April 2019**
- Survey implementation
- Data quality control
- Data analysis and contextualization
- Start of capacity building activities
- TOAM design, adaptation and translation

**November 2018 (now)**
- Official project launch ceremony
- Stakeholder consultations in Ho Chi Minh
- Validation of capacity building programme

**Q2 2019**
- Stakeholder consultations based on survey results
- Elaboration of recommendations to address identified trade obstacles in goods and services sectors
- Scoping follow-up activities in partnership with development partners
- Launch of the TOAM

**Beyond Q2 2019**
- Publication of survey report (results and recommendations)
- Design of follow up projects
- Capacity building (implementation of additional trainings)
Business survey on regulatory and procedural trade obstacles

Selected questions we are able to answer

Who is affected and how much?
Sectors, products, types of companies (women/men-owned, size, region), trade flows with which partner countries, type of trade flow (export/import), etc.

Why are trade regulations perceived as burdensome?
Strict regulations, procedural obstacles, both

Which regulations are perceived as burdensome?
Technical regulations, conformity assessment, rules of origin, inspections, etc.

What procedural obstacles do exporters/importers encounter?
Delays, high fees and charges, large number of documents, limited testing facilities, problems with recognition of certificates, etc.

Where does the problem occur?
At home, in the partner country, institution(s) involved, …
A good registry of exporters is needed to contact relevant companies.
- For all goods sectors
- 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.

We need to know what you need to know.
- Which results (sectors, partner countries, types of issues [e.g. SPS/TBT, rules of origin, trade facilitation etc.] are you particularly interested in?

Help us build a comprehensive list of exporters with contact details

Spread the word!

Tell us what you need
Stakeholder consultations are key throughout the project – partnerships are key.

The project and related consultations are led by Vietrade.

- Project design (June-Sep 2018)
- Project launch
- Regular information sharing during the implementation
- Thematic consultations based on survey results (expected in Q2 2019)
  - Sector specific: goods / services
  - Topic-specific: SPS/TBT, Customs clearance processes / trade facilitation, Rules of Origin etc.
  - Consultations with individual institutions based on specific findings concerning these
- Recommendations and design of mitigating action
Trade Obstacles Alert Mechanism

An online tool which allows:

- Trade operators to report online the obstacles they face when exporting or importing their goods and alert the competent authority;
- National authorities to know instantaneously the problems faced by the private sector and be able to provide them directly with an answer;
- All users to be alerted of the reported obstacles for the markets and products of their interest.
Trade Obstacles Alert Mechanism

1. Trader create an alert

2. National focal point validate and publish the alert

3. Competent authority answer to the alert

4. National focal point publish the answer

TOA Platform

National monitoring committee
Ensure the transparency and reactivity of the mechanism

email + website

email

email
2 Trade Obstacles Alert Mechanism

Make the TOAM work

What do we need from you?
1. National Monitoring Committee
2. National Focal Point
3. One focal point for each agency
Capacity building

Design and delivery of trainings

- Increasing awareness and understanding of NTMs and their impact on businesses;
- Focusing on building capacity of trainers in Viet Nam that can subsequently replicate trainings in various regions of the country;
- Combining theoretical concepts with practical implications.
- Tailored to different audiences and if needed, applied to a particular sector.

Build the Capacity-Building Plan together

What do we need from you?

1. Your current training plan / offer around market access and NTMs
2. Confirm your training needs
3. “Trained trainers”: who from your institution should we include?
4. Availabilities for the trainings
Enhancing transparency

Importer *Hong Kong, China* applies to the HS6 product group **010110** - *Pure-bred breeding horses and asses* imported from *South Africa* **22 measures**, affecting **1 out of 1 tariff line level products** in this product group. This information has been last updated in **June 2010**

<table>
<thead>
<tr>
<th>Measures applied by importing country</th>
<th>Number of affected NTL products</th>
<th>Number of NTMs</th>
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<tbody>
<tr>
<td>Sanitary and phytosanitary measures (SPS)</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>Technical barriers to trade (TBT)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Pre-shipment inspection and other formalities</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Licenses, quotas, prohibition &amp; other quantity control measures</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Charges, taxes and other para-tariff measures</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Rules and Certificates of origin applied by Hong Kong, China [Open](#)
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How you can support us

1. **NTM Business Surveys**
   - Help us build a comprehensive list of exporters with contact details
   - Spread the word!
   - Tell us what you need!

2. **Stakeholder consultations & Trade Obstacles Alert Mechanism**
   - Participate and contribute with your expertise
   - For TOAM:
     1. National Monitoring Committee
     2. National Focal Point
     3. One focal point for each agency

3. **Capacity building**
   - Let us know:
     1. Your current training plan / offer around market access and NTMs
     2. Confirm your training needs
     3. “Trained trainers”: who from your institution should we include?
     4. Availabilities for the trainings

4. **Enhancing transparency**
   - Inform your constituencies about NTM information tools that already exist and are at their disposal
   - Help us customize the information to render it better accessible to Viet Nam’s businesses (e.g. embedding information in institutional websites that can be navigated in Vietnamese)
Question / Comments?
Thank you!

For further information:
www.ntmsurvey.org

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Market Analysis and Research

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