What companies teach us about conformity assessment procedures (CAP)
Insights from ITC Business Survey on Non-Tariff Measures

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TBT Committee, Thematic session on CAP
28 March 2017
Quiz question:

What is the most problematic CAP for businesses?

Go to www.menti.com and use the code 29 54 75
CAP are here to stay
Beyond the numbers, how CAP affect trade?

→ 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
NTM Survey: Two-step interview process

**Step 1** Phone Screens (PS)
- 300 – 1100 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
What we have learned from businesses in 37 countries:

- 53% of companies face burdensome NTMs
- Exporters are more affected than importers
- Exporters of agricultural products report more problems than those in manufacturing
- Small firms report more frequently problems related to burdensome NTMs
- Three-quarters of burdensome NTMs are applied by partner countries

Source: ITC Businesses Survey on NTMs in 37 countries, www.ntmsurvey.org
41% of burdensome NTMs applied by partner countries relate to CAP
CAP is the first burdensome NTMs faced by both agri-food and manufacturing exporters

Source: ITC Businesses Survey on NTMs in 37 countries, www.ntmsurvey.org
Product certification and testing gather 80% of CAP obstacles

Source: ITC Businesses Survey on NTMs in 37 countries, www.ntmsurvey.org
It is rather the how (procedure) than the why (regulation) that creates CAP obstacles

Source: ITC Businesses Survey on NTMs in 37 countries, www.ntmsurvey.org
Most obstacles occur at home and concern delays, high fees and lack of facilities.

Source: ITC Businesses Survey on NTMs in 37 countries, www.ntmsurvey.org
Inefficient testing and certification procedures

- Lengthy procedures
- Frequent renewal
- Excessive paperwork and numerous administrative windows
- Inaccessible or absent infrastructure

The testing process takes 1 - 2 months while the validity of the product itself is just a year. Another issue is that it is very expensive to undertake this test which hinders us from exporting.

The problem? It’s the quantity of papers to submit! There are too many documents needed to prepare the dossier. More than 20 different documents are required for the conformity assessment process.

Source: ITC Businesses Survey on NTMs in 37 countries, www.ntmsurvey.org
Take-aways from ITC’s NTM Surveys

Market access begins at home

The ‘advantage’ of home-based problems is that you can solve them.
→ There is a great need to tackle before-the-border problems that businesses experience with behind-the-border measures.

Trade facilitation: make trade agreements work

*Having* policies, laws and agreements is one thing – *effectively implementing* them another.

Transparency is key

Processes may be complicated and lengthy for good reasons. But there is no good reason for them to be unclear or non-transparent.
Don’t forget the quiz question:

What is the most problematic CAP for businesses?

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ITC’s NTM Surveys in numbers

- Over 28,000 phone interviews
- Representative for exporters and importers in 39 developing countries + 28 EU countries
- Over 8,150 face-to-face interviews
- With companies employing more than 4 million people
- Nearly 30,000 reported trade obstacles...
- Concerning trade with 185 partner countries

⇒ A million data points to exploit for higher TRTA impact
ITC Survey results

• NTM Survey website: www.ntmsurvey.org

• ITC publication series on NTMs www.ntmsurvey.org/publication
  o Country reports (24 reports + 13 ongoing)
  o Cross-country reports (Arab States, ECOWAS, Invisible barriers)
And then...? Examples of initiatives to address identified problems

**Arab States**: Regional integration project for increased transparency of regulations, customs procedures and harmonization efforts (ROO)

**Sri Lanka**: Successful application to WTO STDF and implementation of a project aimed at improving safety and quality of fruits and vegetables

**Mauritius**: Elimination of 27 import permits resulting in reduced time for importing

**Côte d’Ivoire**: Continued public-private interaction through the creation of an online trade obstacles alert mechanism

**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

**And then...?** Examples of initiatives to address identified problems
What is the most problematic CAP for businesses?

Participants’ answers
Thank you!

For any question: loridan@intracen.org

Or learn more on: www.ntmsurvey.org