







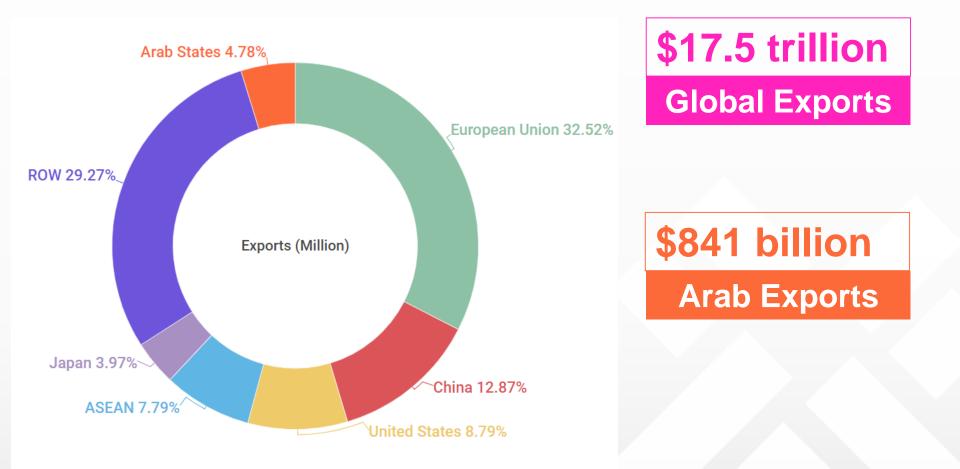
# TRADE AND REGIONAL INTEGRATION IN THE ARAB STATES

#### HIGH-LEVEL REGIONAL WORKSHOP

11-12 December 2018, Marrakech



# Arab States in the Global Trade Context





Note: Trade figures for 2017

Source: ITC Trade Map

# Arab exports are less dependent on oil



#### 2008 - 2017

- Total exports have gone down

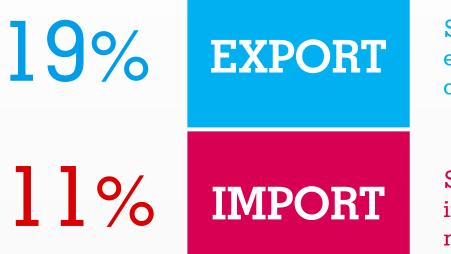
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Non-oil exports have gone up from \$222 billion to almost \$400 billion

Oil exports
 Non-Oil exports

🔆 ITC

# Intra-Arab trade has remained low...



Share of total Arab exports to fellow member countries

Share of total Arab import from fellow member countries

Figures show trade in non-oil products



Source: ITC, Trade Map

# Regional integration – by country

		Share of LAS members' trade		
	with	LAS	RoW	
Algeria		5.86%	94.14%	
Bahrain		36.88%	63.12%	
Comoros		16.21%	83.79%	
Djibouti		12.64%	87.36%	
Palestine, State of		32.86%	67.14%	
Iraq		19.08%	80.92%	
Jordan		27.73%	72.27%	
Kuwait		20.89%	79.11%	
Lebanon		20.76%	79.24%	
Libya, State of		24.23%	75.77%	
Mauritania		7.74%	92.26%	
Morocco		5.36%	94.64%	
Oman		37.60%	62.40%	
Qatar		20.42%	79.58%	
Saudi Arabia		16.94%	83.06%	
Somalia		42.47%	57.53%	
Sudan		39.29%	60.71%	
Syrian Arab Republic		27.06%	72.94%	
United Arab Emirates		14.53%	85.47%	
Tunisia		7.63%	92.37%	
Egypt		16.16%	83.84%	
Yemen		22.27%	77.73%	

Green: share of LAS >30% Red: share of LAS <10%

Regional integration varies widely across countries in the LAS region

Note: based on ITC positive list of products, which excludes oil, waste products, etc. and a average between 2012-2016.

→ Total trade is defined as (exports+imports)/2



# Regional integration – by sector

		Share of trade in top traded product groups	
	with	LAS	RoW
Machinery		10.31%	89.69%
Motor vehicles & parts		6.39%	93.61%
Plastics & rubber		23.74%	76.26%
Electronic equipment		14.64%	85.36%
Chemicals		15.75%	84.25%
Ferrous metals		22.85%	77.15%
Jewellery & precious metal articles		20.26%	79.74%
Apparel		6.78%	93.22%
Other metals		24.98%	75.02%
Metal products		23.81%	76.19%
Aircrafts, spacecrafts & parts		1.16%	98.84%
Pharmaceutical components		16.79%	83.21%
Other food products		32.83%	67.17%
Optical products, watches & medical instruments		5.71%	94.29%
Miscellanous manufactured products		10.86%	89.14%
Paper products		33.53%	66.47%
Dairy products		41.52%	58.48%
Synthetic textile fabric		6.15%	93.85%
Beauty products & perfumes		31.89%	68.11%
Fertilizers		6.56%	93.44%
Wheat		0.26%	99.74%
Vegetable oils & fats		22.10%	77.90%
Mineral products		39.69%	60.31%
Fruits		32.92%	67.08%
Other cereals		1.05%	98.95%
Sugar		23.10%	76.90%
Boats & parts		37.04%	62.96%
Wood & vegetable material		5.62%	94.38%
Ceramic articles		25.13%	74.87%
Footwear		6.42%	93.58%

Green: share of LAS >30% Red: share of LAS <10%

...and across sectors

Note: based on ITC positive list of products, which excludes oil, waste products, etc. and a average between 2012-2016.

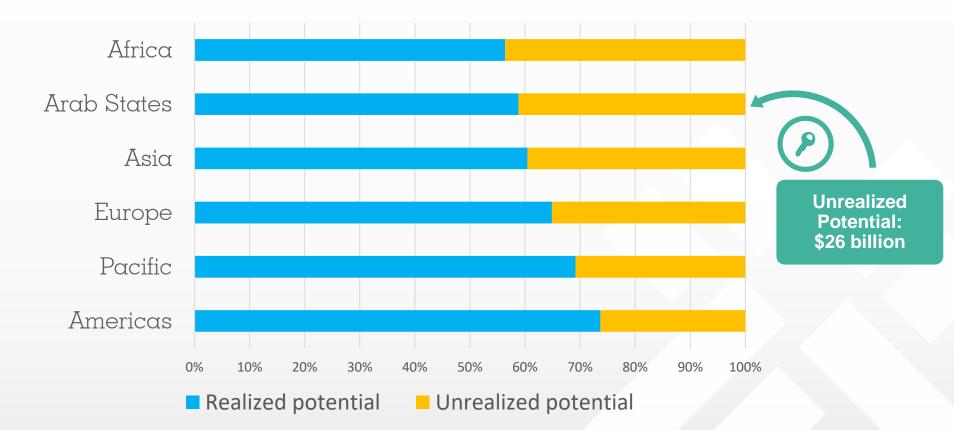
→ Total trade is defined as (exports+imports)/2

The graph includes top 30 sectors in terms of total trade

# Unrealized intra-regional export potential



Significant share of untapped trade opportunities among Arab States

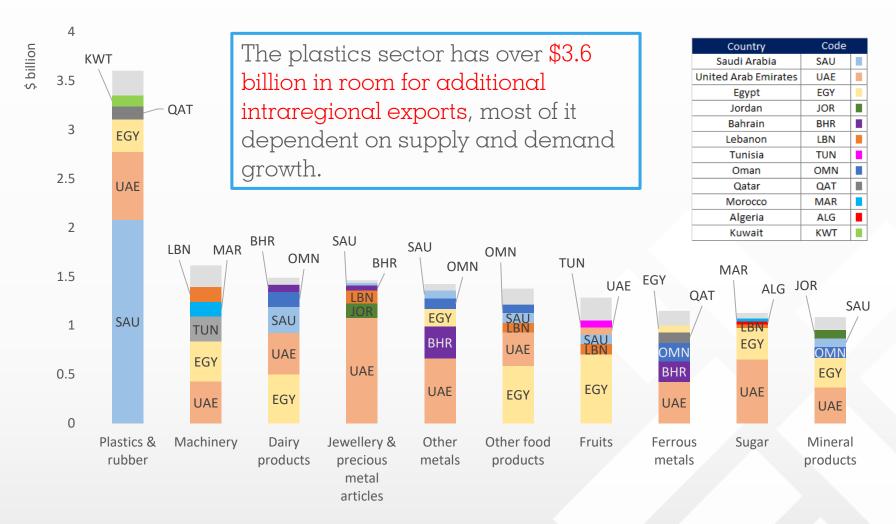




**Source:** ITC staff calculations based on the ITC export potential and diversification assessment methodology.

# Leverage existing trade complementarity

Sectors with the greatest untapped potential for intraregional exports





**Source:** ITC staff calculations based on the ITC export potential and diversification assessment methodology.

# The starting point for today...

# **TUNIS** Regional Meeting 2014



#### **IDENTIFYING TRADE HURDLES**

What are the current hurdles to trade in the Arab region that is hindering regional integration?

#### THE WAY FORWARD

What actions are needed in the national and regional level to overcome these?

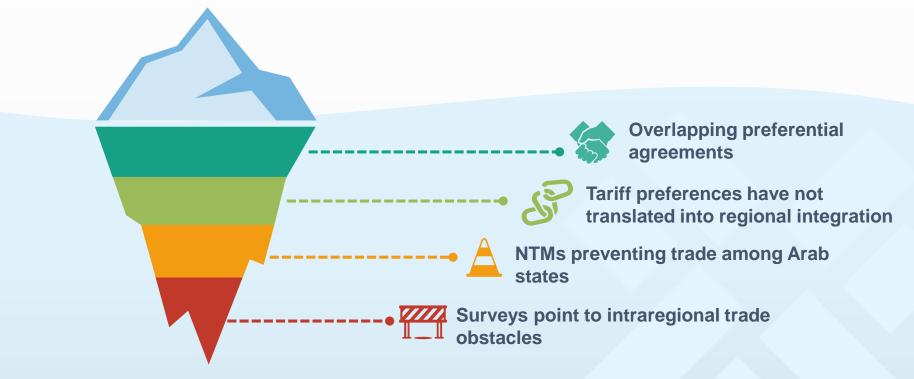








#### Issues hindering regional integration





*Issues hindering regional integration How we know?* 

- Inputs from NTM Business Surveys in Arab Countries

**IDENTIFYING** 

TRADE

**HURDLES** 

/////







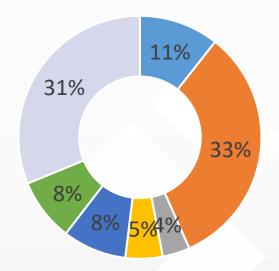
#### Inputs from NTM Business Surveys in Arab Countries



Based on interviews in 4 Arab countries



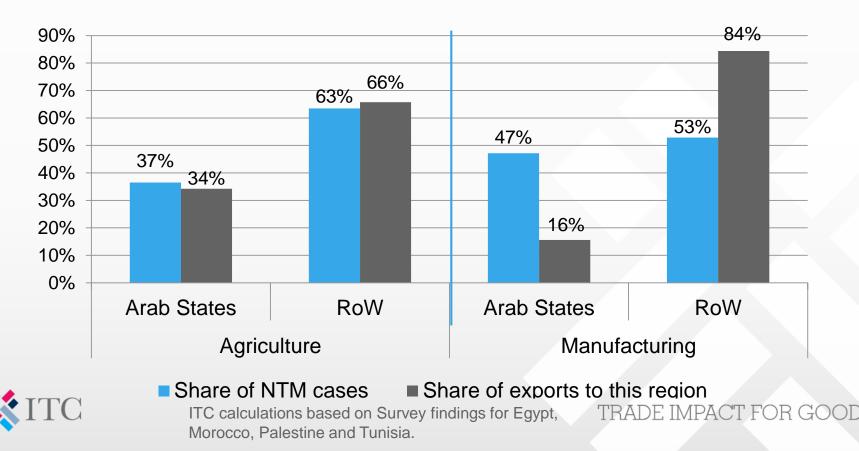
Types of NTMs faced only in the destination Arab countries



- A. Technical requirements
- B. Conformity assessment
- **C.** Pre-shipment inspection and other entry formalities
- E. Quantity control measures
- F. Charges, taxes and price control measures
- G. Finance Measures TRADE IMPACT FOR GOOD
- O. Rules of origin and related certificate of origin



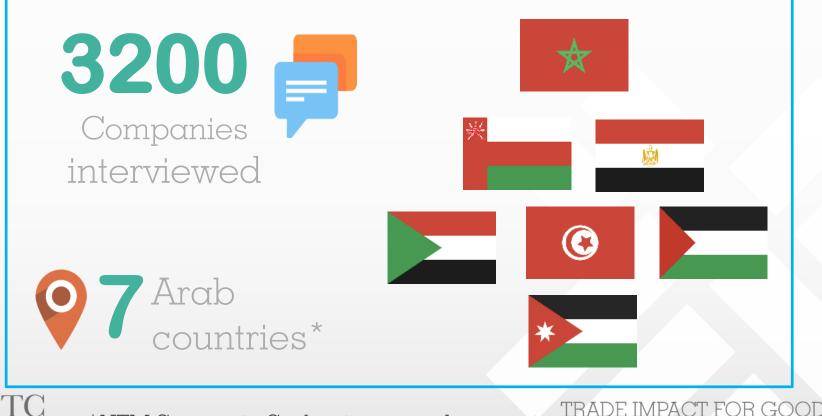
# What are the most affected export sectors and destinations for Arab States?





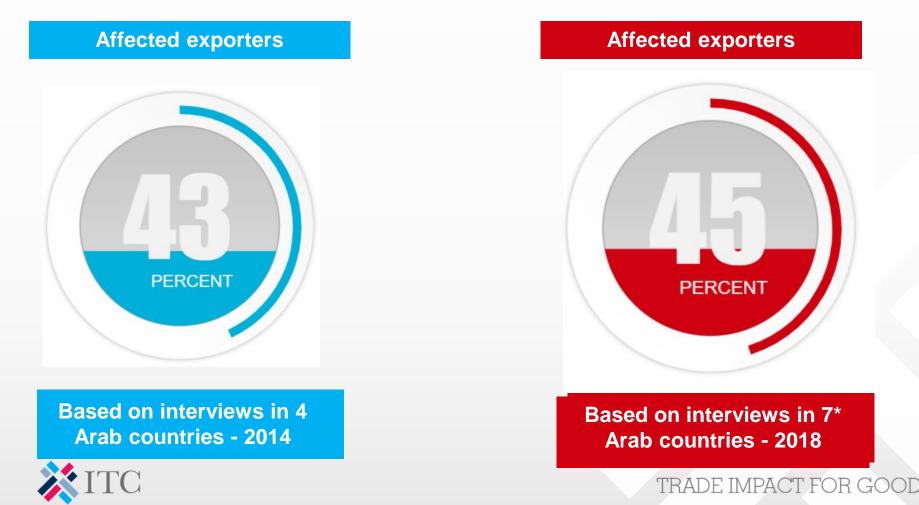
NTM Business Survey has been implemented in 3 additional Arab countries, interviewing more than 1000 companies

NTM Business Survey in the Arab states – 2018 Status



\*NTM Survey in Sudan is currently ongoing

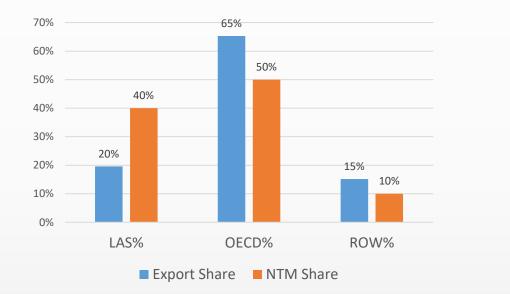
## New data but consistent results. Slightly higher affectedness rate among exporters



### New data but consistent results. NTMs faced in regional Arab counties are proportionally higher

Results based on survey in 4 countries – 2014

Results based on survey in 6 countries – 2018

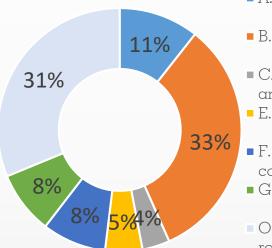


57% 60% 52% 50% 39% 40% 30% 26% 18% 20% 9% 10% 0% LAS% OECD% ROW% Export Share NTM Share



### New data but consistent results. Types of NTM hurdles are fairly similar

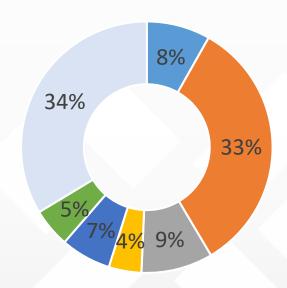
#### Results from 4 Arab countries (2014)



#### A. Technical requirements

- B. Conformity assessment
- C. Pre-shipment inspection and other entry formalities
- E. Quantity control measures
- F. Charges, taxes and price control measures
- G. Finance Measures
- O. Rules of origin and related certificate of origin

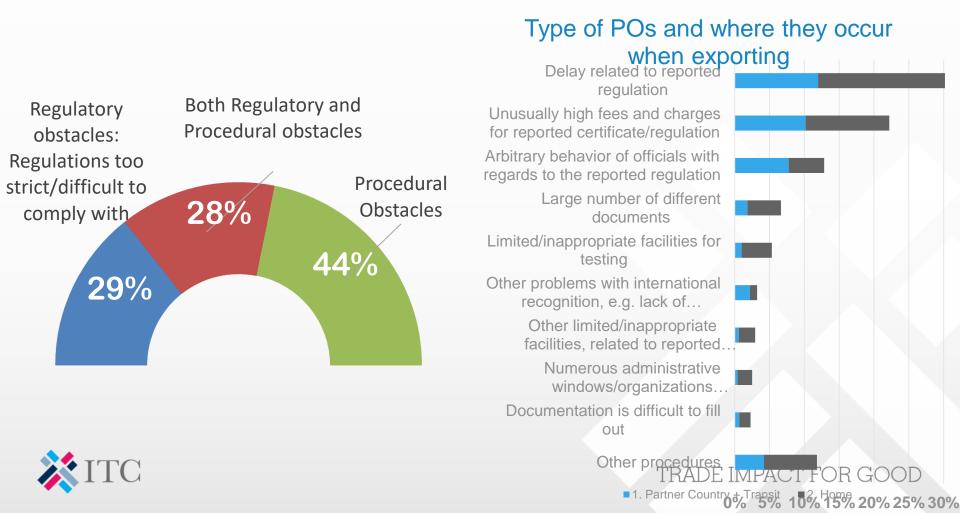
#### Results from 6 Arab countries (2018)







#### Inputs from NTM Business Surveys in Arab Countries





#### Recommendations on the way forward

#### ON: Addressing Information Gap

- Establish a regional trade information portal
- Establish a network for information exchange and coordination
- Create regional export guides
- Increase opportunities for regional business matchmaking

#### ON: Awareness-raising, capacity-building and advisory services

- Offer training on international trade agreements
- Enhance the advisory services offer of trade and investment support institutions ON: PROCEDURES, RESPONSE TIMES AND FEES
- Publish and update official deadlines and response time
- Adopt a tracking system





#### Recommendations on the way forward

#### ON: Regional standardization and conformity assessment

- Cooperate on the international standard setting process
- Harmonize labelling requirements
- Improve the availability and accessibility of training on quality requirements
- Raise awareness and promote effective implementation of good regulatory practices
- Promote best practices of market surveillance at national level and ensure coordination at regional level.
- Create a coordination mechanism among national regulatory institutions, inspection bodies and TISIs.





TRADE IMPACT FOR GOOI

#### Recommendations on the way forward

#### On: Customs clearance and Border Controls:

- Review customs legislation
- Improve customs procedures and infrastructure
- Apply information and communication technologies to customs procedures
- Strengthen partnership and information exchange
- Strengthen human resources
- Increase staff and institutionalize training

#### ON: Facilitating implementation of existing agreements:

- Create a trade obstacle alert
- Implement interlinked focal points at regional level
- Develop capacity to use existing trade agreements
- Clarify and harmonize rules of origin
- Provide special assistance to least developed Arab States







# Addressing the Recommendations

#### NTMs and Regional Integration in the Arab States



Major projects in the Arab Region that ITC was part of that addressed the issue of NTMs and Regional integration



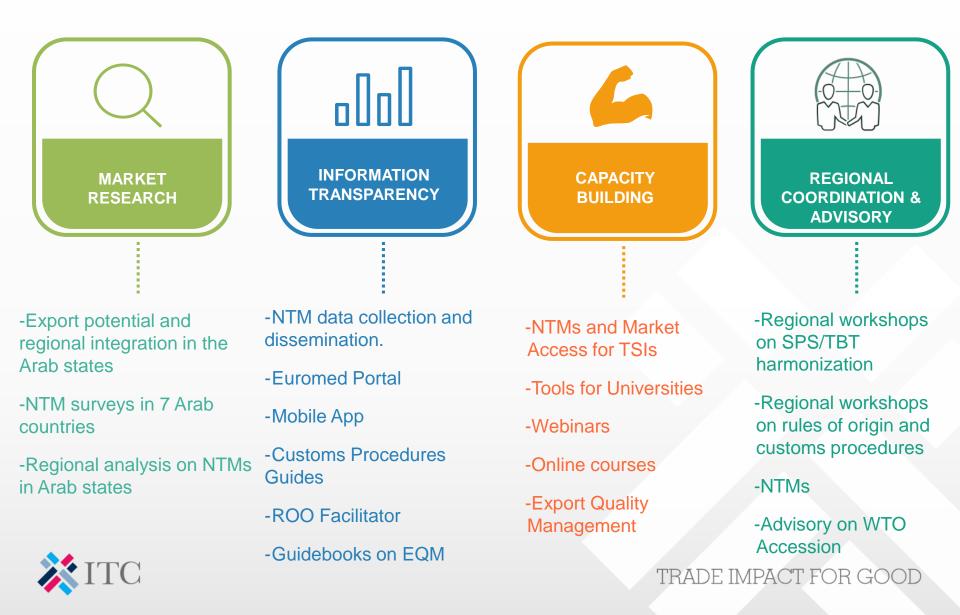






# ITC Intervention in the Arab Region

Promoting transparency, harmonization and identifying new opportunities in the region







#### TUNISIE: PERSPECTIVES DES ENTREPRISES

SERIE DE L'ITC SUR LES MESURES NON TARIFAIRES





#### EGYPT: COMPANY PERSPECTIVES AN ITC SERIES ON

NON-TARIFF MEASURES





TRADE IMPACT FOR GOOD









Tance

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#### STATE OF PALESTINE: COMPANY PERSPECTIVES

AN ITC SERIES ON NON-TARIFF MEASURES

Kana Sana



TRADE MERCE FOR GOOD

#### A study on:

#### Export Potential Assessment in the Arab States

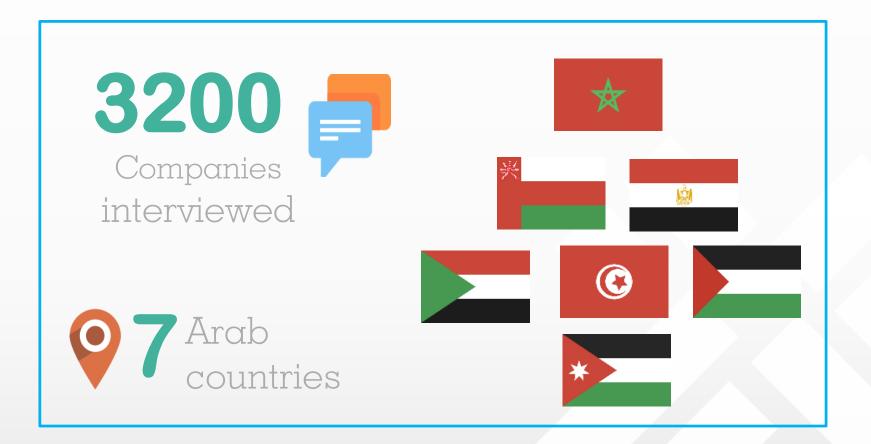




TRADE IMPACT FOR GOOD



# ITC's NTM Surveys in the Arab-region

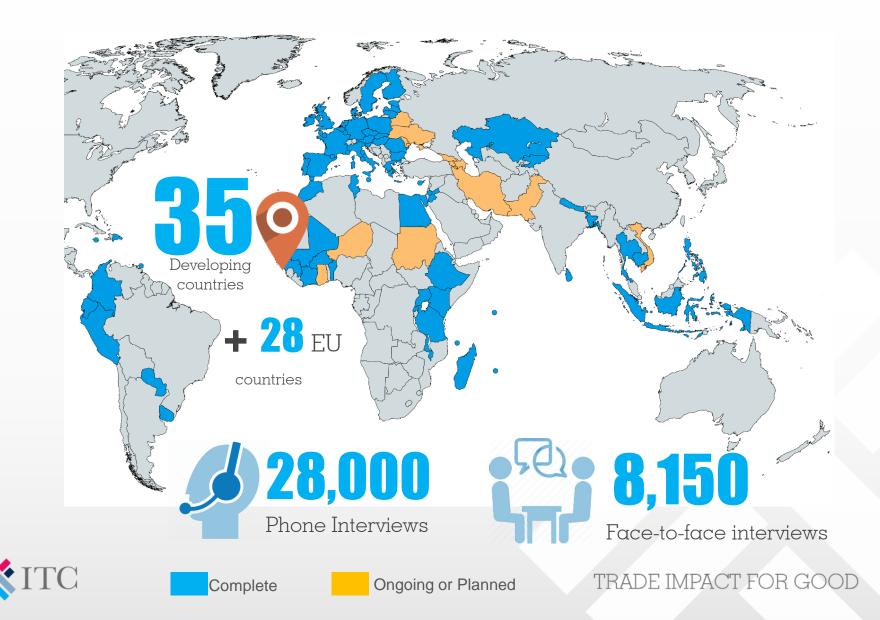




TRADE IMPACT FOR GOOD

MARKET RESEARCH

# NTM Business Surveys







# Information on national trade regulations

#### WHAT?

Information on regulations governing trade.

#### WHICH NTMs?

All NTMs including SPS and TBT measures

#### WHICH products?

All products at the National Tariff Line

#### WHERE is it?

Available at ITC's Market Access Map www.macmap.org



#### NTM Regulatory Mapping

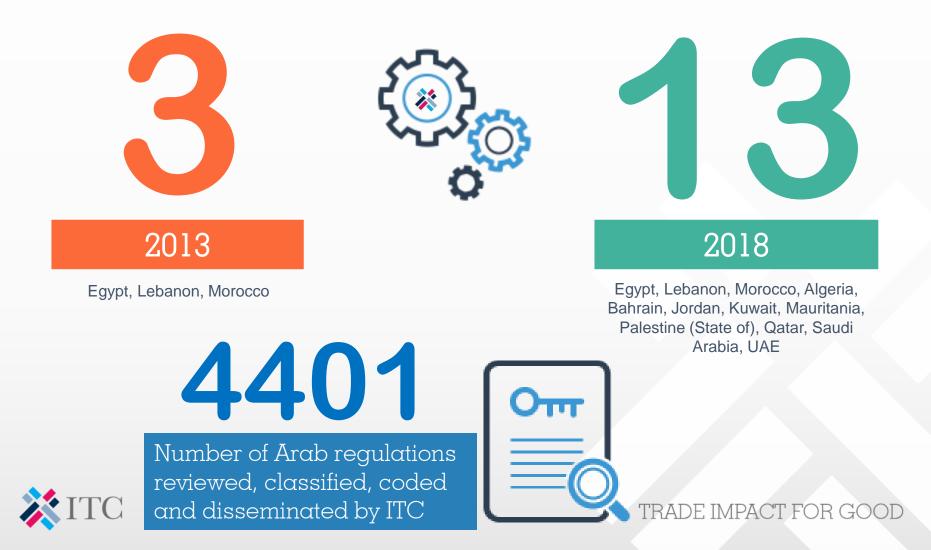
Codifying and classification of national trade-related regulations

Data dissemination through Market Access Map (MAcMap)

NTMs include a wide category of instruments such as: food safety and animal and plant health regulations sanitary and phytosanitary (SPS) measures; measures relating to the performance, labeling, size/shape, design, function etc. of products - technical barriers to trade (TBT); quotas; anti-competitive measures; import or export licenses; export restrictions; custom surcharges; financial measures; antidumping measures etc.

# Significant increase in data coverage

#### Number of Arab countries with NTM data availability



# Significant increase in data coverage

Number of countries with NTM data availability: Globally



## 2018



Data available at : ITC's Market Access Map: www.macmap.org NTM data updated regularly



# Development of NTM Data Entry Tool (DET)

An online application – developed by ITC – that will improve the efficiency and accuracy of the collection, classification, processing and updating of market access data in developing countries.

It will enabling analysts to collect, classify and code nontariff measures (NTM) directly into the web tool thus allowing country regulations to be updated without the need for full country batch updates, thus improving updating frequency.

The tool has been introduced to the technical focal points in the EuroMed region, including the priority countries of this project.

The tool can be accessed at <u>http://det.macmap.org/</u>.





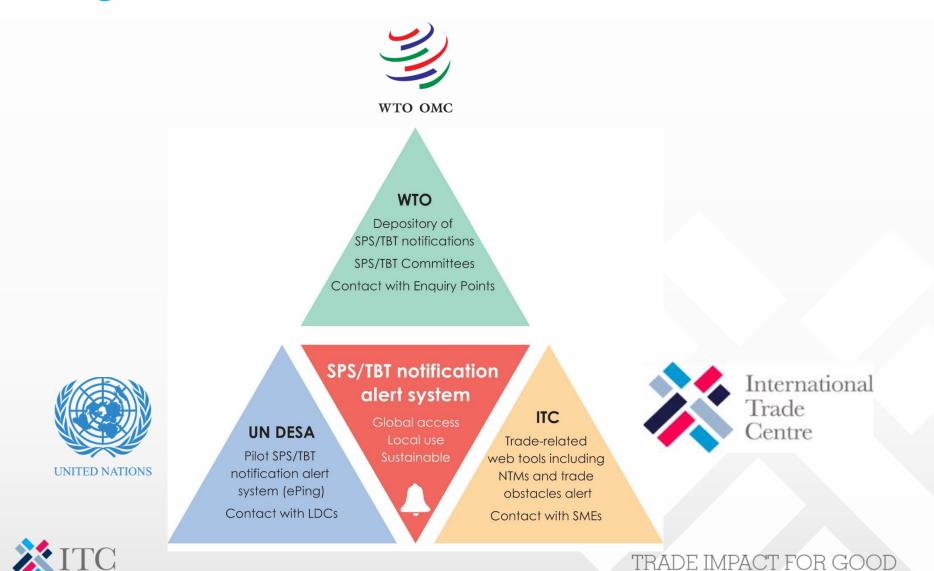






# ePing: SPS / TBT Notification Alert





# ePing: SPS / TBT Notification Alert





Sends automated notifications through **daily/weekly email** alerts



Option to **discuss**, ask questions, share files



About areas of **your interest** (products and destination markets)



Publicly available



Covers both **SPS and TBT** notifications



Provides a fast and **easy-touse search** table



Includes listing of SPS and TBT **Enquiry Points** 

Contemporary Point management tool



Available in ES, FR and EN



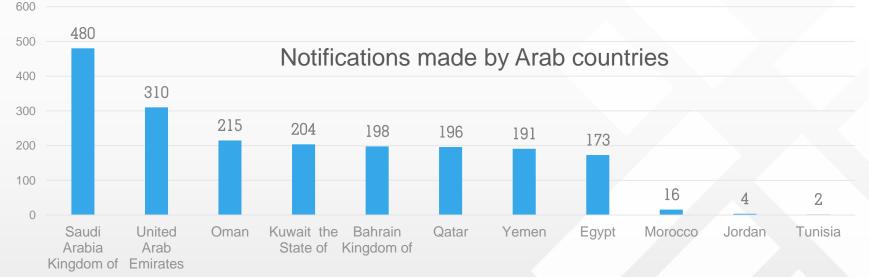
### ePing: SPS / TBT Notification Alert

1989



Number of notifications by 12 Arab countries in the last 3 years

Number of notifications from 114 WTO member countries





## Significant increase in awareness on using trade information in Arab States

Number of registered ITC Market Analysis Tools from the Arab Region





### Growing user base of ITC Market Analysis Tools Globally

# 842,000

## Registered users globally in 2018

#### TRADE MAP

Trade statistics for international business development

#### INVESTMENT MAP

For better foreign investment attraction and targeting

#### MARKET ACCESS MAP

Improving transparency in international trade and market access

#### SUSTAINABILITY MAP

YOUR ROADMAP TO SUSTAINABLE CONSUMPTION, PRODUCTION AND TRADE



#### Export Potential Map

SPOT EXPORT OPPORTUNITIES FOR TRADE DEVELOPMENT

### Development of National companion guides

A Directory of Services for SMEs: Developed for Jordan, Egypt and State of Palestine.

These national guides give small businesses access to quality management information for their sanitary and phyto-sanitary measures, with an overview of the national quality infrastructure and contacts for quality-related service providers.





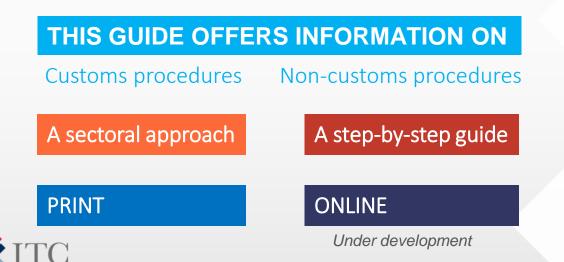
### Guidebooks on customs procedures

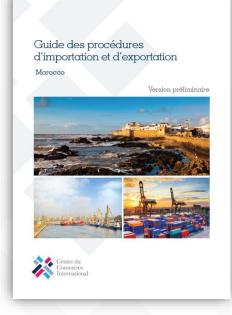
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A procedures guide aims to provide practical information to economic operators on the customs and non-customs formalities export or import goods.



To increase the transparency of trade procedures and reduce the number of obstacles faced by operators.





#### Guides developed for 5 countries:

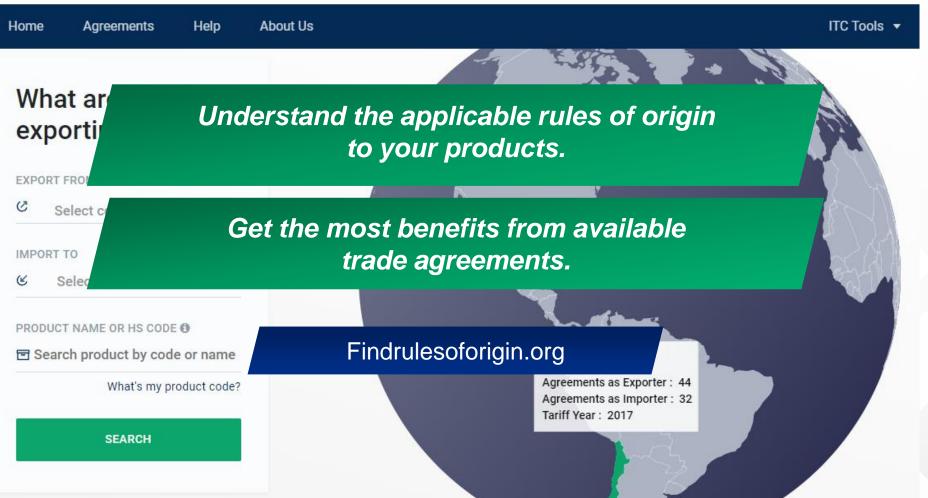
Morocco, Tunisia, Egypt, Jordan, State of Palestine



#### RULES OF ORIGIN FACILITATOR

Your gateway to trade agreements







### Rules of Origin Facilitator



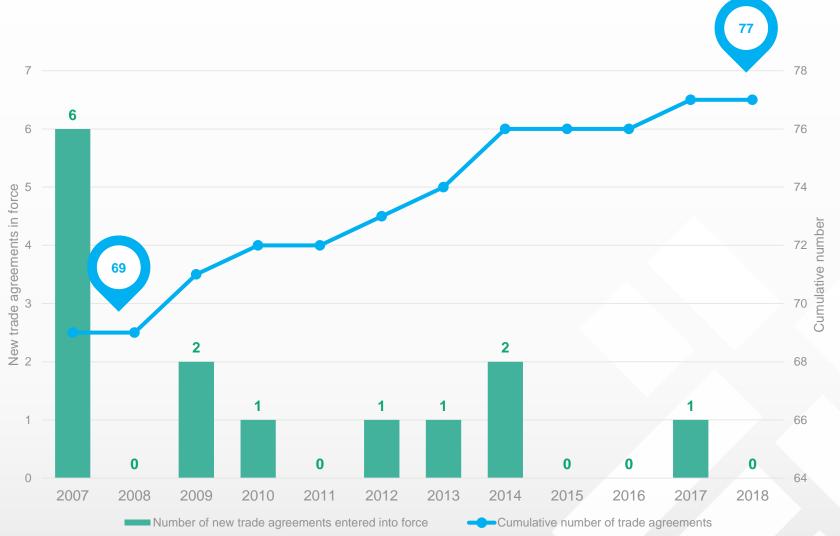
- What are the rules of origin applied to my product?
- What are the differences among possible trade agreements, their rules or origins and applied tariffs?
- What are the procedures for the issuance of their certificate?
- Where can I find the necessary documentation?



Increasing transparency in trade agreements and their rules of origin



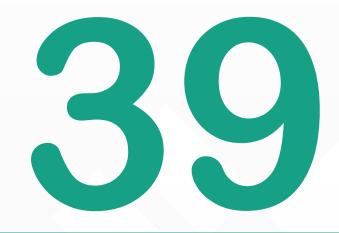
## Trade agreements involving a GAFTA country, in force, 2007 to 2018





### Trade agreements involving a GAFTA country. Coverage of ROO Facilitator





### Processing

Will be made online soon



XX ITC	World Customs Organization Organization Mondiale des Deuanes WTO OMC	RULES OF ORIGIN FACILITATOR Your gateway to trade agreements						
	EXPORT FROM C 1 selected × •	IMPORT TO C Morocco	PRODUCT NAME OR CODE	nt (blé) ou de méteil: de blé dur				
	Exporters: 🖾 Jordan							
	► → ► × FTA, Agadir	► → ■ × FTA, Jordan- Morocco	► → ■ × Regional group, League Of Arab States					
	IMPORT DUTY 70% 0% MFN Preferential	IMPORT DUTY 70% No preference MFN Preferential	IMPORT DUTY 70% 0% MFN Preferential					
	DOES MY PRODUCT QUALIFY?	DOES MY PRODUCT QUALIFY?	DOES MY PRODUCT QUALIFY?					
	Agreement ~	Agreement ~	Agreement ~					
	IN FORCE <b>(2)</b> 27.03.2007	IN FORCE ② 21.10.1999	IN FORCE <b>(2)</b> 01.01.1998					
	TYPE Free trade agreement	TYPE Free trade agreement	TYPE Free trade agreement					
	SCOPE Plurilateral, Country-Country	SCOPE Bilateral, Country-Country	SCOPE Plurilateral, Country-Country					
I]	PARTIES Palestine, State of; Jordan; Lebanon; Morocco; Tunisia; Egypt	PARTIES Jordan; Morocco	PARTIES Algeria; Bahrain; Comoros; Djibouti; Palestine, State of; Iraq; Jordan; Kuwait; Lebanon; Libya; Mauritania; Morocco; Oman; Qatar; Saudi Arabia; Somalia; Sudan; Syrian Arab Republic; United Arab Emirates; Tunisia; Egypt; Yemen	ADE IMPACT FOR GO				



#### RULES OF ORIGIN FACILITATOR

Your gateway to trade agreements



► → ■ × FTA, Agadir	► → ■ × FTA, Jordan- Morocco	► → ■ × Regional group, League Of Arab States	
IMPORT DUTY 70% 0% MFN Preferential DOES MY PRODUCT QUALIFY?	IMPORT DUTY 70% No preference MFN Preferential DOES MY PRODUCT QUALIFY?	IMPORT DUTY 70% 0% MFN Preferential	
Origin Provisions	Origin Provisions	Origin Provisions	
CUMULATION 🚯	CUMULATION (1) Not Included	CUMULATION () Diagonal	
DE MINIMIS <b>B</b> Included (10%)	DE MINIMIS () Not Included	DE MINIMIS () Not Included	
ROLL-UP 0 Included	ROLL-UP () Not Included	ROLL-UP 0 Included	
DUTY DRAWBACK () Included	DUTY DRAWBACK (1) Not Included	DUTY DRAWBACK () Not Included	
OUTWARD PROCESSING () Included	OUTWARD PROCESSING (1) Not Included	OUTWARD PROCESSING () Not Included	
ACCESSORIES, SPARE PARTS () AND TOOLS	ACCESSORIES, SPARE PARTS O AND TOOLS S	ACCESSORIES, SPARE PARTS () AND TOOLS () Not Included ()	
WHOLLY OBTAINED PRODUCTS	WHOLLY OBTAINED PRODUCTS Provided	WHOLLY OBTAINED PRODUCTS OF A CONTRACT OF A	
NON-QUALIFYING OPERATIONS	NON-QUALIFYING OPERATIONS OPERATIONS S	NON-QUALIFYING OPERATIONS Provided	





TTC

Full text of agreement

#### RULES OF ORIGIN FACILITATOR

Your gateway to trade agreements



► → ■ × FTA, Agadir		► → ■ × FTA, Jordan- Morocco		► → ■ × Regional group, League Of Arab States	
IMPORT DUTY 70% 0% MFN Preferential		IMPORT DUTY 70% No preference MFN Preferential	9	IMPORT DUTY 70% 0% MFN Preferential	
DOES MY PRODUCT QUALIF	Y?	DOES MY PRODUCT QUAL	IFY?	DOES MY PRODUCT QUALI	FY?
Certificate Provisions	~	Certificate Provisions	~	Certificate Provisions	~
CERTIFICATION Authorized Body (Self-	0	CERTIFICATION Authorized Body	0	CERTIFICATION Authorized Body	0
Certification Allowed For Consignments Not Exceeding EUR 6000)		EXEMPTION OF CERTIFICATION Not Provided	0 8	EXEMPTION OF CERTIFICATION Not Provided	0 8
EXEMPTION OF CERTIFICATION Included (Less Than	8	APPROVED EXPORTER Not Included	0 8	APPROVED EXPORTER Not Included	0 8
EUR500)	0	COMPETENT AUTHORITY Provided	0	COMPETENT AUTHORITY Not Provided	0 8
Included	8	PERIOD OF VALIDITY Not Provided	0 8	PERIOD OF VALIDITY 4 Months	0
Not Provided S PERIOD OF VALIDITY		RETENTION PERIOD Not Provided	0 8	RETENTION PERIOD 3 Years	0
4 Months RETENTION PERIOD  3 Years		More provisions		More provisions	
More provisions					
Documents	~	Documents	~	Documents	~
Certificate of origin Product-specific rules of origin Chapter on rules of origin		<ul> <li>Certificate of origin</li> <li>Full text of agreement</li> </ul>		<ul> <li>Certificate of origin</li> <li>Chapter on rules of origin</li> <li>Full text of agreement</li> </ul>	

### Where to access all this info?





### **Integrated Solutions**

#### **EuroMed Trade Helpdesk**

Free online portal disseminating information necessary to do business leveraging on the already well-established ITC tools and expertise in database management.

Available in English, French, Arabic and Turkish

### It contains user friendly comparable information like

- Applied customs tariffs
- Preferential arrangements
- Rules and certificates of origin
- VAT, excise taxes and price control measures



- Compulsory requirements
- Trade statistics for existing trade
- Business contacts
- Import procedures

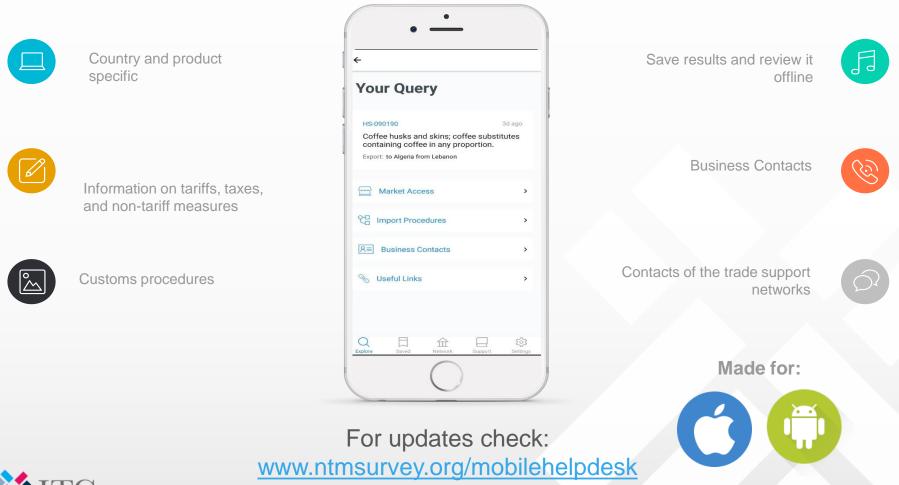


euromed.macmap.org

### EuroMed Trade Helpdesk

Trade information at your finger tips

#### Coming soon



X ITC









- Enhancing the target audience's knowledge on trade opportunities in international markets
- Participants: SMEs, Trade Support Institutions, Policy Makers
- Online training available: Video tutorials on YouTube and courses on ITC SME Trade Academy





### Capacity building on: Market Access Conditions in MENA

Workshop:

- On understanding non-tariff measures (NTMs) and market access conditions in the MENA region.
- Delivered to government officials, and the private sector from:
  - Morocco
  - Algeria
  - Tunisia
  - Jordan
  - Egypt\*





Public & private sector staff from MENA countries trained





### Reaching out to next generation of business leaders and policy makers

Information sessions:

- To university students and researchers
- Understanding NTMs and Market Accession Conditions
- Using ITC Market Analysis tools to get relevant information on NTMs and Market access
- UNIVERSITIES 450Students and researchers reached

- Delivered to universities in:
  - Morocco
  - Algeria
  - Tunisia
  - Egypt\*











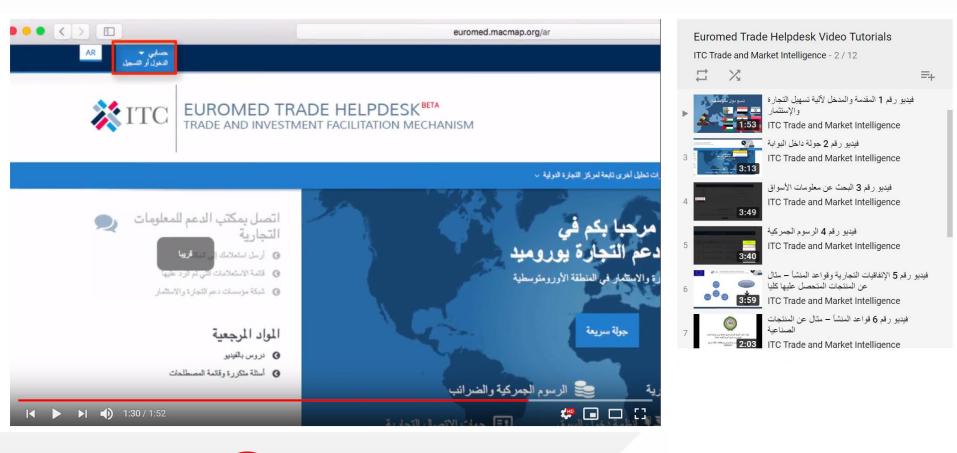
SME Trade Academy

#### Online courses on Non-tariff Measures (NTMs) Available in Arabic





### Tutorials on using ITC Market Analysis tools





www.youtube.com/MarketAnalysisTools

## SME Trade Academy



بر نامج ليبيا لريادة الأعمال - بنغازي، وطبرق و أجدابيا وجالو



Introduction to Standards and Sustainability



Introduction to International Transport and Logistics



**Export Finance and Payments** 



How to Analyse Trade Flows



INTRODUCTORY

The Role of Standards in Sustainable Supply Chains

ГС

### Capacity Building Workshops on Export Quality Management

#### Multiple workshops organized in:



Egypt, Jordan, Oman, Palestine, Qatar



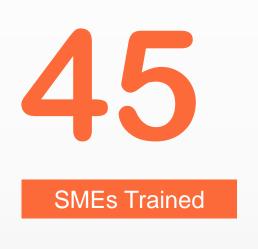


**Trained staff** 



### Tunisia

#### **COMTEXHA** Improving the competitiveness of the textiles sector



Enhanced

- Understanding on the importance of quality and corporate social responsibility in exports
- Capacity to respond to competitiveness related problems in textiles and garments sector
- Ability to integrate quality aspects in the development of their products
- Trade support institutions improved their capacity to provide qualityrelated services specific to export quality management



### EnACT, EDEC: Egypt, Morocco, Algeria

**COMTEXHA** Improving the competitiveness of the textiles sector



75 SMEs from footwear, textiles and food sectors learnt the implementation of Quality Management, Environmental, and Food Safety Management Systems.

Teams of trainers were formed to further train and help SMEs implement the said quality management systems.



### Kuwait

Training of exporters on **food safety requirements, quality management systems** and tools of quality to improve quality systems to consistently meet buyer's requirements, reducing costs and improving productivity.

### Egypt:

Training workshops for engineering and agriculture. 26 exporters sensitized on **Export Quality Management**, and also including demonstrations of ITC's EuroMed portal, ePing, StandardsMap and other non-ITC sources of information.

### Yemen

Training of Yemeni Seafood Exporters' Association (YSEA) to develop the capacity of its members to better meet the **commercial requirements of SPS measures** and, thereby, **improve the quality and safety of seafood products** emerging from Yemen

### ITC-PTB collaboration

Joint regional workshop for 6 countries (Egypt, Jordan, Yemen, Iraq, Palestine and Lebanon) of the Middle East on Trade Promotion by Quality Management









## Workshops for regional coordination in EQM and SPS/TBT issues

Private Sector perspective on boosting intra-Arab trade: Review issues related to TBT and SPS Measures<sub>18-19 May 2016, Amman</sub>

Harmonization of SPS measures in the Arab region

18-21 December 2017, Tunisia

Workshop on regional harmonization of TBT measures in the Arab region

7-10 May, 2018 Morocco



## Workshops for regional coordination in EQM and SPS/TBT issues

Agreement on the way forward to better harmonize SPS / TBT requirements in the region.

Agreement on improving access to conformity assessment services that will be recognized in the international markets.

Agreement on strengthening and streamlining inspection services – risk based approach.

Agreement on coordination of SPS and TBT issues at the regional level



#### Regional coordination in Trade Facilitation

Initiated a basis for the development of an action plan for the implementation of electronic COO and the self-certification

Workshops on coordination of customs valuation and pre-arrival processing



### TRADE SUPPORT INSTITUTIONS IN ARAB COUNTRIES

Under the TSIs project 6 Arab countries (Algeria, Egypt, Lebanon, Kuwait, Oman and Saudi Arabia) benefited from tailored assistance responding to their specific identified needs.

In Lebanon, ITC assessed the trade support intuitional infrastructure.

Creation of an Arab regional TSI network "Arab Countries Trade and Investment Organisation Network" ACTION





#### All workshop materials will be made available at:

www.ntmsurvey.org/arabregional2018

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#### For questions or comments please contact

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More information also available at

ntmsurvey.intracen.org

