



International
Trade
Centre

TRADE IMPACT
FOR GOOD

Tackling the invisible barriers to trade

Experience of Vietnamese traders with SPS/TBT regulations



Presentation at SPS Committee Workshop on Transparency
Vianney Lesaffre
20 June 2022

#ePingVN
ntmsurvey.org/epingvietnam



Tackling the invisible barriers to trade

Transparency of Foreign Markets regulations and impact on Vietnamese traders



Mr Nguyen Kim Tuan – Director of NTEA Group



Product : Tea

Export to: China, European Union,
Middle East, Taiwan, Japan

The problem we are facing is to difficulties to comply with international buyers' requirements for pesticide / chemical residue levels, we do not grasp the information and cannot verify which sources are accurate and up to date on this issue.

ITC Business survey on regulatory and procedural trade obstacles

Gathering evidence **from the ground** about unnecessary trade costs that NTMs imply



Scale of the survey



Companies interviewed (total)

1,736

Sectors

389 

Agriculture

956 

Manufacturing

112 

Transport and Logistics

171 

Tourism and Travel

108 

Information and Comm. Technology

Size

 19%

Micro

40% 

Small

 14%

Medium

27% 

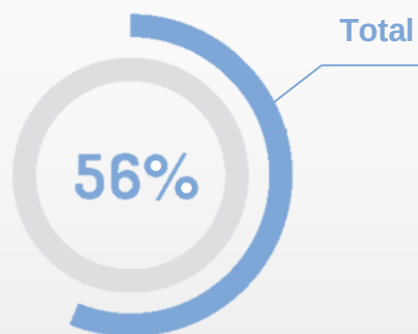
Large

660 interviews
Northern Region

70 interviews
Central Region

1'006 interviews
Southern Region

Affected companies



Agricultural exports are more affected than manufacturing, and overall the **goods trade with Europe** is more affected than with Asia.

For **Services trade**, the difficulties are more linked to **Asian countries** than European ones.

- **Agricultural** products : 47%
- **Manufacturing** products : 36%
- **Transport & logistics** services : 61%
- **Tourism & travel** services: 63%
- **ICT** services : 73%

Rate of interviewed companies that face difficulties during their operations of **export**

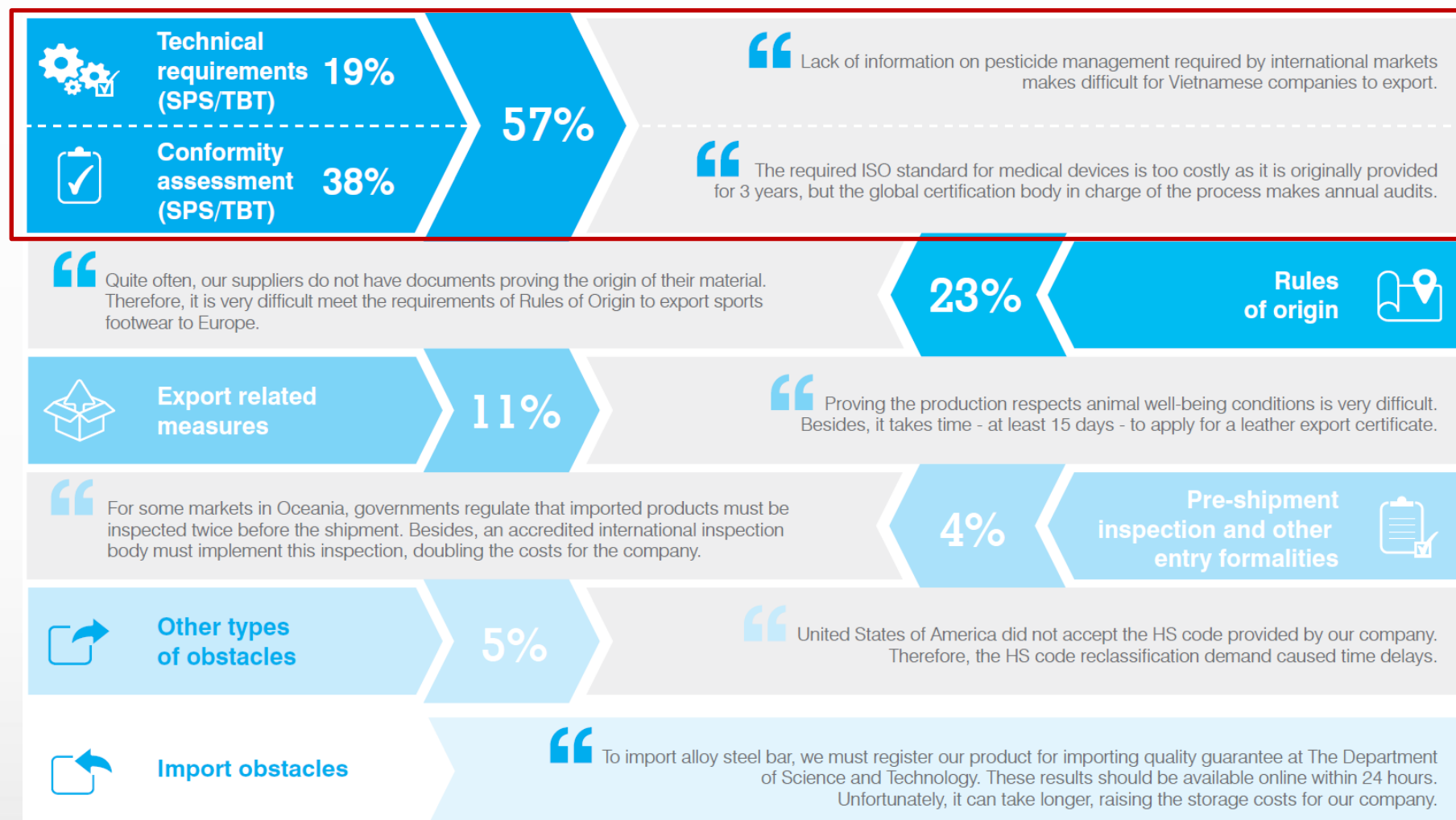
ITC Business survey on regulatory and procedural trade obstacles

Gathering evidence **from the ground** about unnecessary trade costs that NTMs imply



Types of NTMs experienced as burdensome for **GOODS**

Technical measures account for the **largest share of obstacles** that hinder both **agriculture (80%)** and **manufacturing (50%)** sectors. **Rules of origin and export related measures** are a **huge problem** for exporters of manufactured goods (40%).



Business survey on regulatory and procedural trade obstacles

Experience of Vietnamese traders – Transparency in SPS regulations



030617 Exports of frozen shrimps to Germany



EU regulations on additives content are not the same. For example, in Germany, if the maximum level of additives is 7%, the product is still allowed to import, but in Belgium it is not possible (because Belgium's government regulated the maximum level of additives is below 7%). **The company lacks of information**, so they still do not know the specific regulations of each country

030489 Exports of fish to Japan



Japan regulates the level of Maximum Residues Limits (MRL) very low. This is a national regulation applied by Japan and the regulation itself is very strict because the possibility of violating is very high. Then it will be costly if products do not comply this regulation upon inspection at the border gate and are sent back. **There is no due notice from Japan's government for changes of limit under this regulation.**

100630 Exports of japonica rice to Italy



The company exported the product to EU market, the exporting process at the end of 2017 has been in trouble. Because at this time, EU market applied a regulation for a standard level of MRL to the Tricyclazole substance to not exceed 0.01 mg/kg. This substance is contained in the plant protection products to eliminate the rice blast disease. **The company got this information too late**, because rice production season lasted from 3 - 6 months, thus the previous rice production season (before the end of 2017) has not been able to ensure the allowed level of substances according to this standard.

300490 Exports of White Tiger Balm to France



France stipulates that the importer must hold an import license for medicaments to be eligible to import medicaments into this country. The company's customer does not hold the import license for medicaments. **Both the company and their customers does not know about this regulation**. When their product arrives at the entry port, French customs do not allow entry and return the goods. If the shipment is shipped back Vietnam, it will be very costly. Therefore, the company decides to destroy the goods.

200899 Exports of lychee to France



The company exports frozen lychee to European countries. In early 2018, new substances were added to the list of the forbidden substances. However, **the company did not know about this until mid-season**. Thus, the exporting volume fell because the farmers had already applied the drugs to lychees, when growing the fruits. The farmers did not follow the usage instruction of plant protection product.

380891 Exports of cockroach pesticide to China



The company was requested to register with the Ministry of Agriculture to obtain the permit for import of Pesticide product. This process required the company to send product to China for a test under the authorized lab by Chinese Department of Control of Agrochemical. Many documents were required including : the registration form, product summarizing, process, product chemical data, pesticide label, illustration manual, business registration etc. The process took about 5 weeks until we can finally obtain the permit for import. **The information of the regulation online was very difficult to find**. Some document were written in Chinese, making it harder to understand.

Etc.

Example of notification - SPS



G/SPS/N/EU/173

Maximum residue levels for
tricyclazole in or on certain
products



100630
Japanica Rice

Symbol,
title and
description
of content

Annexes to "Draft Commission Regulation amending Annexes III and V to Regulation (EC) No 396/2005 of the European Parliament and of the Council as regards maximum residue levels for tricyclazole in or on certain products (Text with EEA relevance)" G/SPS/N/EU/173 These notified annexes to the draft Regulation set proposed maximum residue levels for tricyclazole in or on certain products in Annex V to Regulation (EC) No 396/2005. In view of the non-approval of the active substance tricyclazole in the European Union, the MRLs for this substance are lowered to the limit of determination.

- Product(s) covered : Cereals (HS Codes: 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008), foodstuffs of animal origin (HS Codes: 0201, 0202, 0203, 0204, 0205, 0206, 0207, 0208, 0209, 0210) and certain products of plant origin, including fruit and vegetables
- Objective(s) : Food safety, Human health, Maximum residue limits (MRLs), Pesticides

NOTIFICATION	
1. Notifying Member: EUROPEAN UNION If applicable, name of local government involved:	
2. Agency responsible: European Commission, Health and Consumers Directorate-General	
3. Products covered (provide tariff item number(s) as specified in national schedules deposited with the WTO; ICS numbers should be provided in addition, where applicable): Cereals (HS Codes: 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008), foodstuffs of animal origin (HS Codes: 0201, 0202, 0203, 0204, 0205, 0206, 0207, 0208, 0209, 0210) and certain products of plant origin, including fruit and vegetables	
4. Regions or countries likely to be affected, to the extent relevant or practicable: ☒ All trading partners ☐ Specific regions or countries:	
5. Title of the notified document: Annexes to "Draft Commission Regulation amending Annexes III and V to Regulation (EC) No 396/2005 of the European Parliament and of the Council as regards maximum residue levels for tricyclazole in or on certain products (Text with EEA relevance)". Language(s): English. Number of pages: 7 http://members.wto.org/cnattachments/2016/SPS/EEC/16_4739_00_e.pdf	
6. Description of content: These notified annexes to the draft Regulation set proposed maximum residue levels for tricyclazole in or on certain products in Annex V to Regulation (EC) No 396/2005. In view of the non-approval of the active substance tricyclazole in the European Union, the MRLs for this substance are lowered to the limit of determination.	
7. Objective and rationale: ☒ food safety, ☐ animal health, ☐ plant protection, ☐ protect humans from animal/plant pest or disease, ☐ protect territory from other damage from pests.	
8. Is there a relevant international standard? If so, identify the standard: ☐ Codex Alimentarius Commission (e.g. title or serial number of Codex standard or related text): ☐ World Organization for Animal Health (OIE) (e.g. Terrestrial or Aquatic Animal Health Code, chapter number): ☐ International Plant Protection Convention (e.g. ISPM number): ☒ None Does this proposed regulation conform to the relevant international standard? ☐ Yes ☐ No	

NEU173

"Full text"

Created by 'Pesticides - Web Version'		Tricyclazole	
SANTE-2016-11704 Rev0			
code	Commodities	Current	New
1 010000	FRUITS, FRESH or FROZEN; TREE NUTS	0.05*	0.01*
2 011000	Citrus fruits	0.05*	0.01*
4 011001	Grapefruit	0.05*	0.01*
4 011002	Oranges	0.05*	0.01*
4 011003	Lemons	0.05*	0.01*
4 011004	Limes	0.05*	0.01*
4 011005	Mandarins	0.05*	0.01*
5 011090	Others	0.05*	0.01*
2 012000	Tree nuts	0.05*	0.01*
4 012010	Almonds	0.05*	0.01*
4 012020	Brazil nuts	0.05*	0.01*
4 012030	Cashew nuts	0.05*	0.01*
4 012040	Chestnuts	0.05*	0.01*
4 012050	Coconuts	0.05*	0.01*
4 012060	Hazelnut/cocknuts	0.05*	0.01*
4 012070	Macadamia	0.05*	0.01*
4 012080	Pecans	0.05*	0.01*
4 012090	Pine nut/kernels	0.05*	0.01*
4 012100	Walnuts	0.05*	0.01*
4 012110	Walnuts	0.05*	0.01*
5 012090	Others	0.05*	0.01*
2 013000	Pome fruits	0.05*	0.01*
4 013010	Apples	0.05*	0.01*
4 013020	Pears	0.05*	0.01*
4 013030	Quinces	0.05*	0.01*
4 013040	Medlars	0.05*	0.01*
4 013050	Liquorice/Japanese medlars	0.05*	0.01*
5 013090	Others	0.05*	0.01*
2 014000	Stone fruits	0.05*	0.01*
4 014010	Apricots	0.05*	0.01*
4 014020	Cherries (sweet)	0.05*	0.01*
4 014030	Peaches	0.05*	0.01*
4 014040	Plums	0.05*	0.01*
5 014090	Others	0.05*	0.01*
2 015000	Berries and small fruits	0.05*	0.01*
4 015100	(a) grapes	0.05*	0.01*
4 015110	Table grapes	0.05*	0.01*
4 015120	Wine grapes	0.05*	0.01*
4 015200	(b) strawberries	0.05*	0.01*
4 015300	(c) cane fruits	0.05*	0.01*
4 015310	Blackberries	0.05*	0.01*
4 015320	Dewberries	0.05*	0.01*
4 015330	Raspberries (red and yellow)	0.05*	0.01*

Obstacle related to exports of japonica rice to Italy faced by Vietnamese companies

The company exported the product to EU market, the exporting process at the end of 2017 has been in trouble. Because at this time, EU market applied a regulation for a standard level of MRL to the Tricyclazole substance to not exceed 0.01 mg/kg. This substance is contained in the plant protection products to eliminate the rice blast disease. **The company got this information too late**, because rice production season lasted from 3 - 6 months, thus the previous rice production season (before the end of 2017) has not been able to ensure the allowed level of substances according to this standard.

Outreach to the private sector: Challenges and solutions in Viet Nam – and in other countries ?



1. Non-reaching focal points on ePing for SMEs
2. There are many notifications, "technical" language.
3. SMEs do not know ePing...
4. Several local institutions in charge – how to optimize?
5. Etc.

Provide efficient tools to Focal Points for the dissemination of knowledge on ePing at the national/regional level

- Training of trainers
- Collaboration for common training
- Appropriate communication materials

Communication campaign on ePing

Collaboration with Universities to translate the content of selected notifications and provide explanations in a simple and understandable language

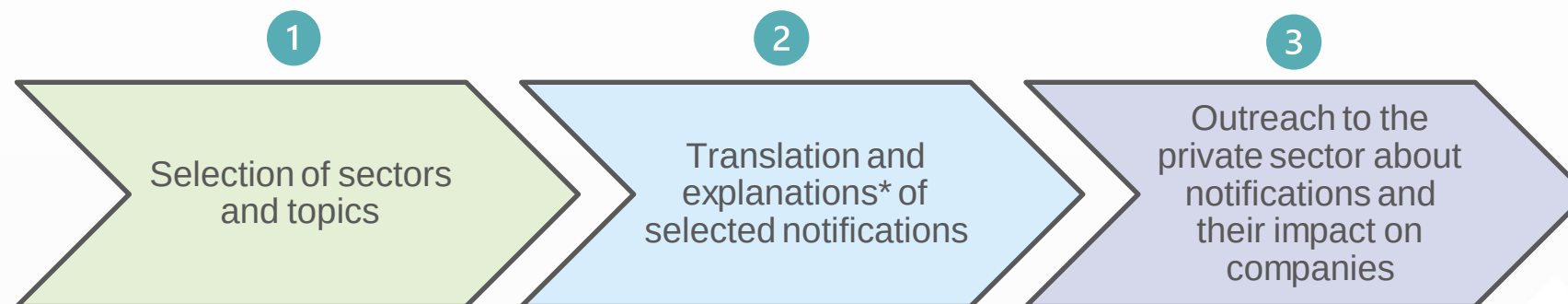
Clarify the role of each support institution and the 'perimeter' of its outreach to the private sector



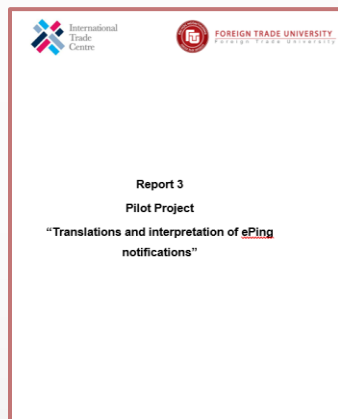
Reaching out to the private sector: Focusing on selected sectors and notifications makes a difference



Inter-agency effort to reduce the lack of information on regulatory updates



* "Explanation" means: The translation team also presents the most relevant details about which sector is receiving the translated notifications from the full text of the regulations in the translated notifications so that readers can understand what the notification is about and why they should pay attention to it.



In the spring of 2021, "ePing Pilot Project" of "Foreign Trade University":

1. 3 sectors selected: Seafood; Leather products; Fruits and Vegetables
2. 14 translated ePing notifications (130 pages) by 15 student volunteers of International Business and Economics / High Quality Program
3. Training of 26 companies from all 3 sectors

Content communicated with (not exclusively) the national ePing forum

96% of companies want the project to be carried out in the long term

FTU Perspective

- Companies want their sector to be divided into subsectors
- Companies expect more translations to be translated, even from older periods
- And more (see report)

"This is a hands-on learning opportunity for us students. Which helps us find the link between what we learn in class and the reality of companies."
Luu Thi Van Thuy, FTU Student Volunteer Team Leader

Conclusion: ePing as source of transparency for SPS and TBT regulations, at the benefit of Vietnamese traders



Traders can use ePing to stay alerted about SPS / TBT regulations updates in foreign markets.

Hệ thống cảnh báo thông báo SPS & TBT

In Viet Nam today:

880 registered users = 5% of users worldwide

300 users before private sector outreach activities

Of these users, 43% from the public sector, 29% from the private sector, 13% in both, and 15% from NGOs and academia.



Vietnamese version of ePing

TRADE IMPACT FOR GOOD

