

# TRINIDAD AND TOBAGO: COMPANY PERSPECTIVES

AN ITC SERIES ON  
NON-TARIFF MEASURES





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### **Trinidad and Tobago: Company Perspectives – An ITC Series on Non-Tariff Measures**

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Country report, part of a series of publications assessing the impact of Non-Tariff Measures (NTMs) on the business sector, based on a large-scale survey conducted in Trinidad and Tobago with companies directly reporting burdensome NTMs and the reasons why they consider them to be trade barriers; analyses survey findings and compares them to other sources on NTMs to identify regulatory, procedural and infrastructural obstacles in Trinidad and Tobago and its partner countries; covers food and agro-based products, chemicals, metal and other basic manufacturing, and machinery, equipment and electronics; outlines policy options discussed at stakeholder meeting; includes NTM classification, and bibliographical references (pp.85-87).

Descriptors: **Trinidad and Tobago, Non-Tariff Measures, Trade Policy, SMEs.**

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English

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## Contents

Acknowledgements	iii
Acronyms	ix
Executive summary	xi
<b>Introduction to non-tariff measures</b>	<b>1</b>
<b>Chapter 1 Trade and trade policy overview of Trinidad and Tobago</b>	<b>4</b>
1. General economic introduction and sector composition	4
2. Trade: agriculture and manufacturing	5
2.1. Exports	5
2.2. Imports	7
3. Trade policy	8
3.1. Tariffs and preferences	10
4.1. Medium-Term Policy Framework, 2011-2014	11
4.2. Enabling Competitiveness Business Strategy, 2011–2014	12
4.3. Export promotion and facilitation	12
<b>Chapter 2 Non-tariff measures survey methodology and implementation in Trinidad and Tobago</b>	<b>15</b>
1. Survey implementation	15
1.1. Timeline and principal counterparts	15
1.2. Survey process	15
1.3. Sample frame and selection strategy	15
1.4. Step 1: Phone interviews – initial screening	16
1.5. Step 2: In-depth, face-to-face interviews	16
1.6. Company characteristics in face-to-face interviews	17
<b>Chapter 3 Survey results on companies’ experiences with NTMs</b>	<b>19</b>
1. Aggregate results and cross-cutting issues	19
1.1. Affected export sectors	19
1.2. Non-tariff measures affecting exports and countries applying them	20
1.3. Most common non-tariff measures and other obstacles affecting imports	24
1.4. Recurring challenges with procedural obstacles and inefficiencies in the trade related business environment	25
2.1. Importance of the sector	28
2.2. Affected companies	30
2.3. Non-tariff measures applied by partner countries affecting exports	30
2.4. Non-tariff measures applied Trinidad and Tobago affecting exports	34

2.5. Procedural obstacles and inefficiencies in the trade-related business environment affecting exports	35
2.6. Non-tariff measures and other obstacles affecting imports	39
2.7. Summary and policy options	40
3.1. Importance of the sector	41
3.2. Affected companies	42
3.3. Non-tariff measures applied by partner countries affecting exports	42
3.4. Non-tariff measures applied by Trinidad and Tobago affecting exports	46
3.5. Procedural obstacles and inefficiencies in the trade-related business environment affecting exports	46
3.6. Non-tariff measures and other obstacles affecting imports	52
3.7. Summary and policy options	53
<b>Chapter 4 Conclusions and policy options</b>	<b>55</b>
<b>Appendix I Global methodology of the non-tariff measure surveys</b>	<b>59</b>
<b>Appendix II Non-tariff measure classification</b>	<b>65</b>
<b>Appendix III Procedural obstacles</b>	<b>68</b>
<b>Appendix IV Experts and stakeholders interviewed</b>	<b>69</b>
<b>Appendix V Results of face-to-face interviews, by sector</b>	<b>70</b>
<b>Appendix VI Agenda of stakeholder meeting</b>	<b>80</b>
<b>References</b>	<b>81</b>
<b>Data sources</b>	<b>83</b>
Table 1: Tariffs faced and preferences granted by major importing partners	11
Table 2: Aggregate results of exporting companies interviewed by phone, by sector	20
Table 3: NTMs applied by partner countries	22
Table 4: Procedural obstacles and inefficiencies in the trade-related business environment encountered in Trinidad and Tobago agencies	27
Table 5: Procedural obstacles and inefficiencies in the trade-related business environment encountered in partner countries	28
Table 6: Major food processing firms in Trinidad and Tobago, 2008	29



Table 7:	Export of food and agro-based products: burdensome NTMs applied by partner countries and linkages to POs/ inefficiencies in the TBE	36
Table 8:	Export of food and agro-based products: burdensome NTMs applied by Trinidad and Tobago and linkages to POs/ inefficiencies in the TBE	37
Table 9:	Food and agro-based exports: procedural obstacles and inefficient trade-related business environment	38
Table 10:	Export of manufactured products: burdensome NTMs applied by partner countries and linkages to POs/ inefficiencies in the TBE	47
Table 11:	Export of manufactured products: burdensome NTMs applied by Trinidad and Tobago and linkages to POs/ inefficiencies in the TBE	49
Table 12:	Manufactured exports: procedural obstacles and inefficient trade-related business environment	50
Table A:	Export of food and agro-based products: burdensome NTMs applied by partner countries	70
Table B:	Export of food and agro-based products: burdensome NTMs applied by Trinidad and Tobago	72
Table C:	Imports of food and agro-based products: burdensome NTMs applied by partner countries and linkages with POs/ inefficiencies in the TBE	73
Table D:	Exports of manufactured products: burdensome NTMs applied by partner countries	76
Table E:	Export of manufactured products: burdensome NTMs applied by Trinidad and Tobago	77
Table F:	Imports of manufactured products: burdensome NTMs applied by partner countries and linkages with POs/ inefficiencies in the TBE	78
Figure 1:	Sector contributions to GDP and employment, 2010	4
Figure 2:	Growth and composition of exports, 2001–2010	6
Figure 3:	Major export markets, 2010 (%)	7
Figure 4:	Composition of imports, 2010	7
Figure 5:	Major importing countries, 2010 (%)	8
Figure 6:	Trade agreements of Trinidad and Tobago	10
Figure 7:	Phone screen interviews, by sector	16
Figure 8:	Participation in the survey	17
Figure 9:	Size and ownership structure of exporters in face-to-face interviews	18
Figure 10:	Most frequent categories of non-tariff measures applied by partner countries	21
Figure 11:	Most frequent categories of non-tariff measures applied by Trinidad and Tobago authorities	23
Figure 12:	Most frequent categories of procedural obstacles and inefficiencies in the trade-related business environment, in partner countries and domestically	24
Figure 13:	Categories of non-tariff measures and other obstacles affecting imports	25
Figure 14:	Growth of exports in food and agro-based products, 2001-2010	30
Figure 15:	Growth of exports in selected manufactured products, 2001-2010	42



## Acronyms

The following abbreviations are used:

ASYCUDA	Automated System for Customs Data
CARIBCAN	Caribbean-Canada Trade Agreement
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum
CBI	Caribbean Basin Initiative
CCIB	Cocoa and Coffee Industry Board of Trinidad and Tobago
CFDD	Chemistry, Food and Drugs Division
CROSQ	CARICOM Regional Organisation for Standards and Quality
CSME	CARICOM Single Market and Economy
EC	European Community
EPA	Economic Partnership Agreement
EU	European Union
EXIMBANK	Export-Import Bank of Trinidad and Tobago
GNTB	Group of Eminent Persons on Non-Tariff Barriers
HSF	Heritage and Stabilization Fund
HS4	Harmonized Commodity Description and Coding System at 4-digit level
HS6	Harmonized Commodity Description and Coding System at 6-digit level
ICT	Information and communications technology
IEC	International Electrotechnical Commission
ISO	International Organization for Standardization
ISPM	International Standards for Phytosanitary Measures
IT	Information technology
ITC	International Trade Centre
MFN	Most favoured nation
MTII	Ministry of Trade, Industry and Investment
NTB	Non-tariff barrier
NTM	Non-tariff measure
OECD	Organisation for Economic Co-operation and Development
PO	Procedural obstacle
SITC	Standard International Trade Classification
SMEs	Small and medium-sized enterprises
SPS	Sanitary and phytosanitary measures
TBE	Trade-related business environment
TBT	Technical barriers to trade
TRANS	Trade Analysis and Information System
TTBS	Trinidad and Tobago Bureau of Standards
TTCIC	Trinidad and Tobago Chamber of Industry and Commerce
TTMA	Trinidad and Tobago Manufacturers' Association
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organization



## Executive summary

### Introduction to non-tariff measures

With global economic liberalization and an increasing tendency to eliminate or reduce tariffs, the relative importance of trade barriers resulting from non-tariff measures (NTMs) has risen in recent decades.<sup>1</sup> Consumers are now more aware about the products they purchase, and importing countries are introducing more regulations. Most of these regulations do not have protectionist objectives but seek to preserve health, safety or the environment. Compliance with regulations, however, may be beyond the reach of companies seeking to export. This is particularly the case of small and medium-sized enterprises (SMEs) in emerging and developing countries. Multilateral rules in the World Trade Organization (WTO) and recent regional and bilateral trade agreements now include provisions on NTMs. In this context, the analysis of the commercial impact of NTMs as well as technical cooperation with developing countries to build government and business capacities is moving into focus. The International Trade Centre (ITC) is actively engaged in these efforts of research and cooperation. An important recent activity of ITC is the conduct of large-scale surveys of companies in developing and emerging countries. NTMs cover a wide range of policies such as technical regulations, sanitary and phytosanitary measures (SPS), certification requirements and other conformity assessments. They also include quantitative restrictions, additional charges, and financial measures. In addition to NTMs imposed by governments, the ITC survey examines procedural obstacles (POs) that may hamper companies' ability to comply with NTMs. Delays, institutional costs, excessive paperwork and lack of testing facilities are among the most common POs. The survey also considers inefficiencies in the trade-related business environment (TBE). In close cooperation with local partners, ITC conducts the survey in about 30 countries around the world. In the Caribbean, surveys were implemented in Jamaica and Trinidad and Tobago in 2011/2012.

### Country context of Trinidad and Tobago

The Trinidad and Tobago economy is dominated by the energy sector, which comprises oil, gas and petrochemicals. Currently, this sector accounts for 43% of GDP, 52% of exports and 83% of government revenue – although it absorbs only 3.3% of employment. Most employment is in the services sector. The global economic crisis and collapse of energy prices in 2009 had a major impact on domestic economic activity. Growth contracted by 3.3% in 2009, remained constant in 2010, and fell by 1.4% in 2011. A growth rate of 1.0% is projected for 2012.

Roughly 80% of Trinidad and Tobago's non-mineral exports consist of chemicals (mainly ammonia, urea and methanol) and iron and steel products. Food and agro-based goods contribute less than 10%. Main food and agro-based exports include beverages, baked goods, juices, and preserved fruits and vegetables. Leading manufactured exports (excluding energy-based products) are chemical and related products, non-electronic equipment, paper and paperboard, plastic goods, and clothing.

The United States of America is Trinidad and Tobago's major export market, with exports concentrated in chemicals and iron and steel products. Other developed countries provide key markets for such products. CARICOM absorbs the bulk of Trinidad and Tobago's agro-based exports and non-energy, manufactured products. Exports to Latin and Central America are varied and account for 15% of non-mineral exports.

As a member of CARICOM, Trinidad and Tobago has bilateral trade agreements with the Bolivarian Republic of Venezuela, Colombia, the Dominican Republic, Costa Rica and Cuba. It also signed the CARIFORUM-Economic Community Economic Partnership Agreement in 2008 and a partial scope agreement with Panama in 2011. Trinidad and Tobago is currently negotiating a Trade and Development Agreement with Canada. It is also a member of the WTO and is eligible for the Generalized System of Preferences schemes of Australia, Canada, the European Union (EU), Japan, New Zealand, the Russian Federation and Switzerland.

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<sup>1</sup> NTMs should be distinguished from non-tariff barriers (NTBs), a term frequently used in trade discussions. NTBs imply a negative impact on trade and should be regarded as a subset of NTMs that have a protectionist or discriminatory intent. Many, if not most, NTMs are applied for legitimate reasons, such as to protect human, plant and animal health.

## **Non-tariff measure survey methodology and implementation in Trinidad and Tobago**

The survey was conducted by a local consulting company, AK Consulting Limited, and supported by the Ministry of Trade, Industry and Investment (MTII). AK Consulting Limited received extensive training from ITC, and carried out the survey between August 2011 and April 2012.

Preparatory work for the survey involved compiling a list of exporting and importing companies with contact details. Source data for the list was obtained from exporTT, the Trinidad and Tobago Manufacturers' Association (TTMA) and the Trinidad and Tobago Chamber of Commerce (TTIC). The list included businesses involved in the production of goods. Companies producing services were not included since the ITC NTM classification has been developed for goods only. Further, mineral-producing companies were excluded from the survey since the minerals sector is not normally subject to trade barriers.

Implementation of the survey involved a two-stage process. At the first stage, companies were randomly selected within each sector and screened by phone to identify those that experienced difficulties with NTMs. Companies were asked if they experienced burdensome regulations that seriously impacted their export or import operations. At the second stage, companies that reported difficulties with NTMs were interviewed face-to-face to capture information at an especially detailed level.

A total of 707 companies were contacted by phone. Of these, 500 agreed to participate in phone interviews. From this sample, 171 companies were identified as having experienced burdensome regulations. Face-to-face interviews were subsequently conducted with those companies facing obstacles to trade and willing to participate. One hundred and fifty-three interviews were thus conducted. According to the NTM survey sampling methodology, interviews covered a representative share of Trinidad and Tobago's most important export sectors, excluding minerals and petroleum. The country's most important export sectors were featured, including food and agro-based products, chemicals, metal and other basic manufacturing, and machinery, equipment and electronics. Several companies were also interviewed in the wood, wood products and paper sector, and others such as textiles and clothing.

## **Aggregate results and cross-cutting issues**

The survey showed that 22% of exporting companies and 30% of importing companies faced burdensome NTMs and other obstacles to trade. These proportions are low when compared to recently-surveyed countries. For example, the share of affected exporters was 69% in Sri Lanka and 88% in Peru.

### *NTMs affecting exports*

Among interviewed companies, food and agro-based products was the most strongly affected sector, with almost 40% of exporters reporting difficulties. Others involved in the wood, wood products and paper sector, and in chemical exports were also seriously affected (30% and 24% respectively).

Technical measures comprise the majority of burdensome NTM cases applied by partner countries. These consist of conformity assessment (32%) and technical requirements (29%). Technical requirements establish product specifications that exported products need to comply with in order to gain market access. Conformity assessment procedures provide proof about compliance with underlying technical requirements. Some of the most prevalent NTMs globally are SPS and TBT measures. Most developed countries have high quality and safety standards, and are increasingly introducing stringent food safety legislation. Two recent examples are the United States Food Safety Modernization Act (2011) and the Safe Food for Canadians Act (2012). Developing countries, including those in CARICOM, also have strict food and other regulations.

Other obstacles frequently reported by exporters in partner countries relate to rules of origin (15%), pre-shipment inspection and entry formalities (10%), and quantity control measures (9%). Given Trinidad and Tobago's focus on CARICOM markets, CARICOM rules of origin are of greatest interest to exporters. In terms of quantity control measures, licensing was the most prevalent burdensome NTM.

Exporters reported that most NTMs were applied by partner countries (240 cases) but some were also reported for Trinidad and Tobago (67). Almost one-half of NTMs applied by Trinidad and Tobago related to export registration. The latter refers to a requirement to register products prior to export for monitoring

purposes. In Trinidad and Tobago all companies must submit details on goods destined for export to Customs. Exporters reported lengthy delays at that agency, particularly during the initial implementation phase of ASYCUDA World.

#### *Main partner countries applying NTMs on exports*

Companies reported most obstacles within CARICOM (53%), particularly in Barbados and Jamaica. These two countries accounted for just over one-half of all NTM cases in the region. Guyana was also reported to apply burdensome NTMs along with some smaller CARICOM member states – particularly Grenada, Saint Lucia, and Dominica. This latter group accounted for 25% of all NTM cases applied to exports within the region, which included various taxes and charges such as a 100% environmental tax.

Among developed countries, the United States accounted for the largest number of NTM cases (19%). A few cases were also reported in Canada and the United Kingdom.

Most NTMs in developed country markets concerned conformity assessment and technical requirements. High charges, such as for laboratory testing, were also reported to be a major obstacle.

Companies reported numerous trade obstacles in Latin and Central America. These accounted for 15% of all NTM cases, most of which were in the Bolivarian Republic of Venezuela but also in the Dominican Republic, Ecuador, Panama and Costa Rica. The Bolivarian Republic of Venezuela accounted for only 0.4% of Trinidad and Tobago's exports but was mentioned in 7% of NTM cases.

#### *NTMs affecting imports*

Importing companies reported major difficulties with pre-shipment inspection and other entry formalities, which accounted for 39% of NTM cases reported domestically. Trinidad and Tobago has no legal requirement for the conduct of independent, pre-shipment inspections but Customs inspects goods on entry into Trinidad and Tobago. Other measures which companies found restrictive were quantity control measures (19%); conformity assessment (15%); technical requirements (14%); and charges, taxes, and para-tariff measures (11%).

#### *Procedural obstacles and inefficiencies in the business environment*

Most NTMs were closely associated with POs/ inefficiencies in the TBE, which were caused primarily by delays in reported regulation, and unusually high fees and charges. Delays accounted for 45% of cases affecting exports and 44% affecting imports. Other POs/ inefficiencies in the TBE involved onerous documentation, the arbitrary behaviour of officials on regulation, and numerous administrative windows and organizations.

Customs was the most frequently-reported agency to cause POs/ inefficiencies in the TBE. One-quarter of all cases affecting exports and one-half affecting imports were reported there. This is not surprising since every company must interact with Customs – for goods registration on the export side and goods clearance on the import side. On the export side, companies identified four other agencies: the Plant Quarantine Division, Forestry Division, Animal Health Division and exporTT. Importing companies also highlighted the role of the Chemistry, Food, and Drugs Division (CFDD) and the Trade Licence Unit in causing POs/ inefficiencies in the TBE.

The introduction of TTBizLink has alleviated many problems associated with the issue of permits and licences. However, according to private sector agencies interviewed, the inspection processes at many government agencies are slow and inefficient, and they experience lengthy delays there.

In partner countries, roughly 40-42% of all PO/ inefficiencies in the TBE were reported to occur in the United States. Exporters also identified major obstacles in Jamaica, the Bolivarian Republic of Venezuela, the United Kingdom and Guyana. Fewer difficulties were encountered by importers, and most of them were in Guyana.

## Food and agro-based products

Currently, agriculture accounts for less than 1% of GDP and food and agro-based exports consist mainly of processed goods. These cover a wide range, including beverages, milk products, baked goods, and preserved fruit and vegetables. In 2010, food and agro-based exports contributed 7.2% to total non-mineral exports, 75% of which were absorbed by CARICOM. Developed countries accounted for 16% of food and agro-based exports and Latin and Central America for 6%.

Approximately 40% of food and agro-based exporters reported NTMs. Affected products included mainly milk and milk products, fruit juices, spices, sauces, seasonings, and condiments. Most NTMs consisted of technical requirements (37% of cases) and conformity assessment (31% of cases). In general, companies did not complain about adherence to food regulations but rather, about delays in obtaining the requisite health, sanitary and phytosanitary certificates. Two specific barriers, cited particularly in trade with Jamaica and Barbados, were fumigation and labelling requirements.

Conformity assessment cases involved product testing, product registration and product certification. Companies reported that mandatory testing of food products in the United States (such as for salmonella) required costly testing in United States-specified laboratories (up to US\$1200 per test). It also entailed lengthy delays (3-4 weeks). High laboratory fees also affected exports of curry powder since there are no local facilities to test for Sudan 1, a substance used for colouring foodstuff but known to be carcinogenic.

Companies complained that in Jamaica and Barbados their products were subject to intense scrutiny and/or excessive certification. In the Bolivarian Republic of Venezuela, the authorities required registration for every variant of a product, including every flavour and packaging configuration. In Nigeria, product registration for beverages had already exceeded 18 months.

Rules of origin accounted for 12% of NTM cases. Companies complained that when they applied for certificates of origin, they had to wait up to three months for factory visits by export officials. They also pointed out that there appeared to be no uniform set of rules within CARICOM for the authorization of a certificate of origin. Some countries required stamps from both Customs and export officials whereas others accepted only the export stamp. Other trade obstacles reported were complicated entry formalities in the Dominican Republic, difficult procedures in the United States for filing the Importer Security Filing Form, and various taxes and import licensing requirements imposed by smaller CARICOM countries.

In Trinidad and Tobago, companies complained about a recently-introduced transaction user fee for the use of ASYCUDA World and referred to electronic system failures at Customs. Cocoa exporters complained about burdensome certification requirements and a cumbersome export licensing system. They also pointed to outdated legislation, which limited the participation of small farmers.

Most NTMs affecting food and agro-based exporters were closely associated with POs/ inefficiencies in the TBE (70%). These were largely caused by delays relating to reported regulation and unusually high fees and charges. Government agencies where lengthy delays were reported included the Plant Quarantine Division, Animal Health Division, Forestry Division and CFDD. Delays were also reported at export officials, the Trade Licence Unit and Customs.

On the importing side, companies lodged strong complaints about lengthy delays (up to several weeks) for goods clearance. Among the observed problems were an insufficient space at the container examination station, inadequate and inefficient staff, outdated payment mechanisms, and port congestion. Delays were reported to seriously impact perishable goods such as milk, fish and meat; 'live' plants that faced particular risks when clearance exceeded one day; and goods destined for Tobago. Importing companies also reported long waiting times (up to several weeks) for import permits, test certificates and product inspections from the CFDD, Plant Quarantine and Animal Health Divisions. Goods imported under a duty relief licence were also subjected to lengthy and cumbersome procedures. Overall, lengthy delays led to a rapid accumulation of overtime, port and demurrage charges.



## Manufactured products

In 2010, exports of manufactured products amounted to US\$3.5 billion or 93% of total non-mineral exports. The bulk of these consisted of chemicals – primarily ammonia, urea, and methanol – and iron and steel. Since these products are not subjected to many NTMs globally, their role in the survey results was minimal.

Survey findings revealed that 18% of manufacturing exporters reported obstacles. This was a much smaller proportion than for food and agro-based goods. Within manufacturing, sub-sectors most strongly affected were wood, wood products and paper, chemical products, and miscellaneous manufacturing. As in the case of food and agro-based products, a large proportion of NTMs applied by partner countries was closely associated with POs/ inefficiencies in the TBE (83%).

In total, affected products accounted for less than 10% of manufacturing exports. Among those seriously affected were chemical and related products (such as insecticides, cosmetics, soaps and cleansing preparations), wood, wood products and paper, clothing, and heating and cooling equipment. Exporters of manufactured products encountered similar NTMs to those of food and agro-based exporters, and also within CARICOM. Thirty-three per cent of NTM cases involved conformity assessment and 22%, technical requirements. Fifty-two per cent of all NTMs were encountered in CARICOM.

Most conformity assessment measures involved product registration, product inspection, and product certification. Exporters complained about difficult and lengthy product registrations, which led to delays of up to one year. One unusual case involved a 15-year waiting period in the United States because of a similarity with another brand of cosmetics. Other complaints concerned the intense scrutiny of chemical products by Jamaican authorities during product registration, and complex United States Customs requirements for product certification of clothing.

Several barriers were reported in exports to Latin and Central America. Companies reported burdensome testing requirements for cosmetics in Ecuador; a highly restrictive Law 173 in the Dominican Republic, which tied companies to the appointment of a single distributor; and difficult entry formalities in Panama (requirement of a stamp from the Council of Panama).

Companies also pointed to numerous difficulties encountered in exports to the Bolivarian Republic of Venezuela. They claimed that goods from Trinidad and Tobago were singled out for additional scrutiny at ports in the Bolivarian Republic of Venezuela, leading to long clearance delays. The Bolivarian Republic of Venezuelan Government also managed the allocation of foreign exchange to distributors, and business approval for foreign exchange sometimes took up to six weeks. Further, since neither Trinidad and Tobago nor the Bolivarian Republic of Venezuela had facilities to test and certify air-conditioning units exceeding 10 tons, exporters were required to ship products abroad for testing. Product certification costs in the United States and other countries were prohibitive.

Manufacturing exporters reported delays in factory visits from export officials for the CARICOM Certificate of Origin, and long waiting times for Safeguard and Suspension Certificates. They also reported that Barbados prohibited the imports of complete carnival costumes from Trinidad and Tobago.

On the import side, most complaints were about cumbersome procedures and lengthy delays at regulatory and other agencies. But companies also highlighted the perceived arbitrary behaviour of Customs officers in regard to inspections, valuation and classification. They also mentioned port-related problems such as equipment failures and overcrowding on the port. Companies stated that they were unclear about the testing procedures and fees charged by the Trinidad and Tobago Bureau of Standards (TTBS). Fees had to be paid by certified cheque and deposited at a specific bank. This led to a loss of valuable time.

## Conclusions and policy options

### Policy options at the domestic level

1. Strengthen inspection and other certification processes at key government agencies

The implementation of two, major electronic systems – TTBizLink and ASYCUDA World – has led to major improvements in the business and trade enabling environment. But survey findings suggest that there is now an urgent need to upgrade systems and processes where ‘the human element’ is important.

Companies pointed to inefficient processes for goods clearance, and for meeting the requirements of technical regulations, conformity assessment, rules of origin and licensing. At the stakeholder meeting, participants also referred to delays in the issue of legal notices following meetings of the Council for Trade and Economic Development.

Reducing delays will require the strengthening of key processes at government agencies. Key agencies include the Animal Health Division, CFDD, Customs, exporTT, Forestry Division, Plant Quarantine Division, Trade Licence Unit, Port of Port of Spain, TTBS and the Veterinary Public Health Unit. At the stakeholder meeting, participants also mentioned the Port Point Lisas.

Numerous initiatives are underway to improve the trade environment for business. For example, the CFDD is currently re-engineering its processes and intends to reduce the certificate processing time for health and other certificates from 2-5 days to 1 day. Other agencies are currently reviewing their processes to identify and remove existing bottlenecks.

Stakeholders recommended the setting up of a public-private sector Committee to address broad trade facilitation issues. Such a Committee could address issues such as the need for increased staff and training within agencies as well as inter-agency co-ordination. Consideration could also be given to both business and trade facilitation issues, which were highlighted at the 20<sup>th</sup> Forum of the United Nations Centre for Trade Facilitation and Electronic Business.

## 2. Continue on-going improvements at Customs and at ports

The survey revealed that procedural obstacles were most frequently encountered at Customs. This finding was not surprising since every exporter and importer must interact with that agency. Customs is also responsible for co-ordinating the goods clearance process, which involves many agencies.

Participants at the stakeholder meeting acknowledged the numerous benefits being realised through ASYCUDA World but offered a few suggestions for further improvement. These include harmonising ASYCUDA World and TTBizLink (a process that is underway), increasing the staff complement at Customs and expanding training for customs officers. Specific areas for training are tariff classification and customs valuation. Improvements in these areas would complement the recently-introduced advanced ruling process on tariff classification and work of the Tariff Classification Committee.

In terms of port issues, Navis SPARCS N4 was recently introduced at the Port of Port of Spain to increase efficiency. This automated solution, which involves transactions from gate, to yard, to vessel has undoubtedly benefited the trading community. But companies in the survey pointed to the lack of modern equipment at the port, an insufficient number of bays, and resulting congestion, particularly at peak times. At the stakeholder meeting, participants indicated that similar problems exist at Port Point Lisas.

Given the technical nature of many port-related problems, one suggestion is for the Government to carry out comprehensive needs assessments at both the Port Point Lisas and Port of Port of Spain. These should cover the need for modern port equipment, for port expansion and methods of financing.

## 3. Expand and upgrade testing laboratories to meet international standards, and more generally, improve the national quality infrastructure

Conformity assessment measures – such as product testing and certification – were the main type of NTM reported in the survey, affecting both exporters and importers across sectors. Companies reported both an absence of local testing facilities for certain products, as well as a lack of internationally-accredited testing laboratories. Deficiencies were reported in both private and public laboratories. The stakeholder meeting heard that the CFDD was in the process of upgrading the government chemist laboratory to meet international standards. Officials emphasized, though, that laboratory accreditation was a long and expensive process, which would take time to complete.

Increasingly, countries are adopting more stringent technical requirements and insisting on conformity assessment procedures, such as through the United States Foods Safety Modernization Act. If companies are to compete internationally, they will have to be able to demonstrate that they can meet the technical and other requirements in foreign markets.

There was broad consensus at the stakeholder meeting for strengthening Trinidad and Tobago's laboratory infrastructure; and more generally, for building a strong national quality infrastructure to support the work of testing laboratories. A national quality infrastructure comprises a set of interrelated activities involving metrology, standards, testing, certification and accreditation. Testing laboratories need to carry out tests according to accepted international standards; and must be able to show that their measurements are traceable to national and international measurement standards. Equipment in laboratories must be properly calibrated if testing results are to be trusted. A national metrology institute and calibration laboratories could support this. Further, the technical competence of laboratories and of certification bodies need to be confirmed by accreditation bodies. Accreditation is a critical component of a country's quality infrastructure since it gives confidence to all parties involved that the whole process can be trusted.

Stakeholders pointed to current initiatives to build the quality infrastructure within CARICOM and urged Trinidad and Tobago to consider its future plans within a regional context. Reference was made to CROSQ's work on standards and to on-going work by the EU to build the regional quality infrastructure. The latter involves the setting up of regional centres of excellence. Trinidad and Tobago could both contribute to, and benefit from such a regional initiative.

#### 4. Increase representation in foreign markets

Firms in Trinidad and Tobago have good knowledge about established markets (such as in North America and Europe). But far less information is available on the relatively new markets of Latin and Central America. Survey results revealed that companies faced difficult entry formalities, distribution restrictions (such as through Law 173) and complex product registration procedures in Costa Rica, Dominican Republic, Ecuador, Panama and the Bolivarian Republic of Venezuela.

At the stakeholder meeting, exporTT pointed to substantial efforts being made to assist businesses to penetrate Latin and Central American markets: through market surveys, provision of market intelligence, and advice on overcoming specific NTMs such as Law 173 in the Dominican Republic. Private sector associations also host trade missions to Latin and Central America.

To complement current efforts, participants recommended that the Government establish trade facilitation offices in selected Latin and Central American markets or appoint trade attachés there. Such offices or personnel could provide comprehensive and timely advice on market requirements, and on ways of expediting business transactions.

#### 5. Prioritise and enact legislation to support trade

Outdated legislation was reported to pose a major obstacle to trade in specific areas. Companies in the survey complained that paying for certificates, licences, and permits was very time-consuming since government agencies accepted only cash and certified cheques. This problem, however, will soon be resolved. In February 2013 the Minister in the Ministry of Finance and the Economy (who is also the Minister of Trade, Industry and Investment) piloted a bill in the Trinidad and Tobago Parliament to amend the Exchequer and Audit Act, Chapter 69:01 (Act 20 of 1959, last amendment, 1998). The purpose of the amendment is to facilitate electronic transactions in the public sector, a move which will substantially reduce transactions costs for businesses.

Cocoa companies interviewed in the survey strongly criticised the Cocoa and Coffee Industry Act, Chapter 64:20 (Act No. 20 of 1961, last amendment, 1988). But participants at the stakeholder meeting revealed that the Act was being revised, and the revisions will benefit all cocoa farmers. In addition, the CCIB was working to simplify the documentation required for export.

Importers in the survey referred to the need for updating the Animals (Diseases and Importation) Act Chap. 67:02 of 1954 (last amendment in 1997). This Act has specific clauses on foot-and-mouth disease (FMD), and existing regulations were reported to affect trade with Latin America. At the stakeholder meeting,

participants mentioned that existing regulations also affected meat imports from the EU. The broad policy recommendation was for Trinidad and Tobago to update its food safety risk profile for FMD.

Private sector officials at the stakeholder meeting emphasized the need to prioritise the legislative agenda. Key recommendations were for the full proclamation of Acts relating to metrology, electronic transactions, data protection, and the CARIFORUM-EC Economic Partnership Agreement; and to conduct regulatory impact assessments on existing and proposed regulations.

### **Policy options within a regional/ international setting**

Overcoming certain NTMs will require Trinidad and Tobago to enter into negotiations with partner countries. Since survey results showed that most NTMs and POs/ inefficiencies in the TBE were encountered in trade with CARICOM, discussions within a regional context should be a priority. At the stakeholder meeting, participants mentioned that the CARICOM Secretariat had recently announced the acceptance of applications for suspension and safeguard certificates by e-mail. This should result in quicker document processing times for these certificates.

Key issues to address with CARICOM countries include lengthy product registrations, complex labelling requirements, excessive certification requirements, inconsistent rules for certificates of origin and customs procedures, and delays in obtaining suspension and safeguard certificates. Discussions could take place either bilaterally, or within a regional context. One initiative to pursue at the bilateral level is the conclusion of mutual recognition arrangements (MRAs) between agencies. MRAs have the potential to remove obstacles associated with both technical requirements and conformity assessment.

The survey reported that random testing in the United States was an obstacle to trade with that country. With the implementation of legislation such as the United States Food Safety Modernization Act, inspections were likely to become more frequent and intense. In order to improve its conformity assessment infrastructure, Trinidad and Tobago could negotiate with donors for 'Aid for Trade' resources to upgrade its testing laboratories. Further, in view of the state of Trinidad and Tobago's quality infrastructure and the highly technical work involved, a co-ordinated multi-donor effort may be needed.

Currently, Trinidad and Tobago's trade agreements have little coverage of NTMs. Given its role in limiting trade, however, Trinidad and Tobago should pursue in all trade negotiations the removal of NTMs. To achieve success on this front, both public and private sector partners will have to work together to formulate strong negotiating positions and push for changes in policies, processes, and procedures.

## Introduction to non-tariff measures

### The concept and role of non-tariff measures in trade

Successive rounds of global trade negotiations, coupled with advances in regional and bilateral trading arrangements, have led to a substantial dismantling of tariffs over the past few decades. These liberalization efforts have played a major role in expanding world trade, particularly in boosting exports, growth and welfare in developing countries. In recent years, however, the rise in the use of non-tariff measures (NTMs) for protectionist purposes have been undermining gains made from declining tariffs. Many practitioners believe that NTMs now surpass tariffs in their overall trade-impeding effect.

Being ‘defined by what they are not’,<sup>2</sup> NTMs comprise a myriad of different policies other than ordinary tariffs. They include technical barriers to trade (TBT), sanitary and phytosanitary (SPS) measures, certification and testing requirements, quotas, import and export licences, additional taxes and surcharges, financial measures and rules of origin. Some of these have been addressed in global trade agreements and are increasingly being included in regional and bilateral arrangements. For example, the aim of the WTO Agreement on Technical Barriers to Trade is to ensure that technical regulations, standards and conformity procedures do not cause unnecessary impediments to trade.

Unlike tariffs, NTMs pose tremendous challenges for analysis. This is mainly because they are often difficult to identify and are not easily amenable to quantification. In clarifying the subject, the Multi-Agency Support Team (MAST) and Group of Eminent Persons on Non-Tariff Barriers (GNTB) defined NTMs as: *policy measures, other than customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both.*<sup>3</sup>

Some NTMs are applied for legitimate reasons, such as the protection of human, animal and plant health. Others may be imposed to protect domestic industries. However, MAST emphasized that NTM is a neutral concept and does not imply a direction of impact. The ITC survey is based on this interpretation; by design, the survey only captures NTMs that cause major difficulties for trading companies. They are referred to as ‘burdensome NTMs.’

According to MAST, NTMs should be distinguished from non-tariff barriers (NTBs), a term frequently used in trade discussions. NTBs imply a negative impact on trade and should be regarded as a subset of NTMs that have a protectionist or discriminatory intent.

NTMs are of major concern to exporters and importers in both developing and least developed countries who struggle with complex requirements in the business environment. Firms in such countries often have inadequate trade-related infrastructure and face numerous administrative obstacles. In consequence, NTMs that would not normally be considered restrictive can represent major burdens. The lack of export-support services and insufficient access to information on NTMs also exert pressure on the international competitiveness of businesses. Accordingly, NTMs applied by partner countries combine with domestic burdens to reduce market access and prevent firms from exploiting opportunities created by globalization.

### The classification of NTMs and other obstacles to trade

The ITC survey is based on an international classification of NTMs developed by MAST, which incorporates minor adaptations to the ITC business survey approach.<sup>4</sup> While the actual classification and data collection do advance in further detail, the following distinctions and terms are used in this report:

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<sup>2</sup> Deardorff and Stern (1998).

<sup>3</sup> Multi Agency Support Team (2009).

<sup>4</sup> For further details on MAST NTM classification, see appendix II.

- Technical measures refer to product-specific requirements such as tolerance limits of certain substances and labelling standards. They are subdivided into two major categories:
  - Technical requirements (TBT or SPS);
  - Conformity assessment, like certification or testing procedures needed to demonstrate compliance with underlying requirements.
- Non-technical measures, which comprise the following categories:
  - Charges, taxes and other para-tariff measures;
  - Quantity control measures such as non-automatic licences or quotas;
  - Pre-shipment inspection and other entry formalities such as automatic licences;
  - Rules of origin;
  - Finance measures, such as terms of payment or exchange rate regulations; and
  - Price control measures.

Apart from the above measures imposed by the importing country, those applied by the exporting country constitute an additional, separate category. Further, it must be noted that even within these broad categories, NTMs vary widely.

In order to provide a more comprehensive picture of the problems that companies encounter, the survey also looks at procedural obstacles (POs) and inefficiencies in the trade-related business environment (TBE).<sup>5</sup> Procedural obstacles refer to practical challenges directly related to the implementation of NTMs. They include, for example, problems caused by a lack of adequate testing facilities needed to comply with technical measures, or excessive paperwork in the administration of licences. Inefficiencies in the TBE may have similar effects but they are not related to specific NTMs. Examples are delays and costs due to poor infrastructure, or the inconsistent behaviour of officials at customs or ports.

### **The importance of company perspectives on non-tariff measures and procedural obstacles**

In the literature, different methods have been used to evaluate the effects of NTMs. An early and simplistic approach employed a concept of incidence with NTM coverage ratios. For example, Laird and Yeats (1990) found a dramatic surge of NTM frequency in developed countries between 1966 and 1986 – a 36% increase for food products and an 82% increase for textiles.<sup>6</sup> Such studies relied on extensive databases that mapped NTMs per product and applying country. Previously, the largest database of official government-reported NTMs was the Trade Analysis and Information System (TRAINS) published by the United Nations Conference on Trade and Development (UNCTAD). However, that database is incomplete and updates are not carried out regularly.

In a multi-agency effort, ITC, UNCTAD and the World Bank are currently collecting data for a new, global NTM database with a focus on TBT and SPS. However, information in that database cannot address the impact of NTMs on the business sector, nor provide information about related POs.

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<sup>5</sup> For further details on the systematic classification of POs/ inefficiencies in the TBE, see appendix III.

<sup>6</sup> Laird and Yeats (1990).

The two main approaches to evaluating the impact of NTMs include quantification techniques and direct assessment. In the case of quantification techniques, several academic studies have estimated the impact of NTMs on either trade quantities or prices. Such studies have either focused on very specific measures and individual countries<sup>7</sup> or have statistically estimated the average impact from large samples of countries and NTMs.<sup>8</sup> Excellent overviews are provided by Deardorff and Stern (1998) as well as by Ferrantino (2006).<sup>9</sup> These academic articles provide an important insight into the quantitative impacts of NTMs. However, they are either too specific or too general to provide a useful picture of NTM protection to the business sector and to national policymakers. Quantitative estimates of the effects of NTMs rarely allow for isolating the impact of NTM regulation from related POs or inefficiencies in the TBE.

The second approach to evaluating the impact of NTMs is direct assessment through surveys. The Organisation for Economic Co-operation and Development (OECD) compiled the results of 23 previously-conducted business surveys on NTMs.<sup>10</sup> Overall, technical measures, additional charges and general customs procedures were identified as the most burdensome trade barriers. It is worth noting that of the evaluated categories, quotas and other quantitative restrictions ranked fifth. These comprised an important trade policy instrument only a few decades ago. While this survey-of-surveys provides a general indication of the business sector's concerns with NTMs, the majority of surveys cover a restricted set of partner countries and products. In addition, the share of surveys from developing countries was generally low.

The ITC programme on NTMs fills the gap left by the aforementioned studies since it provides detailed, qualitative impact analysis, and it directly addresses key stakeholders. Launched in 2010, it incorporates large-scale company surveys on NTMs, POs/ inefficiencies in the TBE. Furthermore, the ITC NTM surveys evaluate all major export sectors and all importing partners. ITC aspires to cover 30 developing countries by the end of 2013. This report presents results of the survey conducted in Trinidad and Tobago.

The ITC survey allows companies to directly report the most burdensome NTMs which they face, and to describe ways in which their business is impacted. Exporters and importers deal with NTMs and other obstacles on a day-to-day basis, and are best-placed to outline these challenges. A business perspective is critically important to understanding and hence, evaluating the impact of NTMs. At the government level, an understanding of companies' concerns regarding NTMs, POs and TBEs can help decision-makers to devise appropriate strategies to overcome obstacles to trade.

This report is divided into four chapters. Chapter 1 provides an overview of the domestic economy, with a focus on trade and trade policy. Chapter 2 presents the methodology and implementation of the ITC survey. Chapter 3 presents key findings of the survey in three main sections: aggregate and cross-cutting results; challenges faced by companies in agriculture; and challenges faced by companies in manufacturing. Chapter 4 provides conclusions and policy options.

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<sup>7</sup> Calvin and Krissoff (1998); Yue, Beghin and Jensen (2006).

<sup>8</sup> Disdier, Fontagné and Mimouni (2008); Dean et al. (2009); Kee, Nicita and Olarreaga (2008).

<sup>9</sup> Deardorff and Stern, *op. cit.*; Ferrantino (2006).

<sup>10</sup> Organisation for Economic Co-operation and Development (2005).

## Chapter 1 Trade and trade policy overview of Trinidad and Tobago

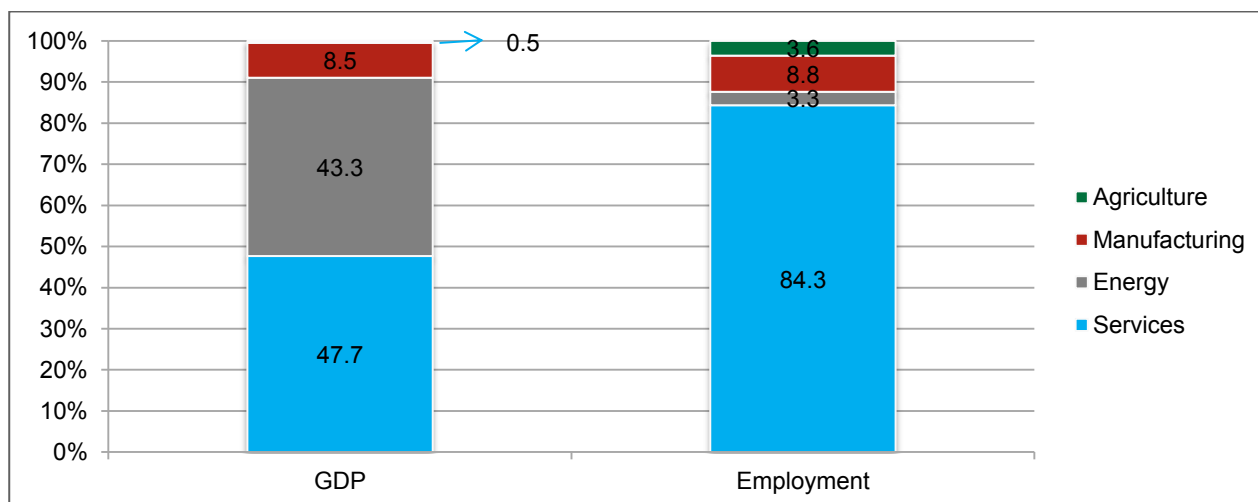
### 1. General economic introduction and sector composition<sup>11</sup>

The Trinidad and Tobago economy is dominated by the energy sector, which comprises oil, gas and petrochemicals. In 2010 the sector accounted for 43.3% of GDP, 51.8% of exports and 82.8% of government revenue. However, it absorbed only 3.3% of employment (figure 1). This heavy dependence on a single sector, particularly one with limited employment potential, has been a major source of economic vulnerability. In 2002–2008, buoyant oil prices, coupled with expansions in the energy sector, contributed to strong economic growth, averaging 8.1% annually. But the global economic crisis in 2009 and collapse of energy prices dealt a serious blow to the Trinidad and Tobago economy. In 2009, economic growth contracted by 3.3%; in 2010 it remained constant; and in 2011 it fell by 1.4%.

In the immediate aftermath of the global economic crisis, all key macroeconomic indicators declined. The exception was inflation, which fell from an average of 12% in 2008 to 7.2% in 2009, mainly due to lower food prices. Since 2010, both inflation and unemployment have been rising. Unemployment rose from 4.6% in 2008 to an estimated 5.8% in 2011, worsening a serious crime situation and fuelling security costs for firms. On the trade front, average annual growth in exports was 30% over the 2002–2008 period but declined to 22% during 2008–2010. There were similar trends in imports and investment. Further, for the first time in eight years, the country registered an overall fiscal deficit in 2009, equivalent to 4.9% of GDP. Surpluses on the external account have also narrowed since 2009.

Trinidad and Tobago has traditionally maintained a low debt/GDP ratio and since 2002, has channelled a portion of its oil revenues into a Heritage and Stabilization Fund (HSF). In 2011, the estimated debt/GDP ratio was 9.4% and the balance in the HSF was equivalent to 15.8 months of import cover.

**Figure 1: Sector contributions to GDP and employment, 2010**



**Source:** GDP: Trinidad and Tobago, Central Statistical Office; Employment: Central Bank of Trinidad and Tobago.

During the 'oil boom' years, agriculture and manufacturing suffered as labour moved out of these sectors and into the more lucrative energy and services sectors. In 2010, agriculture accounted for a mere 0.5% of GDP and 3.6% of overall employment. The agriculture sector has been declining for some time in Trinidad and Tobago for a variety of reasons: the withdrawal of European Union (EU) trade preferences for sugar, shortages in labour, and low returns for farming. Currently, agricultural output consists of small amounts of

<sup>11</sup> With the exception of data on GDP, all statistics in this section are from the Central Bank of Trinidad and Tobago's online database <http://www.central-bank.org.tt/content/data-centre>. GDP data is available at <http://www.cso.gov.tt/statistics/statistics-in-statistics/statistics/economic-indicators>.



cocoa, coffee, citrus, meat, vegetables and fruits. A thriving agro-processing industry has emerged in recent years, using locally-grown vegetables, fruits and root crops.

In 2010 the manufacturing sector accounted for 8.5% of GDP and 8.8% of employment. Roughly one-half of manufacturing output is in the food, beverages and tobacco category. This consists mainly of rum, non-alcoholic beverages and a range of processed foods. Other manufactured products include iron and steel items, cement, and printing and paper products.

The services sector is the largest economic segment. In 2010 it accounted for 47.7% of GDP and 84.3% of employment. Key services sub-sectors include finance and real estate, tourism, distribution, construction and government.

Preliminary data for 2012 indicate that the Trinidad and Tobago economy is beginning to turn around, with growth projected at 1.0%. Despite this positive short-term outlook, the country faces two fundamental challenges: (a) economic diversification, and (b) raising competitiveness levels. By clarifying the nature and extent of NTMs affecting the non-energy sector, the results of the NTM survey will assist Trinidad and Tobago in meeting these two challenges.

## 2. Trade: agriculture and manufacturing<sup>12</sup>

The NTM survey covers trade in goods only. It does not include services or trade in minerals and arms; reasons for these exclusions are detailed in the NTM survey methodology (appendix 1). In general though, the minerals sector is not part of the survey since it is not normally subject to trade barriers. Global demand for mineral products is high and the bulk of trade is undertaken by multinational corporations. Roughly 66% of Trinidad and Tobago's exports consist of minerals: 61% of oil and gas products and 5% of iron ore and related items. The NTM survey in Trinidad and Tobago is therefore relevant to 34% of the country's exports in the agriculture and manufacturing sectors. The discussion in this section relates to trade in these two sectors.

References to sector groupings below are in line with the ITC classification, which divides the non-mineral economy into 13 sectors (appendix 1). To facilitate analysis of Trinidad and Tobago's trade, they are grouped into five sectors as follows:

- Chemicals;
- Metal and other basic manufacturing;
- Machinery, equipment and electronics (includes non-electric machinery; computers, telecommunications and consumer electronics; electronic components; and transport equipment);
- Food and agro-based products (includes fresh food and raw agro-based products and processed food and agro-based products); and
- Other manufactures (includes wood, wood products and paper; yarn, fabrics and textiles; leather; clothing; and miscellaneous manufacturing).

### 2.1. Exports

Between 2001 and 2010 Trinidad and Tobago's non-mineral exports grew, on average, at 5.1% per year. The major growth period was 2003–2008 when the value of chemical exports almost quadrupled. Since then, export growth has slowed considerably. In 2008–2010, it declined by 14.2% per year.

Approximately 90% of Trinidad and Tobago's exports are concentrated in three sectors, all of which are linked to the oil and gas industry. Chemicals account for 63.9% of total exports; metal and other basic manufacturing for 16.2%; and machinery, equipment and electronics for 9.5% (figure 2). Chemical exports consist primarily of ammonia, urea and methanol (93%), which are produced in large quantities. Viewed within a global context, Trinidad and Tobago is the world's largest exporter of ammonia and methanol.

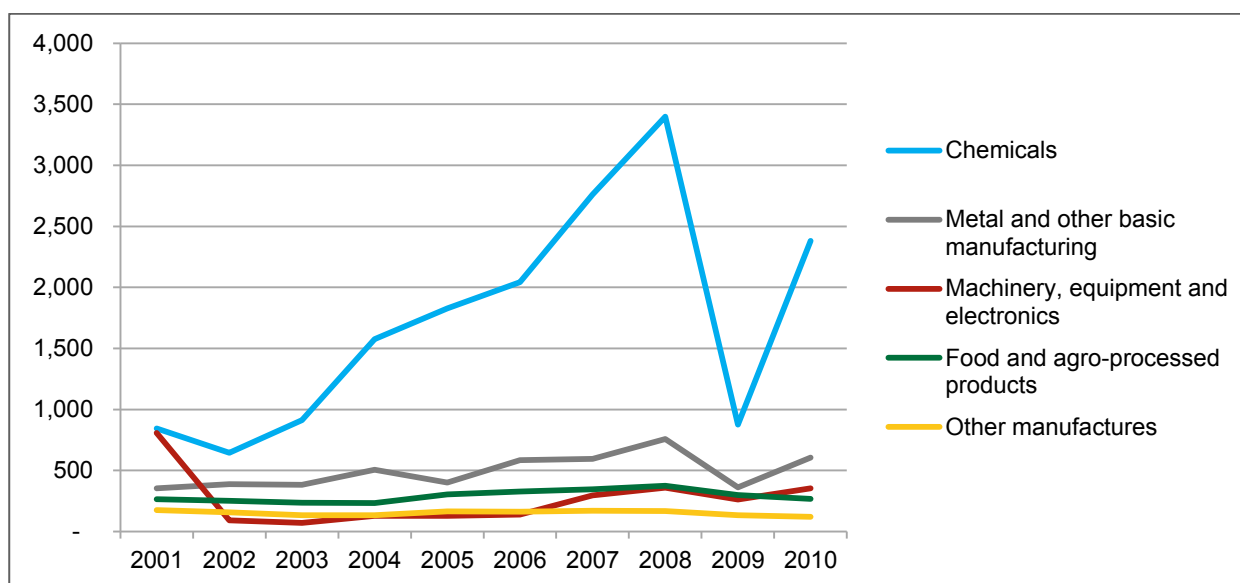
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<sup>12</sup> All trade data in this and subsequent sections of the report are from ITC's Market Analysis Tools, which can be accessed at: <http://www.intracen.org/marketanalysis>

There is also a high product concentration in the metal and other basic manufacturing sector, where iron and steel account for 94% of the total and cement for 2%. In the machinery, equipment and electronics sector, roughly two-thirds of exports are items such as dredgers, floating docks and drilling platforms. These goods are not produced in Trinidad and Tobago but are imported from abroad for use in the oil industry. They are therefore likely re-exported goods.

The growth of chemicals and iron and steel production expanded tremendously over the past ten years as a result of Trinidad and Tobago's abundant reserves of natural gas. Ammonia and methanol production use natural gas, both as fuel and feedstock. Natural gas is also used to fire iron and steel mills. The drop in global energy prices in 2009, coupled with disruptions in local natural gas production, had a major impact on both the chemicals and iron and steel industries. In that year alone, exports of chemicals fell by 75%. They have since recovered but still remain below 2007 levels.

**Figure 2: Growth and composition of exports, 2001–2010 (US\$ millions)**



**Source:** ITC calculations based on Trade Map data.

Food and agro-based products contribute 7.2% to total non-mineral exports. Within this category, fresh food and raw agro-based products account for only 10%, with fish being the single largest export item (36%). Processed food and agro-based goods cover a wide range that include mineral water (21%); bread, biscuits and cereals (18%); rum and other spirits (9%); cigarettes (9%); fruit and vegetable juices (7%); and preserved fruit and vegetables (4.8%). Except for the period 2005–2008, there has been little growth in the exports of food and agro-based products over the past 10 years.

The 'other manufactures' category, which accounts for 3.2% of exports, includes a range of items: paper and paperboard (40%); plastic goods (14%); printed matter (9%); clothing and textiles (8%); metal products (6%); measuring instruments (5%); furniture (4%); and chandeliers and lamps (3%).

Turning to the direction of trade, the United States of America is currently Trinidad and Tobago's major export market, accounting for almost one-half of total exports (figure 3). Chemicals and iron and steel items dominate this trade. Latin and Central American countries absorb another 14.6% of exports with Brazil, Colombia and Costa Rica as leading importers. In addition to chemicals and iron and steel products, small amounts of processed food, plastic goods and other manufactured products are exported to Latin and Central America. CARICOM<sup>13</sup> receives 11.4% of Trinidad and Tobago's exports, with Jamaica as the leading importer followed by Guyana, Barbados and Suriname. The bulk of exports to CARICOM consist of

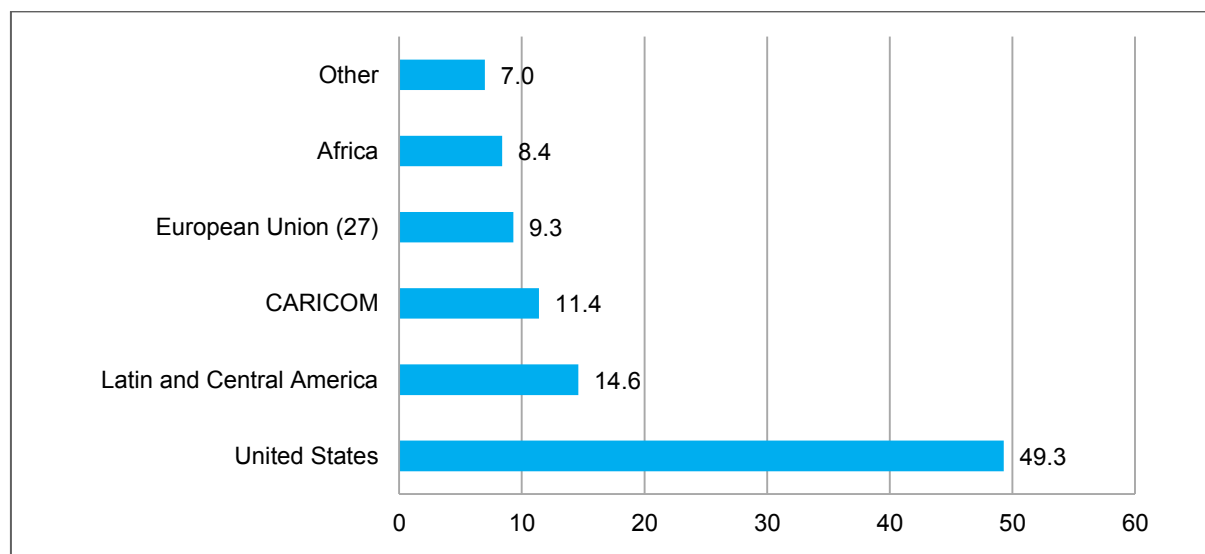
<sup>13</sup> CARICOM is a regional integration grouping whose members consist of 15 Caribbean countries: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

food and agro-based products, cement, paper and paperboard, plastic articles, and other miscellaneous products.

The EU accounts for 9.3% of Trinidad and Tobago’s exports. Key traded products are chemicals and iron and steel items, while others include rum, chocolates, paper and paperboard, and plastic goods. Within the EU, Spain, France, Germany, the Netherlands and the United Kingdom are leading importers.

Exports to Africa account for 8.4% of total exports. A little over one-half of these consist of floating and drilling platforms destined for oil-producing countries such as Gabon and Liberia. These are likely re-exported goods. Other significant trade with Africa consists of iron and steel goods exported to Mauritius.

**Figure 3: Major export markets, 2010 (%)**

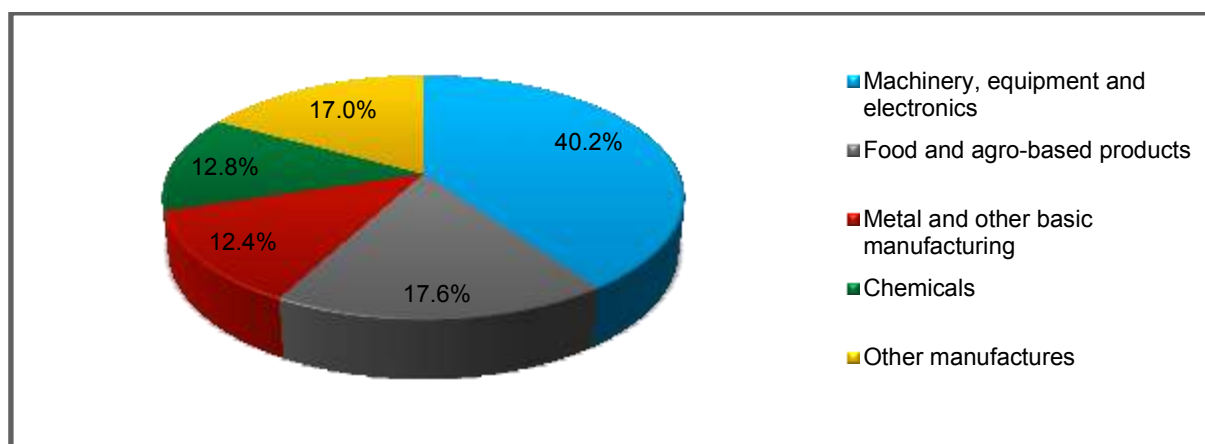


Source: ITC calculations based on Trade Map data.

## 2.2. Imports

In 2001–2010, Trinidad and Tobago’s imports grew at an annual average rate of 4.5%. In the first half of the period growth was uneven but between 2006 and 2008, figures increased steadily as imports of iron ore and non-electric machinery soared. In 2008–2010, import growth fell by 16% annually.

**Figure 4: Composition of imports, 2010**



Source: ITC calculations based on Trade Map data.

Since production in Trinidad and Tobago is concentrated in a few areas, imports span a wide range. Machinery, equipment and electronics account for 40.2% of total imports (figure 4). Almost one-half of this is commercial machinery for use in the oil, gas, printing, construction and other industries. Other products include transport equipment (primarily cars and trucks) and electrical and electronic equipment.

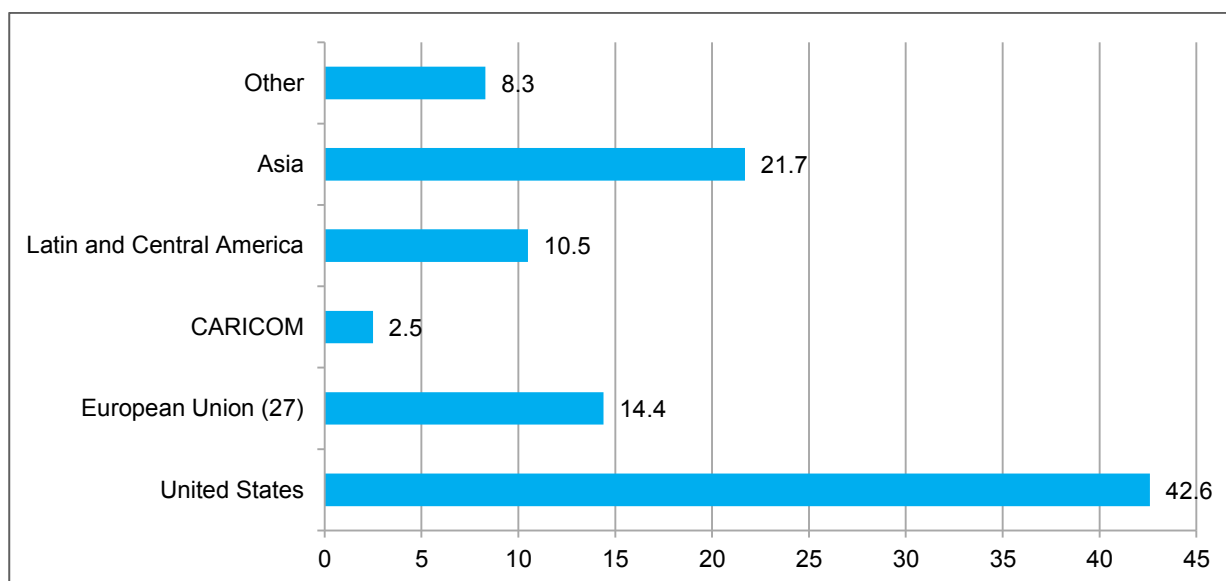
Other products imported by Trinidad and Tobago are distributed across several sectors: food and agro-based products (17.6%), chemicals (12.8%), metal and other basic manufacturing (12.4%) and other manufactures (17.0%). The latter category consists mainly of wood, wood products and paper (4.1% of total imports) and other miscellaneous manufactures (7.6%).

The bulk of Trinidad and Tobago’s imports (42.6%) are sourced from the United States, with machinery, equipment and electronics accounting for the largest proportion (figure 5). Countries in Asia (particularly China, Japan, India and Republic of Korea) supply another 21.7% of Trinidad and Tobago’s imports. Top imports from this region are motor vehicles, machinery and electrical equipment.

Almost 15% of Trinidad and Tobago’s imports are supplied by the EU and 11% by Latin and Central America. Imports from the EU are varied but the largest proportion is machinery. Germany, the United Kingdom, Italy, and France are major supplying countries. Imports from Latin and Central America are dominated by iron and steel, most of which is supplied by Brazil. But Trinidad and Tobago also imports a range of other products from that region: processed food, machinery and equipment, pharmaceutical products, wood and rubber.

Trinidad and Tobago obtains only 2.5% of its imports from CARICOM, which consists mainly of food and agro-processed goods. Important trading partners are Guyana, Belize and Jamaica.

**Figure 5: Major importing countries, 2010 (%)**



Source: ITC calculations based on Trade Map data.

### 3. Trade policy

In the early 1990s, Trinidad and Tobago embarked upon a comprehensive programme of structural reform that included liberalization and deregulation of its trade. This trend continued through the years and today the country maintains a fairly liberal trading regime. The average applied most favoured nation (MFN) rate in Trinidad and Tobago is 8.5%. Over 90% of the applied tariff ranges from 0% to 20% and over 60% of tariff lines are duty-free. The average applied MFN tariff on agricultural products (17.5%) is more than

double that for manufactured products (6.8%). This indicates that tariff protection is relatively higher for agricultural goods.<sup>14</sup>

Practically all of Trinidad and Tobago's trade policy is formulated and implemented within the context of CARICOM. The country is a founding member of CARICOM and was among the first to join the CARICOM Single Market and Economy (CSME). The single market, which became operational in 2006, provides for the free movement of people, capital, and goods within the region. The single economy provides for policy harmonization and is expected to be implemented by 2015. To date, 12 of CARICOM's 15 member states have adopted the CSME. Exceptions are Bahamas, Montserrat and Haiti.

All CARICOM members have implemented the Common External Tariff (CET) whereby goods entering any member country are assessed with the same tariff rate. Exceptions are permitted for some member states and for certain products deemed sensitive. From a NTM perspective, it is important to highlight the establishment of a CARICOM Regional Organization for Standards and Quality (CROSQ) and a Caribbean Agricultural Health and Food Safety Agency (CAHFSA). CROSQ has been instrumental in promoting voluntary regional standards and in building a regional quality infrastructure; the goal of CAHFSA is to build an effective regional SPS regime.

As a member of CARICOM, Trinidad and Tobago has signed bilateral agreements with the Bolivarian Republic of Venezuela, Colombia, Dominican Republic, Costa Rica and Cuba. These agreements make provisions for duty-free access or reduced duties in a range of product areas. Some contain provisions for cooperation in areas such as trade promotion and intellectual property.

Trinidad and Tobago currently benefits from several non-reciprocal agreements. The CARIFORUM-Economic Community Economic Partnership Agreement (EPA), signed in 2008, removes tariffs and quotas on CARIFORUM exports except sugar and rice.<sup>15</sup> It covers both goods and services, and includes measures for boosting trade in investment, competition, public procurement and intellectual property.

Trinidad and Tobago has preferential access to the US market under the Caribbean Basin Initiative (CBI). This initiative provides duty-free access to products from 24 countries in the Caribbean and Central America. It was launched in 1984 by the United States as part of the Caribbean Basin Economic Recovery Act (CBERA), and substantially expanded in 2000 through the Caribbean Basin Trade Partnership Act (CBTPA). Since CBERA discriminates against other WTO developing member states its implementation requires a WTO waiver. In May 2009, the WTO General Council approved the renewal of such a waiver until 2014.

The CARIBCAN agreement between Canada and Commonwealth Caribbean countries provides Trinidad and Tobago with duty-free access to the Canadian market. Negotiations are currently in progress to replace CARIBCAN with a new CARICOM-Canada Trade and Development Agreement.

Trinidad and Tobago is eligible for the Generalized System of Preferences (GSP) schemes of Australia, Canada, EU, Japan, New Zealand, the Russian Federation and Switzerland. It has also ratified the Global System of Trade Preferences (GSTP) and grants tariff preferences on selected products to participating countries.

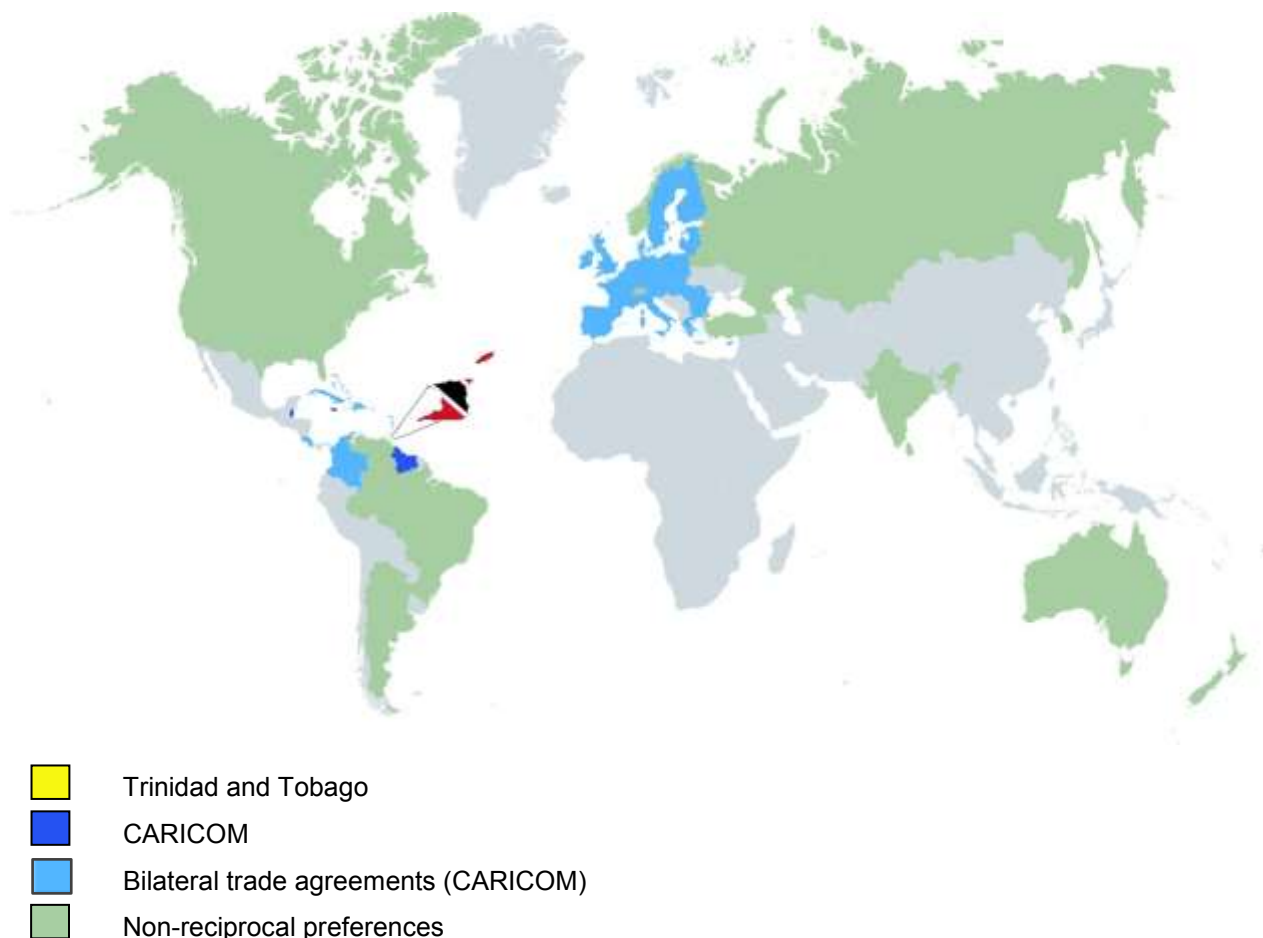
In June 2011, Trinidad and Tobago concluded a partial scope agreement with Panama. Negotiations are on-going for a similar agreement with Guatemala. Figure 6 shows Trinidad and Tobago's involvement in trade agreements and non-reciprocal preferences.

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<sup>14</sup> World Trade Organization. Trade policy review: Trinidad and Tobago. Report by the Secretariat, 2 May 2012 (WT/TPRS/260/Rev.1).

<sup>15</sup> CARIFORUM includes CARICOM and the Dominican Republic.

**Figure 6: Trade agreements of Trinidad and Tobago**



### 3.1. Tariffs and preferences

In value terms, Trinidad and Tobago’s exports of agricultural products are low. However, the number of agricultural products exported is large compared to non-agricultural items. In 2009, the country exported 52 agricultural products to Grenada valued at US\$ 12 million (table 1). By contrast, it exported just eight non-agricultural products to the United States but these were valued at US\$ 5 billion.

The United States is the largest export market for Trinidad and Tobago’s agricultural exports. It applies a simple average MFN tariff of 4% on agricultural products (table 1). This is very low compared with other major importing countries where corresponding duties range between 12.9% (EU) and 24.8% (Guyana). Weighted average MFN duties are high in Caribbean markets: Jamaica, Guyana and Grenada. This implies that products exported by Trinidad and Tobago to those countries receive a high level of protection.

Trinidad and Tobago’s exports of non-agricultural products face lower weighted average MFN duties than agricultural ones. Two of its important markets, the United States and the EU, apply rates between 0.7% and 0.8%. Jamaica is the only Caribbean country among the top five markets and its rate, at 9.5%, is much higher.

Membership in various trading arrangements guarantees Trinidad and Tobago duty-free treatment of most of its products in a range of foreign markets. Both the CBI and CARIFORUM–European Community (EC) EPA allow Trinidad and Tobago’s main exports – ammonia, urea, methanol and iron and steel – to enter US and European markets duty-free. Since weighted MFN rates applied by both the United States and the EU are low, preferential margins in those markets are not large. However, preferences for agricultural products in CARICOM markets are of considerable value.

As pointed out in section 1, Trinidad and Tobago has a thriving agro-processing industry and most of its food and agro-processed goods are exported to CARICOM. Preferential margins in CARICOM markets range from 21.6% for Jamaica to 35.4% for Guyana. Trinidad and Tobago's participation in the CSME gives it a huge competitive advantage over non-regional exporters. But as CARICOM countries enter reciprocal, duty-free arrangements with third countries, the value of these preferences will erode over time. The Government is working with exporters to ensure that the country achieves higher levels of competitiveness in global markets.

**Table 1: Tariffs faced and preferences granted by major importing partners**

Major markets	Bilateral imports, 2009 (in US\$ million)	Diversification 95% trade in no. of HS 6-digit	MFN AVG of traded tariff line		Pref. margin	Duty-free imports	
			Simple	Weighted	Weighted	Tariff line (%)	Value (%)
<b>Agricultural products</b>							
1. United States	94	9	4.0	2.2	2.2	100.0	100.0
2. Jamaica	75	21	20.8	21.6	21.6	100.0	100.0
3. Guyana	42	33	24.8	35.4	35.4	100.0	100.0
4. European Union	19	6	12.9	3.3	3.3	100.0	100.0
5. Grenada	12	52	19.0	21.7	21.7	100.0	100.0
<b>Non-agricultural products</b>							
1. United States	5,022	8	2.7	0.7	0.7	98.7	100.0
2. European Union	2,520	6	2.8	0.8	0.8	100.0	100.0
3. Jamaica	473	16	12.5	9.5	9.5	100.0	100.0
4. Korea, Republic of	413	3	4.0	2.8	0.0	40.0	4.5
5. Canada	272	4	3.8	5.3	5.3	90.6	100.0

Source: ITC calculations based on Trade Map data.

## 4. National trade development strategies

This section provides key background information on Trinidad and Tobago's national development framework. It also outlines recent strategies and initiatives to boost the country's exports and competitiveness.

### 4.1. Medium-Term Policy Framework, 2011-2014

In October 2010 the Government produced a Medium-Term Policy Framework, 2011–2014 (MTPF 2011–2014) to guide the country's future development.<sup>16</sup> Under the theme 'Innovation for Lasting Prosperity,' the MTPF identified seven pillars for sustainable growth: (i) People-centred development; (ii) Poverty eradication and social justice; (iii) National and personal security; (iv) Development of information and communications technologies; (v) Building a more diversified knowledge intensive economy; (vi) Good governance; and (vii) Foreign policy.

The MTPF 2011–2014 recognises the importance of oil and gas in the country's development, but emphasises the need to build the agriculture, manufacturing and services sectors. Strategies to develop agriculture and manufacturing, which are the focus of the NTM survey, include (a) Downstream processing of oil and gas to produce melamine, polypropylene and related products; (b) Development of ICT products such as networking, real time operational systems and communication equipment; (c) Creation of linkages between agriculture and industry for increased production of agro-processed goods; (d) Moving up the

<sup>16</sup> Government of Trinidad and Tobago. Medium-Term Policy Framework, 2011-2014, Port of Spain, 2011.

value chain in paper and plastics; (e) Exploiting the country's creative potential to produce high-end fashion goods; and (e) Stimulating green manufacturing and the production of renewable energy products.

In achieving its diversification objective, the Government underscores the need to build global competitiveness, which is seen in four dimensions: being internationally competitive within the domestic market; being competitive in the global market and expanding exports; developing locally-based firms with a global presence; and attracting international firms through the human talent pool. A range of policies and initiatives are put forward to stimulate growth and competitiveness.

## **4.2. Enabling Competitiveness Business Strategy, 2011–2014**

Following the production of the MTPF 2011–2014, the Government devised an Enabling Competitiveness Business Strategy (ECBS)<sup>17</sup> to help improve the enabling environment in which businesses operate. In designing the strategy, the Government considered the results of global surveys, which highlight Trinidad and Tobago's low ranking in competitiveness indexes. The Global Competitiveness Survey 2011–12 reveals that of 142 countries, Trinidad and Tobago ranks 81 on the Global Competitiveness Index.<sup>18</sup> It also ranks 68 among 183 countries on the Ease of Doing Business Index in the Doing Business 2012 survey.<sup>19</sup> These surveys highlight weaknesses in Trinidad and Tobago's institutions and infrastructure. Accordingly, the ECBS addresses a range of policies, institutions and tools to build a competitiveness-supporting environment.

On the policy front, the ECBS targets six areas: industrial policy, a services industry strategy, trade policy, investment policy, business incubation policy for enterprise development, and a medium and small enterprise (MSE) policy. In terms of institutions, the intention is to establish a Fair Trading Commission, an enabling and facilitative legal framework for MSEs, an Economic Development Board, a Council on Competitiveness and Innovation, a Ministerial Council on the Economy, a National Monitoring Committee for Enabling Competitive Business, a Trade Implementation Unit and a National Productivity Council.

The tools set out in the ECBS include a review and realignment of services offered by state agencies, establishment of a single electronic window (TTBizLink), strategic plans for priority sectors, a national export strategy, a Fair Share Programme, expansion of infrastructure for the MSE sector and a monitoring and evaluation mechanism.

Implementation of the ECBS is supported by the EU and a National Monitoring Committee for Enabling Competitive Business is reviewing its achievements. To date, several draft policies have been produced, key institutions established and several tools implemented. Work is continuing in all areas to ensure that the country establishes a strong business enabling environment.

## **4.3. Export promotion and facilitation**

There are several public and private sector agencies in Trinidad and Tobago that provide support to exporters. Among those in the public sector are exporTT (formerly the Business Development Company Limited),<sup>20</sup> Export-Import Bank of Trinidad and Tobago (EXIMBANK), and Trade Licence Unit at the Ministry of Trade, Industry and Investment (MTII). Within the private sector, two large business support organizations are the Trinidad and Tobago Chamber of Industry and Commerce (TTCIC) and the Trinidad and Tobago Manufacturers Association (TTMA).

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<sup>17</sup> Government of Trinidad and Tobago, *Enabling Competitiveness Strategy, 2011-2014*, Port of Spain, 2011.

<sup>18</sup> World Economic Forum (WEF). *Global Competitiveness Report 2011-2012*. Geneva, WEF, 2012. Available at <http://www.weforum.org/reports/global-competitiveness-report-2011-2012>, accessed on 30 August 2012.

<sup>19</sup> World Bank. *Doing Business 2012*. Available at:

<http://www.doingbusiness.org/data/exploretopics/trading-across-borders>, accessed on 30 August 2012.

<sup>20</sup> In January 2013 the Government announced the transformation of the Business Development Company Limited into exporTT Limited. The mandate of exporTT is 'to create internationally competitive firms in the non-energy manufacturing and services sectors, to grow and diversify trade and generate wealth through export led growth.' See *Announcing Government's New Export Initiative*, Trinidad Guardian 28 January 2013: A77.



ExporTT is the national trade facilitation organization of Trinidad and Tobago.<sup>21</sup> It offers a range of services to businesses, including consultancy, export certification, financial support, international business promotion support, trade assistance and training. ExporTT has a Trade Information Facility, which allows firms easy access to relevant market intelligence. The facility links to numerous international databases and provides comprehensive data on products, markets and companies. One of ExporTT's key trade promotion initiatives involves penetrating markets in Latin and Central America. ExporTT recently conducted extensive market research and market surveys in four countries: Panama, El Salvador, Dominican Republic and Guatemala. Based on these findings, it is currently advising local exporters on the development of marketing strategies in selected areas.

Currently, the TTCIC is assisting its members to exploit opportunities under the recently-signed CARIFORUM-EC EPA. In 2010 it conducted three surveys on goods, ICTs and services, and assessed trading opportunities in seven EU countries. It also hosted a trade mission to Europe involving 10 companies from the ICT, food and beverage and construction sectors. The companies visited major cities in Germany, Netherlands and the United Kingdom and held numerous business to business meetings. These included visits to innovation parks, ICT clusters, research institutes and food factories. Forty-one (41) opportunities were identified for immediate follow-up by business delegates.

The EXIMBANK is the only export credit agency in Trinidad and Tobago. It offers several services including pre- and post-shipment financing, and export credit insurance, covering both commercial and political risk. The pre-shipment financing scheme allows qualified exporters to obtain direct financing at competitive rates to meet confirmed export orders. Post-shipment financing (either directly or in partnership with commercial banks) allows exporters to convert trade receivables into cash to enhance working capital. The EXIMBANK concentrates on small and medium enterprises in industries such as seafood processing, woodworking, furniture, garments, paper and pharmaceuticals. It currently accounts for roughly 50% of the domestic export finance market.<sup>22</sup>

Besides export promotion and financing, Trinidad and Tobago has been very active on the trade facilitation front. The TTMA's Infrastructure and Logistics Committee addresses a range of logistics issues, including difficulties experienced on the port. In recent years, it has highlighted the need for enhanced coordination among key agencies operating on the port: the Customs and Excise Division (Customs), Port Authority, Trinidad and Tobago Bureau of Standards, Plant Quarantine Division, and the Chemistry, Food and Drugs Division. The committee serves as an important lobby for modernization initiatives involving customs and port operations, key business processes within the public sector and maritime services. A few of these initiatives are mentioned below.

The Trade Licence Unit at MTII issues import and export licences for goods that are under import and export control as well as duty relief licences, and suspension and safeguard certificates. A duty relief licence (also known as a Minister's licence) allows exporters reduced or no duties on raw materials, packaging materials, machinery and equipment imported from CARICOM. Duty-free concessions are very important for local manufacturers since they allow them to produce and export at more competitive prices. If inputs are not available within CARICOM, manufacturers could obtain similar duty-free concessions on goods from outside the region by applying for suspension and safeguard certificates.

Customs recently upgraded its automated customs management system from ASYCUDA 2.7 to ASYCUDA World. The new, web-based upgrade allows *inter alia* automatic processing of customs declarations, faster clearance and release of commercial cargo, and increased customs control capabilities (e.g. for risk assessment). It also has improved capabilities for information management in areas such as accounting, trade statistics and post-clearance audit. As a result of the implementation of ASYCUDA World, the document processing time is now down to mere minutes, provided all documents are properly prepared.

In April 2012, the Government completed all requirements for a full launch of its single electronic window, TTBizLinK. This IT-based, trade facilitation tool allows businesses to lodge standardized information and

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<sup>21</sup> See <http://www.bdc.co.tt/company-view/CO.php?page=1>, accessed on 1 August 2012.

<sup>22</sup> See EXIMBANK's website at <http://eximbanktt.com/Services.htm>, accessed on 1 August 2012; World Trade Organization, Trade Policy Review: Report by the Secretariat, op. cit.

documents at a single entry point to fulfil all import, export and transit-related regulatory requirements. The system covers *inter alia* import/export permits and licences, import duty concessions, cargo manifests, goods declarations, company registrations, certificates of origin, applications for fiscal incentives and work permits. It also connects five government ministries and 13 government agencies. Business processes that once took one to three weeks now take only one to three days.

Also in April 2012, the Government introduced a new terminal operating system, Navis SPARCS N4, to increase efficiency at Trinidad and Tobago's main port, the Port of Port of Spain.<sup>23</sup> The system is a fully-integrated, automated solution that involves transactions from gate, to yard, to vessel. It also includes back-office functions such as invoicing. Navis SPARCS N4 is expected to increase efficiency at the port, improve services to customers and enhance security.

Maritime services are not directly linked to trade facilitation but are important for the shipping sector. The Government is currently upgrading these services and intends to establish a Maritime Services Authority of Trinidad and Tobago (MSATT) within a modern regulatory, administrative, advisory and developmental framework. MSATT will be responsible for ensuring the safety and security of shipping, together with preventing vessel source pollution.

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<sup>23</sup> See Port Authority of Trinidad and Tobago. Available at <http://www.patnt.com/content/Ad%20-%20NAVIS%20N4%20Report%20-%20March%202012.pdf>, accessed on 25 August, 2012.

## **Chapter 2 Non-tariff measures survey methodology and implementation in Trinidad and Tobago**

This chapter describes the implementation of the NTM survey in Trinidad and Tobago and provides a concise description of the global NTM survey methodology. Detailed methodological notes are provided in the appendices. (Appendix I contains the global methodology, which is the same in all surveyed countries. Appendix II on the NTM classification and appendix III on procedural obstacles provide the taxonomy for arranging reported measures into an organized hierarchical system. Appendix IV lists interviewed experts and stakeholders).

### **1. Survey implementation**

#### **1.1. Timeline and principal counterparts**

As part of the ITC national capacity-building work, NTM surveys are always executed by a local company. In Trinidad and Tobago, the survey was implemented by AK Consulting Limited. The project managers and interviewers of AK Consulting Limited were trained by ITC staff on the NTM survey methodology. The survey was implemented between August 2011 and April 2012.

A consultant was hired to analyse the survey results and prepare the final report. During the analysis stage, the consultant held discussions with several private and public stakeholders on selected aspects of the survey findings. A full list of stakeholders consulted is at appendix IV.

The MTII provided guidance and support for the survey and organized a workshop in Port of Spain in March 2013 to discuss the main survey findings.

#### **1.2. Survey process**

Preparatory work for the survey involved compiling a list of exporting and importing companies with their contact details. Companies were categorized according to the main sectors outlined in the ITC classification. Implementation of the survey involved a two-stage process; at the first stage, companies were randomly selected within each sector and screened by phone to identify those that experienced difficulties with NTMs. Companies were asked if they experienced burdensome regulations that seriously impacted their export or import operations (e.g. through high costs or strict requirements). At the second stage, companies that reported difficulties with NTMs were interviewed face-to-face to capture information at an especially detailed level.

#### **1.3. Sample frame and selection strategy**

The selection of companies for the survey was based on a company register, initially compiled by MTII in co-operation with exporTT, the TTMA and TTCIC. This company register, however, was seriously outdated. For example, some of the companies on the listing were no longer operational, contact details were incorrect, or the nature of business activities had changed. In order to remedy the situation, the survey company had to spend time at the early stage to compile an accurate company listing containing relevant details. The finalized list excluded companies operating in the minerals sector and those in services.

Stratified random sampling by sector of activity was used to select companies for the phone screen interviews. Within each sector, efforts were made to achieve representativeness by company size.

The selection of companies for face-to-face interviews was based on the results of the phone screens. All companies reporting difficulties with NTMs were eligible to participate in the face-to-face interviews. The purpose was to obtain detailed information on the NTMs experienced. Therefore, if a sector was less impacted by NTMs, only a few companies from this sector would participate in face-to-face interviews.

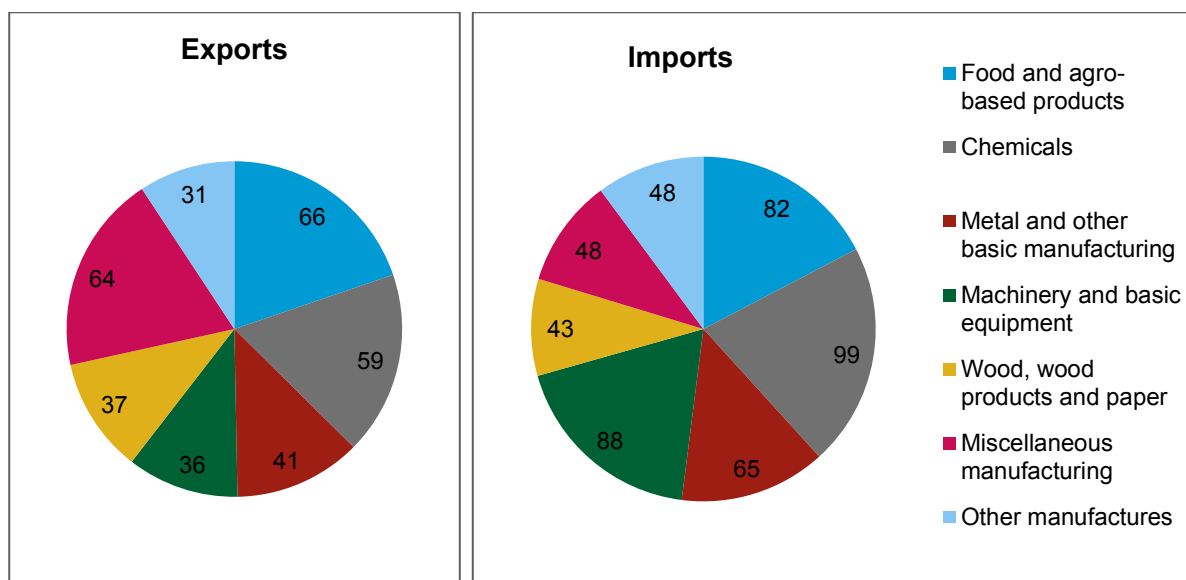
### 1.4. Step 1: Phone interviews – initial screening

A total of 707 companies were contacted by phone. Of these, 500 agreed to participate in phone interviews. A typical phone interview averaged 5–10 minutes and was guided by a questionnaire. Of the participating companies, most engaged in both exporting and importing (307) but some were involved in importing only (166), or in exporting only (27) (figure 8 refers). The survey included companies that exported their own products (including companies located in export promotion zones) and trading agents specialising in export-import operations, such as brokers and freight forwarders.

Telephone interviews covered all sectors (figure 7). On the export side, of the 334 exporting companies screened, just over 60% were among the top four export sectors: 66 in food and agro-based products, 59 in chemicals, 41 in metal and other basic manufacturing, and 36 in machinery, equipment and electronics. There were also 37 companies engaged in wood, wood products and paper, 64 in miscellaneous manufacturing and 31 in other sectors, mainly textiles and clothing.

On the import side, 473 companies were screened. Approximately 70% of these were in four sectors: 99 in chemicals, 88 in machinery, equipment and electronics, 82 in food and agro-based products, and 65 in metal and other basic manufacturing. In each of the remaining three sectors, between 43 and 48 companies were screened.

**Figure 7: Phone screen interviews, by sector**

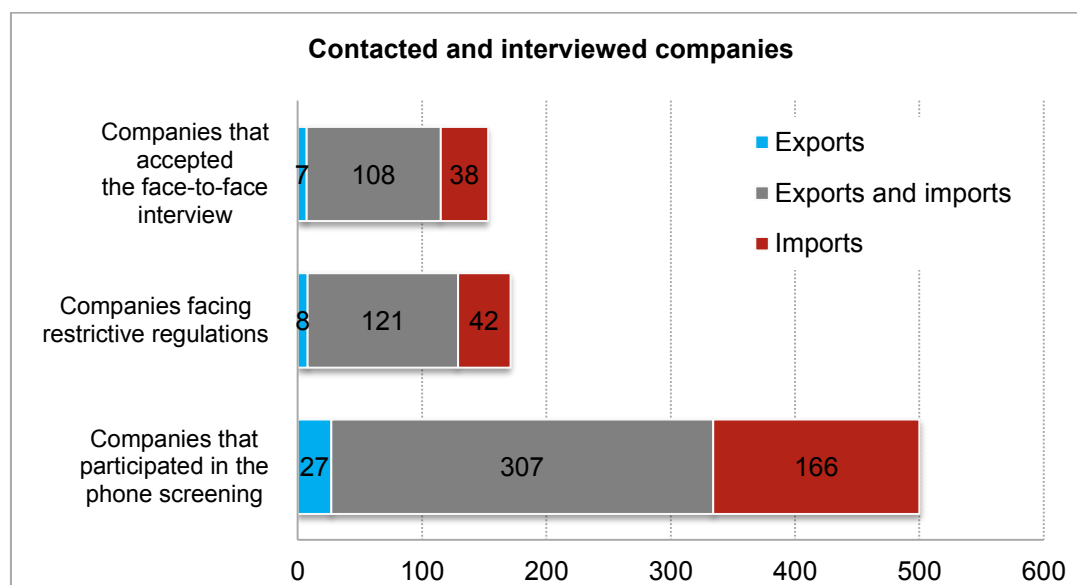


Source: ITC survey on NTMs.

### 1.5. Step 2: In-depth, face-to-face interviews

The number of face-to-face interviews was determined by two factors: (i) the number of companies that reported NTMs during the phone screens and (ii) the number of affected companies that were willing to participate in face-to-face interviews. Survey results revealed that among 500 companies, 171 reported NTMs during the phone interviews (figure 8). Of the affected companies, 153 agreed to participate in in-depth, face-to-face interviews. The high response rates of affected companies indicate that the survey is likely to produce accurate and useful results.

Overall, the export sectors that were both strongly affected by NTMs and had high participation rates in face-to-face interviews were food and agro-based products (24), chemicals (14), miscellaneous manufacturing (13), and wood, wood products and paper (11). The miscellaneous manufacturing sector covers a range of products such as metal furniture, water tanks, carnival costumes, plastic bottles, boxes and cases, printed matter, ice-cream and rubber stamps.

**Figure 8: Participation in the survey**


Source: ITC survey on NTMs.

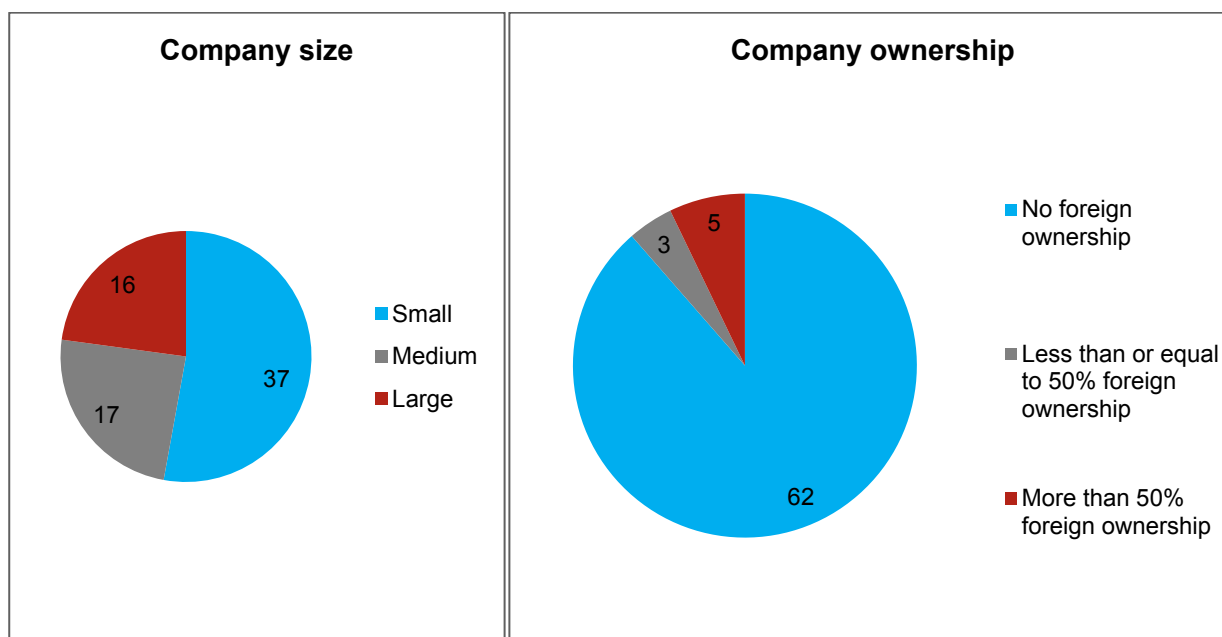
### 1.6. Company characteristics in face-to-face interviews

In Trinidad and Tobago three types of criteria are used to define the size of a company: number of employees, amount of assets and level of sales. The classification by company size is as follows:

- Small: 6 to 25 employees; assets of US\$ 39,062 to US\$ 234,375; annual sales between US\$ 39,062 and US\$ 781,250;
- Medium: 26 to 50 employees; assets of US\$ 234,375 to US\$ 781,250 and annual sales of US\$ 781,250 to US\$ 1.56 million;
- Large: more than 50 employees; assets above US\$ 781,250; annual sales above US\$ 1.56 million.

Based on the above classification, 37 exporters that participated in face-to-face interviews are small, 17 are medium-sized and 16 are large (figure 9). A similar pattern emerged on the import side where 78 importers are small, 23 are medium-sized, and 26 are large. This distribution reflects the broader picture in Trinidad and Tobago where the vast majority of enterprises in the non-minerals sector are small or medium-sized.

In terms of ownership structure, 62 exporters are in full Trinidad and Tobago ownership. Only three firms reported foreign ownership of less than 50% and five are predominantly owned by a foreign partner. Further, 69 of 70 exporters interviewed had been in business for more than five years.

**Figure 9: Size and ownership structure of exporters in face-to-face interviews**

Source: ITC survey on NTMs.

## 2. Captured data and evaluation approach

During the face-to-face interviews, firms were asked to provide information on their exports and imports at the product or HS6 level, the destination country of exports, or originating country of imports. Each pair of product and partner country is referred to as a 'product-partner trade flow'.

For each product-partner trade flow, company representatives were required to provide detailed information on the NTMs and POs encountered. Each measure or obstacle was categorised according to the NTM classification shown in appendix II. Detailed information included: the country applying the measure, authorities causing POs, and whether challenges were associated with a reported NTM or resulted from general inefficiencies in the TBE.

Data analysis involved calculating frequency and coverage statistics along several dimensions: product and sector, main NTM category (e.g. technical measures or quantity control measures) and company characteristics (e.g. size), among others.

Most frequency and coverage statistics are based on 'cases'. A case is the most disaggregated unit of analysis. Each company participating in face-to-face interviews reports at least one case of a burdensome NTM or procedural obstacle, and challenges associated with the TBE.

A 'case' of NTM is defined by the type of NTM and country applying it, product affected by it, and company reporting the measure. For example, if three products are affected by the same NTM applied by the same partner country and reported by one company, the results would be three 'cases' of NTMs. But if two companies report the same problem, it would then count as two cases.

Cases of POs and problems with the business environment are counted in the same way as NTMs. PO and TBE statistics are provided separately from those of NTMs, even though in certain instances they are closely related. For example, extended delays may result from pre-shipment inspection requirements. While POs are directly related to a given NTM, inefficiencies in the TBE occur irrespective of NTMs.

## Chapter 3 Survey results on companies' experiences with NTMs

This chapter presents an analysis of the NTM survey findings in Trinidad and Tobago. Section 1 provides aggregate, country-level results. It focuses on the most affected sectors, major problems faced, and location of problems. Sections 2 and 3 identify key challenges reported by companies in two sectors: food and agro-processed products and manufactured products.

### 1. Aggregate results and cross-cutting issues

This section presents the survey results from an aggregate perspective and discusses cross-cutting issues faced by companies. The first part discusses affected export sectors, which are classified in the same way as in chapter 1. The exception is the wood, wood products and paper sector, which is identified separately. The second part discusses burdensome NTMs, covering both technical and non-technical measures; and the third part analyses the prevalence of POs and inefficiencies in the TBE.

#### 1.1. Affected export sectors

Three hundred and thirty-four exporters were screened by phone and only 22.4% of them reported that they were affected by NTMs and related obstacles. The extent of affectedness, however, varied by sector. Results from the phone screens in Trinidad and Tobago differ markedly from those in many other countries. The 22% share of affected exporters is low when compared with 70% in Sri Lanka and 42% in Peru.

Table 2 shows that food and agro-based products was the most strongly affected sector, with almost 40% of exporters reporting difficulties. Of the 66 exporters screened by phone, 26 reported difficulties. This result is in line with that obtained for the food and agro-based sector in other countries, although the share in Trinidad and Tobago is much smaller. For example, whereas in Sri Lanka and Peru the proportions are 69% and 88% respectively, in Trinidad and Tobago it is 40%.

The dominance of food and agro-based products reflects a number of specific factors, which are discussed in detail in Section 2. However, it should be pointed out that some of the most prevalent NTMs globally are SPS measures, which have a major impact on agro-based goods, particularly fresh food. Most developed countries have high food quality and safety standards and increasingly, they are introducing stringent food safety legislation. For example, in January 2011 the United States passed the Food Safety Modernization Act (FSMA) which inter alia places extensive requirements on food importers via its Foreign Supplier Verification Program and Voluntary Qualified Importer Program. In October 2012, Canada passed its Safe Food for Canadians Act, which shares some features of the FSMA.<sup>24</sup>

TBTs are also on the rise internationally, especially those involving consumer information labels, product standards, and production processes. High regulations in foreign countries coupled with weak domestic conformity assessment infrastructure pose major obstacles to trade in food and agro-based goods. Further, Customs delays have a serious impact on trade in fresh food, given its perishable nature.

In terms of manufacturing, three sectors showed a higher than average level of affectedness. They are wood, wood products, and paper (29.7%), chemicals (23.7%), and miscellaneous manufacturing (23.4%). The latter includes a variety of products such as metal furniture, water tanks, carnival costumes, plastic bottles, printed matter, and rubber stamps.

Other sectors that were not seriously affected by NTMs include machinery, transport equipment and electronics (11.1%), other manufactures (9.7%), and metal and basic manufacturing (4.9%). As mentioned in chapter 1, a large proportion of exported machinery and equipment consists of re-exported goods. These would not have faced many obstacles to trade. Only four of 36 exporters reported NTMs.

<sup>24</sup> Details on these two pieces of legislation can be accessed at <http://www.fda.gov/Food/FoodSafety/FSMA/ucm247546.htm> and <http://www.inspection.gc.ca/about-the-cfia/acts-and-regulations/initiatives/sfca/overview/eng/1339046165809/1339046230549>

In the metal and basic manufacturing sector, 41 exporters were screened by phone and only two reported that they were affected by NTMs and related obstacles. Exports consisted largely of iron and steel products such as iron bars, rods and other semi-finished products. These fairly homogeneous products are not normally subject to many trade barriers internationally. Iron and steel goods are also transported to/from a nearby port (Port Point Lisas), and would not have faced many logistical difficulties.

The above discussion focused on companies' responses during phone interviews. The results from the face-to-face interviews were not significantly different from these since 93% of companies who reported NTMs during the phone screens participated in the face-to-face interviews. Discussions in subsequent sections relate to company responses during face-to-face interviews.

**Table 2: Aggregate results of exporting companies interviewed by phone, by sector**

Main export sector (as reported in phone interviews)	Total export value in 2009 (US\$ '000) <sup>a/</sup>	Sector's share in total exports	Number of companies interviewed by phone	Number of companies affected by NTMs or other obstacles	Share of affected companies
Food and agro-based products	299,252	7.2%	66	26	39.4%
Chemicals	875,515	63.9%	59	14	23.7%
Metal and other basic manufacturing	361,387	16.2%	41	2	4.9%
Machinery, equipment and electronics	262,702	9.5%	36	4	11.1%
Wood, wood products and paper	62,480	1.4%	37	11	29.7%
Misc. manufacturing	60,819	1.5%	64	15	23.4%
Other sectors <sup>b/</sup>	10,938	0.3%	31	3	9.7%
<b>TOTAL</b>	<b>1,933,093</b>	<b>100%</b>	<b>334</b>	<b>75</b>	<b>22.4%</b>

Source: ITC survey on NTMs and ITC 2009 Trade Map data.

a/ ITC 2009 Trade Map data. Minerals, arms, and ammunition are excluded.

b/ Includes yarn, fabrics and textiles; clothing; leather; and sectors not specified by respondents.

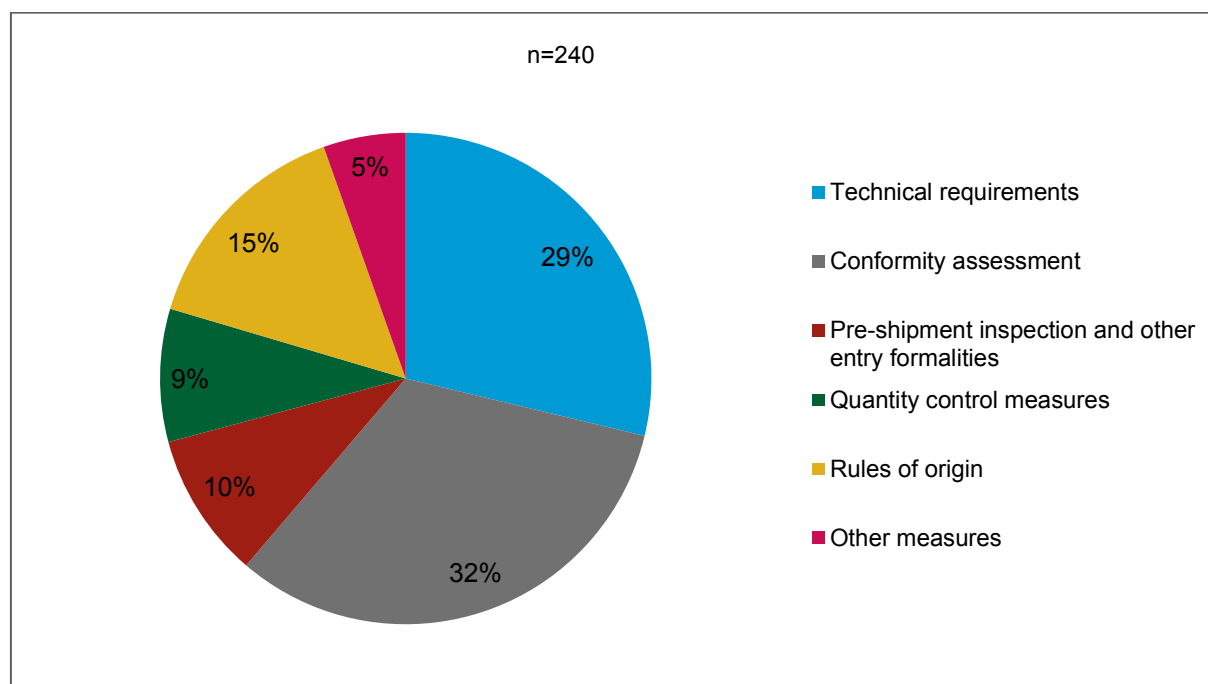
## 1.2. Non-tariff measures affecting exports and countries applying them

The NTM survey differentiates between burdensome NTMs, POs and inefficiencies in the TBE. NTMs are mandatory regulations introduced by the competent authorities in exporting or importing countries (for the full NTM classification, see appendix II). POs refer to the manner in which regulations are applied or implemented (see appendix III). Generic problems not related to specific regulation, but which affect companies' export or import activities are referred to as inefficiencies in the TBE. In the following sections, the main burdensome NTMs, POs and inefficiencies in the TBE are discussed along with the countries applying them.

### 1.2.1. Non-tariff measures applied by partner countries

Exporting companies reported a total of 240 NTM cases defined at the product and destination market level (figure 10). Most cases relate to conformity assessment (32%) and technical requirements (29%). These results are in line with those obtained for the majority of countries where NTM surveys were carried out. Other NTMs include rules of origin (15%), pre-shipment inspection and other entry formalities (10%), quantity control measures (9%), and other measures (5%).



**Figure 10: Most frequent categories of non-tariff measures applied by partner countries**

Source: ITC survey on NTMs.

### 1.2.2. Partner countries reported to be applying non-tariff measures

The United States is Trinidad and Tobago's largest export market (38%) followed by Jamaica (6%), Guyana (5%) and Barbados (4%). It is not surprising therefore, that these four countries were reported to apply the largest number of NTMs. Table 3 shows that of the 240 NTM cases reported, the United States accounted for 45 (19%), Barbados for 33 (14%), Jamaica for 32 (13%), and Guyana for 16 (7%).

Besides the United States, other developed countries reported to apply burdensome NTMs were Canada (10) and the United Kingdom (8). These two countries accounted for 5.7% of Trinidad and Tobago's exports and 7.5% of NTM cases.

From a regional viewpoint, roughly one-half of all reported NTM cases involved exports to CARICOM (127 of 240). Besides Jamaica, Guyana and Barbados, companies reported burdensome NTMs in other CARICOM countries. They included Saint Lucia (13), Grenada (12), and Dominica (7). Collectively, these three countries accounted for 25% of all NTM cases within CARICOM.

In respect of Latin and Central America, companies reported significant obstacles in their exports to the Bolivarian Republic of Venezuela. The Bolivarian Republic of Venezuela accounted for only 0.4% of Trinidad and Tobago's exports but was mentioned in 7.1% (17) of all NTM cases. In discussions with private sector agencies, stakeholders pointed out that cumbersome product registration procedures and restrictive laws on distribution limited their access to Latin and Central American markets.

**Table 3: NTMs applied by partner countries**

Partner country	Export value		Surveyed companies		Reported NTM cases	
	Trinidad and Tobago export value in 2010 (US\$'000)	Share in total Trinidad and Tobago export value	Number of surveyed companies exporting to this destination <sup>a/</sup>	Share of affected companies amongst those exporting to this destination	Number of NTM cases reported to be applied in this destination	Share in total number of reported NTM cases
United States	741,303	38.3%	26	30.8%	45	18.8%
Jamaica	109,967	5.7%	56	30.4%	32	13.3%
Guyana	94,683	4.9%	72	9.7%	16	6.7%
Barbados	74,051	3.8%	82	17.1%	33	13.8%
United Kingdom	56,423	2.9%	17	11.8%	8	3.3%
Canada	54,854	2.8%	9	33.3%	10	4.2%
Suriname	53,983	2.8%	52	1.9%	1	0%
Costa Rica	43,326	2.2%	4	25%	3	1.3%
Dominican Republic	37,468	1.9%	12	33.3%	7	2.9%
Grenada	36,893	1.9%	86	8.1%	12	5.0%
Saint Lucia	34,419	1.8%	76	7.9%	13	5.4%
Antigua and Barbuda	32,458	1.7%	59	3.4%	2	0.8%
Saint Vincent and the Grenadines	29,062	1.5%	70	5.7%	5	2.1%
China	13,385	0.7%	2	50%	2	0.8%
Dominica	12,411	0.6%	50	10%	7	2.9%
The Bolivarian Republic of Venezuela	7,256	0.4%	4	75%	17	7.1%
Ecuador	5,532	0.3%	2	50%	4	1.7%
Haiti	5,509	0.3%	4	50%	5	2.1%
Panama	2,693	0.1%	5	20%	1	0.4%
Bahamas	2,222	0.1%	9	11.1%	1	0.4%
Cuba	2,044	0.1%	2	50%	4	1.7%
Nigeria	1,172	0.1%	2	50%	1	0.4%
Ghana	323	0%	1	100%	4	1.7%
Guadeloupe	n.a.	n.a.	4	25%	7	2.9%
Rest of the world	481,656	24.9%	124	0%	0	0%
<b>Total</b>	<b>1,933,093</b>	<b>100.0%</b>	<b>830</b>		<b>240</b>	<b>100%</b>

Source: ITC survey on NTMs.

a/ Companies exporting to several countries were counted once for every destination. Hence, the total number of surveyed companies in this table is higher than the actual number of interviewed companies.

n.a. = not available.

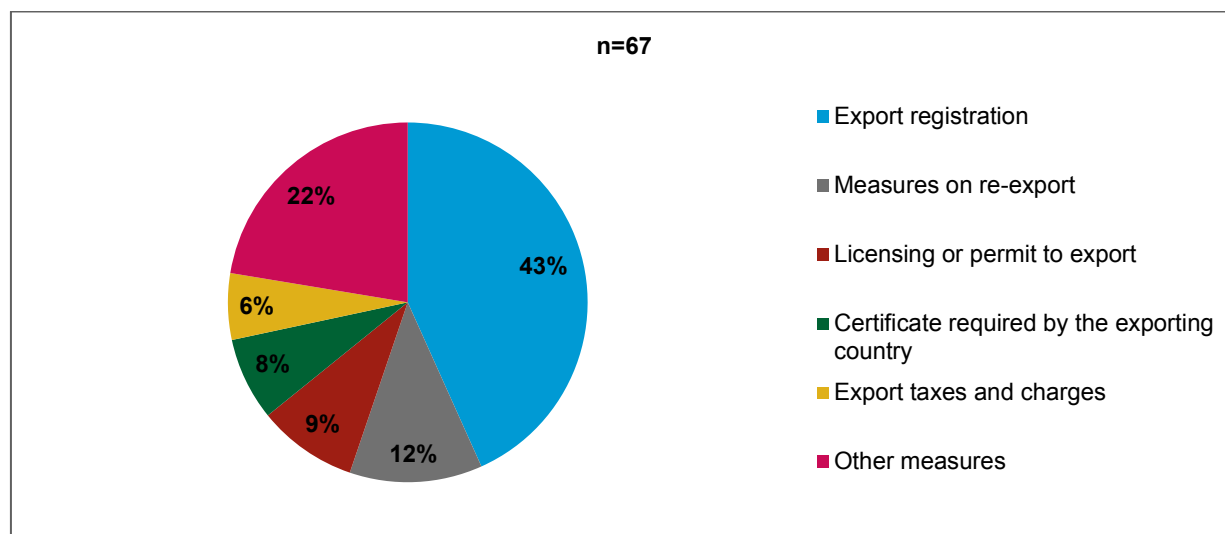
### 1.2.3. Non-tariff measures applied by Trinidad and Tobago authorities

Exporters reported 67 cases of NTMs applied by domestic authorities. This number is far less than the 240 cases reported for partner countries. As pointed out in chapter 2, NTMs are applied to exports of a particular product, irrespective of its destination market. The product dimension is what truly determines an NTM case. This is different from import-related measures imposed by partner countries, where several

NTM cases may apply per destination market. Hence, the absolute number of NTM cases for export and import measures is not directly comparable.

Figure 11 shows that export registration requirements by Trinidad and Tobago accounted for the largest number of NTM cases reported by exporters (43%). According to the ITC NTM classification, export registration involves ‘a requirement to register products before being exported (for monitoring purposes)’. Other NTM categories included measures on re-exports such as the lack of facilities to facilitate re-exports (12%), export licences (9%), certificates required by Trinidad and Tobago such as health and sanitary certificates (8%), and export taxes and charges (6%).

**Figure 11: Most frequent categories of non-tariff measures applied by Trinidad and Tobago authorities**



Source: ITC survey on NTMs.

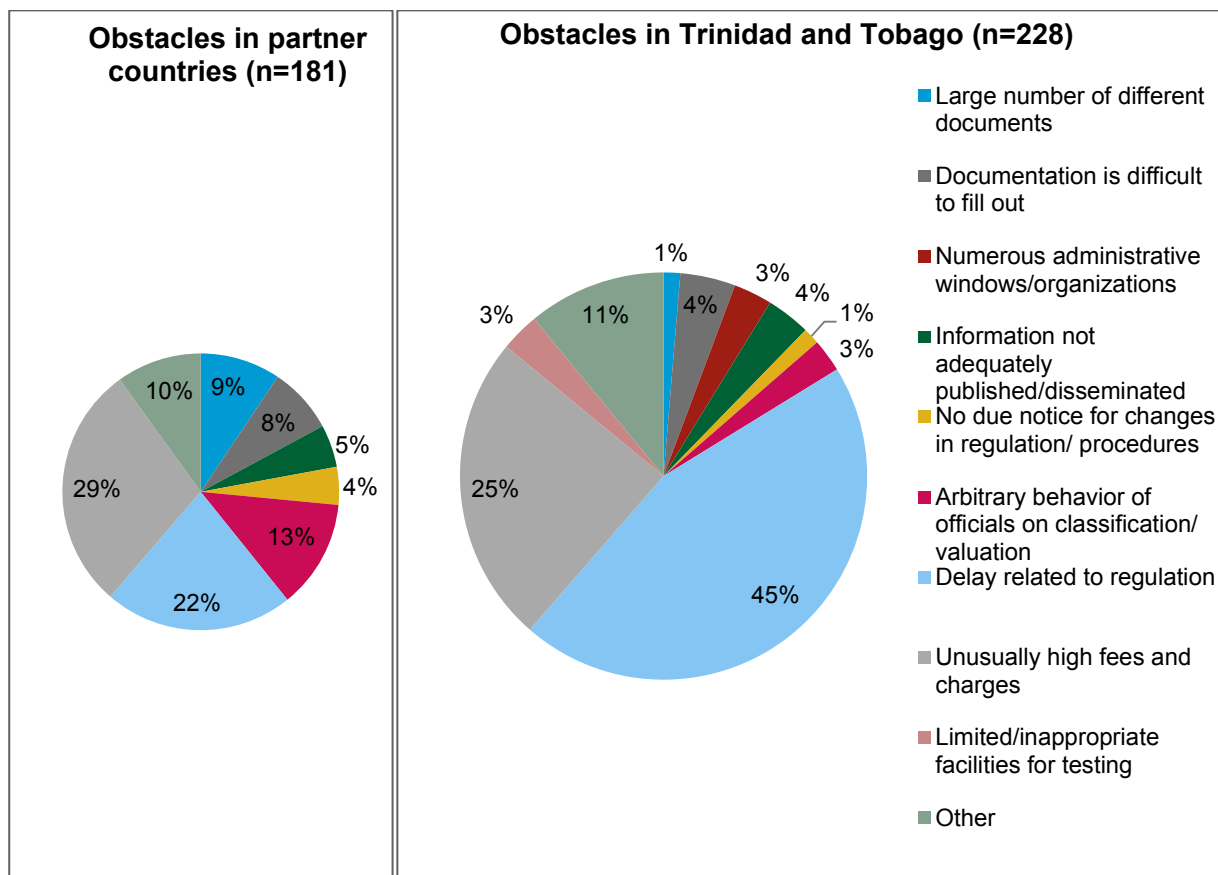
#### 1.2.4. Procedural obstacles and inefficiencies in the trade-related business environment

Exporters reported 409 cases of POs/ inefficiencies in the TBE, 228 occurring in Trinidad and Tobago and 181 in partner countries (figure 12).

In Trinidad and Tobago, most obstacles were reported in two categories: delays related to reported regulation (45%) and unusually high fees and charges (25%). The remaining 30% of obstacles include documentation that is difficult to fill out (4%), inadequate publication and dissemination of information (4%), numerous administrative windows and organizations (3%), and limited or inappropriate testing facilities (3%).

Obstacles in partner countries were similar to those at home but the relative importance of each differed. Unusually high fees and charges accounted for 29% of obstacles, and delays related to regulation for 22%. Other obstacles were the arbitrary behaviour of officials on classification and valuation (13%), a large number of different documents (9%), and documentation that was difficult to fill out (8%).

**Figure 12: Most frequent categories of procedural obstacles and inefficiencies in the trade-related business environment, in partner countries and domestically**



Source: ITC survey on NTMs.

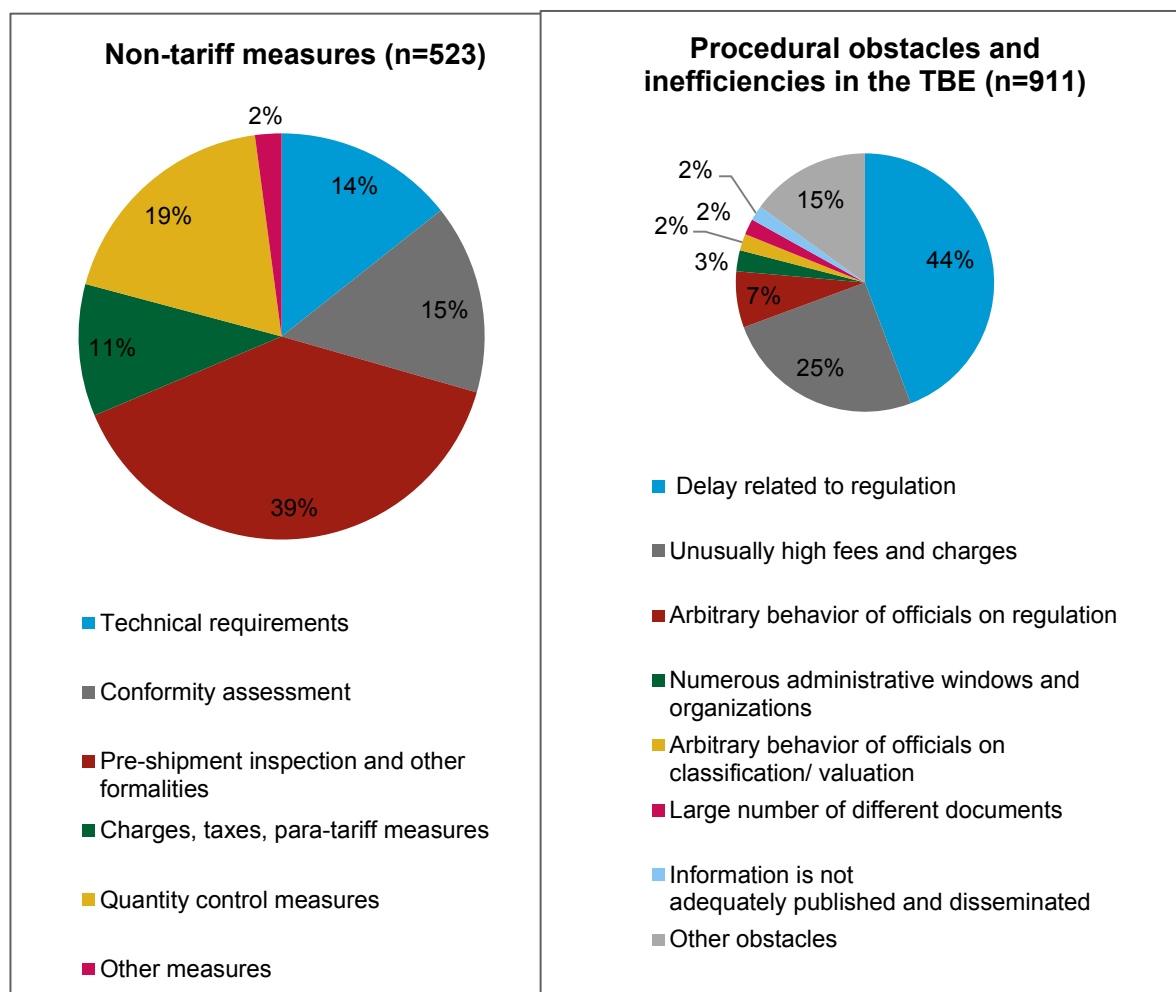
### 1.3. Most common non-tariff measures and other obstacles affecting imports

Companies in Trinidad and Tobago reported 523 cases of domestic NTMs affecting their imports (figure 13, left pane). Only nine NTM cases in an exporting partner country were mentioned. The larger number of domestic NTMs reflects the fact that the survey involved interviews with companies in Trinidad and Tobago who would have been more knowledgeable about trade barriers in the local environment.

Pre-shipment inspection and other entry formalities accounted for 39% of NTM cases reported domestically. It should be pointed out that Trinidad and Tobago has no legal requirement for the conduct of independent, pre-shipment inspections of imported goods. But once goods arrive in Trinidad and Tobago, they are inspected by Customs. It is this inspection process and other entry formalities that importers reported as burdensome.

The link between pre-shipment inspection and other entry formalities, and various POs will be discussed in sections 2 and 3. Suffice it to say, however, that this NTM category is closely associated with delays in regulation (44%) and unusually high fees and charges (25%).

Other domestic NTMs include quantity control measures (19%), conformity assessment (15%), technical requirements (14%), and charges, taxes and para-tariff measures (11%). This latter NTM category is closely associated with unusually high fees and charges (figure 13, right pane), which accounts for 25% of all POs.

**Figure 13: Categories of non-tariff measures and other obstacles affecting imports**


Source: ITC survey on NTMs.

## 1.4. Recurring challenges with procedural obstacles and inefficiencies in the trade related business environment

### 1.4.1. Types of challenges

Companies reported two major sets of POs/ inefficiencies in the TBE affecting their exports and imports: (i) delays related to reported regulation, and (ii) unusually high fees and charges.

Delays accounted for 34% of cases affecting exports (figure 12) and 44% affecting imports (figure 13, right pane). These were caused mainly by lengthy processing times for certificates and licences (export side), and for goods clearance at Customs (import side).

Unusually high fees and charges accounted for 27% of cases affecting exports and 25% affecting imports. These included a recently-introduced transaction user fee for ASYCUDA World, high port and demurrage charges, and high laboratory testing fees.

Perspectives on the importance of other obstacles varied between exporters and importers. Exporting companies pointed to documentation that was either too difficult to fill out (6%) or too many (5%), and information that was not adequately published or disseminated (4%). Importing companies, on the other hand, identified a wider range of barriers that included the arbitrary behaviour of officials on regulation (7%) and numerous administrative windows and organizations (3%).

### 1.4.2. Domestic and partner country authorities

Survey results revealed that Customs was the most frequently reported agency associated with POs/ inefficiencies in the TBE. Just over one-quarter of the 240 cases affecting exports (25%) and one-half of the 869 cases affecting imports (53.9%) were reported there (table 4). This is not surprising since Customs is an agency with which every company must interact, for goods registration on the export side and goods clearance on the import side. Goods clearance also involves other agencies such as the Plant Quarantine Division, Animal Health Division, CFDD, and the Trinidad and Tobago Bureau of Standards (TTBS).

Many companies complained about system failures associated with ASYCUDA World. However, it should be noted that implementation of ASYCUDA World took place at the same time the NTM survey was being conducted. Interviews with private sector agencies revealed that the newly-installed customs management system has brought many benefits. These are discussed further in sections 2 and 3.

On the export side, three other agencies accounted for major shares of POs/ inefficiencies in the TBE: the Plant Quarantine Division (16.3%), exporTT(12.5 %) and the Trade Licence Unit (7.1%). Main problems concerned delays in the issue of certificates such as phytosanitary certificates, certificates of origin, and health and sanitary certificates. As mentioned earlier, the largest proportion of POs/ inefficiencies in the TBE in Trinidad and Tobago was associated with delays in reported regulation (45%).

Importing companies reported lengthy delays at the CFDD (13.3%) and the Trade Licence Unit (11.5%). The Trade Licence Unit is responsible for issuing export licences, import licences and duty relief licences. Companies complained about the slow service provided by this Unit.

The introduction of TTBizLink has alleviated many of the problems associated with the issue of permits, certificates and licences. However, according to private sector agencies interviewed, inspection processes at many of the regulatory agencies are still slow.

Roughly 40-42% of all cases of POs/ inefficiencies in the TBE were reported to occur in the United States (table 5). Exporting companies also reported cases in Jamaica (14.9%), Bolivarian Republic of Venezuela (7.7%), the United Kingdom (7.2%), and Guyana (6.6%). Importers faced fewer obstacles (50), 24% of which were encountered in Guyana.

**Table 4: Procedural obstacles and inefficiencies in the trade-related business environment encountered in Trinidad and Tobago agencies**

POs/inefficiencies in the TBE affecting exports			POs/inefficiencies in the TBE affecting imports		
Location of obstacles	Number of obstacles reported	Share in total number of obstacles	Location of obstacles	Number of obstacles reported	Share in total number of obstacles
Ministry of Finance and the Economy (Customs)	61	25%	Ministry of Finance and the Economy (Customs)	468	53.9%
Ministry of Food Production, Land and Marine Affairs (Plant Quarantine Division)	39	16.3%	Ministry of Health, (Chemistry, Food and Drugs Division)	116	13.3%
exporTT	30	12.5%	Ministry of Trade, Industry and Investment (Trade Licence Unit)	100	11.5%
Private companies	20	7.9%	Port Authority of Trinidad and Tobago	41	4.7%
Ministry of Trade, Industry and Investment (Trade Licence Unit)	17	7.1%	Ministry of Trade, Industry and Investment (Trinidad and Tobago Bureau of Standards)	32	3.7%
Ministry of Food Production, Land and Marine Affairs (Animal Health Division)	15	6.3%	Ministry of Food Production, Land and Marine Affairs (Plant Quarantine Division)	28	3.2%
French and/or EU Embassies	14	5.8%	Ministry of Food Production, Land and Marine Affairs (Animal Health Division)	21	2.4%
Ministry of Health (Chemistry, Food and Drugs Division)	11	4.6%			
Ministry of Health (Veterinary Public Health Unit)	9	3.8%			
Cocoa and Coffee Industry Board of Trinidad and Tobago	7	2.9%			
Shipping lines	2	0.8%	Shipping lines	12	1.4%
Other	15	6.3%	Other	51	5.9%
<b>Total</b>	<b>240</b>	<b>100%</b>	<b>total</b>	<b>869</b>	<b>100%</b>

Source: ITC survey on NTMs.

**Table 5: Procedural obstacles and inefficiencies in the trade-related business environment encountered in partner countries**

POs/inefficiencies in the TBE affecting exports			POs/inefficiencies in the TBE affecting imports		
Location of obstacles	Number of obstacles reported	Share in total number of obstacles	Location of obstacles	Number of obstacles reported	Share in total number of obstacles
United States	72	39.8%	United States	21	42.0%
Jamaica	27	14.9%	Guyana	12	24.0%
The Bolivarian Republic of Venezuela	14	7.7%	Mexico	4	8.0%
United Kingdom	13	7.2%	Belize	2	4.0%
Guyana	12	6.6%	China	2	4.0%
Canada	8	4.4%	Panama*	2	4.0%
Barbados	5	2.8%	Canada	1	2.0%
Cuba	6	3.3%	Colombia	1	2.0%
Saint Lucia	6	3.3%	Germany	1	2.0%
Puerto Rico	4	2.2%	Guatemala	1	2.0%
Antigua and Barbuda	3	1.7%	Italy	1	2.0%
Bahamas	2	1.1%	United Kingdom	1	2.0%
China	2	1.1%	Not specified	1	2.0%
Dominica	2	1.1%			
Panama*	2	1.1%			
Saint Vincent and the Grenadines	2	1.1%			
Nigeria	1	0.6%			
<b>Total</b>	<b>181</b>	<b>100%</b>	<b>Total</b>	<b>50</b>	<b>100.0%</b>

Source: ITC survey on NTMs.

\* Transit country.

## 2. Food and agro-based products sector

### 2.1. Importance of the sector

The food and agro-based products sector in Trinidad and Tobago consists of (i) fresh food and raw agro-based products, and (ii) processed food and agro-based products. Both production and exports in this sector are low, given the limited role of agriculture in the economy. Currently, agriculture accounts for less than 1% of GDP although it employs 3.6% of the labour force. Relatively small amounts of fresh foods are produced, including cocoa, citrus, poultry, vegetables, and fruits. Processed and agro-based goods cover a wider range, and most firms in this sub-sector are involved in the production of baked goods such as bread, biscuits, and pastries (table 6).



**Table 6: Major food processing firms in Trinidad and Tobago, 2008**

Product category	Number of firms
Meat and fish	32
Ice cream	13
Fruit and vegetables	25
Baked goods	146
Confectionery and snack foods	16
Alcoholic beverages	4
Non-alcoholic beverages	19
Other	44
<b>Total</b>	<b>299</b>

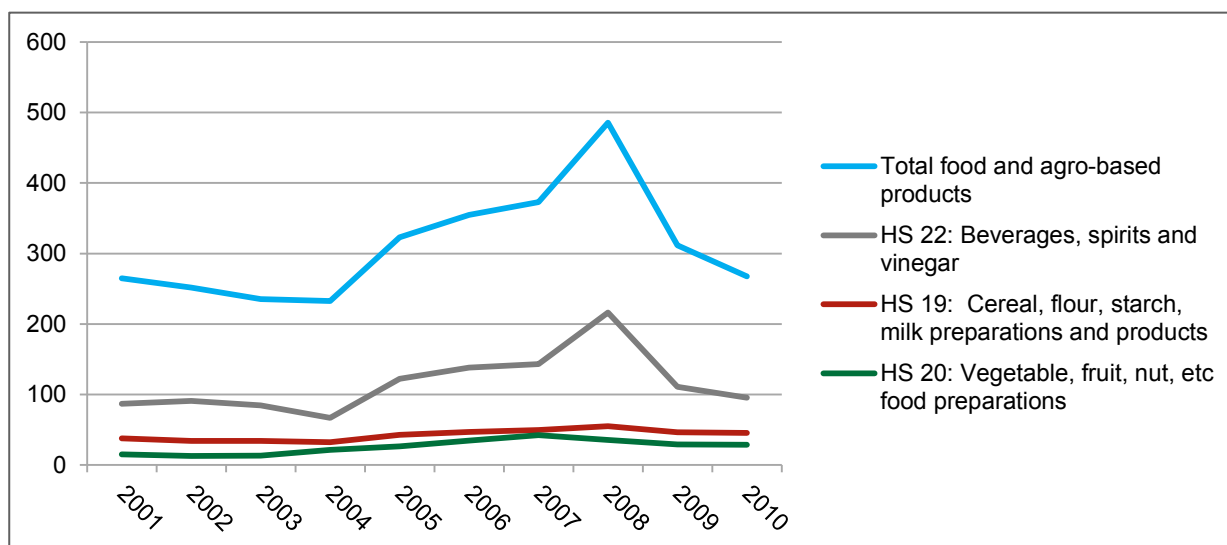
Source: Ministry of Trade, Industry and Investment.

In 2010, exports of food and agro-based products amounted to US\$ 267 million or 7.2% of total non-mineral exports. Only US\$ 26 million or 10% consisted of fresh food and raw agro-based products. This included mainly fish (36%) but also vegetables, cocoa, and a few other products. Processed food and agro-based goods comprise a wider range. Roughly 70% consists of beverages and spirits (37%), bread, biscuits and cereals (18%), cigarettes (9%), and preserved fruit and vegetables (4.8%).

Figure 14 shows that food and agro-based exports grew rapidly between 2004 and 2008, averaging 12.8% annually. This rapid growth was largely because of increased exports of beverages, spirits and vinegar, which more than trebled over the period, moving from US\$ 67 million to US\$ 216 million. Since 2008 however, exports of food and agro-based products have declined, and growth in other major product categories has been slow.

The bulk of food and agro-based products (75%) are exported to CARICOM, particularly to Jamaica, Barbados and Guyana. Exports to developed countries account for only 16% of the total, consisting mainly of premium products such as fine quality rums and high-quality cocoa. In recent years Trinidad and Tobago's cocoa has consistently won first prize in various categories at the Paris International Salon du Chocolat, one of the world's largest events for chocolatiers and cocoa-producing countries. In 2010, Trinidad and Tobago's cocoa was exported to Belgium (67%), the United States (12%), Japan (9%), France (8%), and the Netherlands (5%).

Latin and Central America absorb roughly 6% of food and agro-based exports, with major importing countries being the Bolivarian Republic of Venezuela, Brazil and the Dominican Republic.

**Figure 14: Growth of exports in food and agro-based products, 2001-2010**

Source: ITC Trade Map.

## 2.2. Affected companies

Although food and agro-based products contribute only 7.2% to total non-mineral exports, 20% of companies who participated in phone interviews were from this sector (66 of 334). Further, 26 or 39% of these companies reported obstacles and 24 of them participated in face-to-face interviews. The sector is therefore well-represented in the survey.

Food and agro-based exporting companies reported 108 NTM cases applied by partner countries and 24 applied by Trinidad and Tobago (tables 7 and 8). One key observation about these cases is that most are closely associated with POs/ inefficiencies in the TBE. For example, almost 70% of NTMs reported to be applied by partner countries resulted from POs/ inefficiencies in the TBE. In addition, most (77%) were located in Trinidad and Tobago. Linkages between NTMs and POs/ inefficiencies in the TBE are highlighted in the analyses below.

## 2.3. Non-tariff measures applied by partner countries affecting exports

Burdensome NTMs applied by partner countries to food and agro-based exports were reported mainly for countries within CARICOM (table A in appendix V). The region accounted for 59 of the 108 NTM cases reported (55%). As mentioned in chapter 1, Trinidad and Tobago exports the bulk of its food and agro-based products to CARICOM. It is therefore not surprising that most NTMs were reported in trade with countries in the region.

NTMs encountered in CARICOM involved mainly technical requirements, which were applied by Barbados (18) and Jamaica (17). Other CARICOM countries considered to be restrictive were Dominica, Grenada, Guyana, Saint Lucia, Saint Vincent and the Grenadines, and Suriname. Collectively, they reported 24 NTM cases.

Nineteen NTM cases were reported for the United States and 10 for Canada. In the United States, 11 cases were related to conformity assessment, particularly product testing; and in Canada, labelling issues were reported to be particularly restrictive. Companies exporting to Latin and Central America highlighted burdensome NTMs applied by the Bolivarian Republic of Venezuela (6), the Dominican Republic (3) and Costa Rica (3). Most NTMs concerned burdensome entry formalities and delays in product registration.

In terms of affected products, two-thirds of the 108 NTM cases were concentrated in three categories: edible products and preparations such as sauces, seasonings and condiments (25); fruit juices (18); milk and milk products (17); and spices (12) (table A in appendix V refers).

In total, affected products accounted for 71% of agricultural exports. Non-alcoholic and alcoholic beverages, which contributed 33% to total agricultural exports, were mentioned in only five or less than 1% of NTM cases. Many of these products are exported by large firms, which have well-established markets and are able to meet the technical requirements of overseas buyers such as international accreditation of testing laboratories. Attaining ISO/IEC 17025 compliance allows companies easy access to EU and other developed country markets.<sup>25</sup>

Specific NTMs and related POs/ inefficiencies in the TBE reported to affect food and agro-based exports are discussed in the sections below.

### 2.3.1. Technical requirements

Table A in appendix V shows that companies reported 40 NTM cases of burdensome technical requirements, 68% of which were applied by Jamaica (16) and Barbados (11). Products most strongly affected by NTMs were concentrated in two standard international trade classification (SITC) categories. These are SITC 022: milk and cream and milk products other than butter or cheese milk, and cream and milk-based products (12), and 098: edible products and preparations (6). The latter category includes products such as sauces, mixed seasonings, condiments, baking powder and fruit preparations.

Thirty-eight or 76% of NTM cases of technical requirements were linked to POs/ inefficiencies in the TBE (table 7). Most were caused by delays in reported regulation (58%) and as a result of unusually high fees and charges for reported certificate/regulation (16%). Further, practically all POs/ inefficiencies in the TBE (78%) were reported to occur in Trinidad and Tobago.

Globally, most countries have strict regulations for trade in food, particularly dairy products. Milk has a potential to serve as a vehicle of disease transmission and can lead to major disease outbreaks. Companies reported that Jamaica, Barbados and Dominica required various health-related certificates and permits for the import of dairy products.

All exports of milk-based products into Barbados, Jamaica and Dominica require a health certificate issued by the Ministry of Food, Land Production and Marine Affairs. There is always at least a 5-day delay in getting the certificate due to inefficiencies in the system.

Exporter of milk products (ITC NTM survey in Trinidad and Tobago)

In general, exporters did not complain about the need to adhere to food regulations. Rather, they pointed mainly to lengthy delays in obtaining requisite health, sanitary and phytosanitary certificates from authorities in Trinidad and Tobago. In a few cases, though, companies reported that delays were associated with the nature of regulations in partner countries. Jamaica required health certificates not only for milk and cream but for all products with dairy content such as biscuits, snacks and certain types of confectionery. This meant, for example, that a large shipment with many different products could be held up if there were a delay in obtaining a health certificate for toffee.

The need to fumigate wood packaging material with methyl bromide was perceived as another burdensome NTM. This requirement is in line with International Standards for Phytosanitary Measures No. 15 (ISPM 15). It deals with the regulation of wood packaging material in international trade such as pallets, crates, and dunnages (padding material). Exporters reported that among their trading partners, Barbados and Jamaica were the only countries that required fumigation. Such requirements were considered burdensome because of the time and cost involved. The average cost of fumigating a 40-ft. container was US\$ 150.

Companies reported that labelling requirements represented another major NTM. New labelling standards were being introduced in various countries and the cost of adhering to changing standards was high. For example, Canada had a standardized format for food labels, which included *inter alia* a requirement for nutritional and other information to be in both French and English.

<sup>25</sup> See Trinidad and Tobago Bureau of Standards, Laboratory accreditation can make regional trade easier, Macoya, Trinidad, 2009. Accreditation to International Organization for Standardization/International Electrotechnical Commission (ISO/IEC) 17025 establishes the technical competence of a laboratory to carry out a defined set of tests, measurements or calibrations.

One company stated that Jamaica no longer accepted its labels with the name of the manufacturer only (such as 'Made by Company x'). The label had to specify 'Made in Trinidad and Tobago.' Another reported that a shipment was denied entry into Barbados because the month in the 'best before' statement was written in figures and not letters. The exporter observed, however, that goods were sold in Barbados that did not conform to this technical requirement.

Other burdensome technical requirements reported in the survey concerned internal standards for the salt content in mixed seasonings (Grenada); specific size requirements for packing cases for confectionery (United States); and regulations for import licences for processed foodstuff (Jamaica and Barbados).

### 2.3.2. Conformity assessment

The survey revealed 34 NTM cases of conformity assessment, 79% of which were reported to be applied by the United States (11), CARICOM (9) and the United Kingdom (7) (table A in Appendix V refers). Affected products spanned several categories that included edible products and preparations (9), spices (8), fruit juices (6), milk and milk products (5).

Table 7 shows that 82% reported NTMs were caused by POs/ inefficiencies in the TBE. Most involved delays related to reported regulation (48%) and unusually high fees and charges for reported certificate/regulation (44%). Also, 72% of all POs/ inefficiencies in the TBE were reported to occur in partner countries.

All conformity assessment cases in the United States involved product testing. Companies reported that mandatory testing of food products in the United States was a major obstacle to exports since the cost of laboratory testing for in that country was high and shipments suffered lengthy delays there.

Of the nine NTM cases involving goods exported to CARICOM, most related to product registration and product certification. Some companies reported that Barbadian officials subjected their products to intense scrutiny during product registration. Others pointed to excessive certification required by Jamaica for imports of peanut butter, mayonnaise, and cheese dinners. Jamaican authorities requested both a health certificate and a veterinary public health certificate for imports of these products, which appeared to be duplicative.

Shipments to the United States are subject to random checks, which include mandatory testing for food hygiene reasons such as for salmonella. We are required to pay for testing at a United States laboratory (US\$ 1,200 per test), and there is usually a 3-4 week delay for release of the container.

Exporter of baked goods (ITC NTM survey in Trinidad and Tobago)

Exporters of spices reported that curry powder imported into the United Kingdom had to be accompanied by a certificate showing that the product had been tested and found to be free of Sudan 1. Sudan 1 is a substance used for colouring foodstuff but classified as a carcinogen by the International Agency for Research on Cancer. In 2003 the EU issued a regulation, banning the use of Sudan 1 in foodstuff. The regulation (which also applies to sauces, chutneys and other products with curry powder) posed a difficulty since Trinidad and Tobago had no laboratories to test for Sudan 1. The cost of testing in the United States (on average US\$ 350 per batch per shipment) was considered to be prohibitive.

The survey revealed several NTM cases in the Bolivarian Republic of Venezuela (3), Costa Rica (3) and Nigeria (1) involving difficult product registration. Companies mentioned that in order to register a product in the Bolivarian Republic of Venezuela the authorities required every variant of a product to be registered, including every flavour and packaging configuration. The cost of each registration varied between US\$ 50 and US\$ 100 and the process took 2-3 months.

Product registration was reported to be especially difficult in Nigeria where an on-going process for alcohol had already exceeded 18 months.

### 2.3.3. Rules of origin and related certificate of origin

Survey results showed 13 NTM cases involving rules of origin and related certificate of origin (table 7). In general, issues surrounding rules of origin often relate to difficulties in meeting complex rules specified in trade agreements. However, companies in the survey did not refer to this aspect but reported lengthy delays in obtaining certificates of origin.

All 13 NTM cases involving rules of origin were linked to POs/ inefficiencies in the TBE. The main causes were delays in reported regulation (57%) and the arbitrary behaviour of officials (29%). Seventy-one per cent of POs/ inefficiencies in the TBE were reported to occur in Trinidad and Tobago.

ExporTT is the official body in Trinidad and Tobago that authorizes duty-free or preferential treatment under existing trade agreements. Companies reported having to wait up to three months for officers from ExporTT to inspect their premises. Such inspections were necessary since ExporTT had to ensure that products met the rules of origin criteria specified in trade agreements. Other companies pointed out that there appeared to be no uniform set of rules within CARICOM for the authorization of a certificate of origin. Some CARICOM countries required stamps from both Customs and ExporTT whereas others accepted only the ExporTT stamp.

For the CARICOM certificate of origin, we need stamps from both Customs and ExporTT for Jamaica and Guyana. All other CARICOM countries accept the ExporTT stamp only. Having to acquire a second stamp from Customs represents a real delay.

As mentioned in chapter 1, companies can now apply online for a certificate of origin through TTBizLink. Research revealed that the approval process through TTBizLink is quick and efficient. The complaints of businesses in the survey, however, related to the length of time taken for initial inspection of their premises and not for processing of documentation.

Exporter of baked goods (ITC NTM survey in Trinidad and Tobago)

The CBPTA certificate of origin was reported to involve burdensome procedures. Exporters of butter, for example, reported that they had to obtain a health certificate as well as approval from the United States Food and Drug Administration to qualify for a CBPTA certificate of origin. In the case of CARIBCAN, companies reported that the Canadian Government had recently changed its requirements and exporters now had to submit a Statement of Origin. Since the Statement of Origin had to be stamped by Customs, this additional requirement delayed shipments.

#### 2.3.4. Other non-tariff measures applied by partner countries

Other burdensome NTMs reported in the survey involved pre-shipment inspection and other entry formalities (9); charges, taxes and other para-tariff measures (8); and quantity control measures (4) (table 7 refers). Fifty-seven per cent of cases in these categories were linked to POs/ inefficiencies in the TBE, all of which were occurred in partner countries.

In terms of pre-shipment inspection and other entry formalities, companies reported that exporting to the Dominican Republic was a complicated process, and importing country requirements were onerous. In addition to the commercial invoice, Customs in the Dominican Republic required a consular invoice and 'legalization' of documents by the Embassy of the Republic of the Dominican Republic. Such formalities served as a disincentive to exporting to that country.

Companies highlighted difficult procedures involving the Importer Security Filing (ISF) form required in the United States. The ISF form had to match the bill of lading and be filed on time. Failure to adhere to these rules resulted in a US\$ 5,000 fine. Companies reported difficulties in meeting this requirement since shipping lines did not routinely provide the bill of lading number prior to export.

High taxes were reported to pose a barrier to exports to several smaller CARICOM countries. Companies mentioned that Saint Lucia imposed consumption and other internal taxes on imports of curry powder, seasonings and juices. Further, Saint Vincent and the Grenadines, and Dominica levied environmental taxes on non-alcoholic beverages. The environmental tax was 100% in Saint Vincent and the Grenadines but slightly less in Dominica.

In addition to product registration, we need an import licence for all shipments into the Bolivarian Republic of Venezuela. This takes about 2-3 weeks and is valid for only three months. The licence costs US\$ 100 - US\$ 500.

Regarding quantity control measures, companies reported problems in obtaining import licences from Saint Lucia for non-alcoholic beverages. Other firms reported that the Bolivarian Republic of Venezuela required import licences for spices, sauces and seasonings which were costly and time-consuming to obtain.

Exporter of condiments (ITC NTM survey in Trinidad and Tobago)

## **2.4. Non-tariff measures applied Trinidad and Tobago affecting exports**

Companies reported 24 NTM cases applied by Trinidad and Tobago, covering 59% of food and agro-based exports (table B in appendix V). Just over one-half of these involved exports of cocoa (8) and alcoholic beverages (5). Others included spices, fish, tobacco, and non-alcoholic beverages.

Eighty-eight per cent of NTM cases were associated with POs/ inefficiencies in the TBE, mainly as a result of delays in reported regulation (35%), and unusually high fees and charges in reported regulation/certificate (38%). (table 8 refers)

### **2.4.1. Export registration**

The ITC NTM classification defines export registration as ‘a requirement to register products before being exported (for monitoring purposes)’. In Trinidad and Tobago, nine NTM cases of export registration were identified, all of which were associated with introduction of the online ASYCUDA World system. Companies lodged strong complaints about system failures, which delayed document-processing (and hence, shipments). They also reported that the introduction of a transaction user fee for utilization of the system was burdensome. The fee was US\$ 6.50 per transaction.

Research into system failures revealed that the implementation of ASYCUDA World coincided with the conduct of the survey, which took place between August 2011 and April 2012. Company responses would have therefore reflected problems experienced during the initial implementation phase of ASYCUDA World. In an interview, authorities stated that the system is now stable and runs smoothly.

Government officials mentioned that ASYCUDA World had led to substantial time savings in document-processing. Previously, manual checking of documents took 2-3 days; sometimes documents would even get lost. With the new system, document-processing was reliable and took just a few minutes, once documents were prepared correctly. Officials confirmed that the transaction user fee was introduced to help defray the costs involved in maintaining ASYCUDA World.

Private sector officials interviewed indicated that the transaction user fee was not burdensome. Rather, they considered issues such as port efficiency, customs valuation and tariff classification to be more important. These issues, which were highlighted during the survey by importing companies, are reported upon in sections 2.6 and 3.6.

### **2.4.2. Export inspection and certification**

Companies reported five NTM cases on export inspection and certification. (table 8) All of them were linked to POs/ inefficiencies in the TBE, with most consisting of delays in reported regulation and numerous administrative windows/documents. Affected products included flour, cocoa beans and fish fillets.

Cocoa-exporting companies explained that in order to export, several certificates were needed, which seemed to serve similar purposes. They included (a) a phytosanitary certificate issued by the Plant Quarantine Department; (b) a quality certificate issued by the CCIB, which inspected and assigned a grade to cocoa beans; and (c) another quality certificate issued by the CCIB for the International Cocoa and Coffee Organization. Obtaining these certificates was very time-consuming.

Fumigation formed part of the requirement for the phytosanitary certificate. Both cocoa and wheat flour companies reported this process to be costly and time-consuming.

### **2.4.3. Export licensing, quotas and other quantitative restrictions**

Besides certification, cocoa exporters reported that they were affected by export licensing and quota considerations. Four NTM cases were reported in these categories (table 8). Companies explained that at the beginning of each crop year, the CCIB issued export licences to companies. These specified minimum export quotas, which were difficult for small farmers to meet. The processing of the licence also took a long time (up to 2-3 months).

Other quantitative restrictions imposed by Trinidad and Tobago related to weight limits for shipping. One exporter of mineral water pointed out that its product was a fixed weight. However, on a few occasions the Port Authority rejected its shipments on the grounds that they were too heavy. Whenever this occurred, the company had to unpack the container and re-submit all shipping documents. This caused serious time delays and increased company costs.

#### 2.4.4. Other export-related measures

Among other measures reported by companies were export taxes and charges (3), and outdated legislation (2) (table 8 refers). The main export charge was the transaction user fee for ASYCUDA World which was discussed in section 2.4.1.

Regarding outdated legislation, companies reported that the Trinidad and Tobago Cocoa and Coffee Act, 1962 was obsolete and served to limit cocoa exports. Interviews with stakeholders revealed that recommendations for revision of the Act had been forwarded to the Ministry of Food Production, Land and Marine Affairs. These included elimination of the present export licensing and quota system.

The Trinidad and Tobago Cocoa Act is an outdated piece of legislation. Many of its requirements and mandates are no longer applicable, and are counter-productive. There is a minimum quota system in place that works against the small farmer and the small customer.

Exporter of cocoa beans (ITC NTM survey in Trinidad and Tobago)

### 2.5. Procedural obstacles and inefficiencies in the trade-related business environment affecting exports

This section presents information on the number of cases of POs/ inefficiencies in the TBE reported by food and agro-based exporters. It also highlights the agencies and partner countries where they occurred.

Companies reported 167 POs/ inefficiencies in the TBE, 102 of which occurred in agencies in Trinidad and Tobago and 65 in partner countries (table 9).

Of the 102 POs/ inefficiencies in the TBE occurring in Trinidad and Tobago, 56% were caused by delays related to reported regulation. These delays were mainly at government agencies responsible for issuing various types of certificates, permits and licences. Agencies involved included the Plant Quarantine and Animal Health Divisions, CFDD, Customs and the Trade Licence Unit.

The delays within agencies were reported to be associated with both internal and external factors. Some exporters pointed to a lack of staff and inefficient or outdated systems. Others identified inefficiencies in the wider business environment such as a poor work ethic, an inconsistent supply of electricity, labour problems and inefficient payment mechanisms. Companies also drew attention to the cumulative effects of various inefficiencies, which raised their cost of doing business.

Unusually high fees and charges for reported regulation/certificate comprised 27% of POs/ inefficiencies in the TBE in Trinidad and Tobago. These included the transaction user fee for ASYCUDA World, overtime charges at Customs, high port and demurrage charges at the Port Authority, and high fumigation fees.

Of the 65 POs/PBEs reported to occur abroad, 46% consisted of unusually high fees and charges, with the United States accounting for just over one-half of them. Among these were high fees for laboratory testing and product registration, and stringent penalties for failing to meet United States Customs requirements.

**Table 7: Export of food and agro-based products: burdensome NTMs applied by partner countries and linkages to POs/ inefficiencies in the TBE**

Non-tariff measure	NTM cases without POs/TBE	NTM cases with POs/TBE	Total	Procedural obstacle	Number of POs/TBE		Total
					Partner Country	Trinidad and Tobago	
Technical requirements	2	38	40	Documentation is difficult to fill out		3	3
				No due notice for changes in selected regulation and related procedures	1		1
				Delay related to reported regulation	1	28	29
				Unusually high fees and charges for reported certificate/regulation	1	8	9
				Other procedural obstacles, please specify	8		8
Conformity assessment	6	28	34	Numerous administrative windows/organizations involved, redundant documents		3	3
				Delay related to reported regulation	19	5	24
				Unusually high fees and charges for reported certificate/regulation	17	5	22
				Limited/inappropriate facilities for testing		1	1
Pre-shipment inspection and other formalities	3	6	9	Unusually high fees and charges for reported certificate/regulation	6		6
Charges, taxes and other para-tariff measures	2	6	8	Unusually high fees and charges for reported certificate/regulation	6		6
Quantity control measures	4	0	4				
Rules of origin and related certificate of origin	0	13	13	Arbitrary behaviour of officials with regards to the reported regulation	6		6
				Delay related to reported regulation		12	12
				Unusually high fees and charges for reported certificate/regulation		2	2
				Other procedural obstacles, please specify		1	1
<b>Total</b>	<b>17</b>	<b>91</b>	<b>108</b>		<b>65</b>	<b>68</b>	<b>133</b>

Source: ITC survey on NTMs.



**Table 8: Export of food and agro-based products: burdensome NTMs applied by Trinidad and Tobago and linkages to POs/ inefficiencies in the TBE**

Non-tariff measure	NTM cases without POs/ inefficiencies in the TBE	NTM cases with POs/ inefficiencies in the TBE	Total	Procedural obstacle	Number of POs/ inefficiencies in the TBE	Total
					Trinidad and Tobago	
Export inspection	0	1	1	Unusually high fees and charges for reported certificate/regulation	1	1
Certification required by the exporting country	0	4	4	Numerous administrative windows/organizations involved, redundant documents	2	2
				Delay related to reported regulation	2	2
				Unusually high fees and charges for reported certificate/regulation	1	1
				Other problems with international recognition, e.g. lack of recognition of national certificates	1	1
Export quotas	1	0	1			
Licensing or permit to export	0	3	3	Arbitrary behaviour of officials with regards to the reported regulation	2	2
				Delay related to reported regulation	3	3
				Unusually high fees and charges for reported certificate/regulation	1	1
Export registration	0	9	9	Large number of different documents	3	3
				Delay related to reported regulation	6	6
				Unusually high fees and charges for reported certificate/regulation	7	7
Other export quantitative restrictions	0	1	1	Arbitrary behaviour of officials with regards to the reported regulation	1	1
				Delay related to reported regulation	1	1
Export taxes and charges	0	3	3	Unusually high fees and charges for reported certificate/regulation	3	3
Other export related measures	2	0	2			
<b>Total</b>	<b>3</b>	<b>21</b>	<b>24</b>		<b>34</b>	<b>34</b>

**Table 9: Food and agro-based exports: procedural obstacles and inefficient trade-related business environment**

Procedural obstacles and inefficient business environment	No. of reported PO/ inefficiency in the TBE cases that occurred			Sub-total
	... in partner country	.....in agencies in Trinidad and Tobago		
Large number of different documents			3	3
Documentation is difficult to fill out			3	3
Numerous administrative windows/organizations involved, redundant documents			5	5
No due notice for changes in selected regulation and related procedures	1	Barbados (1)		1
Arbitrary behaviour of officials with regards to the reported regulation	6	Guyana(4), Jamaica(2)	3	9
Delay related to reported regulation	20	Barbados (2), Nigeria(1), United Kingdom(6), United States (11)	57	77
Unusually high fees and charges for reported certificate/regulation	30	Canada(4), Saint Lucia(6), United Kingdom(7), United States (13)	28	58
Limited/inappropriate facilities for testing			1	1
Other problems with international recognition, e.g. lack of recognition of national certificates			1	1
Other procedural obstacles, please specify	8	Canada(4), United States (4)	1	9
<b>Total</b>	<b>65</b>		<b>102</b>	<b>167</b>

Source: ITC survey on NTMs.

## 2.6. Non-tariff measures and other obstacles affecting imports

The MTII has estimated that approximately 80% of source materials and ingredients for the food and agro-based goods industry in Trinidad and Tobago are imported. Therefore, NTMs affecting imports of food and agro-based goods also impact exports.

Survey results revealed 203 NTM cases applied by Trinidad and Tobago, 190 of which were caused by POs/ inefficiencies in the TBE (table C in appendix V). The largest NTM category (54) was pre-shipment inspection and other entry formalities, most of which were associated with unusually high fees and charges (42%) and delays related to reported regulations (36%).

Companies lodged strong complaints about the lengthy delays during customs clearance, particularly at the inspections stage. They stated that goods clearance could take up to several weeks. Delays were reported to seriously impact perishable goods such as milk, fish and meat; 'live' plants that faced particular risks when clearance exceeded one day; and goods destined for Tobago, which had to be cleared in Trinidad before being ferried to Tobago.

When goods come in under a minister's licence they go to our bonded warehouse and an authorized undertaker (AU) officer has to visit, inspect and sign off on certain documents. The documents are then passed back and forth between different departments resulting in a process that is long, complex and tedious. The AU officers also work overtime, so for each visit we have to pay overtime plus travel plus meal allowances. We also have to pay an extra fee to "fast track" documents.

Importer of milk (ITC NTM survey in Trinidad and Tobago)

It was also reported that goods imported under a duty relief licence were subjected to lengthy and cumbersome procedures. A duty relief licence (also known as a Minister's licence) allows exporters reduced or no duties on raw materials, packaging materials, machinery and equipment imported from CARICOM. This licence is very important for manufacturers engaged in production for export.

Among the many reasons that companies cited for delays in goods clearance were limited staff and space at the container examination station, inefficient staff, outdated payment mechanisms and port congestion.

Conformity assessment was mentioned as an obstacle to trade in 50 cases and technical requirements in 33. In these two categories, practically all cases (48 and 32 respectively) were linked to POs/ inefficiencies in the TBE. These, in turn,

were associated with delays related to reported regulation (52%) and unusually high fees and charges (42%).

Companies reported long waiting times (up to several weeks) for import permits, test certificates, and product inspections from the CFDD, Plant Quarantine and Animal Health Divisions. Bureaucratic procedures and insufficient staff were perceived as reasons for these delays.

Companies also highlighted product registration as a major obstacle. They reported that certain products would sometimes gain entry easily into the home market but at other times the CFDD requested additional certificates from suppliers. CFDD's policy on product registration was not clear to them.

It was reported that health certificates issued in Guyana and Suriname were not always accepted by local authorities. As a result, goods imported from those countries had to be tested in Trinidad and Tobago at the government chemist laboratory. Companies reported instances where negative test results obtained from that laboratory were subsequently overturned following positive test results from internationally-accredited laboratories in the United States. The time delays and cost implications were serious when companies had to challenge local test results.

Importers complained about outdated regulations relating to foot-and-mouth disease (FMD). They reported that FMD had long been eradicated in Latin America, and other countries had since updated their legislation in relation to that region. However, Trinidad and Tobago's Animals (Diseases and Importation) Act Chap. 67:02 of 1954 (last amendment in 1997) did not permit meat imports from Latin America, which was very competitively-priced.

The survey showed 36 NTM cases involving quantity control measures, most of which were import licences. These were associated with delays in reported regulation (63%) and a requirement for large numbers of documents (13%).

Companies reported cumbersome procedures and long delays in obtaining duty relief licences, and suspension and safeguard certificates. A suspension certificate provides duty relief to exporters when materials or equipment are not available within CARICOM and must be imported from outside the region. Recipients of a suspension certificate also need a safeguard certificate.

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The application for a safeguard certificate has to be sent to the CARICOM Secretariat for approval. The process, which normally takes up to two months to finalise, does not facilitate fast business turnaround.

[Importer of refined sugar \(ITC NTM survey in Trinidad and Tobago\)](#)

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In total, there were 26 reported cases of charges, taxes and other para-tariff measures, 22 of which were caused by POs/inefficiencies in the TBE. Most were associated with delays in reported regulations (52%) and unusually high fees and charges (29%).

Importers reported that the long delays in obtaining certificates and clearing goods at Customs led to high port and demurrage charges. Once the two-day, rent-free period on the port had passed, such charges quickly mounted.

Companies reported that Customs officers appeared to work very slowly during normal working hours. As a result, they often had to pay overtime rates to clear their goods. Inspection fees skyrocketed when overtime rates were charged. One company also mentioned that it was located in a dangerous part of Port of Spain and costly security measures had to be put in place to accommodate late night inspections.

Research has shown that, following the implementation of ASYCUDA World, overtime payments had fallen by approximately US\$ 780,000. Customs was also in the process of reforming its inspection systems and reviewing staff terms and conditions.

## 2.7. Summary and policy options

### Summary

Currently, the food and agro-based industry produces a range of products, including beverages, cereals, processed fruit and vegetables, and meat and fish. With the exception of non-alcoholic beverages, exports have grown slowly over the past 10 years. Major markets are within CARICOM but the United States, the United Kingdom, and a few Latin and Central American countries also import Trinidad and Tobago's agro-based products.

Roughly 20% of companies in the survey were food and agro-based exporters, and 40% reported obstacles. Major complaints in the survey concerned lengthy delays at local agencies for health, sanitary and phytosanitary certificates. These were required by importing countries (particularly CARICOM) to satisfy technical requirements and for conformity assessment. Other technical requirements included adherence to ISPM 15 and compliance with detailed labelling requirements.

Lengthy delays were also reported at exporTT, the Trade Licence Unit and Customs where inspections were needed for certificates of origin, duty relief licences, export registration and goods clearance.

Product registration (particularly in Latin and Central America) was reported to involve cumbersome procedures, stringent product testing, and high costs. Further, the lack of reliable and adequate testing facilities posed difficulties, particularly for exports to the United States and the United Kingdom.

Improvements through ASYCUDA World and TTBizLink had brought substantial benefits to the business community. But companies pointed to inadequate and inefficient staff at key government agencies, and wider inefficiencies such as an unreliable supply of electricity.

The problems highlighted by companies were reported to result *inter alia* in a huge loss of company time, high port and demurrage charges, and exorbitant overtime fees.

## Policy options

Many of the issues raised by companies are not specific to the food and agro-based sector but relate to the wider, trade-related business environment. Policy options will therefore be discussed in greater detail in the concluding chapter 4.

Both companies and stakeholders pointed to an urgent need for strengthening inspection processes and procedures at key government agencies. These included regulatory agencies such as the Animal Health Division, Plant Quarantine Division, CFDD and Forestry Division; and others such as Customs, the Trade Licence Unit and export.

Specific suggestions for institutional-strengthening at government agencies include hiring additional staff, reviewing the quality of services provided to businesses, implementing inspection schedules and improving co-ordination among agencies. In terms of port issues, there is an urgent need to upgrade port equipment and implement measures to reduce congestion there.

Companies highlighted the need for expanding public and private laboratory facilities that are internationally accredited. This recommendation relates to a wider need for upgrading the country's national quality infrastructure.

Issues confronting companies in partner countries such as difficult product registration and entry formalities could be addressed through trade agreements and mutual recognition arrangements. These need to be addressed particularly at the CARICOM level but also in relation to Latin and Central American countries.

## 3. Manufactured products

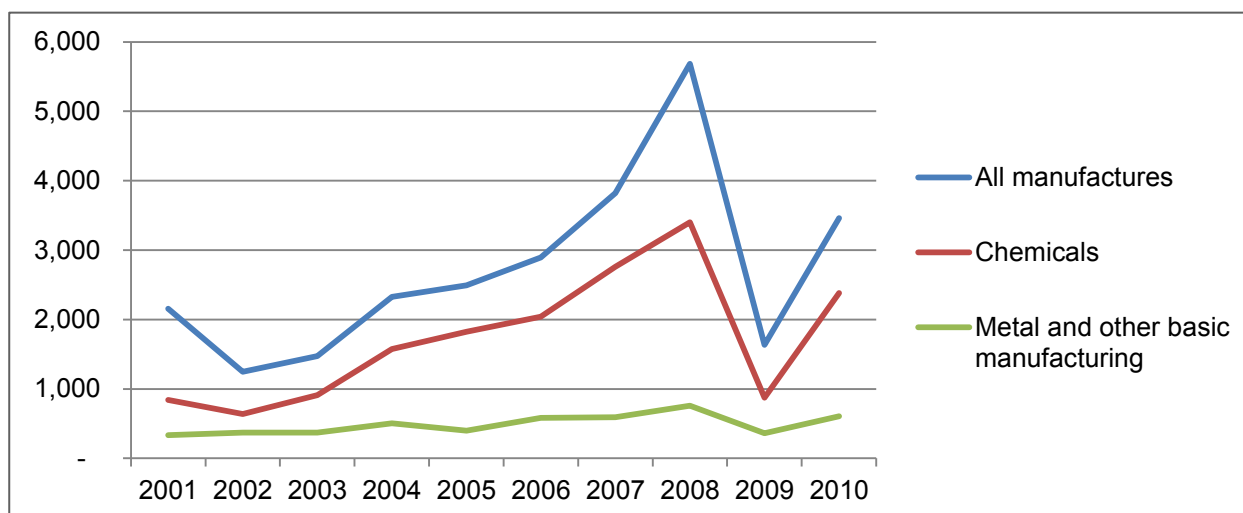
### 3.1. Importance of the sector

The manufacturing sector (excluding processed food and agro-based products) accounts for 9.3% of GDP. The bulk of manufacturing output comes from three sub-sectors: chemicals (68%), assembly-type and related industries (18%), and printing and publishing (8%).

In 2010, exports of manufactured products amounted to US\$ 3.5 billion or 93% of total non-mineral exports. Of these, almost 70% consisted of chemicals, particularly ammonia and methanol. Iron and steel products accounted for another 16%. The bulk of ammonia, methanol, and iron and steel products are exported to the United States and Europe. Since these products are not subject to many NTMs globally, their role in the NTM survey was minimal.

Other key manufactured exports consist of paper and paperboard, soaps and cleansing preparations, plastic goods, furniture, and paints. Approximately 90% of these goods are exported to CARICOM.

Figure 15 shows the growth of manufactured exports over the 2001-2010 period. Between 2001 and 2008, exports grew on average by 11.9% annually. However, in 2009 the global financial crisis dealt a serious blow to the sector and the value of exports declined by 65% over the previous year. This rapid decline was primarily because of the impact on the chemicals sub-sector. Metal and other basic manufacturing, which consists mainly of iron and steel products, was less affected by the global financial crisis. In 2010, overall exports showed a dramatic improvement, increasing by 20% over 2009.

**Figure 15: Growth of exports in selected manufactured products, 2001-2010**

Source: ITC Trade Map.

### 3.2. Affected companies

In general, the manufactured products sector was well-represented in the survey. Among the 334 companies interviewed by phone, 80% were from the manufacturing sector and 92% of those who reported obstacles participated in face-to-face interviews.

The overall share of affected companies in manufacturing was low (18.3%) but there were variations within the sector. The most strongly affected sub-sectors were wood, wood products and paper (29.7%), chemicals (23.7%), and miscellaneous manufacturing (23.4%). The least affected was metal and basic manufacturing (4.9%).

Companies reported 132 NTM cases applied by partner countries and 43 applied by Trinidad and Tobago (tables 10 and 11). As in the food and agro-based products sector, a large proportion of NTMs applied by partner countries (83%) was closely associated with POs/ inefficiencies in the TBE. Further, 57% of POs/ inefficiencies in the TBE were located in partner countries and 43% in Trinidad and Tobago.

### 3.3. Non-tariff measures applied by partner countries affecting exports

Table D in appendix V shows that CARICOM countries were reported to apply the largest number of burdensome NTMs (52%) to Trinidad and Tobago's manufactured exports. As mentioned earlier, this result is not surprising since CARICOM absorbs the bulk of Trinidad and Tobago's exports. Barbados and Jamaica accounted for 44% of NTMs within the region. Other major CARICOM countries were Grenada, Guyana and Saint Lucia, which collectively contributed 35% to the regional total.

The United States was reported as another restrictive market for Trinidad and Tobago's manufactured exports, accounting for 20% of all NTM cases. Others were the Bolivarian Republic of Venezuela, Guadeloupe, Ecuador, Cuba, Ghana, and the Dominican Republic.

In total, affected products accounted for only 8.6% of manufactured exports. As mentioned in section 3.1, the bulk of Trinidad and Tobago's manufactured goods (ammonia, urea, and iron and steel) are not subject to many NTMs globally. Among the products most seriously affected by NTMs are chemical and related products (34%) such as insecticides, cosmetics, soaps and cleansing preparations; wood, wood products and paper (19%); clothing (18%); and heating and cooling equipment (12%).

Specific NTMs and related POs/ inefficiencies in the TBE reported to affect manufactured exports are discussed below.

### 3.3.1. Conformity assessment

The survey revealed 44 NTM cases of conformity assessment, which were reported for CARICOM (17), the United States (11), Latin and Central America (12), and Ghana (4). The majority of affected products (68%) were in the chemical and related products category (table D in appendix V).

Table 10 shows that 68% of reported conformity assessment cases were linked to POs/ inefficiencies in the TBE. Most of these involved delays in reported regulation (19%), unusually high fees and charges for reported regulation/certificate (17%), a large number of documents (12%) and documentation that is difficult to fill out (12%). Further, 85% of all POs/ inefficiencies in the TBE were located in partner countries.

Most conformity assessment measures reported to be applied by CARICOM involved difficulties with product registration, inspection and certification. Companies exporting to Jamaica reported that their chemical products were subjected to detailed scrutiny by the Jamaica Pesticides Board and the Jamaica Food and Health Board. As a result, product registration took a long time to complete.

Our insecticides exported to Jamaica first have to be registered with the Jamaican Pesticides Board. The authorities there are extraordinarily and unnecessarily scrutinizing of every little detail such as labelling, font size, font colour and packaging. The registration process can take up to one year – or even longer since all products, including samples, must be shipped via sea freight.

Exporter of chemical products (ITC NTM survey in Trinidad and Tobago)

Companies exporting to the United States complained about difficult and costly product registration.

One unusual case involved the registration of cosmetics, which took almost 15 years to complete. This was primarily because of similarity with another brand. Companies reported high legal fees for product registration, which averaged US\$ 100,000 per application, per state.

Exporters of women's clothing reported serious difficulties in meeting product certification requirements in the United States. They reported that United States Customs required preparation of a visa document for every type of fabric used in garments. The visa document (which can be viewed as a type of passport for fabric) helped to determine the HS classification for the product. Companies explained that most of their garments were made from a mixture of fabrics, which were themselves a mixture of other materials (such as 20% cotton and 75% polyester). This complexity made it very difficult for them to comply with United States Customs requirements.

In Ecuador, we needed a sanitary registration for our lipsticks. This entailed a composition analysis and two separate forms of testing, including testing against a lipstick standard in India. After these tests were completed, there were additional requests for testing and samples. The process was tedious and expensive. Registration cost was US\$ 235 per variant.

Exporter of cosmetics (ITC NTM survey in Trinidad and Tobago)

Companies reported cumbersome and costly procedures for product testing, registration and certification in Latin and Central America. Product registration in the Bolivarian Republic of Venezuela and the Dominican Republic was reported to be legally tied to the appointment of a single distributor. Once the registration process was complete, companies could not enter into arrangements with any other distributor.

Burdensome requirements for the testing of cosmetics were reported by companies exporting to Puerto Rico and Ecuador. In the former case, testing was required at a United States company laboratory, which was very expensive. The average cost of testing was US\$ 8,000. In the case of Ecuador, companies reported that authorities required many forms of testing that were both burdensome and expensive.

The lack of facilities to test and certify air-conditioning units exceeding 10 tons was reported to be a major obstacle to exports to the Bolivarian Republic of Venezuela and Cuba. Exporters therefore had to rely on expensive product certification in other countries.

### 3.3.2. Technical requirements

Table D in appendix V shows that companies reported 29 NTM cases of burdensome technical requirements, most involving CARICOM (18)) and the United States (8). Practically all (28) were closely

associated with POs/ inefficiencies in the TBE, particularly unusually high fees and charges for reported regulation/certificate (31%), delay related to reported regulation (19%), large numbers of documents (15%), and difficult documentation (15%) (table 10 refers). Products most strongly affected were those in the wood, wood products and paper category and in the chemicals and related products category.

Fumigation requirements were reported as a major obstacle to trade, largely because of the additional time required for the process and high costs (US\$ 155 per container). Companies reported that in Haiti fumigation formed part of the country's health requirements for imported goods. Given the high costs involved, some companies no longer considered it viable to continue exports to that country.

As explained in section 2.3.1., wooden packaging material required fumigation as part of the ISPM 15 requirement. Companies stated that Jamaica and Barbados were the only two countries that required adherence to this standard, which raised their costs.

Companies reported that exports of wooden doors and wooden moulding had to be fumigated as part of the requirement for a phytosanitary certificate. This was considered burdensome since Plant Quarantine

Fumigation is done by a private company under the supervision of the Plant Quarantine Division. A new fixed schedule for inspections is not conducive to business and often leads to payment of overtime fees on the port.

Exporter of cleaning solutions (ITC NTM survey in Trinidad and Tobago)

Neither the Bolivarian Republic of Venezuela nor Trinidad and Tobago has internationally accredited laboratories to certify air-conditioning units exceeding 10 tons. We must therefore send two units of each model abroad for testing – either to Canada, the United States or China. We have 100 models and the certification cost for each model is US\$ 10,000. Samples are not returned and certification is required annually.

Exporter of freezing equipment (ITC NTM survey in Trinidad and Tobago)

officials had to witness the fumigation carried out by the pest control company. Co-ordinating the schedules of different agencies was often challenging.

Stakeholders interviewed pointed out that whereas the volume of trade had expanded over time it appeared that staffing at the Plant Quarantine Division had not increased. Additional demand for inspection services was emerging in new areas such as Cedros, which does not officially have a port.

Scheduling of inspections had become necessary in order to provide services at all locations.

In terms of shipping restrictions, one company reported that its polyester resin was considered a class 3 chemical and shipping lines were not willing to transport small quantities of its product alongside other goods. This technical requirement limited its ability to trade.

### 3.3.3. Rules of origin and related certificate of origin

Survey results showed 23 NTM cases involving certificates of origin, all of which were related to POs/ inefficiencies in the TBE and reported to occur in Trinidad and Tobago (table 10). Most NTM cases (67%) were caused by delays in reported regulation and difficulties with document preparation.

In regard to the CARICOM Certificate of Origin, some companies reported delays of up to six weeks for factory visits from exporTT officials. Others mentioned a waiting time of three days for the exporTT stamp on the certificate of origin. Companies also pointed to delays in obtaining safeguard certificates from the CARICOM Secretariat.

One exporter of clothing reported that the EUR1 Form, which allowed its goods preferential access to the Guadeloupe market, was no longer available in Trinidad and Tobago. The sole printer of the forms had gone out of business. However, discussions with stakeholders revealed that the printing company had simply moved its offices and not exited the business.



### 3.3.4. Quantity control measures

NTM cases on quantity controls covered licences, certificates and other measures to control the quantity of goods imported. Survey results revealed 17 such cases applied by CARICOM (14), China (2) and Panama (1). (table D in appendix V refers) Practically all cases (13) were linked to POs/ inefficiencies in the TBE, and involved mainly exports of wood, wood products and paper. Most (71%) were reported to occur in Trinidad and Tobago (table 10).

Within CARICOM, companies reported that Barbados prohibited imports of complete carnival costumes from Trinidad and Tobago. That country also appeared to have an unwritten policy preference for local suppliers, particularly when sourcing products to support its tourism industry.

It was reported that all shipments into Panama required a stamp from the Council of Panama. This requirement was burdensome since the stamp took 1-2 days to obtain and all relevant documents had to be sent to Panama via courier.

China was reported to impose restrictions on Trinidad and Tobago's exports since its State Food and Drug Administration raised queries whenever quantities of exports were large. In order to overcome this obstacle, exporters resorted to sending smaller batches, which raised their overall costs.

### 3.3.5. Other measures

Among other burdensome NTMs reported by companies were pre-shipment and other entry formalities (14), distribution restrictions (3) and finance measures (2). All NTM cases on pre-shipment and other entry formalities were linked to POs/ inefficiencies in the TBE. These involved the United States (7), Guyana (3), the Bolivarian Republic of Venezuela (2) and Cuba (2) (table D in appendix V refers). Further, all POs/ inefficiencies in the TBE were associated with the arbitrary behaviour of officials (on classification, valuation and reported regulation) and unusually high fees and charges for reported regulation/certificate (table 10).

Exports of clothing were reported to face barriers in the United States due to complex regulations on tariff classification. These regulations were discussed in section 3.3.3. It was reported that on one occasion, United States Customs determined that codes for two items (among dozens) were wrong. The exporter's entire shipment was subsequently rejected and destroyed, resulting in a US\$ 7,000 loss.

It was reported that in Guyana the requirement for a customs entry form was at the discretion of the customs officer. Whenever this was enforced, goods were delayed by 1-2 weeks.

Companies reported that the Bolivarian Republic of Venezuelan authorities executed pre-shipment inspection of all goods but products from Trinidad and Tobago appeared to be singled out for additional scrutiny. This led to delays at the port.

It was reported that the Bolivarian Republic of Venezuelan Government managed the allocation of foreign exchange to distributors, and business approval for foreign exchange sometimes took up to six weeks. Such delays inconvenienced Trinidad and Tobago companies who had to wait for deposits on their orders.

Companies reported that Law 173 in the Dominican Republic, which tied companies to a specific distributor, was highly restrictive. As mentioned in section 3.3.1., once a company had registered to trade with a specific distributor, companies could not enter into arrangements with any other distributor.

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Law 173 in the Dominican Republic restricts exporters from terminating contracts with distributors. Since taking over the company, we tried to change distributors but cannot do so because of the regulation.

[Exporter of insecticide coils \(ITC NTM survey in Trinidad and Tobago\)](#)

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### **3.4. Non-tariff measures applied by Trinidad and Tobago affecting exports**

The survey revealed 43 cases of burdensome NTMs applied by Trinidad and Tobago affecting exports (table 11). Twenty-five of these were associated with POs/ inefficiencies in the TBE, primarily delays in reported regulation (46%) and unusually high fees and charges for reported regulation/certificate (22%).

The largest single category of reported NTMs was export registration, which accounted for 20 or roughly one-half of all cases. Companies' complaints were largely about system failures with ASYCUDA World and the newly-introduced high transaction user fee. These issues were discussed in section 2.4.1.

Exporters of manufactured goods also highlighted payment difficulties at Customs. They reported that although ASYCUDA World allowed quick processing of documents, the payment of fees was still manual. Companies complained about having to wait for long periods at Customs to make payments, which could only be done by cash or certified cheque. Obtaining a certified cheque often required another long wait at a commercial bank.

Research on ASYCUDA World revealed that the system has a module for e-payment. However, this module cannot be activated since government's financial regulations do not allow for electronic payments. In November 2012, the Minister of Trade, Industry and Investment announced that the Government was revising the Exchequer and Audit Act, Chapter 69:01 (Act 20 of 1959, last amendment, 1998) to allow for electronic payments.<sup>26</sup> Recent developments on this initiative are outlined in chapter 4.

Two NTM categories – licensing or permit to export and other export quantitative restrictions – accounted for five reported NTM cases. These concerned delays in obtaining export and other permits from the Trade Licence Unit, Customs and the CFDD. Other export-related measures (11) include measures on re-export (2), certification required by the exporting country (1), and other export taxes and charges (1).

### **3.5. Procedural obstacles and inefficiencies in the trade-related business environment affecting exports**

The previous sections highlighted the linkages between NTMs and POs/ inefficiencies in the TBE. This discussion presents information on the number of PO/TBE cases that exporters of manufactured products reported, and the agencies or partner countries where they occurred.

Companies reported 242 POs/ inefficiencies in the TBE, 52% of which occurred in agencies in Trinidad and Tobago and 48% in partner countries (table 12).

Of the 126 POs and TBEs reported to occur in Trinidad and Tobago, 37% were caused by delays related to reported regulation. Such delays took place in agencies responsible for the issue of various certificates, permits and licences. Key agencies include the Plant Quarantine and Forestry Divisions (for phytosanitary certificates); CFDD (for approvals relating to cosmetics, drugs, and pesticides); MTII (for certificates of origin and export licences); and Customs (for approval to export). Delays were considered to be particularly severe in cases where approval was needed by several agencies.

Unusually high fees and charges for reported regulation/certificate comprised 22% of POs/ inefficiencies in the TBE in Trinidad and Tobago, most of which concerned the Customs transaction user fee and high fumigation charges.

Of the 116 POs/PBEs reported to occur in partner countries, 36% consisted of delays in reported regulation and unusually high fees and charges. Within these two latter categories, Jamaica (11), the United States (9), and the Bolivarian Republic of Venezuela (8) were the main countries involved. High fees were reported for product registration and certification in both the United States and the Bolivarian Republic of Venezuela.

Other POs/ inefficiencies in the TBE reported abroad were a large number of documents required (15%) and documents that were difficult to fill out (12%).

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<sup>26</sup> Breakfast meeting with the Minister of Trade, Industry and Investment hosted by the TTCIC, Port of Spain, 27 November 2012.

**Table 10: Export of manufactured products: burdensome NTMs applied by partner countries and linkages to POs/ inefficiencies in the TBE**

NTM	NTM cases without POs/ inefficiencies in the TBE	NTM cases with POs/ inefficiencies in the TBE	Procedural obstacle	Number of POs/ inefficiencies in the TBE		Total
				Partner Country	Trinidad and Tobago	
Technical requirements	1	28	Large number of different documents	7		7
			Documentation is difficult to fill out	7		7
			Information on selected regulation not adequately published/disseminated	2		2
			No due notice for changes in regulation and related procedures		2	2
			Requirements and processes differ from information published	2		2
			Delay related to reported regulation		9	9
			Deadlines set for completion of requirements are too short		2	2
			Unusually high fees and charges for reported certificate/regulation		15	15
			Other procedural obstacles		2	2
Conformity assessment	14	30	Large number of different documents	10		10
			Documentation is difficult to fill out	7		7
			Information on selected regulation is not adequately published and disseminated	7		7
			No due notice for changes in selected regulation/related procedures	7		7
			Arbitrary behaviour of officials with regards to the reported regulation	1		1
			Delay related to reported regulation	10	1	11
			Deadlines set for completion of requirements are too short	1		1
			Unusually high fees and charges for reported certificate/regulation	10		10
			Limited/inappropriate facilities for testing		6	6
			Facilities lacking international accreditation/recognition		2	2
			Other procedural obstacles	7		7

NTM	NTM cases without POs/inefficiencies in the TBE	NTM cases with POs/inefficiencies in the TBE	Procedural obstacle	Number of POs/inefficiencies in the TBE		Total
				Partner Country	Trinidad and Tobago	
Pre-shipment inspection and other entry formalities	0	14	Arbitrary behaviour of officials regarding classification and valuation of the reported product	7		7
			Arbitrary behaviour of officials with regards to the reported regulation	7		7
			Delay related to reported regulation	7		7
Quantity control measures	4	13	Arbitrary behaviour of officials with regards to the reported regulation	2		2
			Delay related to reported regulation	1		1
			Unusually high fees and charges for reported certificate/regulation	1		1
			Other procedural obstacles		10	10
Finance Measures	0	2	Delay related to reported regulation	2		2
Distribution restrictions	3	0				
Rules of origin and related certificate of origin	0	23	Documentation is difficult to fill out		7	7
			Information on selected regulation is not adequately published and disseminated		7	7
			Delay related to reported regulation		16	16
			Unusually high fees and charges for reported certificate/regulation		4	4
<b>Total</b>	<b>22</b>	<b>110</b>		<b>112</b>	<b>83</b>	<b>195</b>

Source: ITC survey on NTMs.

**Table 11: Export of manufactured products: burdensome NTMs applied by Trinidad and Tobago and linkages to POs/ inefficiencies in the TBE**

NTM	NTM cases without POs/ inefficiencies in the TBE	NTM cases with POs/ inefficiencies in the TBE	Procedural obstacle	Number of POs/ inefficiencies in the TBE	Total
				Trinidad and Tobago	
Certification required by the exporting country	0	1	Delay related to reported regulation	1	1
Licensing or permit to export	0	3	Numerous administrative windows/organizations involved, redundant documents	1	1
			No due notice for changes in regulation and related procedures	1	1
			Arbitrary behaviour of officials with regards to the reported regulation	1	1
			Delay related to reported regulation	3	3
			Unusually high fees and charges for reported certificate/regulation	1	1
Export registration	5	15	Numerous administrative windows/organizations involved, redundant documents	1	1
			Information on selected regulation is not adequately published and disseminated	1	1
			Arbitrary behaviour of officials with regards to the reported regulation	2	2
			Delay related to reported regulation	12	12
			Unusually high fees and charges for reported certificate/regulation	3	3
			Other procedural obstacles	2	2
Other export quantitative restrictions	0	2	Deadlines set for completion of requirements are too short	2	2
			Unusually high fees and charges for reported certificate/regulation	2	2
Export taxes and charges	0	1	Requirements and processes differ from information published	1	1
			Other procedural obstacles	1	1
Measures on re-export	6	2	Delay related to reported regulation	2	2
			Unusually high fees and charges for reported certificate/regulation	2	2
Other export related measures	7	1	Delay related to reported regulation	1	1
			Unusually high fees and charges for reported certificate/regulation	1	1
<b>Total</b>	<b>18</b>	<b>25</b>		<b>41</b>	<b>41</b>

Source: ITC survey on NTMs.

**Table 12: Manufactured exports: procedural obstacles and inefficient trade-related business environment**

Procedural obstacles and inefficiencies in the TBE	No. of reported PO/TBE cases that occurred			Sub-total	
	... in partner country	.....in agencies in Trinidad and Tobago			
Delay related to reported regulation	20	Cuba(2), Guyana(3), Jamaica(7), Panama(1), United States(1), the Bolivarian Republic of Venezuela(6)	46	Ministry of Finance and the Economy (Customs), Ministry of Food Production, Land and Marine Affairs (Plant Quarantine Division and Forestry Division), exporTT, Ministry of Trade, Industry and Investment (Trade Licence Unit), Pesticides and Chemical Control Board, Port Authority of Trinidad and Tobago, private companies, shipping lines, Ministry of Trade, Industry and Investment (Trinidad and Tobago Bureau of Standards), World Health Organization	66
Unusually high fees and charges for reported certificate/regulation	22	Antigua and Barbuda (1), Cuba(2), Jamaica(4), Panama(1), United States (8), the Bolivarian Republic of Venezuela(2), Puerto Rico(4)	28	Ministry of Food Production, Land and Marine Affairs (Plant Quarantine Division and Forestry Division), Pesticides and Chemical Control Board, Pharmacy Board of Trinidad and Tobago, Port Authority of Trinidad and Tobago, shipping lines, Ministry of Trade, Industry and Investment (Trinidad and Tobago Bureau of Standards), World Health Organization	50
Documentation is difficult to fill out	14	United States (14)	7	Local banks, World Health Organization	21
Large number of different documents	17	Jamaica(3), United States (14)			17
Information on selected regulation is not adequately published and disseminated	9	Antigua and Barbuda (1), Bahamas(1), Barbados(1), Dominica(1), Guyana(1), Jamaica(1), Saint Vincent and the Grenadines(1), the Bolivarian Republic of Venezuela(2)	8	Ministry of Public Utilities (Government Printer), local banks, World Health Organization	17
Arbitrary behaviour of officials with regards to the reported regulation	10	China(2), Cuba(2), Guyana(3), Jamaica(1), the Bolivarian Republic of Venezuela(2)	3	Ministry of Food Production, Land and Marine Affairs (Forestry Division), Ministry of Finance and the Economy (Customs), World Health Organization	13
No due notice for changes in selected regulation and related procedures	7	Jamaica(7)	3	Ministry of Food Production, Land and Marine Affairs (Forestry Division), Ministry of Finance and the Economy (Customs), Pharmacy Board of Trinidad and Tobago, World Health Organization	10
Arbitrary behaviour of officials regarding classification and valuation of the reported product	7	United States (7)		Ministry of Finance and the Economy (Customs)	7

Procedural obstacles and inefficiencies in the TBE	No. of reported PO/TBE cases that occurred				Sub-total
	... in partner country		.....in agencies in Trinidad and Tobago		
Limited/inappropriate facilities for testing			6	Ministry of Health (Chemistry, Food and Drugs Division), Ministry of Food Production, Land and Marine Affairs, World Health Organization	6
Deadlines set for completion of requirements are too short	1	Jamaica(1)	4	Ministry of Food Production, Land and Marine Affairs (Forestry Division), Ministry of Finance and the Economy (Customs), Pharmaceutical Board, World Health Organization	5
Requirements and processes differ from information published	2	The Bolivarian Republic of Venezuela(2)	1	Government Printery, World Health Organization	3
Numerous administrative windows/organizations involved, redundant documents			2	Ministry of Finance and the Economy (Customs), Ministry of Public Utilities (Government Printery), World Health Organization	2
Facilities lacking international accreditation/recognition			2	Transport Board, World Health Organization	2
Limited/inappropriate facilities for sector-specific transport and storage, e.g. cold storage, refrigerated trucks			1	Private transport company, World Health Organization	1
Other procedural obstacles	7	Antigua and Barbuda (1), Bahamas(1), Barbados(1), Dominica(1), Guyana(1), Jamaica(1), Saint Vincent and the Grenadines(1)	15	Ministry of Food Production, Land and Marine Affairs (Forestry Division), Ministry of Finance and the Economy (Customs), Ministry of Public Utilities (Government Printery), Pesticides and Chemical Control Board, World Health Organization	22
<b>Total</b>	<b>116</b>		<b>126</b>		<b>242</b>

Source: ITC survey on NTMs.

### 3.6. Non-tariff measures and other obstacles affecting imports

The manufactured products sector depends on a range of imported raw materials and other inputs for production. Key sub-sectors heavily reliant on imported goods, and which were well-represented in the survey include the following: chemicals and related products; wood, wood products and paper; and plastics. This section highlights selected NTM categories, which companies and stakeholders considered very important.

Survey results revealed 320 NTM cases affecting imports, 90% of which were closely linked to POs/ inefficiencies in the TBE (table F in appendix V). Individual NTM categories included pre-shipment inspection and other entry formalities (47%), quantity control measures (19%), technical requirements (13%), conformity assessment (9%), charges, taxes, and other para-tariff measures (9%), and finance measures (2%).

There are often long delays in getting to inspection bays on the port due to a lack of personnel, a non-functioning crane, and an overcrowded port. We also incur losses due to pilferage of items.

Sometimes there is just one forklift to un-stuff hundreds of containers, resulting in the payment of high port fees and demurrage charges.

Importers of equipment (ITC NTM survey in Trinidad and Tobago)

port often led to overcrowding and this problem, coupled with poorly-functioning equipment contributed to delays in goods clearance.

Some survey respondents reported that customs officials consistently targeted them for inspection but never seemed to inspect other businesses. They considered this to be discriminatory.

Research on the inspection process at Customs revealed that inspections are based on the application of risk profiles. Depending on a company's level of risk assessment, it may be inspected more or less frequently than others. Risk profiles are based on a variety of indicators that include the type of goods traded, known traders and their compliance records, goods value, country of origin/destination, and transport modes/routes used.<sup>27</sup>

Of the 29 NTM cases on charges, taxes, and other para-tariff measures, 24 were closely associated with POs/ inefficiencies in the TBE (table F in appendix V). Seventy-one per cent of these were caused by delays in reported regulation and unusually high fees and charges. Further, 24% were associated with the arbitrary behaviour of officials regarding valuation and classification.

One importer complained that whenever he/she attempted to clear goods as an individual, items were subject to high duties. But whenever a customs broker was hired, Customs officials classified the same goods as duty-free. Other importers reported that Customs officers sometimes rejected their documented values and would request more (sometimes irrelevant) information that was difficult to obtain at short notice. Companies complained that some Customs officers preferred to consult internet sites to determine the value of their goods rather than rely on the values on their invoices.

As in the case of food and agro-based imports, most complaints by companies were about cumbersome procedures, staff inefficiencies, and lengthy delays at regulatory and other agencies. However, manufacturing companies raised a few Customs- and port-related issues that were not highlighted by food and agro-based importers. The importance of these issues was confirmed in interviews with stakeholders.

Regarding pre-shipment inspection and other entry formalities, companies highlighted problems on the port. They reported that insufficient space on the

The various laws that govern our Customs are subject to interpretation [...]. The classification and valuation of items, and landed costs vary widely.

Importer of computer equipment (ITC NTM survey)

<sup>27</sup> See Organization for Security and Co-operation in Europe, Risk Management and Selectivity. Available at <http://www.osce.org/eea/88266>, accessed on 20 October 2012.



In recent discussions for Trinidad and Tobago's WTO Trade Policy Review, authorities stated that there were specific rules and procedures in place for the classification and valuation of goods.<sup>28</sup> If importers disagreed with a customs decision they could lodge an appeal within 90 days. In the first instance, they could ask for an onsite administrative review. If the matter was not resolved, they could report the matter to the Comptroller of Customs and Excise (Classification Committee), and then to the Tax Appeal Board. The importer could also initiate a judicial review through the High Court.

In interviews with private sector associations, several members mentioned that tariff classification and valuation were complex areas, which required highly experienced personnel. They underlined the need to have adequately-staffed Valuation and Classification Units at Customs, and for a comprehensive programme of continuous training. Further, training was needed not only for Customs officials but also Customs brokers/clerks. It was very important for Customs brokers/clerks to be fully aware of all policy and operational changes affecting Customs clearance in order to provide a premium service to businesses.

There were 29 reported cases of *conformity assessment*, 26 of which were linked to POs/ inefficiencies in the TBE. Most of these were closely related to delays with respect to reported regulation (30%), unusually high fees and charges for the reported regulation/certificate (20%), and the arbitrary behaviour of officials with regards to the reported regulation (20%).

In interviews with stakeholders, most applauded the professional approach of TTBS staff. However, companies in the survey reported that they were unclear about TTBS' testing procedures, standards and fees. They also complained about having to make payments by certified cheque at a specific bank.

### **3.7. Summary and policy options**

#### **Summary**

The manufacturing sector in Trinidad and Tobago is dominated by petrochemicals, and iron and steel products, which are not subjected to many NTMs globally. As a result, most companies who reported burdensome NTMs were from smaller sub-sectors such as paper and paperboard, plastics, chemicals and related products, and electronic items. Currently, the main markets for these products are in CARICOM but companies are now seeking to penetrate Latin and Central American markets.

The survey revealed that 18% of manufacturing companies (excluding agro-processing firms) who participated in face-to-face interviews reported burdensome NTMs and POs/ inefficiencies in the TBE.

Companies identified conformity assessment as a key concern, particularly in CARICOM and Latin America. They reported cumbersome processes, high costs and lengthy delays for product registration, inspection and certification.

In terms of technical requirements, burdensome and costly fumigation procedures were identified as a major barrier to trade, particularly with Haiti, Jamaica and Barbados. Fumigation was considered difficult because of delays at government agencies and difficulties in inter-agency co-ordination.

Companies reported problems in obtaining certificates of origin, duty relief and other licences in Trinidad and Tobago. They also reported lengthy delays in partner countries as a result of difficult entry requirements such as a stamp from the Council of Panama.

Importers reported delays in the administration of duty relief licences and goods clearance, and the arbitrary behaviour of Customs officials regarding valuation and classification. Law 173, which tied companies to a specific distributor in the Dominican Republic, was found to be highly restrictive.

#### **Policy Options**

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<sup>28</sup> These are outlined in World Trade Organization. Trade Policy Review: Trinidad and Tobago. Report by the Secretariat (op. cit.), pp. 21-22.

Manufacturing companies experienced a similar set of problems to food and agro-based ones, particularly in regard to inspection processes and procedures. Therefore, some policy options mentioned in section 2.7 also apply to the manufacturing sector.

One clear policy option is to strengthen the inspection processes and procedures at agencies such as Customs, Plant Quarantine Division and TTBS. Key areas to address include staffing, work practices, training and inter-agency co-ordination. Training should cover both Customs staff and customs brokers/clerks in areas such as valuation and tariff classification.

Some agencies need to increase awareness about their operations, including standards and procedures. This includes the role of TTBS, particularly in regard to goods examinations and fees, and Customs on the use of risk profiles.

The need to revise the Audit and Exchequer Act was highlighted in a few cases. Revision of this Act would allow for electronic payments.

The Port of Port of Spain recently installed new software to improve its operations but companies' observations indicate an urgent need to upgrade the port's hard infrastructure, including equipment, and to streamline operations on the port.

The absence of internationally-accredited laboratories in Trinidad and Tobago suggests a need for expanding and upgrading laboratory facilities. This is in respect of both public and private laboratories.

One company mentioned that the United States had successfully negotiated away the Law 173 requirement in the Dominican Republic through a recent trade agreement. CARICOM could therefore press for similar provisions in forthcoming trade negotiations with Latin and Central America. Other areas that Trinidad and Tobago could address in trade agreements are mutual recognition arrangements, particularly in relation to product registration, product testing, and product certification.

## Chapter 4 Conclusions and policy options

### The non-tariff measures survey in Trinidad and Tobago

Non-tariff measures are currently a major concern in international trade. In many instances, NTMs are imposed for entirely legitimate reasons but they often have the impact of limiting trade. They are also difficult to evaluate since they are both difficult to identify and measure. In order to increase the understanding of issues associated with NTMs, the ITC survey in Trinidad and Tobago reviewed the business perspective on barriers to trade. The survey covered not only NTMs but also POs and inefficiencies in the TBE. This expanded perspective proved to be especially useful for Trinidad and Tobago since businesses in the survey identified POs and inefficiencies in the TBE as being relatively more important than regulations.

The NTM survey revealed that companies in Trinidad and Tobago faced numerous obstacles to trade but exporters of food and agro-based goods were more seriously affected than companies exporting manufactured products. Technical requirements and conformity assessment were the most frequently-reported barriers to trade, and these had a relatively greater impact on trade in food and agro-based goods. Other major NTMs reported to affect both exports and imports were rules of origin/certificate of origin, and pre-shipment inspection and other entry formalities.

Other key findings of the survey include the dominance of POs/ inefficiencies in the TBE; a large number of obstacles reported in trade with CARICOM; and the fact that most POs/ inefficiencies in the TBE were reported to occur in domestic agencies.

Domestic policy action and action required within a regional/ international context are discussed below.

### Public-private dialogue at stakeholder meeting

A major objective of the ITC project on NTMs was to consult with national stakeholders to identify concrete policy options. During the survey analysis phase, a series of interviews were held with selected private sector associations and government agencies to derive some preliminary policy options (appendix IV). These options were discussed at a stakeholder meeting on 1<sup>st</sup> March 2013, which was attended by over 60 persons. The purpose of the meeting was to validate the survey results and explore policy recommendations. Details on the meeting Agenda, including a list of presenters and discussants, are shown at appendix VI.

### Policy options at the domestic level

#### 1. Strengthen inspection and other certification processes at key government agencies

The implementation of two, major electronic systems – TTBizLink and ASYCUDA World – has led to major improvements in the business and trade enabling environment. But survey findings suggest that there is now an urgent need to upgrade systems and processes where ‘the human element’ is important.

Companies pointed to inefficient processes for goods clearance, and for meeting the requirements of technical regulations, conformity assessment, rules of origin and licensing. These entailed lengthy delays in obtaining various clearances, certificates and licences. At the stakeholder meeting, participants also referred to delays in the issue of legal notices following meetings of the Council for Trade and Economic Development.

Reducing delays will require all relevant government agencies to strengthen their inspection and other certification processes. Among these are the Animal Health Division, CFDD, Customs, exporTT, Forestry Division, Plant Quarantine Division, Trade Licence Unit, Port of Port of Spain, TTBS and the Veterinary Public Health Unit. At the stakeholder meeting, participants also mentioned the Port Point Lisas.

From contributions at the stakeholder meeting, it was clear that numerous initiatives were underway to improve the trade environment for business. For example, the CFDD is currently re-engineering its certification processes to allow for quicker delivery of health certificates for food, drugs and cosmetics. The

aim is to reduce the certificate processing time from 2-5 days to 1 day. Other agencies are currently reviewing their processes to identify and remove existing bottlenecks.

Stakeholders recommended the setting up of a public-private sector Committee to address broad trade facilitation issues. Early discussions on this initiative have already started. Such a Committee could draw upon the results of the NTM survey, which pointed *inter alia* to the need for strengthening specific processes, for increased staff and training at various agencies, and for inter-agency co-ordination. Consideration could also be given to a suggestion at the stakeholder meeting to address both business and trade facilitation issues. This is in line with recommendations made at the 20<sup>th</sup> Forum of the United Nations Centre for Trade Facilitation and Electronic Business.

## 2. Continue on-going improvements at Customs and at ports

The survey revealed that procedural obstacles were most frequently encountered at Customs. This finding was not surprising since every exporter and importer must interact with that agency. Customs is also responsible for co-ordinating the goods clearance process, which involves many agencies.

Since the implementation of ASYCUDA World, Customs has continued to pursue reforms to benefit the business community. Participants at the stakeholder meeting acknowledged the numerous benefits being realised and offered a few suggestions for further improvement. One major suggestion related to the harmonization of ASYCUDA World and TTBizLink, an initiative that is currently being pursued by the Government. Others include expanding the Customs staff complement, and increasing training opportunities for customs officers. Specific areas for training are tariff classification and customs valuation. Improvements in these two areas would complement recent initiatives such as the advanced ruling process on tariff classification, and work of the Tariff Classification Committee.

In terms of port issues, Navis SPARCS N4 was recently introduced at the Port of Port of Spain to increase efficiency. This automated solution, which involves transactions from gate, to yard, to vessel has undoubtedly benefited the trading community. But companies in the survey pointed to the lack of modern equipment at the port, an insufficient number of bays, and resulting congestion, particularly at peak times. At the stakeholder meeting, participants indicated that similar problems exist at Port Point Lisas.

Given the technical nature of many port-related problems, one suggestion is for the Government to carry out comprehensive needs assessments at both the Port Point Lisas and Port of Port of Spain. These should cover the need for modern port equipment, for port expansion and ways of financing much-needed improvements.

## 3. Expand and upgrade testing laboratories to meet international standards, and more generally, improve the national quality infrastructure

Conformity assessment was the main type of NTM reported by companies in the survey. Issues relating to product testing, product certification and product registration affected both exporters and importers in many sectors. In some cases, companies reported an absence of local testing facilities for certain products. In others, the lack of internationally-accredited testing laboratories posed a major obstacle. Deficiencies were reported in both private and public laboratories. Companies stated, for example, that test results from the government chemist laboratory were not reliable. The stakeholder meeting heard that the CFDD was in the process of upgrading the government chemist laboratory to meet international standards. Officials emphasized, though, that laboratory accreditation was a long and expensive process, which would take time to complete.

Increasingly, both developed and developing countries are adopting more stringent technical requirements and insisting on conformity assessment procedures. This includes, for example, new requirements through the United States Foods Safety Modernization Act. If companies are to compete internationally, they will have to be able to demonstrate that they can meet the technical and other requirements in foreign markets.

There was widespread agreement at the stakeholder meeting on the need for strengthening Trinidad and Tobago's laboratory infrastructure. But participants also underlined the importance of building a strong national quality infrastructure to support the work of testing laboratories. Key components of a quality infrastructure are metrology, standards, testing, certification and accreditation. Testing laboratories need to

carry out tests according to accepted international standards. They must be able to show that their measurements are traceable to national measurement standards and, ultimately, to international measurement standards. Equipment in laboratories must be properly calibrated if testing results are to be trusted. A national metrology institute and calibration laboratories could support this. Further, the technical competence of laboratories and of certification bodies need to be confirmed by accreditation bodies. Accreditation is a critical component of a country's quality infrastructure since it gives confidence to all parties involved that the whole process can be trusted.

Stakeholders pointed to current initiatives to build the quality infrastructure within CARICOM and urged Trinidad and Tobago to consider its future plans within a regional context. Reference was made to CROSQ's work on standards and to on-going work by the EU to build the regional quality infrastructure. The latter involves the setting up of regional centres of excellence. Trinidad and Tobago could both contribute to, and benefit from such a regional initiative.

#### 4. Increase representation in foreign markets

In general, firms in Trinidad and Tobago have good knowledge about established markets such as those in North America and Europe. But far less information is available on trading opportunities and barriers to trade in the relatively new markets of Latin and Central America. Survey results revealed that companies faced difficult entry formalities, distribution restrictions (such as through Law 173) and complex product registration procedures in Costa Rica, Dominican Republic, Ecuador, Panama and the Bolivarian Republic of Venezuela.

At the stakeholder meeting, exporTT pointed to substantial efforts being made to assist businesses to penetrate Latin and Central American markets: through market surveys, provision of market intelligence, and advice on overcoming specific NTMs such as Law 173 in the Dominican Republic. Private sector associations also host trade missions to Latin and Central America, and provide business support to their members.

To complement current efforts, participants recommended that the Government establish trade facilitation offices in selected Latin and Central American markets or appoint trade attachés there. Such offices or personnel could provide comprehensive and timely advice on market requirements, and on ways of expediting business transactions.

#### 5. Prioritise and enact legislation to support trade

Outdated legislation was reported to pose a major obstacle to trade in specific areas. Companies in the survey complained that paying for certificates, licences, and permits was very time-consuming since government agencies accepted only cash and certified cheques. This problem, however, will soon be resolved. In February 2013 the Minister in the Ministry of Finance and the Economy (who is also the Minister of Trade, Industry and Investment) piloted a bill in the Trinidad and Tobago Parliament to amend the Exchequer and Audit Act, Chapter 69:01 (Act 20 of 1959, last amendment, 1998). The purpose of the amendment is to facilitate electronic transactions in the public sector, a move which will substantially reduce transactions costs for businesses.

Cocoa companies interviewed in the survey strongly criticised the Cocoa and Coffee Industry Act, Chapter 64:20 (Act No. 20 of 1961, last amendment, 1988). They considered the Act to be obsolete and work against the interests of small farmers. At the stakeholder meeting, participants stated that revisions to the Act were being drafted and all farmers, including small ones, would benefit substantially from changes being made. The CCIB was also working to simplify the documentation required for export.

Importers in the survey referred to the need for updating the Animals (Diseases and Importation) Act Chap. 67:02 of 1954 (last amendment in 1997). This Act has specific clauses on foot-and-mouth disease (FMD), and existing regulations were reported to affect trade with Latin America. At the stakeholder meeting, participants mentioned that existing regulations also affected meat imports from the EU. The broad policy recommendation was for Trinidad and Tobago to update its food safety risk profile for FMD to facilitate the sourcing of competitively-priced meat from other markets.

Private sector officials at the stakeholder meeting addressed a more general point on legislation: the need to prioritise the legislative agenda. In addition to the aforementioned legislation, they mentioned the need for full proclamation of Acts relating to metrology, electronic transactions, data protection, and the CARIFORUM-EC Economic Partnership Agreement. Participants also underlined the need to conduct regulatory impact assessments on existing and proposed regulations.

### **Policy options within a regional/ international setting**

Overcoming certain NTMs will require Trinidad and Tobago to enter into negotiations with partner countries. Since most NTMs and POs/ inefficiencies in the TBE were encountered in trade with CARICOM, discussions within a regional context should be a priority. At the stakeholder meeting, participants mentioned that the CARICOM Secretariat had recently announced the acceptance of applications for suspension and safeguard certificates by e-mail. This should result in quicker document processing times for these certificates.

Key issues to address with CARICOM countries include lengthy product registrations, complex labelling requirements, excessive certification requirements, inconsistent rules for certificates of origin and customs procedures, and delays in obtaining suspension and safeguard certificates. Discussions could take place either bilaterally, or within a regional context. One initiative to pursue at the bilateral level is the conclusion of mutual recognition arrangements (MRAs) between agencies. MRAs have the potential to remove obstacles associated with both technical requirements and conformity assessment.

The survey reported that random testing in the United States was an obstacle to trade with that country. With the implementation of legislation such as the United States Food Safety Modernization Act, inspections were likely to become more frequent and intense. In order to improve its conformity assessment infrastructure, Trinidad and Tobago could negotiate with donors for 'Aid for Trade' resources to upgrade its testing laboratories. Further, in view of the state of Trinidad and Tobago's quality infrastructure and highly technical work involved, a co-ordinated multi-donor effort may be needed.

Currently, Trinidad and Tobago's trade agreements have little coverage of NTMs. Indeed, it is a well-known fact that negotiating NTMs in trade agreements is difficult. Nevertheless, given its role in limiting trade, Trinidad and Tobago should pursue in all trade negotiations the removal of NTMs. To achieve success on this front, both public and private sector partners will have to work together to formulate strong negotiating positions and push for changes in policies, processes, and procedures.

## Appendix I Global methodology of the non-tariff measure surveys

### Non-tariff measure surveys

From 2008 to 2010,<sup>29</sup> the International Trade Centre (ITC) completed large-scale company-level surveys on burdensome non-tariff measures and other barriers to trade (NTM surveys hereafter) in 10 developing and least-developed countries on all continents.<sup>30</sup> In 2011, the NTM surveys were launched in 10 countries, with more currently going in 2012. The main objective of the NTM survey is to capture how businesses perceive burdensome NTMs and other obstacles to trade at a most detailed level – by product and partner country.

All surveys are based on a global methodology consisting of a core part and a country-specific part. The core part of the NTM survey methodology, described in this appendix is identical in all survey countries, enabling cross-country analyses and comparison. The country-specific part allows flexibility in addressing the requirements and needs of each participating country. The country-specific aspects and the particularities of the survey implementation in Malawi are covered in chapter 2 of this report.

### Scope and coverage of the non-tariff measure surveys

The objective of the NTM survey requires a representative sample allowing for the extrapolation of the survey result to the country level. To achieve this objective, the NTM survey covers at least 90% of the total export value of each participating country (excluding minerals and arms). The economy is divided into 13 sectors, and all sectors with more than a 2% share in total exports are included in the survey.

The NTM Survey sectors are defined as follows:

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

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<sup>29</sup> The work started back in 2006, when the Secretary-General of UNCTAD (United Nations Commission on Trade and Development) established the Group of Eminent Persons on Non-Tariff Barriers (GNTB). The main purpose of GNTB is to discuss definition, classification, collection and quantification of non-tariff barriers – to identify data requirements, and consequently advance understanding of NTMs and their impact on trade. To carry out the technical work of the GNTB, a Multi-Agency Support Team (MAST) was also set up. Since then, the ITC is advancing the work on NTMs in three directions. First, ITC has contributed to the international classification of non-tariff measures (NTM classification) that was finalized in October 2009. Second, ITC undertakes NTM Surveys in developing countries using the NTM classification. Third, ITC, UNCTAD and the World Bank jointly collect and catalogue official regulations on NTMs applied by importing markets (developed and developing). This provides a complete picture of NTMs as official regulations serve as a baseline for the analysis, and the surveys identify the impact of the measures on enterprises, and consequently, on international trade.

<sup>30</sup> The first NTM surveys were carried out in cooperation with UNCTAD in 2008–2009 in Brazil, Chile, India, the Philippines, Thailand, Tunisia and Uganda. The pilot surveys provided a wealth of materials allowing to significantly improve both the NTM classification and the NTM survey methodology.

Companies trading arms and minerals are excluded. The export of minerals is generally not subject to trade barriers due to a high demand, and the specificities of trade undertaken by large multinational companies. The export of arms is out of the scope of ITC activities.

The NTM surveys are undertaken among companies exporting and importing goods. Companies trading services are excluded, as a survey on NTMs in services would require a different approach and methodology. Yet, the NTM Survey includes companies specialized in the export-import process and services, such as agents, brokers, forwarding companies (referred to as 'trading agents' for brevity). These companies can be viewed as service companies, as they provide trade logistics services. The answers provided by trading agents are in most cases analysed separately from the answers of the companies that export their own products.

The NTM surveys cover legally registered companies of all sizes and types of ownership. Depending on country size and geography, one to four geographic regions with high concentrations of economic activities (high number of firms) are included in the sample.

## **Two-step approach**

The representatives of the surveyed companies, generally export/import specialists or senior-level managers, are asked to report trade-related problems experienced by their companies in the preceding year and representing a serious impediment for their operations. To identify companies that experience burdensome NTMs, the survey process consists of phone screens with all companies in the sample (step 1) and face-to-face interviews undertaken only with the companies that reported difficulties with NTMs during the phone screens (step 2).

### **Step 1: Phone screens**

The first step includes short phone screen interviews. Phone screens consist of questions identifying the main sector of activity of the companies and the direction of trade (export or import). The respondents are then asked whether their companies have experienced burdensome NTMs. If a company does not report any issues with NTMs, the phone screen is terminated. Companies that report difficulties with NTMs are invited to participate in an in-depth face-to-face interview, and the time and place for this interview is scheduled before terminating phone screen.

### **Step 2: Face-to-face interviews**

The second-step interviews are required to obtain all the details of burdensome NTMs and other obstacles at the product and partner country level. These interviews are conducted face-to-face due to the complexity of the issues related to NTMs. Face-to-face interactions with experienced interviewers helps to ensure that respondents correctly understand the purpose and the coverage of the survey, and accurately classify their responses in accordance with predefined categories.

The questionnaire used to structure face-to-face interviews consists of three main parts. The first part covers the characteristics of the companies: number of employees, turnover and share of exports in total sales, whether the company exports their own products or represents a trading agent providing export services to domestic producers.

The second part is dedicated to exporting and importing activities of the company, with all trade products and partner countries recorded. During this process, the interviewer also identifies all products affected by burdensome regulations and countries applying these regulations.

During the third part of the interview, each problem is recorded in detail. A trained interviewer helps respondents identify the relevant government-imposed regulations, affected products (6-digit level of the Harmonized System), the partner country exporting or importing these products, and the country applying the regulation (it can be partner, transit or home country).



Each burdensome measure (regulation) is classified according to the NTM classification, an international taxonomy of NTMs, consisting of over 200 specific measures grouped into 16 categories (see appendix II). The NTM classification is the core of the survey, making it possible to apply a uniform and systematic approach to recording and analysing burdensome NTMs in countries with very idiosyncratic trade policies and approaches to NTMs.

The face-to-face questionnaire captures not only the type of burdensome NTMs, but also the nature of the problem (so called procedural obstacles explaining why measures represent an impediment), the place where each obstacle takes place, and the agencies involved, if any. For example an importing country can require the fumigation of containers (NTM applied by the partner country), but fumigation facilities are expensive in the exporting country, resulting in a significant increase in export costs for the company (POs located in the home country). The companies can also report generic problems not related to any regulation, but affecting their export or import, such as corruption and lack of export infrastructure. These issues are referred to as problems related to business environment (see appendix III).

### **Local survey company**

Both phone screens and face-to-face interviews are carried out by a local partner selected through a competitive bidding procedure. The partner is most often a company specializing in surveys. Generally, the NTM surveys are undertaken in local languages. The phone screens are recorded either by a Computer Assisted Telephone Interview system, computer spreadsheets, or on paper. The face-to-face interviews are initially captured using paper-based interviewer-led questionnaires that are then digitalized by the partner company using a spreadsheet-based system developed by ITC.

### **Open-ended discussions**

During the surveys of companies and preparation of the report, open-ended discussions are held with national experts and stakeholders, for example trade support institutions and sector/export associations. These discussions provide further insights, quality check and validation of the survey results. The participants review the main findings of the NTM survey and help to explain the reasons for the prevalence of the certain issues and their possible solutions.

The open-ended discussions are carried out by the survey company, a partner in another local organization or university, or by graduate students participating in the special fellowship organized in cooperation with Columbia University (United States).

### **Confidentiality**

The NTM survey is confidential. Confidentiality of the data is paramount to ensure the greatest degree of participation, integrity and confidence in the quality of the data. The paper-based and electronically captured data is transmitted to ITC at the end of the survey.

### **Sampling technique**

The selection of companies for the phone screen interviews of the NTM survey is based on the stratified random sampling. In a stratified random sample, all population units are first clustered into homogeneous groups ('strata'), according to some predefined characteristics, chosen to be related to the major variables being studied. In the case of the NTM surveys, companies are stratified by sector, as the type and incidence of NTMs are often product-specific. Then simple random samples are selected within each sector.

The NTM surveys aim to be representative at the country level. A sufficiently large number of enterprises should be interviewed within each export sector to ensure that the share of enterprises experiencing burdensome NTMs is estimated correctly and can be extrapolated to the entire sector. To achieve this

objective, a sample size for the phone screens with exporting companies is determined *independently for each export sector*.<sup>31</sup>

For importing companies, the sample size is defined at the country level. The sample size for importing companies can be smaller than the sample size for exporters, mainly for two reasons. First, the interviewed exporting companies are often import intermediaries and provide reports on their experiences with NTMs as both exporters and importers. Second, problems experienced by importing companies are generally linked to domestic regulations required by their home country. Even with a small sample size for importing companies, the effort is made to obtain a representative sample by import sectors and the size of the companies.

Exporting companies have difficulties with both domestic regulations and regulations applied by partner countries that import their products. Although the sample size is not stratified by company export destinations, a large sample size permits a good selection of reports related to various export markets (regulations applied by partner countries). By design, large trading partner are mentioned more often during the survey, simply because it is more likely that the randomly selected company would be exporting to one of the major importing countries.

The sample size for face-to-face interviews depends on the results of the phone screen interviews.

### Average sample size

Based on the results of the NTM surveys in 10 countries, the number of successfully completed phone screens can range from 150 to 1,000, with subsequent 150 to 300 face-to-face interviews with exporting and importing companies. The number of phone screens is mainly driven by the size and the structure of the economy, availability and quality of the business register and the response rate. The sample size for the face-to-face interviews depends on the number of affected companies and their willingness to participate in the face-to-face interviews.

### Survey data analysis

The analysis of the survey data consists of constructing frequency and coverage statistics along several dimensions, including product and sector, NTMs and their main NTM categories (e.g. technical measures, quantity control measures), and various characteristics of the surveyed companies (e.g. size and degree of foreign ownership).

The frequency and coverage statistics are based on 'cases'. A case is the most disaggregated data unit of the survey. By construction, each company participating in a face-to-face interview reports at least one

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<sup>31</sup> The sample size depends on the number of exporting companies per sector and on the assumptions regarding the share of exporting companies that are affected by NTMs in the actual population of this sector. The calculation of a sample size will be based on the equation below (developed by Cochran, 1963) to yield a representative sample for proportions in large populations (based on the assumption of normal distribution).

$$n_o = \frac{t^2 * p(1-p)}{d^2}$$

Where

$n_o$  : Sample size for large populations

$t$ : t-value for selected margin of error (d). In the case of the NTM survey 95% confidence interval is accepted, so t-value is 1.96.

$p$ : The estimated proportion of an attribute that is present in the population. In the case of the NTM survey, it is a proportion of companies that experience burdensome NTMs. As this proportion is not known prior to the survey, the most conservative estimate leading to a large sample size is employed, that is  $p=0.5$ .

$d$ : Acceptable margin of error for the proportion being estimated. In other words, a margin of error that the researcher is willing to accept. In the case of NTM survey  $d=0.1$ .

**Source:** Cochran, W.G. 1963. *Sampling Techniques*, 2<sup>nd</sup> Ed., New York: John Wiley and Sons, Inc.

case of burdensome NTMs, and, if relevant, related procedural obstacles and problems with the business environment.

Each case of each company consists of one NTM (a government-mandated regulation, for example sanitary and phytosanitary [SPS] certificate), one product affected by this NTM, and partner country applying the reported NTM. For example, if there are three products affected by the very same NTM applied by the same partner country and reported by one company, the results would include 3 cases. If two different companies report the same problem, it would be counted as two cases.

The scenario where several partner countries apply the same type of measure is recorded as several cases. The details of each case (e.g. the name of the government regulations and its strictness) can vary as regulations mandated by different countries are likely to differ. However, if the home country of the interviewed companies applies an NTM to a product exported by a company to several countries, the scenario will be recorded as a single NTM case. Furthermore, when an interviewed company both exports and imports, and reports cases related to both activities, it is included in the analysis two times: once for the analysis of exports and once for the analysis of imports. The distinction is summarized in the table below.

### Dimensions of an NTM case

Country applying the measure Dimensions	Home country (where survey is conducted)	Partner countries (where goods are exported to or imported from) and transit countries
Reporting company	X	X
Affected product (HS 6-digit code or national tariff line)	X	X
Applied NTM (measure-level code from the NTM classification)	X	X
Trade flow (export or import)	X	X
Partner country applying the measure		X

Cases of POs and problems with the business environment are counted in the same way as NTM cases. The statistics are provided separately from NTMs, even though in certain instances they are closely related. (For example, delays can be caused by the pre-shipment inspection requirements). As many of the POs and problems with the business environment are not product-specific, the statistics are constructed along two dimensions: type of obstacles and country where they occur, as well as agencies involved.

### Enhancing local capacities

The NTM surveys enhance national capacities by transmitting skills and knowledge to a local partner company. ITC does not implement the surveys, but guides and supports a local survey company and experts in doing this.

Before the start of the NTM survey, the local partner company, including project managers and interviewers are fully trained on the different aspects of the NTMs, the international NTM classification, and the ITC NTM survey methodology. ITC representatives stay in the country for the launch of the survey and initial interviews, and remain in contact with the local partner during the entire duration of the survey, usually around six months, to ensure a high quality of survey implementation. ITC experts closely follow the work of the partner company, providing a regular feedback on the quality of the captured data

(including classification of NTMs) and the general development of the survey, helping the local partner to overcome any possible problems.

Furthermore, ITC helps to construct a business register (list of exporting and importing companies with contact details) which remains at the disposal of the survey company and national stakeholders. The business register is a critical part of any company-level survey, but unfortunately it is often unavailable, even in the advanced developing countries. ITC puts much time, effort and resources into constructing a national business register of exporting and importing companies. The initial information is obtained with the help of national authorities and other stakeholders (e.g. sectoral associations). In cases where it is not available from government sources or a sectoral association, ITC purchases information from third companies, and in certain cases digitalizes it from paper sources. The information from various sources is then processed and merged into a comprehensive list of exporting and importing companies.

So, upon completion of the NTM survey, the local partner company is fully capable of independently implementing a follow-up survey or other company-level surveys, as it is equipped with the business register and trained on the survey, trade and NTM-related issues.

### **Caveats**

The utmost effort is made to ensure the representativeness and the high quality of the survey results, yet several caveats must be kept in mind.

First, the NTM surveys generate perception data, as the respondents are asked to report burdensome regulations representing a serious impediment to their exports or imports. The respondents may have different scales for judging what constitutes an impediment. The differences may further intensify when the results of the surveys are compared across countries, stemming from cultural, political, social, economic and linguistic differences. Furthermore, some inconsistency may be possible among interviewers (e.g. related to matching reported measures against the codes of the NTM classification) due to the complex and idiosyncratic nature of NTMs.

Second, in many countries a systematic business register covering all sectors is not available or not complete. As a result, it may be difficult to ensure random sampling within each sector, and a sufficient rate of participation in smaller sectors. Whenever this is the case, the survey limitations are explicitly provided in the corresponding report.

Finally, certain NTM issues are not likely to be known by the exporting and importing companies. For example, exporters may not know the demand-side constraints behind the borders, e.g. 'Buy domestic' campaigns. Furthermore, the scope of the survey is limited to legally operating companies, and does not include unrecorded trade, e.g. shuttle traders.

### **After the non-tariff measure survey**

The findings of each NTM survey are presented and discussed at a dissemination workshop. The workshop brings together government officials, experts, companies, donors, non-governmental organizations (NGOs) and academics. It fosters a dialogue on NTM issues and helps identify possible solutions to the problems experienced by exporting and importing companies.

The NTM survey results serve as a diagnostic tool for identifying and solving predominant problems. This can be realized at the national or international level. The survey findings can also serve as a basis for designing projects to address the problems identified and for supporting fundraising activities.

## Appendix II Non-tariff measure classification

Importing countries are very idiosyncratic in the ways they apply non-tariff measures. This called for an international taxonomy of NTMs, which was prepared by a group of technical experts from eight international organizations, including the Food and Agriculture Organization, the International Monetary Fund, the International Trade Centre, the Organization for Economic Co-operation and Development, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization, the World Bank and the World Trade Organization. It was finalized in November 2009 and is used to collect, classify, analyse and disseminate information on NTMs received from official sources, e.g. government regulations. For the purpose of the large-scale company surveys on NTMs, ITC uses a simplified version of this international classification.

The NTM classification for surveys differentiates measures according to 16 chapters (denoted by alphabetical letters, see figure below), each comprising sub-chapters (denoted by two letters) and the individual measures (denoted by two letters and a number). The following sketches the content of each of the 16 chapters.

**Chapter A**, on technical regulations, refers to product-related requirements. They are legally binding and set by the importing country. They define the product characteristics, technical specifications of a product or the production process and post-production treatment and comprise the applicable administrative provisions, with which compliance is mandatory. Technical requirements include sanitary and phytosanitary measures, which are generally implemented to protect human, animal and plant life and health.

**Chapter B**, on conformity assessment, refers to measures determining whether a product or a process complies with the technical requirements specified under chapter A. Conformity assessments include control, inspection and approval procedures – such as testing, inspection, certification and traceability – which confirm and control that a product fulfils the technical requirements and mandatory standards imposed by the importing country, for example to safeguard the health and safety of consumers.

**Chapter C**, on pre-shipment inspection and other formalities, refers to the practice of checking, consigning, monitoring and controlling the shipment of goods before or at entry into the destination country.

**Chapter D**, on charges, taxes and other para-tariff measures, refers to measures other than tariffs that increase the cost of imports in a similar manner, i.e. by a fixed percentage or by a fixed amount. They are also known as para-tariff measures. Customs surcharges and general sales taxes are examples.

**Chapter E**, on licences, quotas, prohibitions and other quantity control measures, includes measures that restrain the quantity of goods that can be imported, regardless of whether they come from different sources or from one specific supplier. These measures can take the form of restrictive licensing, fixing of a predetermined quota, or through prohibitions.

**Chapter F**, on finance measures, refers to measures that are intended to regulate the access to and cost of foreign exchange for imports and define the terms of payment. They may increase import costs in the same manner as tariff measures.

**Chapter G**, on price control measures, includes measures implemented to control the prices of imported articles in order to: support the domestic price of certain products when the import price of these goods is lower; establish the domestic price of certain products because of price fluctuation in domestic markets, or price instability in a foreign market; and counteract the damage resulting from the occurrence of 'unfair' foreign trade practices.

**Chapter H**, on anti-competitive measures, refers to measures that are intended to grant exclusive or special preferences or privileges to one or more limited groups of economic operators.

**Chapter I**, on trade-related investment measures, refers to measures that restrict investment by requesting local content, or requesting that investment be related to export to balance imports.

**The structure of the NTM classification**

**A to O. Import related measures**

Measures imposed by the country importing the goods. From the perspective of an exporter, these are the measures applied by the destination country of your product. From the perspective of an importer, these are the measures applied by your own country on the goods that you import.

Technical measures	A. Technical requirements	
	B. Conformity assessment	
Non-technical measures	C. Pre-shipment inspection and other entry formalities	
	D. Charges, taxes and other para-tariff measures	
	E. Quantity control measures (e.g. licences, quotas, prohibitions)	
	F. Finance measures	
	G. Price control measures	
	H. Anti-competitive measures	L. Subsidies
	I. Trade-related investment measures	M. Government procurement restrictions
	J. Distribution restrictions	N. Intellectual property
	K. Restriction on post-sales services	O. Rules of origin and related certificate of origin

**P. Export related measures**

Measures imposed by the country exporting the goods. From the perspective of an exporter, these are the measures imposed by your own country on the goods you export from your country. From the perspective of an importer, these measures are imposed by the country of origin on the goods you import from this country.

**Chapter J**, on distribution restrictions, refers to restrictive measures related to the internal distribution of imported products.

**Chapter K**, on restrictions on post-sales services, refers to measures restricting the provision of post-sales services in the importing country by producers of exported goods.

**Chapter L**, on subsidies, includes measures related to financial contributions by a government or government body to a production structure, be it a particular industry or company, such as direct or potential transfer of funds (e.g. grants, loans, equity infusions), payments to a funding mechanism and income or price support.

**Chapter M**, on government procurement restrictions, refers to measures controlling the purchase of goods by government agencies, generally by preferring national providers.

**Chapter N**, on intellectual property, refers to measures related to intellectual property rights in trade. Intellectual property legislation covers patents, trademarks, industrial designs, lay-out designs of integrated circuits, copyright, geographical indications and trade secrets.

**Chapter O**, on rules of origin, covers laws, regulations and administrative determinations of general application applied by the governments of importing countries to determine the country of origin of goods.

**Chapter P**, on export-related measures, encompasses all measures that countries apply to their exports. It includes export taxes, export quotas or export prohibitions, among others.

## Appendix III Procedural obstacles

### List of procedural obstacles related to compliance with non-tariff measures and to inefficient business environment and infrastructure

A.	Administrative burdens	A1. Large number of different documents <i>(please specify number of documents)</i> A2. Documentation is difficult to fill out A3. Difficulties with translation of documents from or into other languages <i>(please specify language)</i> A4. Large number of checks (e.g. inspections, checkpoints, weigh bridges – <i>please specify the number and type of the checks)</i> A5. Numerous administrative windows/organizations involved <i>(please specify number / type of involved windows/organizations)</i>
B.	Information/transparency issues	B1. Information is not adequately published and disseminated B2. No due notice for changes in procedure B3. Regulations change frequently B4. Requirements and processes differ from information published
C.	Inconsistent or discriminatory behaviour of officials	C1. Inconsistent classification of products C2. Inconsistent or arbitrary behaviour of officials
D.	Time constraints	D1. Delay in administrative procedures <i>(please specify number of days)</i> D2. Delay during transportation <i>(please specify number of days)</i> D3. Deadlines set for completion of requirements are too short <i>(please specify required time)</i>
E.	Payment	E1. Unusually high fees and charges <i>(please specify amount)</i> E2. Informal payment, e.g. bribes <i>(please specify amount)</i> E3. Need to hire a local customs agent to get shipment unblocked
F.	Infrastructural challenges	F1. Limited/inappropriate facilities <i>(e.g. storage, cooling, testing, fumigation – please specify)</i> F2. Inaccessible/limited transportation system <i>(e.g. poor roads, road blocks – please specify)</i> F3. Technological constraints, e.g. information and communications technology <i>(please specify)</i>
G.	Security	G1. Low security level for persons and goods
H.	Legal constraints	H1. No advance binding ruling procedure H2. No dispute settlement procedure H3. No recourse to independent appeal procedure H4. Poor intellectual property rights protection, e.g. breach of copyright, patents, trademarks, etc. H5. Lack of recognition, e.g. of national certificates
I.	Other	I1. Other obstacles <i>(please specify)</i>



## **Appendix IV    Experts and stakeholders interviewed**

Cocoa and Coffee Industry Board of Trinidad and Tobago

Customs and Excise Division, Ministry of Finance and the Economy

Customs Clerks & Customs Brokers Association of Trinidad and Tobago

Ministry of Food Production, Land and Marine Affairs

Ministry of Trade, Industry and Investment

Printing and Packaging Industry Council of Trinidad and Tobago

Trinidad and Tobago Bureau of Standards

Trinidad and Tobago Chamber of Industry and Commerce

Trinidad and Tobago Manufacturers Association

## Appendix V Results of face-to-face interviews, by sector

**Table A: Export of food and agro-based products: burdensome NTMs applied by partner countries**

SITC code	Product	Export value in 2009, \$000	Share in agriculture export value	Technical requirements	Conformity assessment	Rules of origin and certificates of origin	Pre-shipment inspection and other entry formalities	Charges, taxes, and other para-tariff measures	Quantity control measures	Total
098	Edible products and preparations, n.e.s.	14,990	5.0%	6	9	2	6	1	1	25
059	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit (abridged)	17,514	5.9%	5	6	4		3		18
022	Milk and cream and milk products other than butter or cheese	5,456	1.8%	12	5					17
075	Spices	1,120	0.4%		8			2	2	12
048	Cereal preparations and preparations of flour (abridged)	46,080	15.4%	4		6	1			11
062	Sugar confectionery	3,385	1.1%	5	1					6
073	Chocolate and other food preparations containing cocoa, n.e.s.	6,817	2.3%	5						5
111	Non-alcoholic beverages, n.e.s.	62,157	20.8%	1				2	1	4
071	Coffee and coffee substitutes	275	0.1%		1		2			3
551	Essential oils, perfume and flavour materials	1,529	0.5%		2					2
058	Fruit, preserved, and fruit preparations (excluding fruit juices)	8,854	3.0%	1	1					2
019	Margarine and shortening	7,063	2.4%			1				1
056	Vegetables, roots and tubers, prepared or preserved, n.e.s.	2,837	0.9%	1						1
112	Alcoholic beverages	34,873	11.7%		1					1
	<b>Total affected products</b>	<b>212,950</b>	<b>71.2%</b>	<b>40</b>	<b>34</b>	<b>13</b>	<b>9</b>	<b>8</b>	<b>4</b>	<b>108</b>
	<b>Share of total NTMs</b>	<b>37%</b>	<b>31%</b>	<b>12%</b>	<b>8%</b>	<b>7%</b>	<b>4%</b>			<b>100%</b>

SITC code	Product	Export value in 2009, \$000	Share in agriculture export value	Technical requirements	Conformity assessment	Rules of origin and certificates of origin	Pre-shipment inspection and other entry formalities	Charges, taxes, and other para-tariff measures	Quantity control measures	Total
	Partner countries	<b>CARICOM</b>								
				Barbados (16) Jamaica (11), Dominica (3), Grenada (1)	Jamaica (4) Barbados (2), Dominica (1) Saint Lucia (1), Suriname (1)	Guyana (8), Jamaica (2)		Saint Lucia (6), Saint Vincent and the Grenadines (1), Dominica (1)	Saint Lucia (1)	59
		<b>United States of America</b>								
				United States (4)	United States (11)	United States (1)	United States (3)			19
		<b>Latin and Central America</b>								
					Costa Rica (3), The Bolivarian Republic of Venezuela (3)		Dominican Republic (3)		The Bolivarian Republic of Venezuela (3)	12
		<b>Other</b>								
			Canada (5)	United Kingdom (7), Nigeria (1)	Canada (2)	Canada (3)			18	

Source: ITC survey on NTMs.

**Table B: Export of food and agro-based products: burdensome NTMs applied by Trinidad and Tobago**

SITC code	Product	Export value in 2009 (\$'000)	Share in Agriculture export value	Export registration	Certification required by exporting country	Export quotas and licensing	Export taxes and charges	Export inspection	Other export related measures	Total
072	Cocoa	1,973	0.7%	1	2	4			1	8
112	Alcoholic beverages	34,873	11.7%	2			2		1	5
098	Edible products and preparations, n.e.s.	14,990	5.0%	2						2
112	Tobacco, manufactured (whether or not containing tobacco substitutes)	42,325	14.1%	1			1			2
075	Spices	1,120	0.4%	1						1
046	Meal and flour of wheat and flour of meslin	4,408	1.5%					1		1
037	Fish, crustaceans, molluscs and other aquatic invertebrates, prepared or preserved, n.e.s.	393	0.1%		1					1
058	Fruit, preserved, and fruit preparations (excluding fruit juices)	8,854	3.0%	1						1
071	Coffee and coffee substitutes	275	0.1%	1						1
111	Non-alcoholic beverages, n.e.s.	62,157	20.8%						1	1
081	Feeding stuff for animals (not including unmilled cereals)	3,603	1.2%		1					1
	<b>Total affected products</b>	<b>174,971</b>	<b>58.5%</b>	<b>9</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>24</b>
	<b>Share of total NTMs</b>			<b>38%</b>	<b>17%</b>	<b>17%</b>	<b>13%</b>	<b>4%</b>	<b>13%</b>	<b>100%</b>

Source: ITC survey on NTMs.

**Table C: Imports of food and agro-based products: burdensome NTMs applied by partner countries and linkages with POs/ inefficiencies in the TBE**

NTM	NTM cases without POs/ inefficiencies in the TBE	NTM cases with POs/ inefficiencies in the TBE	Procedural obstacle	Number of POs/ inefficiencies in the TBE		Total
				Partner country	Trinidad and Tobago	
Technical requirements	1	32	Large number of different documents		3	3
			Numerous administrative windows/organizations involved, redundant documents		2	2
			Information on selected regulation is not adequately published and disseminated		2	2
			Requirements and processes differ from information published		1	1
			Arbitrary behaviour of officials with regards to the reported regulation		4	4
			Delay related to reported regulation	2	14	16
			Unusually high fees and charges for reported certificate/regulation		2	2
			Limited/inappropriate facilities for sector-specific transport and storage	2		2
			Other procedural obstacles, please specify		10	10
Conformity assessment	2	48	Difficulties with translation of documents from or into other languages		1	1
			Numerous administrative windows/organizations involved, redundant documents		2	2
			Information on selected regulation is not adequately published and disseminated		7	7
			No due notice for changes in selected regulation and related procedures		4	4
			Arbitrary behaviour of officials with regards to the reported regulation		12	12
			Delay related to reported regulation		41	41
			Unusually high fees and charges for reported certificate/regulation	4	16	20
			Limited/inappropriate facilities for testing		10	10
			Limited/inappropriate facilities for sector-specific transport and storage		1	1
			Other limited/inappropriate facilities, related to reported certificate/regulation		1	1
			Other problems with international recognition, e.g. lack of recognition of national certificates		4	4
Other procedural obstacles		10	10			

NTM	NTM cases without POs/inefficiencies in the TBE	NTM cases with POs/inefficiencies in the TBE	Procedural obstacle	Number of POs/inefficiencies in the TBE		Total
				Partner country	Trinidad and Tobago	
Pre-shipment inspection and other entry formalities	4	50	Large number of different documents		2	2
			Numerous administrative windows/organizations involved, redundant documents		6	6
			No due notice for changes in selected regulation and related procedures		1	1
			Arbitrary behavior of officials with regards to the reported regulation		7	7
			Delay related to reported regulation		37	37
			Unusually high fees and charges for reported certificate/regulation		44	44
			Informal payment, e.g. bribes for reported certificate/regulation		3	3
			Other limited/inappropriate facilities, related to reported certificate/regulation		2	2
			Other procedural obstacles		2	2
Charges, taxes and other para-tariff measures	4	22	Numerous administrative windows/organizations involved, redundant documents		2	2
			Arbitrary behavior of officials with regards to the reported regulation		6	6
			Delay related to reported regulation		22	22
			Unusually high fees and charges for reported certificate/regulation		12	12
Quantity control measures	2	34	Large number of different documents		5	5
			Numerous administrative windows/organizations involved, redundant documents		3	3
			Requirements and processes differ from information published		1	1
			Delay related to reported regulation	8	24	32
			Unusually high fees and charges for reported certificate/regulation		1	1
			Other procedural obstacles		4	4
Rules of origin and related certificate of origin	0	4	Delay related to reported regulation	4		4
			Unusually high fees and charges for reported certificate/regulation	4		4
<b>Total</b>	<b>13</b>	<b>190</b>		<b>24</b>	<b>331</b>	<b>355</b>

Sub-sector	SITC code	Product	Export value in 2009, \$000	Share in manufacturing export value (%)	Conformity assessment	Technical requirements	Rules of origin and related certificate of origin	Quantity control measures	Pre-shipment inspection and other entry formalities	Distribution restrictions	Finance measures	Total
Chemicals and related products	591	Insecticides, rodenticides, fungicides, herbicides, plant-growth regulators, disinfectants (abridged)	5,061	3.6%	16		3			1		20
	553	Perfumery, cosmetic or toilet preparations (excluding soaps)	3,308	2.4%	13			2				15
	554	Soap, cleansing and polishing preparations	27,300	19.5%	1	2	7					10
		<b>Subtotal</b>	<b>35.669</b>	<b>25.5%</b>	<b>30</b>	<b>2</b>	<b>10</b>	<b>2</b>		<b>1</b>		<b>45</b>
Wood, wood products and paper	635	Wood manufactures, n.e.s.	2,893	2.1%	1	4	2	7				14
	634	Veneers, plywood, particle board, and other wood, worked, n.e.s.	392	0.3%		4		4				8
	642	Paper and paperboard, and articles of paper or paperboard (abridged)	45,709	32.7%				1	2			3
		<b>Subtotal</b>	<b>62.829</b>	<b>35.1%</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>12</b>	<b>2</b>			<b>25</b>
Textile and clothing	844	Women's or girls' coats, capes, jackets, suits, trousers (abridged)	1,171	0.8%	4	4	4		4			16
	845	Articles of apparel, of textile fabrics, whether or not knitted/ crocheted,	1,411	1.0%	1	1	1		1			4
	658	Made-up articles, wholly or chiefly of textile materials, n.e.s.	930	0.7%	1	1	1		1			4
		<b>Subtotal</b>	<b>3.512</b>	<b>2.5%</b>	<b>6</b>	<b>6</b>	<b>6</b>		<b>6</b>			<b>24</b>
Equip-ment	741	Heating and cooling equipment and parts thereof. n.e.s.	6,051	4.3%	6	2			4	2	2	16
		<b>Subtotal</b>	<b>6.051</b>	<b>4.3%</b>	<b>6</b>	<b>2</b>			<b>4</b>	<b>2</b>	<b>2</b>	<b>16</b>
Other products	894	Baby carriages, toys, games and sporting goods	1,556	1.1%		4		2				6
	821	Furniture and parts thereof; bedding, mattresses, mattress supports, cushions (abridged)	7,051	5.0%		5						5

Source: ITC survey on NTMs.

**Table D: Exports of manufactured products: burdensome NTMs applied by partner countries**

Sub-sector	SITC code	Product	Export value in 2009, \$000	Share in manufacturing export value (%)	Conformity assessment	Technical requirements	Rules of origin and related certificate of origin	Quantity control measures	Pre-shipment inspection and other entry formalities	Distribution restrictions	Finance Measures	Total
Other products	893	Articles, n.e.s., of plastics	19,531	14.0%		1	4					5
	892	Printed matter	13,835	9.9%					1			1
	831	Trunks, suitcases, vanity cases, executive cases, briefcases, school satches, other cases (abridged)	198	0.1%	1	1	1		1			4
	896	Works of art, collectors' pieces and antiques	3,394	2.4%				1				1
		<b>Subtotal</b>		<b>32.6%</b>	<b>1</b>	<b>11</b>	<b>5</b>	<b>3</b>	<b>2</b>			<b>22</b>
		<b>Total affected products</b>	<b>139,791.0</b>	<b>8.6%</b>	<b>44</b>	<b>29</b>	<b>23</b>	<b>17</b>	<b>14</b>	<b>3</b>	<b>2</b>	<b>132</b>
		<b>Share of total NTMs</b>			<b>33.3%</b>	<b>22%</b>	<b>17.4%</b>	<b>12.9%</b>	<b>10.6%</b>	<b>2.3%</b>	<b>1.5%</b>	<b>100%</b>
		<b>Partner countries</b>	<b>CARICOM</b>									
			Jamaica (10), Barbados (2), Antigua and Barbuda (1), Bahamas (1), Dominica (1), Guyana (1), Saint Vincent and the Grenadines (1)	Haiti (5), Barbados (4), Jamaica (4), Grenada (2), Saint Lucia (2), Antigua and Barbuda (1)	Grenada (6), Guyana (4), Barbados (3), Jamaica (1), Saint Lucia (1), Saint Vincent and the Grenadines (1)	Barbados (6), Grenada (3), Saint Lucia (2), Saint Vincent and the Grenadines (2), Dominica (1)	Guyana (3)					<b>68</b>
			<b>United States of America</b>									
			United States (11)	United States (8)			United States (7)					<b>26</b>
			<b>Latin and Central America</b>									
			Bolivarian Republic of Venezuela (5), Ecuador (4), Cuba (2), Dominican Republic (1)	Bolivarian Republic of Venezuela (2)			Cuba (2), the Bolivarian Republic of Venezuela (2)	DR(3)	Bolivarian Republic of Venezuela (2)			<b>23</b>
		<b>Other countries</b>										
		Ghana(4)	United Kingdom (1)	Guadeloupe (7)	China (2), Panama (1)						<b>15</b>	

Source: ITC survey on NTMs.



**Table E: Export of manufactured products: burdensome NTMs applied by Trinidad and Tobago**

Sub-sector	SITC code	Product	Export value in 2009, \$000	Share in manufacturing export value	Export registration	Measures on re-export	Licensing or permit to export	Other export quantitative restrictions	Certification required by exporting country	Export taxes and charges	Other export related measures	Total
Chemicals and related products	533	Pigments, paints, varnishes and related materials	6,622	3.9%	2		1					3
	592	Starches, inulin and wheat gluten; albuminoidal substances; glues	741	0.4%		3						3
	553	Perfumery, cosmetic or toilet preparations (excluding soaps)	3,308	2.0%							2	2
	554	Soap, cleansing and polishing preparations	27,300	16.2%							1	1
	591	Insecticides, rodenticides, fungicides, herbicides, plant-growth regulators, disinfectants (abridged)	5,061	3.0%							1	1
		<b>Subtotal</b>	<b>43,032</b>		<b>2</b>	<b>3</b>	<b>1</b>				<b>4</b>	<b>10</b>
Wood, wood products and paper	642	Paper and paperboard, cut to size or shape, and articles of paper or paperboard	45,709	27.0%	4							4
	641	Paper and paperboard	10,684	6.3%	1						1	2
	634	Veneers, plywood, particle board, and other wood, worked, n.e.s.	392	0.2%							1	1
	635	Wood manufactures, n.e.s.	93	1.7%							1	1
		<b>Subtotal</b>	<b>59,678</b>		<b>5</b>						<b>3</b>	<b>8</b>
Machinery and equipment	741	Heating and cooling equipment and parts thereof, n.e.s.	6,051	3.6%	1	2						3
	778	Electrical machinery and apparatus, n.e.s.	9,567	5.7%		1			1			2
	784	Parts and accessories of the motor vehicles of groups 722, 781, 782 and 783	1,510	0.9%	1							1
		<b>Subtotal</b>	<b>17,128</b>		<b>2</b>	<b>3</b>			<b>1</b>			<b>6</b>

Source: ITC survey on NTMs.

**Table F: Imports of manufactured products: burdensome NTMs applied by partner countries and linkages with POs/ inefficiencies in the TBE**

NTM	NTM cases without POs/ inefficiencies in the TBE	NTM cases with POs/ inefficiencies in the TBE	Procedural obstacle	Number of POs/ inefficiencies in the TBE		Total
				Partner country	Trinidad and Tobago	
Technical requirements	2	40	Numerous administrative windows/organizations involved, redundant documents		1	1
			Information on selected regulation is not adequately published and disseminated		3	3
			No due notice for changes in selected regulation and related procedures		5	5
			Requirements and processes differ from information published		2	2
			Arbitrary behaviour of officials with regards to the reported regulation		7	7
			Delay related to reported regulation	2	37	39
			Unusually high fees and charges for reported certificate/regulation	1	7	8
			Other limited/inappropriate facilities, related to reported certificate/regulation		1	1
			Other procedural obstacles		1	1
Conformity assessment	3	26	Documentation is difficult to fill out		1	1
			Numerous administrative windows/organizations involved, redundant documents		2	2
			Information on selected regulation is not adequately published and disseminated		2	2
			Arbitrary behavior of officials with regards to the reported regulation		11	11
			Delay related to reported regulation		16	16
			Unusually high fees and charges for reported certificate/regulation		11	11
			Limited/inappropriate facilities for testing		4	4
			Other limited/inappropriate facilities, related to reported certificate/regulation		3	3
			Other problems with international recognition, e.g. lack of recognition of national		4	4
Pre-shipment inspection and other entry formalities	2	149	Large number of different documents		3	3
			Documentation is difficult to fill out	3	8	11
			Difficulties with translation of documents from or into other languages		1	1
			Numerous administrative windows/organizations involved, redundant docs		4	4
			No due notice for changes in selected regulation and related procedures		3	3
			Arbitrary behaviour of officials regarding classification and valuation of the reported product		8	8
			Arbitrary behaviour of officials with regards to the reported regulation		14	14
			Delay related to reported regulation	3	126	129
			Deadlines set for completion of requirements are too short		4	4
			Unusually high fees and charges for reported certificate/regulation		96	96
			Other limited/inappropriate facilities, related to reported certificate/regulation		2	2
Other procedural obstacles		22	22			

NTM	NTM cases without POs/inefficiencies in the TBE	NTM cases with POs/inefficiencies in the TBE	Procedural obstacle	Number of POs/inefficiencies in the TBE		Total
				Partner country	Trinidad and Tobago	
Charges, taxes and other para-tariff measures	5	24	Documentation is difficult to fill out		1	1
			Difficulties with translation of documents from or into other languages		1	1
			Arbitrary behaviour of officials regarding classification and valuation of the reported product		11	11
			Delay related to reported regulation		14	14
			Unusually high fees and charges for reported certificate/regulation		18	18
Quantity control measures	14	48	Large number of different documents		5	5
			Documentation is difficult to fill out		2	2
			Numerous administrative windows/organizations involved, redundant documents		2	2
			Information on selected regulation not adequately published and disseminated		1	1
			Requirements and processes differ from information published		1	1
			Arbitrary behaviour of officials with regards to the reported regulation		3	3
			Delay related to reported regulation	4	36	40
			Deadlines set for completion of requirements are too short		3	3
			Unusually high fees and charges for reported certificate/regulation		8	8
Other procedural obstacles		6	6			
Finance Measures	6	1	Delay related to reported regulation		1	1
			Limited/inappropriate facilities for testing		1	1
			Other procedural obstacles		1	1
<b>Total</b>	<b>32</b>	<b>288</b>		<b>13</b>	<b>524</b>	<b>537</b>

Source: ITC survey on NTMs.

## Appendix VI Agenda of stakeholder meeting

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FRIDAY, 1 MARCH 2013, 08:00 – 13:00

TRINIDAD AND TOBAGO

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### STAKEHOLDER MEETING ON NON-TARIFF MEASURES (NTMs) IN TRINIDAD AND TOBAGO

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<b>1.03.2013</b>	<b>Programme</b>
<b>08:00</b>	<b>Registration</b>
<b>08:30</b>	<b>Welcome Remarks</b> Mr. Norris Herbert - Chairperson, Director-Trade, Ministry of Trade, Industry and Investment (MTII)
<b>08:35</b>	<b>Introductory Remarks</b> Ms. Poonam Mohun, Market Analysis and Research, ITC
<b>08:45</b>	<b>Special Remarks</b> Ms. Sandra Indar, Permanent Secretary, Ministry of Trade, Industry and Investment (MTII)
<b>09:00</b>	<b>Overview of ITC NTM Project</b> Ms. Poonam Mohun, Market Analysis and Research, ITC
<b>09:15</b>	<b>Implementation of a large-scale company survey on NTMs in Trinidad and Tobago: Experiences and challenges encountered</b> Ms. Karen Crichlow-Thomas, Managing Director, AK Insights Ltd.
<b>09:30</b>	<b>Main trade barriers affecting Exports in Trinidad and Tobago</b> Ms. Poonam Mohun, Market Analysis and Research, ITC
<b>10:15</b>	<b>Coffee Break</b>
<b>10:30</b>	<b>Discussion and Recommendations in the exports sector</b>
<b>11:15</b>	<b>Main trade barriers affecting Imports in Trinidad and Tobago</b> Dr. Elizabeth Parsan, National Consultant
<b>11:45</b>	<b>Discussion and Recommendations in the imports sector</b>
<b>12:10</b>	<b>Main Overall recommendations</b> Trinidad and Tobago Chamber of Industry and Commerce Representative Trinidad and Tobago Manufacturers' Association Representative Dr. Elizabeth Parsan, National Consultant
<b>12:50</b>	<b>Concluding remarks</b> Ms. Trudy Lewis, Senior Trade Specialist, Ministry of Trade, Industry and Investment (MTII) Ms. Poonam Mohun, Market Analysis and Research, ITC
<b>13.00</b>	<b>Lunch</b>

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