ITC hosted meeting on Non- Tariff Measures kicks off in Colombo


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A two day meeting conducted by the International Trade Centre to consult stakeholders on the possibilities of improving the existing Non- Tariff Measures (NTMs) kicked off in Colombo yesterday.

By Kinita Shenoy

Present at the meeting was a distinguished panel of members, including William van der Geest, Director and Lead Economist of ITC’s Division of Market Development; Sarath Jayatillake, former Director General of Sri Lanka Customs, and Subhashini Abeysinghe.

The ITC used a comprehensive survey methodology, directly interviewing over 180 importing and exporting companies in collaboration with Columbia University throughout the 2009 financial year. As per their figures, 71% of these companies face NTMs.

According to the survey, NTMs are generally considered as barriers or obstacles against smoothly functioning international trade and market access by the business community. The primary complaint against the measures were the delay and red tape caused by the certification requirements of conformity assessment, technical regulations and rules of origin.

Mohamed Mimouni, ITC’s Chief of Market Analysis and Research further stressed that the delay caused by NTMs were actually reducing the competitiveness of the country’s tea exports, a claim that was shortly thereafter refuted by the Director of the Sri Lankan Tea Board, Hasitha de Alwis, during the following Floor Discussion.

He pertinently pointed out that the year 2009 was a “freak year” for the industry, as it suffered both a drought and a conflict over wages, and that 2010 once again placed Sri Lanka at record high as the world’s 2nd highest exporter of tea.

The recurring point brought up by almost every panelist was that it was the incorrect implementation of NMTs that created obstacles, as well as the lack of knowledge of procedural and technical requirements, and classification issues within smaller companies.

Jayatilleke further stressed that the customs officials were not yet equipped with the training to speed up the procedures.

The conclusive Round Table Discussion of the day included Gujadhur, Mimouni, Rajapatirana, Arora and Kulatunga Perera, Head of Research, Lobbying and Advocacy of the FCCISL (Federation of Chamber of Commerce and Industry) acting as chair.

Sarath Rajapatirana, an International Economic Adviser voiced his view that it is efficient policy making that makes a difference to economies rather than funding.

He also went on to say that he did not feel Sri Lanka’s removal from the GSP plus status was a long term problem as the nation’s economy should move away from dependency on concessions.

In response to some criticism of certain aspects of the ITC’s report, including the assertion that NTMs and certifications are required to uphold the reputation of the extremely high quality of Ceylon Tea, Van der Geest clarified that “the survey presents what the businesses tell us, and that the procedures are complex in nature.”

He went on to say that he felt that it was possible to create improvements to the existing NTMs during the meetings’ discussions, as long as the “fundamental issues of co-ordination and communication are dealt with”.

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