

**RWANDA:
COMPANY PERSPECTIVES**

AN ITC SERIES ON

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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 Rwanda 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 Rwanda, its partner countries and transit countries; covers food and agro-based products including coffee, tea, pyrethrum, other agricultural and agro-based products and chemicals, rubber-based products and other manufactures; outlines policy options discussed at stakeholder meeting; includes NTM classification and bibliographical references (pp.93-95).

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Acronyms

Unless otherwise specified, all references to dollars (\$) are to United States dollars and all references to tons are to metric tons.

The following abbreviations are used:

AGOA	African Growth and Opportunity Act
ASYCUDA	Automated System for Customs Data
ATI	African Trade Insurance Agency
AU	African Union
BIT	Bilateral investment treaty
CEPGL	Economic Community of the Great Lakes Countries
COMESA	Common Market for Eastern and Southern Africa
DFID	United Kingdom Department for International Development
DRC	Democratic Republic of the Congo
EAC	East African Community
ECCAS	Economic Community of Central African States
EPA	EU Economic Partnership Agreement
EU	European Union
FTA	Free Trade Area
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GI	Geographical indication
GNTB	Group of Eminent Persons on Non-Tariff Barriers
GSP	Generalized System of Preferences
HIDA	Human Resource and Institutional Capacity Development Agency
HIPC	Heavily indebted poor country
HS	Harmonized system
ICT	Information and communications technology
IMF	International Monetary Fund
ISO	International Organization for Standardization
IT	Information technology
ITC	International Trade Centre
KBO	Organization for the Management and Development of the Kagera Basin
KSEZ	Kigali Special Economic Zone
LDC	Least developed country
MAST	Multi-Agency Support Team
MFN	Most-favoured-nation
MINAGRI	Rwanda Ministry of Agriculture
MINICOM	Rwanda Ministry of Trade and Industry
MOU	Memorandum of Understanding
MSME	micro, small and medium-sized enterprises
NAEB	Rwandan National Agricultural Export Board
NAMA	Non-agricultural market access
n.e.s.	Not elsewhere specified
NFIDC	Net food importing country

NMC	EAC National Monitoring Committee
NTB	Non-tariff barrier
NTM	Non-tariff measure
OCIR	Rwanda Coffee Authority (OCIR CAFE); Rwanda Tea Authority (OCIR THE)
OECD	Organisation for Economic Co-operation and Development
ORTPN	Rwanda Office of Tourism and National Parks
OSBP	One-stop border posts
PAYE	Pay-as-you-earn (tax)
PO	Procedural obstacle
PSF	Private Sector Federation
PSI	Policy Support Instrument
RBS	Rwanda Bureau of Standards
RCRSA	Rwanda Commercial Registration Service Agency
RDB	Rwanda Development Board
REDP	Rwanda Exporters Development Program
REMA	Rwanda Environment Management Authority
RHESI	Rwanda Horticulture Export Standards Initiative
RIEPA	Rwanda Investment and Export Promotion Agency
RIFF	Regional Integration Facilitation Forum
RIPA	Rwanda Investment Promotion Agency
RITA	Rwanda Information and Technology Agency
RRA	Rwanda Revenue Authority
RURA	Rwanda Utilities Regulatory Agency
RWF	Rwandan franc
SME	Small and medium-sized enterprise
SPS	Sanitary and phytosanitary measures
STDF	Standards and Trade Development Facility
TBE	Trade-related business environment
TBT	Technical barriers to trade
TIFA	Trade and Investment Framework Agreement
TPR	Trade Policy Review
TRAINS	Trade Analysis and Information System
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UAE	United Arab Emirates
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
VAT	Value added tax
WTO	World Trade Organization

Executive summary

Introduction to non-tariff measures

In a global context of increasing economic liberalization and a widespread tendency to eliminate or reduce tariffs, the relative importance of trade barriers resulting from non-tariff measures (NTMs) has risen in recent decades. With consumers demanding more information on products, importing countries are implementing more regulations. Most of these regulations do not have protectionist objectives, but rather look for preserving health or the environment. However, sometimes compliance with those requirements may be beyond the reach of companies seeking to export, particularly for small and medium-sized enterprises (SMEs) in emerging and developing countries. Therefore, multilateral rules in the World Trade Organization (WTO) and most of the recent regional and bilateral trade agreements 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 are becoming increasingly important.

The International Trade Centre (ITC) is actively engaged in this research and cooperation. ITC is conducting large-scale NTM surveys of companies in developing countries. Gathering information about NTMs from companies addresses business people who deal with trade impediments on a day-to-day basis.

NTMs cover a wide range of policies such as technical regulations, sanitary and phytosanitary measures (SPS), quantitative restrictions, additional charges, financial measures, certification requirements and other conformity assessments. The ITC survey not only focuses on NTMs imposed by governments, but also looks at procedural obstacles (POs) that may hamper compliance with these 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 is conducting the survey in about 30 countries around the world, with least developed countries in sub-Saharan Africa among the main target regions. Rwanda has been among the first countries in the region to benefit from this programme, followed by Malawi and Madagascar, amongst others.

Rwanda country context

Rwanda is a landlocked, least developed country (LDC). Between 1995 and 2008, economic growth surpassed 5%, excluding a 2.2% growth rate in 2003. In general, since 1995 the gross domestic product (GDP) growth rate in Rwanda exceeded that in sub-Saharan Africa and the world. Even during the worldwide economic downturn, Rwanda attained positive growth of 4.1%. As other LDCs, Rwanda is a net food importing country (NFIDC) with agricultural imports totalling US\$ 181.8 million in 2010 compared to US\$ 105.9 million exports in the same year. Major importing subsectors include sugar, palm oil, rice, wheat and maize.

Agriculture is the backbone of Rwanda's economy and chief employer. Major export markets include the European Union, Kenya, South Africa, Switzerland, Uganda, the United Arab Emirates, United Republic of Tanzania and the United States. Coffee and tea are the principal exports. Enabling private sector-led business development and export production are principal policy objectives of Rwanda. The National Export Strategy recommends a coordinated approach to trade facilitation and promotion, which can be monitored and evaluated for the most efficient use of government resources. In that regard, the Rwanda Exporters Development Program (REDP) was introduced to register all Rwandan exporters into an export development programme, which would facilitate delivery and evaluation of technical assistance to Rwandan exporters. Trade facilitation and trade promotion programmes are geared to generating cross-border trade by assisting exporters and optimizing trade infrastructure.

Rwanda is an active member of the Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), Economic Community of Central African States (ECCAS), Regional Integration Facilitation Forum (RIFF), Organization for the Management and Development of the Kagera Basin (KBO), African Union (AU) and the WTO.

Being actively involved in trade negotiations and agreements, Rwanda has a promising basis to address NTMs and to expand the scope of its attention beyond tariffs. For Rwanda it is important to consolidate these liberalization commitments at the multilateral level to prevent distortions and give greater predictability to its trade and investment regime.

NTM survey implementation in Rwanda

In cooperation with Rwandan authorities, including the Ministry of Trade and Industry (MINICOM), the ITC survey in Rwanda was conducted between November 2010 and May 2011. To promote local capacity building, the survey was implemented by DR Consulting, a local Rwandan firm, on behalf of ITC. The local project manager and interviewers were trained by ITC on both NTMs and the survey methodology. ITC compiled a comprehensive business register based on information from MINICOM, the Private Sector Federation of Rwanda and the Rwanda Revenue Authority. As a first step, 529 firms were drawn from this register and interviewed by telephone by DR Consulting.

Next, detailed face-to-face interviews were conducted with 138 firms that had reported being affected by trade impediments and were willing to participate in the interviews. The survey covers all major export sectors, except mining, and some import sectors including agriculture, metal, chemicals and plastic as well as other manufactures.

In collaboration with MINICOM, a consultative workshop was held 12 July 2012 in Rwanda where the survey results were presented by ITC and discussed with Rwandan experts and stakeholders. Prior to the workshop, ITC met with various agencies in Kigali and consulted on some of the results. Clarifications stemming from those discussions facilitated a deeper understanding of the context in Rwanda and led to specific policy recommendations. The results of discussions with stakeholders have been incorporated to enhance the analysis and presentation of the results in the final report.

Aggregate results and cross-cutting issues

In the initial telephone interviews, 75% of the Rwandan enterprises reported burdensome NTMs and POs. Trade impediments were reported by 71% of exporting firms and 83% of importing firms. A high percentage of exporters in the processed food and agro-based products sector face trade barriers (79% of all surveyed exporting firms in this sector), followed by firms exporting fresh food and raw agro-based products (66%). Comparatively less affected by NTMs were exporters of other metal and other basic manufacturing (60%). Similar to other major agriculture exporting countries surveyed, this result is no surprise. Agriculture products dominate Rwandan exports and destination countries closely monitor the sector. Furthermore, safety and health concerns are logically important for consumer and environmental protection. Metal and other basic manufacturing exporters factor less, but remain significantly affected by NTMs and other trade barriers.

Rwandan importers reported more barriers compared to exporters: 83% of interviewed importing firms reported trade barriers. All firms interviewed in the processed food and agro-based products sector reported being affected by obstacles to trade. Firms importing clothing were less affected (70%).

The face-to-face interviews of the ITC survey reveal several recurring issues that affect most assessed sectors. Regarding exports, most NTMs reported refer to technical regulations and conformity assessment. The former include sanitary and phytosanitary measures (SPS) and technical barriers to trade; the latter include compulsory activities and certificates necessary to demonstrate compliance with technical regulations. Conformity assessment was the main impediment on exports applied largely by destination markets. These measures account for about 63% of total cases reported in the raw and processed food sector and more than half in the 'coffee, tea, maté and spices' subsector.

Rwanda applies these requirements either for internal safety purposes or linked to requirements in export destinations. Transit countries are implicated mostly in technical regulations. Charges and taxes follow as the most significant impeding NTM across all categories. Some complaints were less about the imposition of the measures but on delays, high charges and other inefficiencies associated with efforts to comply.

Private standards, such as costly Fair Trade certifications and certain packaging requirements also featured in the results of NTMs posing obstacles for Rwandan exporters.

For imports, the most frequently reported NTM is conformity assessment, followed by a number of inspection and testing measures. In terms of procedural obstacles, unusually high fees and charges, and administrative delays were frequently cited as major trade barriers.

The ITC NTM surveys conducted so far demonstrate that of all challenging NTMs reported by exporting companies, about 75% are applied by partner countries and 25% of burdensome NTMs are export-related measures applied by the home country. In Rwanda, only 8% of NTMs are reported to be applied by the home country and 92% are reported to be applied by partner countries. In absolute terms, when considering NTMs by partner countries, most of the reported NTM cases are applied by Burundi, the European Union and the United States. This result is partially explained by the sample composition of face-to-face interviews, which is random with respect to partner countries and therefore naturally captures more firms exporting to large markets. The highest relative incidences of NTM cases are reported for the United States; the lowest are reported for the Democratic Republic of the Congo, Kenya and Switzerland.

Rwandan firms experience a number of domestic problems not related to partner countries. For both importing and exporting firms, domestic burdens are mostly POs, including delays due to administrative procedures and unusually high fees.

Fresh food, raw agro-based products and processed food

Firms exporting food and agricultural products are affected mainly by NTMs related to conformity assessment measures (76.8%), particularly significant for the important coffee and tea sectors, followed by charges, taxes and other para-tariff measures (15%) and technical requirements (8.2%).

Agricultural product exporters face a few NTMs and POs related to regulations by local institutions. For instance, they complained about certifications required by Rwandan authorities, export inspections and licences or permits to export. Difficulties observed often reveal NTMs linked to obstacles such as unusually high fees, costs of experts or delays to meet certification requirements. Other procedural obstacles include high weighbridge costs and administrative delays in transit countries.

Rwandan tea has become attractive in a highly competitive global black tea market. Most burdensome measures were reported under conformity assessment (certification, testing and inspection requirements) followed by taxes on transport facilities. The most reported burdensome measures on Rwandan tea concerned black tea exported to Egypt, France, Japan, Kenya, Pakistan, South Africa, Switzerland, Uganda, the United Arab Emirates, the United Kingdom and the United States.

Rwandan exporters of fruit and vegetable juices, grape wines and essential oils reported burdensome measures, mainly certification, testing and rules of origin measures.

On the import side, the majority of the cases were conformity assessment measures (about 64% of total cases) applied for health and safety purposes. Technical requirements were reported as burdensome measures applied by Rwandan authorities for importing agricultural products (about 18% of all cases). Most procedural obstacles were delays in administrative procedures.

Other manufacturing

Exports of the other manufacturing sectors consist primarily of ceramic tableware, kitchenware, other household articles and paints and varnish based on polymers. Miscellaneous manufactures include basketwork and works of art, collectors' pieces and antiques. These products faced destination NTMs in the category of non-recognition of certificates, Fair Trade requirements and rules of origin. POs were delays in administrative procedures and unusually high fees in the destination markets and, in some cases, at home.

Private standards

In addition to government requirements, Rwandan exporters sometimes face onerous standards imposed by private clients. For example, particularly reported were Fair Trade certificates demanded by clients in the European Union, especially for Rwanda's important coffee and tea products. The costs and delays associated with these certificates are reported to cause serious hindrances for Rwandan exporters. Other private requirements concerned bottle sizes imposed by private regional EAC partners and types of packaging and means of transport imposed by regional, European Union and United States clients

Conclusions and possible policy options

The debate surrounding NTMs has raised questions about legitimacy, discrimination and level of burdensomeness on the flow of much desired trade. The results of this survey reveal that often NTMs are legitimate but their frequency and complexity negatively affect trade. In this survey, Rwandan exporters and importers have reported a number of NTMs faced in their efforts engage in the global trading system. A number of initiatives have been launched by Rwanda to address these measures both internationally and domestically.

The conclusions from this report can facilitate Rwanda's improved engagement with its exporters and importers. A results-oriented dialogue between agencies and stakeholders to address the survey can prepare the ground to develop an effective and sustainable policy to remedy the concerns raised, as well as clarify those instances where lack of awareness may have been the real obstacle.

Agriculture dominates Rwandan exports. Partner and transit countries impose most NTMs faced by this sector. Sometimes partner countries require onerous certificates proving conformity. An added burden is that the European Union and the United States do not recognize each other's certificates granted to Rwandan exporters, thereby causing extra costs and delays in accessing those markets. Rwandan agencies are reported to also impose measures linked to requirements in destination countries for its exports. However, some of the measures imposed by Rwanda are linked to high fees for certificates and excessive delays, which do not implicate the requirements from partner or transit countries.

Certain partner and transit countries require use of polythene packaging, which exporters reported is banned in Rwanda. Therefore, no Rwandan industry exists to provide that packaging. Higher costs then result in order for Rwandan exporters to meet the destination requirements, further placing them at a competitive disadvantage. It may be that Rwanda's alleged restriction on the polythene is legitimate. However, its traders appeal for alternatives in order to meet the requirements or other approaches such as government intervention with the destinations to find a solution.

Coffee and tea are crucial for Rwanda's export competitiveness. As such they face a number of NTMs especially for conformity assessment and technical requirements both on the destination and domestic side, taking the form of certificates, inspections resulting in export licensing and permit requirements, excessive fees and charges, and packaging and storage requirements. Some of these measures serve important consumer protection and associated administrative cost objectives. However, survey reports portray a picture of excesses in terms of delays, fees and lack of mutual recognition of certifications and inspections already obtained.

Some traders indicated the desire for a one-stop shop or single window to process documentation. Others highlighted the need for a single enquiry point to obtain all necessary documents required in destination and home markets to qualify for certifications.

Rwandan coffee and green and black teas are reaching specialty status in the global marketplace. Rwandan tea is purported not to rely on pesticides due to the special conditions in Rwanda. This feature can give Rwandan tea an important competitive edge and added value to position Rwanda well to establish a geographical indication or collective mark system. Such a system can bring an immediate edge for premium pricing and opportunities for additional international support to develop testing and quality control facilities.

Support from international standard setting organizations is also key as the trend in the global economy, and as found in international agreements to which Rwanda is a party, is towards harmonization.

For imports the situation is equally problematic. Conformity assessment measures perceived as barriers imposed by government and transit countries are taking a toll according to participating Rwandan importers. Fees and delays associated with measures such as weighbridge charges by transit countries and inefficient testing and high fees and delays in inspection procedures at home are the most prevalent complaints. Imports are key to Rwanda's trade both for purposes of responding to consumer demand and as inputs into Rwandan production.

Procedural obstacles, certificates of origin, trade-related business environment, neighbouring and transit problems

Delays in administrative procedures and unusually high fees and charges imposed by partner countries (e.g. the European Union, South Africa, Switzerland, the United Arab Emirates and the United States) and by Rwandan agencies are frequently cited as POs in the survey results.

For both exports and imports, reports of procedural obstacles and inefficient trade-related business environment issues were largely 'information not adequately published and disseminated', 'delay in administrative procedures' and 'unusually high fees and charges'.

A number of problems identified are associated with neighbouring countries as destinations for exports or transit countries for both exports and imports. Some rules of origin or certificate of origin complaints and charges for them are actually linked to the benefits Rwandan traders derive from receiving lower EAC tariffs. These certificates are required by the EAC countries to determine if the product is eligible for the preferential treatment. However, if the costs are onerous or contrary to the agreement among EAC states for example, perhaps the Rwandan government can investigate the matter and consult with EAC and its members.

Problems associated with transit countries have become particularly severe in terms of weighbridge charges and delays before Rwandan exports can be delivered. In addition, to avoid truck weight limits, Rwandan importers decide to use more trucks to transit through certain neighbours resulting in multiplication of fees. Weighbridge measures could result in a vicious circle if the transit country then imposes more charges to protect roads worn out by the additional truck traffic. Exporters surveyed, hoped that the Rwandan government would consider negotiations with EAC countries, which are vital transit countries, to lessen the NTM impact of measures hampering the flow of Rwandan exports to destinations such as Germany, the United Kingdom and the United States.

Rwanda may wish to examine the NTMs problem from a holistic perspective covering its chief exports and imports across all sectors. As Rwanda begins to diversify, including with respect to the services sector such as tourism and financial services, NTMs on imports could become a serious threat to Rwanda's overall economic growth policies.

Possible government intervention

The numerous reports implicating neighbouring transit or destination countries suggest that one significant intervention to consider is to establish a results-oriented dialogue and negotiation with EAC and bilaterally with Rwanda's neighbours. EAC has just announced it is launching an exercise to review product standards in each member state. Given conformity assessment measures are leading areas of complaint from exporters and importers, this EAC initiative could be an additional opportunity to resolve NTMs problems.

With regard to NTMs applied in the home market, sustained dialogue with industries and coordination with various agencies involved in supply and demand chains is critical. Rwandan authorities could examine many problems emerging from this survey to determine their extent and magnitude. Interagency monitoring of NTMs at home could result in eliminating or reducing NTMs that do not serve legitimate policy objectives

or could be modified to better balance consumer and other domestic interests with enhancing efficient and expanded trade flows for Rwanda.

Activities at the international and regional levels can also increase the necessary assistance to upgrade facilities and laboratories, training of experts to conduct analysis and certification, and creating one-stop shops along with enquiry points so that traders costs can decrease and access to information and needed forms are expedited. Tackling NTMs provoked by transit issues through EAC, COMESA and WTO mechanisms would provide a substantial remedy for Rwandan exporters and importers.

Other areas for exploration include enhancing the competitiveness of Rwandan exports while at the same time improving testing and conformity assessment procedures. For example, geographical indications systems for coffee and tea are prime candidates. Some approaches to address concerns, implied from the results of this survey, could include investment to modernize testing techniques and equipment to expedite delays and enhance quality, and to provide the authorities with necessary tools to improve its facilities. These approaches could be complemented by government facilitation of experts to conduct assessments to meet standards and conform to certification requirements. Other traders across sectors said the government could do more to diminish transportation costs and delays by providing subsidies.

Outlook

By assessing the most important obstacles to trade experienced by Rwandan enterprises, the ITC NTM survey can help lay the foundation for further government action. Participants at the July 2012 stakeholders meeting in Kigali actively contributed clarifications as well as built on recommendations. These recommendations may enhance Rwanda's progress to address NTMs and increase awareness.

In addition to the recommendations, key Rwandan agencies suggested that ITC provide follow-up monitoring of company experiences to determine whether the improvements have taken effect and to identify any new problems.

Introduction to non-tariff measures

The growing role of non-tariff measures in trade

Over several decades, trade liberalization has emerged as a key development tool based on evidence that benefits accrue to countries actively engaged in world trade. Notwithstanding the global setbacks resulting from the 2008 financial crisis, developing, least developed and emerging economies have begun to realize gains through actively participating in the multilateral trading system. Concessions through a series of multilateral, regional and bilateral trade instruments, north-south and south-south, as well as non-reciprocal concessions, have led to extraordinary reductions in the use of average global tariffs for protectionist interests. Many developing countries dependent on tariff revenue have benefited from liberalization. This groundbreaking market access success has led to unprecedented growth in international trade, leading to shared welfare gains and a higher quality of life.

However, the positive effects of lower tariffs have been overshadowed by a shift towards misuse of NTMs. While some NTMs are important to guarantee consumer health, environmental protection or national security, evidence suggests that countries are reverting to NTMs as alternative protectionist instruments to control access to their markets. NTMs reduction and disciplines have been negotiated within the General Agreement on Tariffs and Trade (GATT), now WTO, since the Tokyo Round (1973-1979). NTMs are here 'defined by what they are not'¹ and comprise an array of policy measures other than tariff measures. For example, technical barriers to trade (TBT), sanitary and phytosanitary measures (SPS), certification or testing requirements, quotas, import or export licences, additional taxes and surcharges, financial measures, rules of origin and many others, may be considered NTMs. Depending on how they are applied, these measures may or may not amount to trade barriers.

Exporters and importers in developing and least developed countries have raised concerns about NTMs. These traders have registered challenges to sometimes-complex requirements and administrative obstacles. At the same time, developing and least developed country firms often face inadequate domestic trade-related infrastructure obstacles. Inadequate access to information about applicable regulations and other services to promote exports impact on the international competitiveness of enterprises. Consequently, NTMs applied by partner countries as well as domestically can have a negative impact on market access and keep firms from seizing the opportunities created by globalization.

NTMs – classification and other obstacles to trade

Because the concept of trade obstacles is complex and diverse, it is useful to consider the terminology and classification of NTMs before proceeding to a more detailed analysis in the context of this study.

First, the term NTM can be defined as: 'policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded or prices or both'.² NTM is a neutral concept and does not necessarily imply a particular direction of impact. Second, an NTM is not synonymous with the frequently used term, non-tariff barrier (NTB). NTB implies a negative impact on trade. The Multi-Agency Support Team (MAST) and the Group of Eminent Persons on Non-Tariff Barriers (GNTB) propose that NTBs are a subset of NTMs that have a 'protectionist or discriminatory intent'.³ Given that trade policies may be applied for legitimate reasons, such as protection of human, animal and plant health, this report does not make any a priori judgement about intentions and broadly uses the term NTMs. By the nature of its design, the survey captures only NTMs that cause major impediments for trading companies. Consequently, NTMs examined in this report refer to 'burdensome NTMs'.

The diverse and growing nature of NTMs across countries requires a unique classification system. The ITC survey is based upon an international classification developed by the MAST, with some minor adaptations

¹ Deardorff, A.V. and R.M. Stern. *Measurement of Non-Tariff-Barriers*. Ann Arbor, MI: University of Michigan Press, 1998.

² Multi-Agency Support Team. 'Report to the Group of Eminent Persons on Non-Tariff Barriers', unpublished, 2009.

³ Ibid.

to the ITC business survey approach.⁴ Before proceeding to further expand on the classification itself and data collection, it is important to clarify some broad distinctions.

NTMs applied by importing countries are divided into technical and non-technical measures, as follows:

- Technical measures refer to product-specific requirements such as tolerance limits of certain substances, labelling standards or transport conditions. Such measures comprise technical requirement (TBT or SPS) and conformity assessment, for example, certification or testing procedures to verify compliance with the underlying requirement.
- Non-technical measures mostly include the following categories: charges, taxes and other para-tariff measures in addition to ordinary customs duties; quantity control measures such as non-automatic licences or quotas; pre-shipment inspections and other formalities, e.g. automatic licences; rules of origin; finance measures, e.g. terms of payment or exchange rate regulations; and price control measures.

Other than the foregoing import-related measures, measures applied by exporting countries are categorized differently.

To go beyond government imposed NTMs and to provide a better understanding of the problems that companies face, the survey also examines POs and the TBE.⁵ POs refer to practical challenges directly associated with implementation of NTMs. For example, typical POs are problems caused by a lack of adequate testing facilities to comply with technical measures and excessive documentation in the administration of licences. POs are always linked to a specific NTM regulation.

Problems not related to any NTM regulations, for instance, delays and costs resulting from poor infrastructure or unpredictable behaviour of customs officials at the ports are referred to as TBEs in this report.

Non-tariff measures and procedural obstacles – the company perspective

In the past, different methods of evaluating NTM measures have been employed. One early and very simple approach has been the use of mere incidence and NTM coverage ratios. For example, Laird and Yeats (1990)⁶ found a dramatic increase in the incidence in NTMs in developed countries between 1966 and 1986. There was a 36% increase in the incidence of NTMs for food products and an 82% increase for textiles. Such studies relied on extensive databases that mapped NTMs per product with applying countries. Formerly the largest database in terms of official government-reported NTMs, the Trade Analysis and Information System (TRAIS), published by the United Nations Conference on Trade and Development (UNCTAD) contains incomplete data and updates are irregular. Coming together in a major multiagency initiative, the ITC, UNCTAD and the World Bank currently collect data for a new global NTM database with a particular focus on TBT and SPS. However, completeness of an NTM incidence database does not reveal much about the actual impact of NTMs on the business sector. Such databases also do not furnish information about related POs.

Quantification techniques and direct assessment are two approaches to estimating the impact of NTMs. A number of academic studies have estimated the quantitative impact of NTMs on either trade quantities or prices. The studies either target very specific measures and individual countries (e.g. Calvin & Krissoff, 1998;⁷ Yue et al., 2006⁸) or statistically estimated the average impact emerging from large samples of

⁴ For further details about the MAST NTM classification, see appendix II.

⁵ For further details about the systematic classification of POs and problems caused by an inefficient TBE, which are used for the survey, refer to appendix III.

⁶ Laird, S. and A. Yeats. 'Trends in Nontariff Barriers of Developed Countries, 1966-1986'. *Review of World Economics* 126(2), 1990, pp. 299–325.

⁷ Calvin, L. and B. Krissoff (1998): 'Technical Barriers to Trade: A Case Study of Phytosanitary Barriers and US –Japanese Apple Trade'. *Journal of Agricultural and Resource Economics* 23(2), 351–366.

⁸ Yue, C., J. Beghin and H.H. Jensen. 'Tariff Equivalent of Technical Barriers with Imperfect Substitution and Trade Costs'. *American Journal of Agricultural Economics* 88(4), 2006, pp. 947–960.

countries and NTMs (e.g. Disdier et al., 2008,⁹ Dean et al., 2009,¹⁰ Kee et al., 2008,¹¹ 2009¹²). Deardorff and Stern (1998¹³) and Ferrantino (2006¹⁴) conducted excellent surveys that together with other academic studies present useful insight into the quantitative effects of NTMs. Nonetheless, some studies at times are too specific or too general to provide a precise and realistic sense of NTM protection to the business sector and national policymakers. At the same time, when quantitatively estimating the effects of NTMs, it is difficult to distinguish the impact of the NTM itself from related POs or inefficiencies of the TBE.

Through large-scale company surveys on NTMs, POs and the TBE, this report establishes results based on the alternative direct assessment approach. Consequently, it fills gaps in methods mentioned earlier, presents a detailed qualitative impact analysis and directly addresses key stakeholder experiences. The survey is designed to allow companies to specifically report the most burdensome NTMs and the particular way in which the NTMs impact company export performance or restrict imports of needed inputs.

Because exporters and importers are challenged by NTMs and other obstacles on a daily basis, they are in the best position to communicate the specific difficulties they confront. A business perspective on the issue of NTMs is essential. It is also important to understand key government level concerns with NTMs, POs and TBEs. This can assist in elaborating national strategies capable of addressing and surmounting obstacles to trade.

A number of earlier business survey results on NTMs were collected in a study by the Organisation for Economic Co-operation and Development (OECD, 2005¹⁵). The study reflects the consensus that technical measures, additional charges and general customs procedures are the most burdensome trade restrictions. Quotas and other quantitative restrictions that were prevalent several years ago ranked only fifth out of 10 evaluated categories in the study. While this comprehensive survey gives a useful overall sense of business sector NTM concerns, the core 23 surveys largely cover only a restricted set of partner countries and products. Also, the share of surveys in developing countries is small. The NTM project of ITC, funded by the United Kingdom Department for International Development (DFID), examines all major export sectors, all importing partners, and strives to progressively cover a great number of developing countries.

⁹ Disdier, A.-C., L. Fontagné and M. Mimouni (2008): The Impact of Regulations on Agricultural Trade: Evidence from the SPS and TBT Agreements'. *American Journal of Agricultural Economics* 90(2), 2008, pp. 336–350.

¹⁰ Dean, J.M., J.E. Signoret, R.M. Feinberg, R.D. Ludema and M.J. Ferrantino. 'Estimating the Price Effects of Non-Tariff-Barriers'. *B.E. Journal of Economic Analysis & Policy* 9(1), Article 12, 2009.

¹¹ Kee, H.L., A. Nicita and M. Olarreaga. 'Import Demand Elasticities and Trade Distortions'. *Review of Economics and Statistics* 90(4), 2008, pp. 666–682.

¹² Kee, H.L., A. Nicita and M. Olarreaga. 'Estimating Trade Restrictiveness Indices'. *Economic Journal* 119(534), 2009, pp.172–199.

¹³ Deardorff, A.V. and R.M. Stern. *Measurement of Non-Tariff-Barriers*. Ann Arbor, MI: University of Michigan Press, 1998.

¹⁴ Ferrantino, M. 'Quantifying the Trade and Economic Effects of Non-Tariff Measures'. *OECD Trade Policy Working Papers, No. 28*. Paris, France: OECD Publishing, 2006.

¹⁵ Organisation for Economic Co-operation and Development, *Looking Beyond Tariffs: The Role of Non-Tariff Barriers in World Trade*. Paris, France: OECD Publishing, 2005.

Chapter 1 Trade and trade policy overview

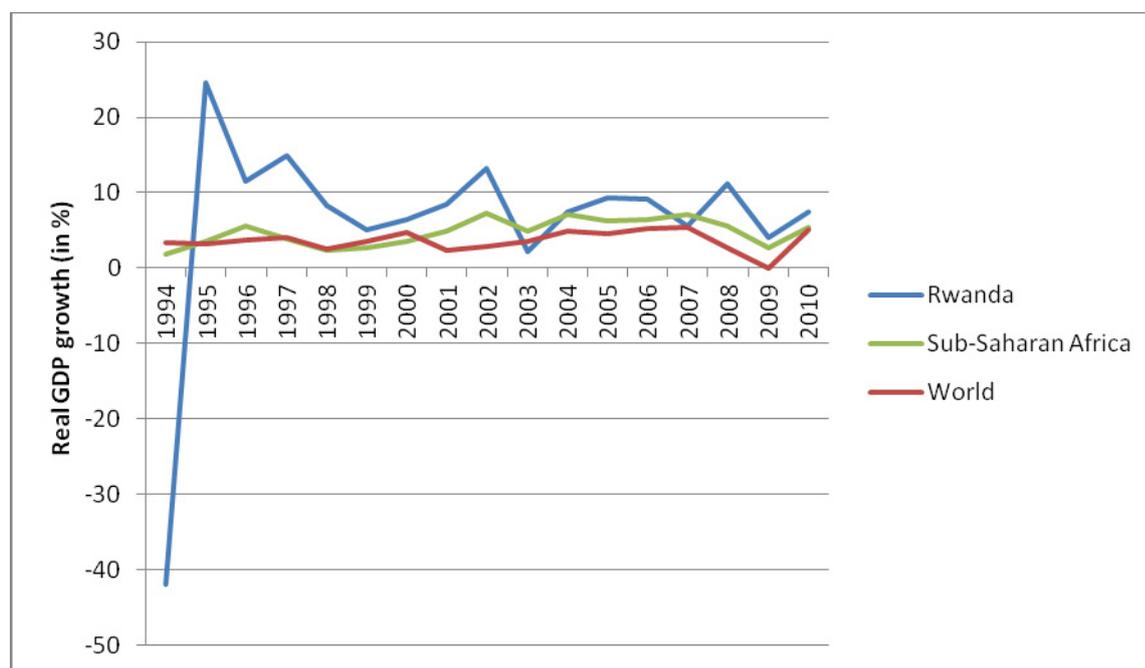
1. Rwanda's economy and sectors

This chapter presents an overview of the relevant aspects of Rwanda's economy and trade policy and provides a context for the survey results in subsequent chapters. The first section provides a concise view of Rwanda's economic output, sector contributions and employment. The second section discusses Rwanda's trade structure in terms of its export and import sectors, partner countries and diversification. The third section illustrates Rwanda's overall trade policy that supplements the analysis of the business perception of non-tariff measures (NTMs) in this report. The report introduces an outlook on known NTMs, tariffs applied and notified internationally, and trade agreements. Section four examines national trade and development strategies relevant to the trade-related business environment (TBE), which is captured in the survey and examined in later chapters.

1.1. Gross domestic product and public finance

Rwanda is a landlocked country in Central Africa, bordered on the east by the Democratic Republic of the Congo, on the north and west by Uganda and on the south by Burundi. Rwanda is categorized as a least developed country (LDC) with nominal total gross domestic product (GDP) of about US\$ 5,578 billion in 2010. This translates to a per capita GDP of about US\$ 1,231 in terms of purchasing power parity up from US\$ 416 in 1994.¹⁶ These results demonstrate that Rwanda has managed positive economic growth rates, driven mainly by the services sector (see figure 1). Between 1995 and 2008, average annual GDP growth rates exceeded 5%, with the exception of 2003, which saw a 2.2% growth rate.

Figure 1. Rwanda's real gross domestic product growth, 1994–2010



Source: International Monetary Fund, World Economic Database, September 2011.¹⁷

Rwanda had high economic growth and macroeconomic stability over the last decade even as poverty persisted at high levels, with 76.6% of the population living below US\$ 1.25 purchasing power parity per

¹⁶ Real GDP Growth Statistics, accessed on the International Monetary Fund (IMF), World Economic Outlook Database, September 2011 website. Available at: www.imf.org/external/pubs/ft/weo/2011/02/weodata/index.aspx

¹⁷ Ibid.

day.¹⁸ By the end of 2010, inflation was at an unprecedented low and international reserves remained at stable levels. The figures for this period show that Rwanda has maintained resilience to external shocks. Credit must be given to the country's ongoing reforms and policies, significant debt relief and extensive dependence on concessional borrowing. However, the portion of the budget that comprises aid is still very high: 50% in 2010. In addition, 14% of Rwanda's 2010 GDP resulted from injections of aid supports and grants.

Rwanda continued to benefit from considerable assistance funds and International Monetary Fund (IMF)-World Bank Heavily Indebted Poor Country (HIPC) debt relief in 2005–2006.¹⁹ In appreciation of Rwanda's successful macroeconomic management, the IMF graduated Rwanda to a Policy Support Instrument (PSI)²⁰ in 2010. The PSI for Rwanda was launched with to the objective of consolidating macroeconomic stability and attaining constant, broad-based economic growth. At the same time, it aims to reduce Rwanda's dependency on aid. Against the backdrop of the recent increase in food prices, a restriction on agricultural exports can be perceived as an attempt by the government to contain pressure on domestic demand and shield the domestic market from high prices.

1.2. Sector contributions and employment

Agriculture is the bedrock of Rwanda's economy. The value-added share of the sector in terms of GDP is about 35% in the last 10 years. This key sector to Rwanda's economy is based mostly on subsistence agriculture and employs 80% of the labour force. Those living in rural areas depend heavily on this sector, which includes plant and animal production, fishing, forestry and related activities. However, agriculture's share of the economy has declined, from 74.8% in 1965 to 35% in 2010. This phenomenon is partially due to the following factors:

- Resettlement of displaced persons resulting in smaller farms and decreases in food production;
- Environmental degradation and loss of soil fertility through over-cultivation;
- Limited use of modern inputs and excessive parcelling-out of land.²¹

The industrial sector comprises mainly mining and quarrying, construction, non-metallic minerals and furniture, and production of food, beverages and tobacco. The sector contributes about 14% of GDP and employs 3.8% of the labour force. Food processing and agro-based products (mainly coffee and tea) are the largest component of the industrial sector, despite the fact that exports – other than tea, coffee and pyrethrum – are not well developed. Therefore, the output in this sector is largely targeted to the domestic market.²² The export and import operations of these industries form a major part of the survey and of the analysis in this report.

Rwanda's services sector is mostly public administration, but includes wholesale and retail trade, hotels and restaurants, transport, storage, communication, finance, insurance, real estate, business services, education, health and other personal services. The services sector is fast growing, in particular tourism, which is the leading foreign exchange earner. In terms of share of GDP, the services sector has grown from 18.4% in 1965 to 45% in 2010. However, the services sector is outside the scope of this NTM survey.

The Government of Rwanda concluded a poverty reduction and growth facility with the International Monetary Fund to buttress reforms from 1998–2002, extended through 2009.²³ Rwanda has introduced stabilization policies and a series of structural reforms targeted to reduce poverty through private sector projects. The government aims to reduce poverty through growth of the economy at a minimum of 8% on

¹⁸ 'UNDP, International Human Development Indicators' on the United Nations Development Programme website. Available at: <http://hdrstats.undp.org/en/countries/profiles/RWA.html>

¹⁹ 'Rwanda' on the World Factbook, CIA website. Available at: https://www.cia.gov/library/publications/the-world-factbook/geos/countrytemplate_rw.html

²⁰ Policy Support Instrument (PSI) a new programme introduced by the IMF in 2005 for low-income countries that do not need or want to borrow from the IMF's under its Poverty Reduction Growth Facility (PRGF). It includes policy advice and conditions but not lending.

²¹ WTO TPR– Rwanda, Report by the Government, WT/TPR/G/129, 31 August 2004.

²² Ibid.

²³ UNCTAD, 'Investment Policy Review Rwanda (2006)', p. 8.

average per year with the objective of achieving middle-income country status by 2020. It also aims by 2020 to transition industry's share of GDP to 26%, increase the national investment rate to 30% of GDP and boost non-farm employment to 1.4 million. The government is on a dynamic track of channelling investments into light industry to process local resources and invigorate diversification and competitiveness in an export-oriented context.

2. Trade patterns

This section summarizes Rwanda's external trade. While the report will make more detailed references to trade flows, this section is introductory and casts the more disaggregated figures into a broader context.

2.1. Composition and development of commodity trade

In 2010, Rwanda's total exports, including minerals, amounted to US\$ 237.8 million while imports totalled US\$ 1,255.4 million. Manufacturing represented 55% of total exports and 86% of total imports.²⁴ Substantial portions of total imports are inputs for the manufacturing of goods.

Minerals and ores are excluded from the NTM survey. Excluding minerals from the analysis, the two most important exported products are coffee and tea. Coffee dominates with an export value of US\$ 57 million, followed by tea with a value of US \$34 million. Both commodities carry trade surpluses. Coffee comprises over half of Rwanda's agriculture exports and accounts for about 24% of the country's total exports.

As is the case with other LDCs, Rwanda is a net food importing country (NFIDC), with agricultural imports dominating in 2010. Cane or beet sugar, palm oil, rice, wheat and meslin, maize (corn) and animal or hydrogenated vegetable fats are the chief import subsectors. Agriculture in Rwanda is a robust contributor to growth, although the sector depends primarily on small farm subsistence agriculture.

2.2. Export destinations and diversification

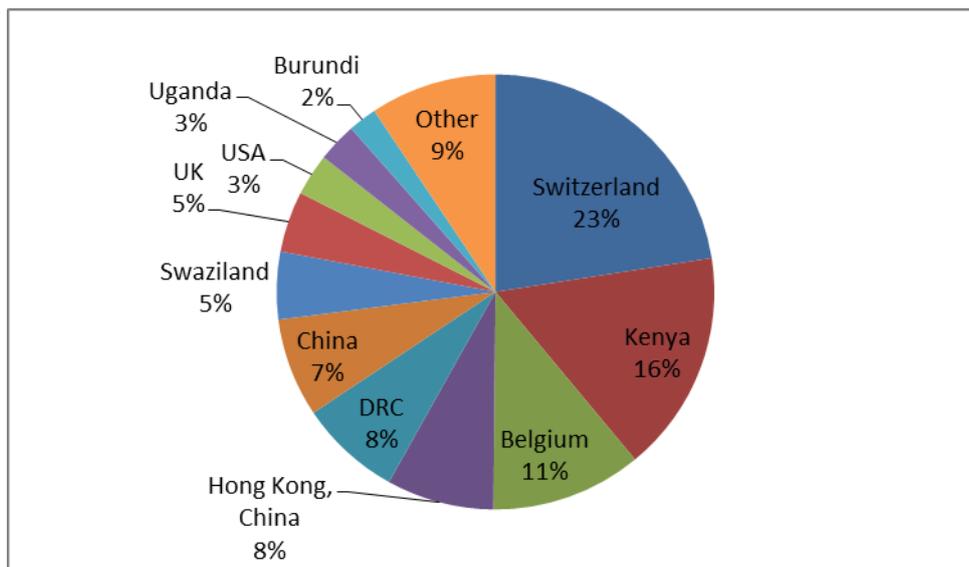
Switzerland, Kenya and Belgium are the main export destinations for about 50% of Rwanda's coffee, tea, ores, slag and ash sectors. Switzerland and Belgium account for 23% and 11% of Rwanda's total exports, respectively. About 98.5% of tea exports are to Kenya, accounting for 16% of Rwanda's total exports.²⁵ It is possible that much of these exports are for transit through to Mombasa, Kenya. Major importing countries of tin ores and concentrates are Switzerland, Swaziland and China accounting for 10%, 4.4% and 4.3% of total 2010 exports, respectively.²⁶ Exports to Swaziland amounted to 4.9% of Rwanda's total exports for the same year.²⁷

²⁴ Calculations based on ITC Trade Map Data, 2011. Sectoral trade values and percentages in this section include trade in minerals. Minerals, however, are excluded from the ITC survey due to particularities of the mineral sector which is dominated by state companies and large multinational in a very special international market. Therefore, minerals sector is outside the scope of the ITC survey.

²⁵ ITC Trade Map Data.

²⁶ Ibid.

²⁷ Ibid.

Figure 2. Rwanda's major export destinations, 2010

Source: Calculations based on ITC Trade Map Data, 2010.

Rwanda has made impressive efforts to implement a trade policy to diversify products and services for trading locally, regionally and internationally, with the objective of creating jobs, improving income and raising the living standards.²⁸ Rwanda's exports are still not well diversified in terms of traded products.

For example, agricultural exports to Kenya, Rwanda's biggest import market, are limited to four agricultural products valued at approximately US\$ 38 million in 2010. Rwanda's agricultural export portfolio with its major trading partners comprises 25 different products (Harmonized System – HS – 6-digits classification). A well-diversified export base could help alleviate adverse shocks caused by volatile agricultural prices and help the country to escape the 'commodity trap'.

²⁸ Rwanda National Export Strategy, March 2011. Available on the Ministry of Trade and Industry website: http://www.minicom.gov.rw/IMG/pdf/National_Export_Strategy.pdf

Table 1. Trade and market diversification of Rwanda's exports to major markets – agriculture and manufacturing

Major markets for manufacturing	Bilateral manufacturing imports		Diversification 95% trade in no. of		Major markets for agriculture	Bilateral agricultural imports		Diversification 95% trade in no. of	
	Year	(US\$ '000)	HS 2-digit	HS 6-digit		Year	(US\$ '000)	HS 2-digit	HS 6-digit
1. Switzerland	2010	26 774	2	2	1. Kenya	2010	37 596	2	4
2. Hong Kong, China	2010	18 836	1	5	2. Switzerland	2010	26 438	1	1
3. China	2010	16 738	1	6	3. Belgium	2010	15 558	1	1
4. Belgium	2010	10 733	1	6	4. USA	2010	6 237	2	6
5. Swaziland	2010	10 637	1	3	5. Uganda	2010	3 700	2	19

Source: Calculations based on ITC Trade Map Data, 2010, and UN Comtrade.

3. Trade policy

Rwanda's economy has been growing at a robust rate. In 2010, it grew at a rate of 2% higher than the rest of the East African Community (EAC) and sub-Saharan Africa. Rwanda considers trade to be an essential factor for economic growth. The primary trade policy objective in Rwanda's Vision 2020 Plan is to boost social and economic development and facilitate poverty reduction. Vision 2020 aims to convert Rwanda to middle-income country status by 2020. The plan addresses the issues of developing the services sector (primarily tourism, and information and communications technology –ICT) and the industrial sector (mainly textiles); human resources development; promoting the private sector and regional and international economic integration²⁹. Rwanda's National Export Strategy aims to transform Rwanda into a globally competitive export economy.³⁰

The Rwandan cabinet revised Vision 2020 in 2012 by adjusting the economic growth targets to an average GDP growth of 11.5% and GDP per capita from US\$ 900 to US\$ 1,240. The revised per capita GDP will be propelled by a projected 14% growth for industry, 13.5% for services and above 8.5% for agriculture.

3.1. Tariffs and trade agreements

3.1.1. Import tariffs and trade agreements

Rwanda bounds 100% of its total tariff lines in agricultural and non-agricultural sectors.³¹ However, the simple average final bound tariff for all imports is 89.5%.³² The simple average final bound rate is higher in the non-agricultural sector, reaching 91.8% compared with 74.3% for agricultural imports.³³ However, the simple average rate applied to most-favoured nations (MFNs) is much lower at 12.5% in 2010 (19.5% for agricultural imports and 11.4% for non-agricultural imports).

In 2009, 56.3% of Rwanda's 2009 industrial imports entered duty free. None of the tariffs for non-agricultural imports were less than 5%. About 10.7% of agricultural imports entered tariff free or at less than 5% tariffs; 32% were subject to tariffs ranging from 25%–100%.³⁴ In 2009, Rwanda applied non-ad valorem

²⁹ Rwanda Vision 2020, Kigali, July 2000, on the GESCI website: www.gesci.org/assets/files/Rwanda_Vision_2020.pdf.

³⁰ Rwanda National Export Strategy, supra note 34.

³¹ 'Rwanda – Statistics', on the WTO Online Statistics Database accessed at: http://stat.wto.org/TariffProfiles/RW_E.htm.

³² Rwanda is unable to implement the rates bound before the Uruguay Round simply because these rates are below the COMESA rates and it is a LDC. WTO TPR–Rwanda, Government Report, (2004).

³³ World Tariff Profiles 2011.

³⁴ World Tariff Profiles 2011.

duties to 11.4% of non-agricultural imports and to 1.2% of agricultural imports, respectively.³⁵ These were applied notwithstanding the fact that Rwanda has bounded non-ad valorem duties at zero for the agricultural and non-agricultural sectors.

Concerning WTO disciplines, Rwanda began implementing the WTO Customs Valuation Agreement from January 2004, resulting in its use of the transaction value method for valuation of goods. This means that where there is doubt regarding the importer's declared value goods will only be released subject to a surety equal to the customs duty on the declared value, plus 25%.

Similar to many LDCs, Rwanda has not participated in WTO dispute settlement, even as a third party.³⁶ However, Rwanda has been extremely active in WTO activities at both the Doha Round and regular negotiations, including being the first WTO Member to use the Agreement on Trade Related Intellectual Property Rights (TRIPS) and Public Health Paragraph 6 arrangement for countries without local manufacturing capacity for medicines.³⁷ Rwanda has also led the coordination of the Africa Group and has served as a focal point on a number of WTO issues.

Rwanda has registered several complaints that key markets, namely the European Union and the United States, must reduce agricultural export subsidies as well as eliminate tariff and non-tariff barriers, including technical standards that impede the country's exports.³⁸ A small, landlocked country, Rwanda co-sponsored proposals in the WTO trade facilitation negotiations, in particular with respect to the clarification of General Agreement on Tariffs and Trade (GATT) Article V (transit).³⁹ In the regional arena, Rwanda is a member of the Common Market for Eastern and Southern Africa (COMESA) and EAC.⁴⁰ COMESA includes 18 other regional trading partners.⁴¹

In 2000, COMESA launched a Free Trade Area (FTA) accord. However, only 9 of the 21 COMESA members agreed to provide duty-free treatment under the FTA.⁴² Rwanda and Burundi joined COMESA FTA in 2004. By 2009, the customs union was formally launched and 14 COMESA states were participating by 2010.⁴³ However, Swaziland enjoys non-reciprocal benefits, while applying barriers on exports from other members.

For Rwanda, the COMESA customs union is an opportunity to liberalize the physical flow of goods mainly through access to the ports of Mombasa, Kenya and Dar es Salaam, United Republic of Tanzania. This access facilitates transportation and reduces costs.⁴⁴ Among the most significant non-tariff barriers Rwanda has identified in the COMESA are hygiene requirements and cumbersome customs procedures, thereby causing long delays at border crossings, resulting in a significant impediment to trade within the region. Furthermore, it is estimated that Rwanda suffers on average approximately US\$ 1,000 extra in transportation costs, due to bribery at roadblocks. The quality of transportation within the region is especially important for Rwanda, as it accounts for 40% of the total cost of exports.⁴⁵ Rwanda's landlocked

³⁵ Ibid.

³⁶ Ibid.

³⁷ WTO document IP/N/9/RWA/119, July 2007.

³⁸ Edmund Kagire: 'WTO Chief calls on Kagame', *The New Times*, 2 November 2010, on the ALL Africa website, accessed at: <http://allafrica.com/stories/201011020887.html>.

³⁹ Negotiating Group on Trade Facilitation, WTO, Communication from Rwanda, Switzerland and Turkey, JOB/TF/17, 10 February 2011.

⁴⁰ List of notified RTAs in force on the WTO Regional Trade Agreements Information System (RTA-IS) website, accessed at: <http://rtais.wto.org/UI/PublicSearchByMemberResult.aspx?MemberCode=646&lang=1&redirect=1>.

⁴¹ Burundi, Democratic Republic of the Congo, Comoros, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

⁴² Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe. See Mauritius Freeport Authority, COMESA (2003), p.3. Seychelles joined the FTA in 2008.

⁴³ 'Cape Town to Cairo: Making the Tripartite Free Trade Area Work', *TRALAC* (2011).

⁴⁴ Sarah Rundell, 'Benefits to flow as East Africa removes trade barriers', *African Business*, April 2010.

⁴⁵ Ibid.

status is a significant hindrance to trade, especially given the poor road and railway conditions that cause delays and thus increase costs.⁴⁶

EAC came into force in July 2000. In addition to Rwanda, the other members are Burundi, Kenya, United Republic of Tanzania and Uganda. Rwanda and Uganda became members in 2007. EAC is a customs union with a tri-band common external tariff for imports at a minimum rate of 0% (raw materials and capital goods), a middle rate of 10% (intermediate goods) and a maximum rate of 25% (finished goods). All member states ratified the customs union protocol in 2010 and the first phase of the implementation began the same year.⁴⁷ Following the EAC agreement, Rwanda adopted the tri-band tariff structure. As a result, Rwanda increased tariffs on 20% of its non-EAC member imports⁴⁸ and removed all tariffs within EAC.

Rwanda is a member of the Economic Community of Central African States (ECCAS), the Regional Integration Facilitation Forum (RIFF), the Organization for the Management and Development of the Kagera Basin (KBO) and the African Union (AU). Like many LDCs, Rwanda benefited from European Union non-reciprocal preferential access under the Cotonou Agreement and the Everything But Arms initiative; the United States African Growth and Opportunity Act (AGOA) and Generalized System of Preferences (GSP) in other industrial country markets.

Rwanda maintains bilateral trade agreements in Africa with Burundi, Congo Brazzaville, Democratic Republic of the Congo, Kenya, Mauritius, South Africa, United Republic of Tanzania and Uganda. Rwanda has bilateral cross-border agreements with United Republic of Tanzania and Burundi in an effort to harmonize border control regulations and procedures.⁴⁹ Rwanda is also party to the treaty establishing the Economic Community of the Great Lakes Countries (CEPGL). However, CEPGL trade provisions are not always invoked.

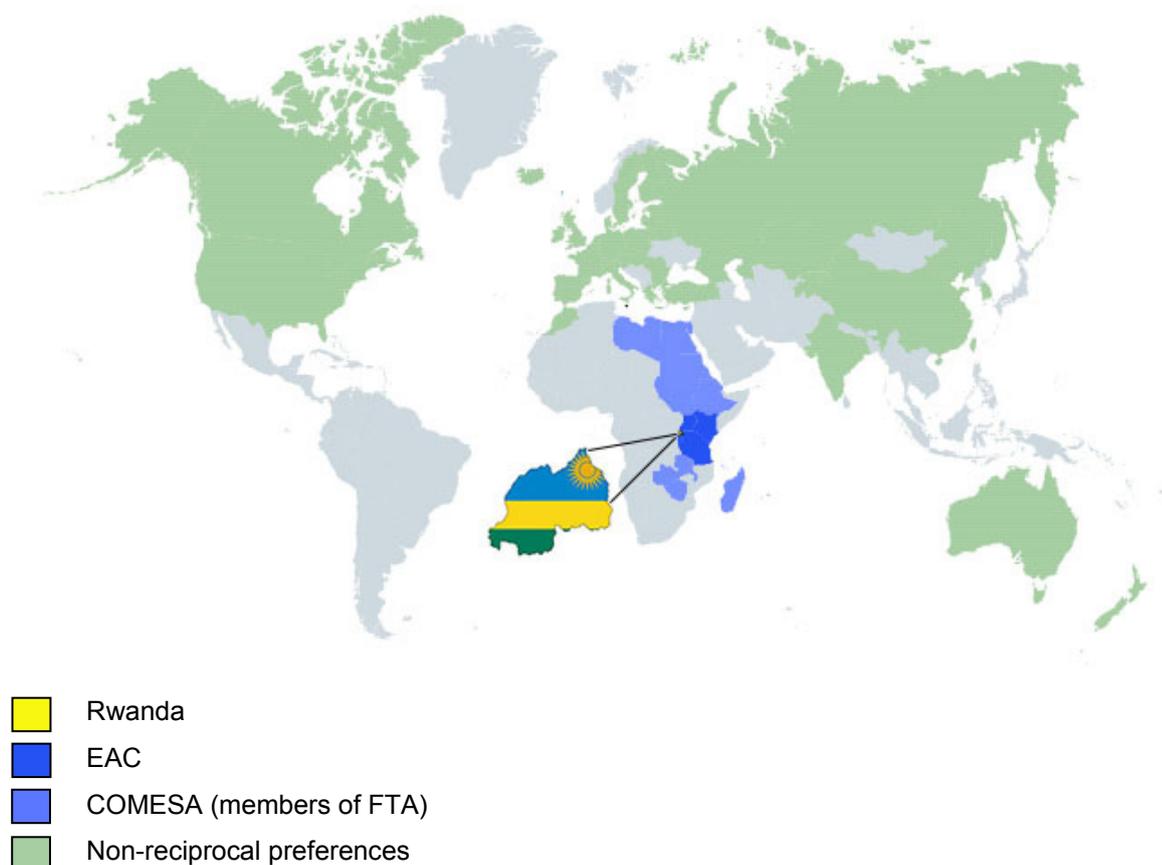
Rwanda signed a Trade and Investment Framework Agreement (TIFA) with the United States and a Bilateral Investment Agreement (BIT) in 2008, ratified by the US Senate in 2011. Rwanda also has BITs with other trading partners, including Belgium, Germany, Luxembourg, Mauritius, South Africa and Switzerland.

⁴⁶ United Nations Conference on Trade and Development (UNCTAD) and the Ministry of Trade and Industry of Rwanda (MINICOM), 'Rwanda's Development-Driven Trade Policy Framework 2010', p. 7.

⁴⁷ East African Community (Goods), Summary Fact Sheet prepared by WTO secretariat, on the WTO website accessed at: <http://rtais.wto.org/UI/PublicShowMemberRTAIDCard.aspx?rtaid=94>.

⁴⁸ Ibid.

⁴⁹ 'Rwanda and Tanzania sign pact to facilitate cross-border trade' on Afrique Venir website, accessed at <http://www.afriqueavenir.org/en/2010/03/25/rwanda-tanzania-to-sign-agreement-on-shared-border-post/>; 'Rwanda and Burundi sign pact to facilitate cross-border trade' on EASSI website, accessed at <http://www.eassi.org/news/259-rwanda-burundi-sign-pact-to-facilitate-cross-border-trade>.

Figure 3. Rwanda's trade agreements

Source: ITC illustration based on Market Access Map Data, 2011.

Note: To the best of ITC's knowledge this figure reflects the situation as of November 2011. Non-reciprocal preferences are granted to Rwanda among others in the framework of the GSP, AGOA and the interim Economic Partnership Agreement (EPA) with the European Union.

3.2. NTMs applied and encountered by Rwanda

In 2006 and 2011, Rwanda notified the World Trade Organization (WTO) that it maintained no import licensing procedures.⁵⁰ In 2005 and 2007, Rwanda notified a total of eight⁵¹ technical barriers to trade (TBT) requirements on products such as: alcoholic beverages, pre-packaged food, meat and meat products, building materials, non-alcoholic beverages, cereal products, milk and milk products, tea and coffee. It also notified technical measures covering quality requirements and test methods of certain products to ensure consumer safety. The Rwanda Bureau of Standards (RBS) is responsible for standards, quality assurance and metrology.⁵²

Rwandan imported goods may be charged customs duties, value added tax (VAT), consumption tax and advance corporate tax. Rwanda's average applied rate for dairy exceeded the average bound rate.⁵³ The maximum applied rate for sugar was equal to the maximum bound rate. A special 25% tax on sugar

⁵⁰ WTO document, G/LIC/N/3/RWA/1 (2006); G/LIC/N/3/RWA/2 (2011).

⁵¹ WTO document, G/TBT/RWA/1-8 (2007).

⁵² www.rwanda-standards.org/.

⁵³ Tariff Profile 2011 – Rwanda.

imports, established through Law No. 41/2002 of 31 December 2002, and reported at Rwanda's last WTO Trade Policy Review (TPR), was repealed in 2008.⁵⁴

Importation of any product likely to disturb the peace or endanger public health is prohibited, unless the competent authority grants a waiver.⁵⁵ These prescriptions are largely covered under international agreements to which Rwanda is a party. Asbestos and asbestos products are expressly prohibited. To protect public health, human and animal medicines, disinfectants, insecticides, rat poison, fungicides, herbicides and other toxic chemicals imports are subject to the Ministry of Health's approval of a pro forma invoice. Explosives and arms require approval of the competent authorities.⁵⁶ Rwanda has notified the WTO that it has not yet established a competent authority to conduct anti-dumping investigations and therefore does not apply the measures.⁵⁷ Rwanda has not notified any anti-dumping, countervailing duties or safeguards measures to the WTO.⁵⁸

4. National trade and development strategies

Domestic trade promotion actions, along with broader development initiatives, correlate closely with NTMs or implicate sectors impacted by NTMs. This section provides a context to examine NTMs in the later chapters of this report.

4.1. Trade promotion and facilitation

Rwanda Investment Promotion Agency (RIPA) was launched in 1998 to increase domestic and foreign investments. In 2004, the agency was renamed Rwanda Investment and Export Promotion Agency (RIEPA), to demonstrate Rwanda's commitment to export-oriented production to overcome past setbacks in the country's economy.⁵⁹ Enabling private sector-led business development and export production are two of the agency's principal policy objectives. To surmount the problem of past uncoordinated or minimally effective export promotion activities, the National Export Strategy recommends a coordinated approach to trade facilitation and promotion, which can be monitored and evaluated for the most efficient use of government resources. In this regard, the Rwanda Exporters Development Program (REDP) was introduced to register all Rwandan exporters into an export development programme, charged with facilitating the delivery and evaluation of technical assistance.

In 2008, the Rwanda Development Board (RDB) was created, consolidating RIEPA, the Rwandan Commercial Registration Service Agency (RCRSA), the Human Resource and Institutional Capacity Development Agency (HIDA), the Rwanda Information and Technology Agency (RITA) and the Rwanda Office of Tourism and National Parks (ORTPN). RDB serves as a one-stop shop for investors.⁶⁰ In addition to investment guidance and navigating Rwandan laws and policies, pre and post investment, RDB advocates internal reforms aimed at improving the business climate for Rwandan enterprises, including addressing incidents of domestic non-tariff barriers (NTBs). The government provides technical and financial support to micro, small and medium-sized enterprises (MSME) through the MSME Development Programme (2011–2015), with plans to establish a Rwandan Institute of Entrepreneurship and Cooperative Studies.

Trade facilitation and trade promotion programmes seek to generate cross-border trade, by assisting exporters and optimizing trade infrastructure. Enterprises may confront a plethora of taxes, including

⁵⁴ Law No. 71/2008; see also 'WTO Trade Policy Review Body', *Trade Policy Review – Rwanda, Secretariat Report*, WT/TPR/S/129, 31 August 2004.

⁵⁵ Law No. 22/1989 (of 23 December 1989) on the Organization of Foreign Trade, as amended by Law No. 34/91 (of 5 August 1991).

⁵⁶ 'List of prohibited and restricted good' on Rwanda Revenue Authority website: www.rra.gov.rw/IMG/pdf/prohibited_and_restricted_goods.pdf

⁵⁷ G/ADP/N/193/RWA, 26 February 2010.

⁵⁸ World Trade Profile 2010.

⁵⁹ Rwanda Investment Promotion Agency (RIPA) accessed on the AMIS Rwanda website at <http://amis.minagri.gov.rw/content/riepa-rwanda-investment-and-export-promotion-agency>

⁶⁰ History on the Rwanda Development Board website, accessed at www.rdb.rw/about-rdb/history.html

corporate income tax, pay-as-you-earn (PAYE) tax, VAT, excise duty and withholding tax levied by the Rwanda Revenue Authority (RRA), together with property tax, trading licences and rental tax income administered by the Districts. Simplified processes to facilitate payment of these taxes and mitigate compliance costs are planned.⁶¹

The Kigali Special Economic Zone (KSEZ) is a public-private partnership project nearing its first phase of completion. With government as the primary contributor to the KSEZ, it is expected that Rwanda will emerge from the confines of landlocked status to dynamic economic growth. Other industrial parks and special economic zones (SEZs) will be established, for example, the new KSEZ; Technopole, an ICT park); agro-processing parks; a tourism resort city (Kivu Belt); and a biotech park in Bugesera.

Rwanda was awarded 'global top reformer' in the World Bank *Doing Business 2010 Report*.⁶² As a result of its efforts to excel, Rwanda moved up from 50th in 2011 to 45th ranking in the World Bank's *Doing Business 2012 Report*.⁶³

One promising area for Rwanda's development and local business promotion is the creation of domestic export insurance agencies providing guarantees for lending at commercial financial institutions. The World Bank launched the African Trade Insurance Agency (ATI) in 2001, with additional backing of seven African countries, including Rwanda. The agency provides export credit insurance, political risk insurance, investment insurance and other financial products to assist in business risk and cost reduction. In 2010, ATI concluded its first deals totalling US\$ 76 million in Rwanda to provide insurance to cover expansion of a cement factory project and a services industry project.

The capacity of Rwanda customs' department is being improved with the application of the United Nations Conference on Trade and Development (UNCTAD) Automated System for Customs Data (ASYCUDA) and the construction of a new customs facility. Importers are required to deposit a CD-ROM and accompanying documents at customs to register their declaration and data entry by ASYCUDA. Customs will then verify the documents and carry out physical checks of the imported goods as well as collect the duties and taxes payable. According to customs officials, the average completion time of this process is approximately two days. Rwanda already deploys fast track, on site clearance procedures.

4.2. National development framework and infrastructure

Food security is high on Rwanda's agricultural policy agenda. Rwanda's Vision 2020 elaborates the agricultural strategy to transition from subsistence farming to market-driven agriculture and to reduce the number of agricultural workers from 90% to 50% over a 20-year period. The Vision 2020 objective to reduce agriculture's share of GDP has seen a reduction from 37% in 2004 to 32% in 2011.

Modernizing the agricultural sector will involve:

- Improving land use and soil conservation and management;
- Enhancing production methods through research and derivative services;
- Promoting rural credit schemes and other financial mechanisms;
- Re-training farmers and professional associations;
- Improving storage facilities, marketplaces and road infrastructure.⁶⁴

The plan encourages diversifying crops and more cultivation of lucrative and nutritious products such as potatoes, manioc, maize, sorghum, wheat and soya through regional specialization, based on comparative advantage. Currently, five crops – beans, maize, potatoes, rice and soya – have been designated priority crops.⁶⁵

⁶¹ Rwanda National Export Strategy, March 2011.

⁶² WTO Ministerial Conference, Seventh Session, Statement by the Minister of Trade and Industry, Rwanda, WT/MIN(09)/ST/118, 2 December 2009.

⁶³ 'Ease of Doing Business in Rwanda'. Available on the World Bank's website: www.doingbusiness.org/data/exploreconomies/rwanda/.

⁶⁴ Rwanda Investment Promotion Agency, 2002.

⁶⁵ Trade Policy Review Body, WTO, 'Trade Policy Review – Rwanda, Secretariat Report', WT/TPR/S/129, 31 August 2004.

Agricultural inputs are exempt from sales tax and benefit from a strategic distribution framework introduced in 1999. Unprocessed agricultural products (including livestock), agricultural machinery and equipment enjoy VAT exemption and agricultural inputs are duty free. The government is developing appropriate infrastructure, especially transport, communications, water and energy, and building a solid legal framework conducive to industry. Additional plans are in place to establish free economic zones and accelerate the privatization process.⁶⁶

More work is needed to alleviate land transport constraints that impact on costs and delivery times for manufacturing companies requiring both imports and exports. In 2006, Rwanda had the 11th highest ratio of freight costs to import value out of 157 countries, with imported freight costs at 18.4% of the value of imports. Kenya's ratio was 9.2% and United Republic of Tanzania's 11.9%.⁶⁷ Transport constraints in landlocked countries such as Rwanda can reduce advantages provided under preferential arrangements.⁶⁸

The significance of promoting modernization of services to improve distribution channels and trade facilitation, especially those that are private-sector led, cannot be overstated. The government has encouraged the national logistics and distribution services industry as a driver of national competitiveness, which has been successful due to Rwanda's equally competitive participation in global and regional trade. Despite its landlocked position, Rwanda is strategically situated and is surrounded by larger countries with nascent and growing markets.

Rwanda has focused on eastern Democratic Republic of the Congo, southern Uganda, western United Republic of Tanzania, as well as smaller markets, such as Burundi. Rwanda also aims to serve markets in Central Africa including Congo Brazzaville and Gabon. To further those goals, the government is refining its logistics and distribution services strategy to position Rwanda as a trade logistics hub in the region.⁶⁹ Several transport projects that could meaningfully reduce Rwanda's international transport costs are in progress. Projects include the expected railway connecting Kigali to Dar es Salaam and the new Bugesera airport. Renovation of the Kampala–Gatuna road is also under way.

⁶⁶ National Industrial Policy, April 2011, on the Ministry of Trade and Industry website accessed at: www.minicom.gov.rw/IMG/pdf/Industrial_Policy.pdf.

⁶⁷ Investment Policy Review Rwanda, p. 71.

⁶⁸ Ibid.

⁶⁹ National Industrial Policy, April 2011.

Chapter 2 Non-tariff measures survey methodology and implementation

1. Survey implementation and sampling methodology

This chapter presents the methodology and implementation of the NTM survey conducted for Rwanda and provides a concise description of the ITC global NTM survey methodology. Detailed methodological notes are in the appendices of this report as follows:

- Appendix I – Global methodology of the non-tariff measures surveys
- Appendix II – Non-tariff measure classification
- Appendix III – Procedural obstacles
- Appendix IV – Experts and stakeholders interviewed

1.1. Timeline and principal counterparts

In partnership with the Rwandan Ministry of Trade and Industry (MINICOM) and the Rwanda Permanent Mission in Geneva, the ITC NTM survey took place between November 2010 and May 2011. With the aim of building national capacity, the NTM survey was conducted by a local company, DR Consulting. Prior to implementing the survey, project managers and interviewers were trained in October 2010 by ITC staff on NTMs and on how to conduct telephone and face-to-face interviews. The Government of Rwanda's support was critical to the success of this project.

1.2. Survey process and modalities

To prepare for launching the survey, ITC compiled a comprehensive list of Rwandan exporting and importing companies together with contact details. The survey process was implemented in two steps. First, companies were randomly selected by sector and interviewed by telephone to identify those that perceived NTMs difficulties. As a requirement of the survey, interviewers inquired whether companies experienced burdensome regulations that seriously hindered their export or import operations, for example, through unbearable costs or very stringent requirements. Second, detailed face-to-face interviews were conducted with the companies that reported they faced obstacles and were willing to participate in the survey.

1.3. Sampling frame and selection strategy

To compile an initial business registry of Rwandan exporters and importers, ITC obtained several lists, mainly from the Ministry of Trade, the Private Sector Federation of Rwanda and the Rwanda Revenue Authority. A list of exporters and importers, each with a unique identifier, was generated and ready for sampling. The sampling frame considered the sector as well as firm size. Corresponding tables allowed for the matching of the Rwandan product codes with companies' main export sectors, based on the ITC classification, which comprises 13 agricultural and manufacturing sectors.⁷⁰ This registry covered a population of 2,434 importers and 236 exporters, excluding exporters of minerals, petroleum and arms. The export of minerals is generally not subject to regular trade barriers due to high demand and to the commercial activities undertaken by large multinational companies. The export of arms is beyond the scope of the ITC survey.

Companies interviewed were located mainly in the capital, Kigali, as well as the districts of Musanze, Rubavu, Huye and Muhanga.

⁷⁰ See appendix I. A detailed list of products (in SITC Rev 2 product classification) composing the ITC classification of sectors is available in ITC (2007). The initial classification includes minerals, totalling 14 sectors.

1.4. Survey coverage of telephone and face-to-face interviews

In Rwanda, 529 companies (118 exporting companies, 20 both exporting and importing, 319 importing and 72 forwarders) were randomly selected and interviewed by telephone. All companies interviewed were asked if they faced burdensome regulations that affected their import or export activities. Approximately 75% (395 of 529 companies interviewed by telephone) indicated they were affected negatively by NTMs and/or procedural obstacles (POs). Of this number, 80 were exporting companies, 18 involved in exporting and importing, 264 importers and 33 freight forwarders.

Of the affected companies, 138 were willing to participate in the detailed face-to-face interviews. Of this number, 60 were exporting, 60 were importing and 18 were freight forwarders.

1.5. Telephone interviews

A typical telephone interview averaged 12 to 5 minutes and was recorded using paper-based questionnaires that were subsequently digitalized. However, the local telephone interviewers had to overcome a large number of difficulties to execute the interviews. More than 80% of the contacted numbers were wrong. Of the remaining 20%, 35% asked for a call back at a later time, while 5% requested information by regular post or were not interested.

Among the successfully completed telephone interviews, 25% stated that they did not experience any NTM-related problems

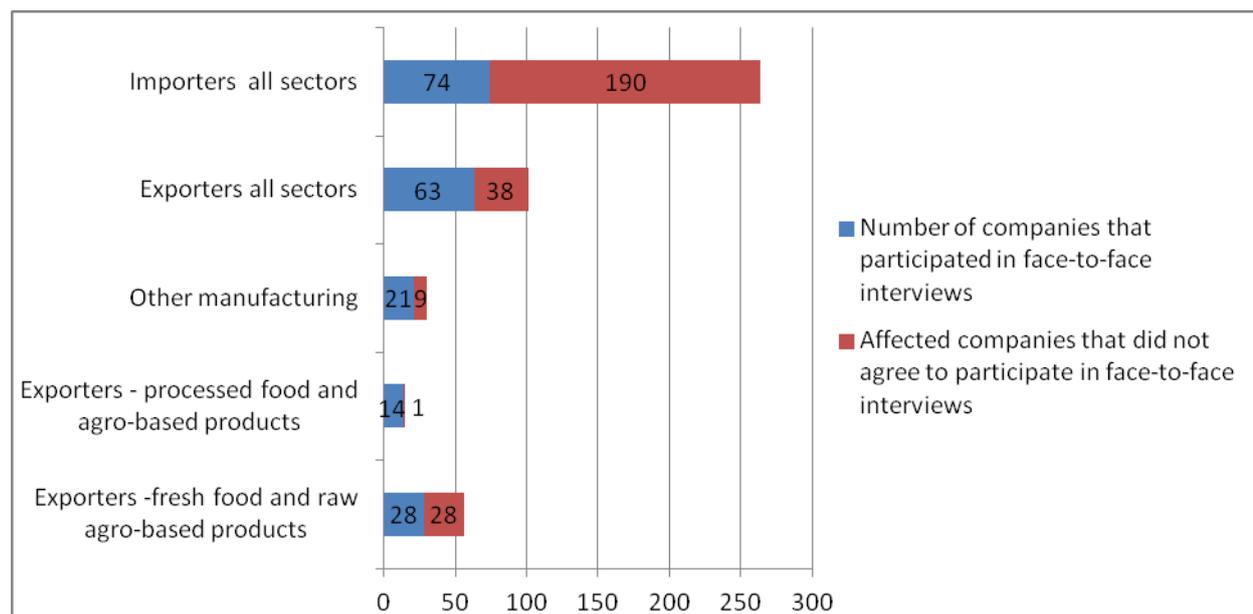
1.6. Face-to-face interviews

Burdensome NTMs were reported by 101 exporting companies during the telephone interviews. Of this number, 64% of the exporting only and exporting and importing companies agreed to participate in face-to-face interviews.

On the imports side, 264 companies reported they were affected by burdensome NTMs. However, of this number, only 60 (23%) were willing to meet for face-to-face interviews. It is interesting that there was not a higher conversion rate for face-to-face interviews among importers experiencing burdensome NTMs. One possible reason may be that the types of NTMs encountered by importers may involve issues with government regulators or bureaucrats that inhibit their willingness to provide details.

The face-to-face interviews provided more detailed responses and important elaborations on the characteristics of NTMs experienced, which are described further in chapter 3. Perhaps due to Rwanda's higher export trade compared to other sectors, there was a higher incidence of burdensome NTMs reported by exporters in the fresh food and raw agro-based sector. However, only half of those screened were willing to participate in face-to-face interviews (28 of 56). This unwillingness to participate in face-to-face interviews may be due to a concern about preserving confidentiality. At the same time, relatively more exporters in the other manufacturing sector (21 of 30 or 70%) and processed food and agro-based product sector (14 of 15 or 93%) were willing to participate in face-to-face interviews.

The face-to-face interviews were conducted in English with oral interpretation into local languages whenever necessary.

Figure 4. Exporting firms' willingness to participate in face-to-face interviews

Source: ITC NTM survey.

1.7. Implementation challenges

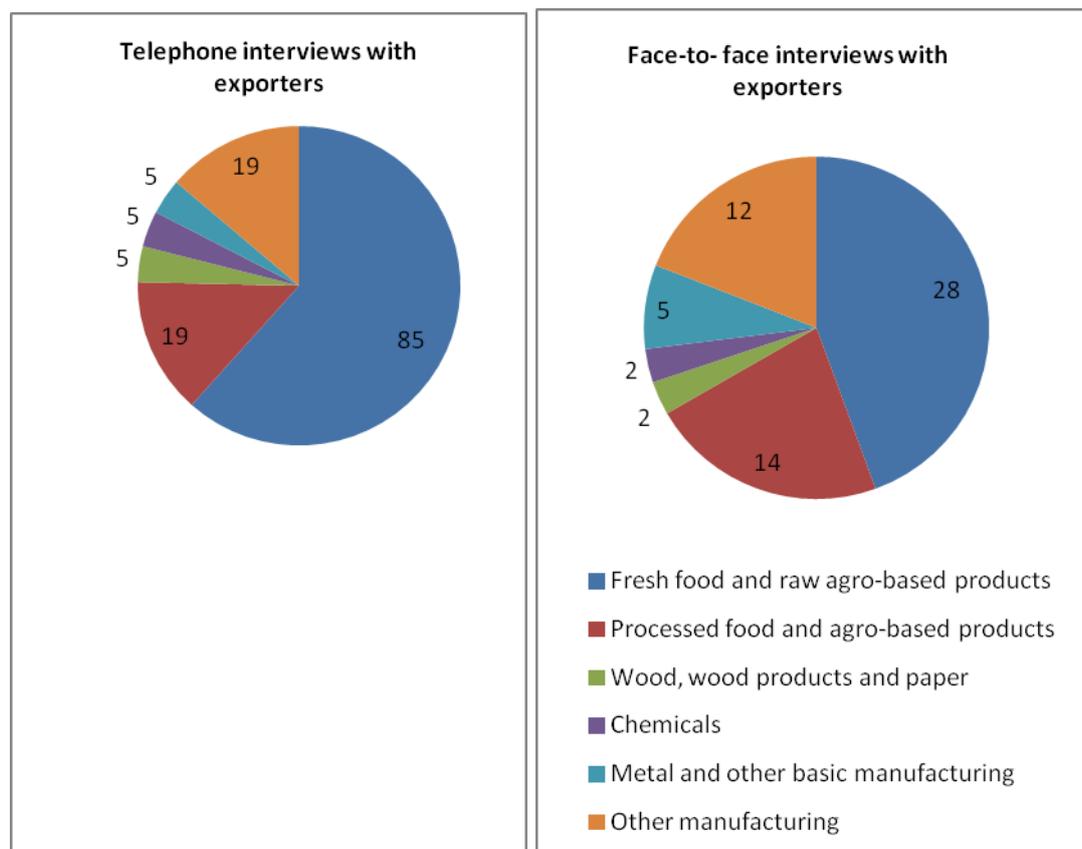
Due to the lack of a readily available single business register, ITC obtained exporter and importer lists from various sources including the Ministry of Trade, the Private Sector Federation of Rwanda and the Rwanda Revenue Authority. However the compiled list lacked updated information on exporters and importers. The local consultants contacted the exporter associations for updated information and contact details of enterprises. One of the main challenges was to obtain the sector activity of the companies.

Notwithstanding difficulties, the survey resulted in a useful tool for collecting information specific to Rwanda's experience with NTMs and associated barriers to trade. The outcomes will be particularly useful for policymakers, trade support institutions and the private sector in their effort to tackle obstacles and afford Rwandan traders better and efficient trade facilitation.

2. Survey coverage

The majority of interviews were with companies in the largest sector of the Rwandan economy – fresh food and agro-based products. In some sectors such as yarn, leather and non-electronics, only one interview was conducted. In the report, these sectors were compiled into one comprehensive 'other manufacturing sector'. Most importing and clearing companies surveyed are located in Kigali, while most exporters of fresh food and agro-based products are situated in the Rubavu Western Province. Participating exporters of coffee and tea are principally based in Rusizi, Western Province, Southern Province and Kigali.

The survey covered Rwanda's main export sectors (figure 5). The fresh food and raw agro-based products sector leads with a 61% share, followed by the processed food and agro-based products sector and the other manufacturing sector at 14% each. Less than a handful of companies representing metals, wood, chemicals and other manufacturing sectors participated in the survey.

Figure 5. Survey share by main export sector

Source: ITC NTM survey.

2.1. Companies participating in face-to-face interviews

The number of companies participating in face-to-face interviews was determined by those companies that participated in the telephone interviews, indicated they were affected by burdensome NTMs and expressed a willingness to participate. Most of the interviewed firms (40%) were small, while 36% were medium sized and the remaining ones were large companies.

Of the firms participating in the face-to-face interviews, 76% were wholly owned Rwandan companies; 19% had more than 50% foreign ownership; and the remaining had 50% or less foreign ownership.⁷¹ Most of the firms participating in the face-to-face interviews had been operating for more than five years.

3. Captured data and evaluation approach

Interviews were conducted with representatives of the companies reporting they face burdensome NTMs. The face-to-face interviews included a series of questions aimed at categorizing companies by years in operation and annual turnover. Before moving into the details of perceived trade barriers faced, information on firm characteristics such as size, age, ownership and sector affiliation were collected. Firms were classified in terms of producing or forwarding companies and as exporter or importer. When a firm is both an importer and an exporter, it is treated as an exporter.

⁷¹ The following definitions regarding firm sizes were used for ITC's NTM survey:

- Small company: up to 49 employees;
- Medium-sized company: 50 to 249 employees;
- Large company: more than 250 employees.

To get a full grasp of company trade, representatives were asked to provide information about their exports and imports at the detail or specific product (HS 6-digit) level⁷² and the destination country (exports) or country of origin (imports).

For each of these product-partner trade flows, company representatives were asked whether they experienced trade impediments. They were asked to provide detailed information about each NTM and PO; the nature of the NTM (as classified in appendix II); the country that applies the measure and the authorities they deem to cause the POs (Rwanda or foreign authorities). The representatives were asked if POs were associated with the reported NTMs or whether general inefficiencies of the TBE posed a challenge.

The final analysis of the survey data for this report consists of calculating frequency and coverage statistics along several dimensions, including product and sector, NTMs or main NTM categories (e.g. technical measures, quantity control measures) and the characteristics of the surveyed companies (e.g. size).

Most frequency and coverage statistics are based on 'cases'. A case is the most disaggregated analytic unit of the survey. Each company participating in a face-to-face interview reports at least one case of burdensome NTMs and, if relevant, related POs and challenges with the TBE.

Each case is defined by a particular NTM (government-mandated regulation, e.g. an SPS certificate), the product affected and the country applying the NTM. For example, in the situation where a company reported that three products are affected by the same NTM applied by the same partner country, the results would yield three cases. If two different companies report the same problem, it would be counted as two cases. If several partner countries apply the same type of measure they are recorded as several cases. The details of each case (e.g. the names of the government regulations and their strictness) can vary, as regulations mandated by different countries are likely to differ.

However, if the home country of the interviewed company applies an NTM to an exported product ('export-related measures'), the scenario was recorded as a single NTM case, as it can be considered a single policy. Following the same logic, if companies reported experiencing NTMs applied by Rwanda on the imports of a particular good from several different countries of origin, the measure is only counted as one case.

Information regarding POs (such as lengthy delays in government agencies or lack of efficiency of the agency that certifies the conformity of a product) was also captured on a case-by-case basis. Cases of POs and problems with TBEs are counted in the same way as NTM cases. POs and TBE statistics are provided separately from those of NTMs, even though in certain instances they are closely related (for example, delays can be caused by pre-shipment inspection requirements).

⁷² In several cases the product was reported inaccurately at HS-6 level, although it could be reasonably traced to the HS-4 level.

Chapter 3 Experiences with non-tariff measures and procedural obstacles

This chapter presents and analyses the findings of the ITC survey of a wide cross-section of Rwandan companies involved in exporting, importing and freight forwarding. The purpose of the following analysis is to convey the burdensome NTM experiences of Rwandan companies that participated in this survey. The occurrence of NTMs does not necessarily amount to a restriction that distorts trade or damages competitiveness. In addition, the frequency of reports of NTMs does not necessarily determine the level of restrictiveness. In many instances, NTMs are required to meet particular policy objectives aimed at assuring the health and safety of the consumer, animals, plants and the environment. However, some measures attributed to destination markets, transit countries and Rwandan agencies were perceived as burdens or obstacles by Rwandan traders.

Surveys by their nature are not dynamic, but they are snapshots of a situation at a given point in time. Many surveyed countries, including Rwanda, are in the process of defining solutions to NTMs perceived as barriers by their enterprises. During discussions in Kigali with Rwandan government agencies, a number of clarifications were supplied and further information was provided about the dynamic initiatives taken by the government to eliminate the NTMs that negatively impact Rwandan companies.

Notwithstanding its constraints as an LDC, Rwanda has been steadily tackling some of the barriers reported and in many cases has surpassed other surveyed countries in this regard. In the workshop in Kigali in July 2012 (see appendix V), stakeholders elaborated on recommendations emerging from the survey results and gave additional options for solutions. Their recommendations are reflected in this report.

The results of the Rwandan survey follow similar patterns found in some other ITC country surveys. Examples of these include:

- Landlocked and transit issues;
- The pervasiveness of conformity assessment measures on a primarily agriculture export sector;
- The impact from private standards, especially on SMEs in least developed countries;
- More NTMs are applied by destination or transit countries.

The results of this survey are intended to stimulate further dialogue between key agencies and the Rwandan private sector. The report can also be used to buttress Rwanda's dialogue and negotiations with major trading partners. These results can serve as another tool to contribute to Rwanda's laudable efforts to shape legitimate policies while minimizing impediments affecting its trade.

The analysis begins with the presentation of the survey results from an aggregate country level perspective. The first section looks at how companies are affected by trade impediments. The next section highlights major difficulties and their frequency. This is followed by an examination of other sectors and product specific findings with respect to difficulties identified by Rwandan export and import companies. Fresh food and raw agro-based products, processed and agro-based products, chemicals and manufactures are also examined. Rwandan exports highlighted in these categories are coffee, tea, pyrethrum extract used for natural insecticides, essential oils from geranium extracts, dried cassava, juices and tableware. As stated in chapter 2, minerals, arms and ammunitions are not covered in this survey.

1. Aggregate results

1.1. Affected sectors and products

The results of the survey reveal that the incidence of NTMs reported by Rwandan companies is quite significant in relative terms. On average, 71% of Rwandan export companies surveyed claimed serious difficulties with NTMs.

On the import side, 264 out of 319 import companies (83%) interviewed by telephone reported that they faced serious obstacles. To avoid double counting, table 2 summarizes results based on the primary export sector of each company. However, in reality, many companies are conducting business in more than one sector. Rwandan exporters reported experiencing more burdensome NTMs and POs attributed to partner or transit countries than attributed to Rwandan authorities.

The results of this survey reveal that NTMs faced by Rwandan companies are sector-specific. Rwanda joins some other surveyed countries with coffee and tea, under the group ‘coffee, tea, maté⁷³ and spice’ (see the ITC Sri Lanka report)⁷⁴ significantly impacted by NTMs. Together the two agricultural related sectors reported a high incidence of NTMs (averaging 72%). This is expected because it is typical in situations where there is direct usage of such types of goods by humans and the possible impact they may have on health and the environment. Agricultural goods are also often highly regulated because of the potential impact on the environment. The highest incidence of burdensome NTMs (84%) was reported by the ‘other’ manufacturing sector. Rwandan companies from the wood, wood products and paper sector and the chemicals sector also reported a high incidence of NTMs (80% faced restrictive regulations, as shown in table 2.

Because agriculture products dominate Rwandan exports, they will most likely be subject to high levels of scrutiny. Major trading partners in the developed world with long-established systems of food and drug administration tend to closely monitor or regulate the sector. Issues arise where NTMs unnecessarily burden or restrict trade in light of intended policy objectives. The matter becomes more acute for a landlocked LDC country such as Rwanda. Metal and other basic manufacturing exporters factor less, but remain significantly affected by NTMs and other trade barriers.

Table 2. Aggregate results of exporting companies by sector, interviewed by telephone

Main export sector (as reported during telephone interviews)	Total export value in 2010 (US\$ '000) ^{a/}	Sector's share in total export	Number of companies interviewed by phone	Number of companies affected by NTMs or other obstacles	Share of affected companies
Fresh food and raw agro-based products	102 671	75%	85	56	65.9%
Processed food and agro-based products	8 129	6%	19	15	78.9%
Wood, wood products and paper	1 901	1%	5	4	80.0%
Chemicals	2 391	2%	5	4	80.0%
Metal and other basic manufacturing	4 086	3%	5	3	60.0%
Other manufacturing ⁷⁵	17 715	13%	19	16	84.2%
Total	136 893	100%	138	98	71%

Source: ITC NTM survey and ITC calculations based on Trade Map Data.

Minerals, arms and ammunitions are excluded.

Note: This table is based on telephone interviews. Companies that both export and import are counted once – together with exporting companies.

⁷³ Maté is a South American infused drink of herbs, similar to tea.

⁷⁴ www.intracen.org/Sri-Lanka-Company-Perspectives-An-ITC-series-on-non-tariff-measures/.

⁷⁵ ‘Other’ manufacturing sector includes: yarn, fabrics and textiles, leather products, non-electric machinery, computer, telecommunications, consumer electronics, clothing and miscellaneous manufacturing sectors.

On the importing side, there was a generally a higher incidence of the reporting of burdensome NTMs when compared to the exporting companies.

Table 3. Aggregate results of importing companies by sector, interviewed by telephone

Main import sector (as reported during telephone interviews)	Total import value in 2010 (US\$ '000) ^{a/}	Sector's share in total import	Number of companies interviewed on the phone	Number of companies affected by NTMs or other obstacles	Share of affected companies
Processed food and agro-based products	142 252	12.4%	10	10	100.0%
Wood, wood products and paper	32 480	2.8%	20	17	85.0%
Yarn, fabrics and textiles	52 132	4.49%	15	14	93%
Chemicals	173 211	14.91%	83	70	84.3%
Metal and other basic manufacturing	174 625	15.03%	27	23	85.2%
Computer, telecommunications; consumer electronics	88 195	7.59%	45	37	82%
Electronic components	74 167	6.38%	9	9	100.0%
Transport materials	184 979	15.92%	12	10	83.3%
Clothing	9 987	0.86%	43	30	70%
Miscellaneous Manufacturing	77 184	6.64%	50	40	80%
Other	152 735	13.14%	5	4	80%
Total	1 161 947	100%	319	264	83%

Source: ITC NTM survey and ITC calculations based on Trade Map data.

^{a/} Minerals, arms and ammunitions are excluded.

Note: This table is based on telephone interviews. Companies that both export and import are counted once – together with exporting companies.

Table 3 indicates that importing companies in the processed food and agro-based products and the electronic components sectors faced the highest incidence of NTMs (100%). This comes as no surprise with respect to processed food and agro-based products, as countries often place greater regulations on products that could potentially harm the health and safety of both their citizens and the environment. Companies in the yarn, fabric and textiles sectors also recorded a very high incidence of NTMs (93%) while companies importing woods, wood products and paper, metals and other basic manufacturing, chemicals, transport materials, computer, telecommunications and consumer electronics, and miscellaneous manufacturing and other sectors reported burdensome NTMS at 80% or more.

1.2. Most common non-tariff measures and procedural obstacles

The ITC NTM survey distinguishes between burdensome NTMs, POs and problems with the TBE. As explained in the introductory chapter, NTMs are mandatory regulations introduced by competent authorities of the exporting and importing countries. For example, an NTM could be a requirement that the label of food products must contain an indication of the presence of gluten and nuts. (See appendix II for the full NTM classification, including technical regulations, conformity assessment, pre-shipment inspection, charges and taxes, and other para-tariff measures.) Conformity assessment measures applied by partner

countries tend to dominate survey results in a few of the ITC NTM reports. This is also the case for the Rwanda survey results. These measures are procedures instituted to demonstrate that the product fulfils or conforms to the requirements of technical regulations.

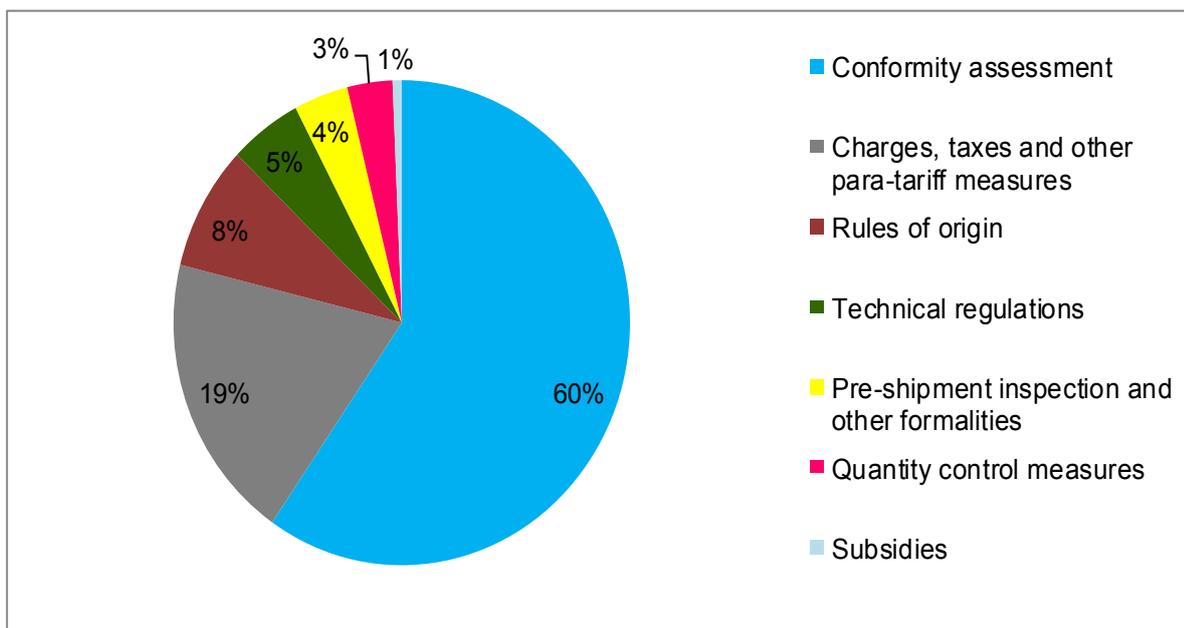
POs are difficulties associated with the manner in which a regulation is applied or implemented and may include inefficiencies, discrimination or delays. (See appendix III for a full list and classification including, administrative burdens, information or transparency issues, inconsistent or discriminatory behaviour of officials, time constraints, high fees and charges, informal payments such as bribes and infrastructure challenges.) POs are often closely linked to NTMs and unfortunately reinforce the impact of NTMs. Rules of origin, closely connected to non-reciprocal trade preferences and regional trade agreements, constitute additional recurring problems for Rwandan exporters (see also chapter 1). Inefficient TBEs can cause similar problems even when there is no direct relationship to specific NTMs.

As mentioned in chapter 1, Rwanda levies a number of charges on both exports and imports. This is not unusual for a government at any level of development. The impact and incidence of such charges are reflected in export-related measures and taxes, charges and para-tariff measure classifications. Rwandan exporters reported several export-related measures, which were attributed to Rwanda itself. Fewer importing companies claimed to be affected by such measures applied by the exporting partner countries. Reports of charges on imports by Rwandan authorities, in addition to regular duties, were prevalent in 30% of the NTM cases.

1.2.1. Most common non-tariff measures and procedural obstacles affecting exports

Rwandan exporters participating in the survey reported more NTMs applied by destination and transit countries than applied by Rwanda itself. Of the 156 total cases of NTMs reported, 94 cited conformity assessment as the main impediment to exports, representing 60% of the total (see figure 6). In addition to delays, a number of firms complained of costly fees to hire experts to help exporters meet the certification requirements of partner countries as well as Rwanda itself. Charges and taxes followed as the most significant impediment with 19%, followed by rules of origin at 8% and technical regulations at 5% (figure 6). The data collected include both partner and transit countries.

Exporters reported that transit countries are primarily applying technical regulations, claimed to protect roads, which cause delays and the incurrance of high costs. An example of this cost is a tax on transport facilities measure or storage and transport conditions for plants, animals and food. Exporters reported problems arising from weighbridge requirements imposed while transiting through Kenya, United Republic of Tanzania and Uganda. Measures in Uganda and Kenya, falling under the classification of storage and transport conditions and plants, animals and food, were applied on handicrafts. Exporters also reported having to pay bribes in transit countries.

Figure 6. Most frequent categories of NTMs applied by partner or transit countries

Source: ITC NTM survey.

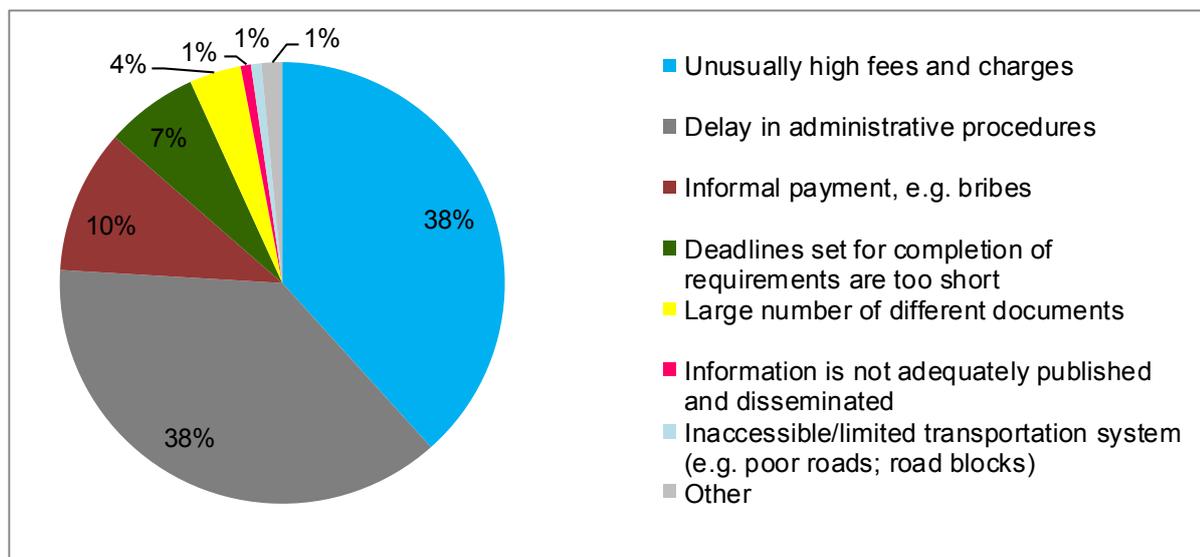
A similar pattern emerges with conformity assessments, which were attributed to Rwanda, specifically certification requirements implemented by its agencies for products destined for the European Union and the United States (56% of the reported cases). However, a closer examination of survey responses revealed that Rwandan agencies such as the RBS, OICR and the Rwandan Ministry of Agriculture (MINAGRI) are actually implementing destination country certification requirements. Nevertheless, exporters complained of high fees and delays generated by the Rwandan agencies themselves.

Licences required by RBS were sometimes reportedly linked with local production or health-related requirements for exports of specific items to destinations such as Burundi and the Democratic Republic of the Congo. In some cases, Rwandan exporters highlighted contradictions between domestic technical regulations and those imposed by the destination market. Examples of such contradictions include technical measures, such as Rwanda's near ban on use of plastic items. In particular, a handful of exporters reported the Rwanda Environment Management Authority's (REMA) restriction on the use of polythene materials in hygienic paper. Yet there are some destinations that require polythene packaging. Another reported measure was the delays by the Rwandan agency in issuing a certain required seal before exporting maize to Uganda.

In terms of POs, Rwandan exporters complained of high fees and charges, and delays caused by administrative procedures when exporting to partner and transit countries. Both categories accounted for 38% of number of cases reported (see figure 7). Informal bribes constituted 10% of the reported cases applied by transit countries. The reality is that exporters perceived that a number of fees applied for evaluation by transit countries may be extracted in a manner to constitute bribes or onerous penalties. On closer examination of some of the specific comments made during face-to-face interviews, the question may indeed arise as to whether some high fees are really tantamount to bribes instead of legitimate fees.

'The weighbridge issue should be discussed to ease the transport costs.'

Director of finance, Rwandan export company, ITC NTM survey

Figure 7. Most frequent categories of procedural obstacles applied by partner or transit countries

Source: ITC NTM survey.

Rwandan exporters perceived that procedural obstacles occurred in some Rwandan agencies, but less frequently than those attributed to partner or transit countries. The survey showed that 90% of the POs attributed to Rwanda are actually linked to destination country measures. Unusually high fees and charges (43%) was the most frequently reported measure followed by delays in administrative procedures (33%). The same is true for those POs attributed to Rwanda and linked to partner or transit countries, with delay in administrative procedures leading in terms of the number of cases reported, followed by unusually high fees at 38% and 35% respectively.

1.2.2. Private measures or standards affecting exporters

Rwandan exporters revealed a number of cases of private measures and standards. Private measures are those required by private client importers in the destination country. Some private entities have been designated by government bodies to generate standards based on specific industry requirements. However, a vast number of non-governmental standards, falling under the rubric of 'private standards' have emerged to the point that the International Organization for Standardization (ISO) attempted a classification based on frequency of incidence, namely ICT, retail and agro-food, and those related to social and environmental standards.⁷⁶ ISO views these standards as mainly driven by a number of stakeholder priorities, but cautions that some may confuse consumers and users thereby reducing safety, market, social or environmental benefit.⁷⁷ ISO recommends that a distinction be made between international standards following WTO principles and disciplines found under the SPS and TBT Agreements and those where this is not necessarily the case.⁷⁸ As with measures imposed by government entities, the challenge for private standards also revolves around the questions of transparency, harmonization and the dual goal of achieving important policy and consumer protection objectives, while at the same time reducing adverse impacts on trade.

Private standards applied during export and import are becoming increasingly mandatory. In developing countries they may impede access by small exporters to important global supply chains, especially in the

⁷⁶ International Organization for Standardization (ISO), *International Standards and private standards*, 2010, p. 6.

⁷⁷ *Ibid.* p. 8.

⁷⁸ *Ibid.*

fresh food and produce sector.⁷⁹ Private standards imposed by certain European supermarket chains and retailers may be even more stringent than European Union measures, which must themselves comply with the WTO SPS agreement.⁸⁰ Certain private standards may not even target food safety or address additional consumer requirements, but focus on the production process, claiming these are necessary to meet European Union requirements. The European Union has begun to examine whether some private standards, while contractual, exceed or are redundant in the face of already mandatory European Union standards for food safety and quality assurance, thereby becoming an unnecessary barrier to trade.

Rwandan exporters are besieged by the private standard phenomenon. Specifically, 15 cases of Fair Trade certification and 10 cases of other private standards were reported. The Fair Trade certifications were reported for a number of agriculture exports to Belgium, Canada and the United States, such as dried cassava leaves, flour and dried fruits. Exporters recounted that a pre-negotiated agreement must be concluded with the importer, which then necessitates hiring an expert to inspect the product in Rwanda and prepare a report. If the exporter passes the test, then a Fair Trade certificate is granted. A major consequence of this process is higher costs for the exporter. For example, one exporter reported having to pay €1,500 to hire an expert to inspect and issue the Fair Trade certificate, which was only valid for a limited period.

Another example of a costly private measure was the packaging required for coffee beans at RWF 2,300 (US\$ 3.80) per package. In the case of beans exported to Belgium, an organic certificate was required. The exporter claimed he had to retain German inspectors at a cost of RWF 5 million (US\$ 8,305) to carry out an inspection that took three weeks and delayed the export. To export chilli peppers to the Netherlands, a good agriculture practices certificate is required at a cost of RWF 2 million (US\$ 3,322).

In the case of private standards for a specialized packaging imposed on cow ghee by importers in Burundi, the Democratic Republic of the Congo and United Republic of Tanzania, Rwandan exporters reported that they could not source the requisite packaging materials locally. Consequently, the materials have to be imported at a high cost. Other restrictive private measures reported were demands by private clients in Switzerland, the United Kingdom and the United States that products be transported in certain types of specialized containers used by shippers such as Maersk. This type of standard posed a serious challenge for landlocked Rwandan exporters where no industry exists to produce the requisite containers. Other complaints about private measures were from Rwandan banana wine exporters. United Republic of Tanzania clients require use of 72cl bottles that are not available in Rwanda and must be imported at a higher cost to Rwandan exporters. Apparently only 33cl bottles are available in Rwanda. According to RBS, actions have been taken with United Republic of Tanzania's standards body to harmonize requirements for bottle sizes.

1.2.3. Partner countries and NTMs affecting Rwandan exports

The most frequently reported partner countries applying burdensome NTMs were Burundi, the European Union member states and the United States. These markets accounted, respectively, for 38%, 18.2% and 11.7% of total reported product-specific NTM cases. Kenya, South Africa and Switzerland had the fewest reported NTMs (see table 4).

Caution is advised when analysing the number of companies that report NTMs applied by partner countries and the absolute number of NTM cases reported for these destinations. Export flows to larger markets are captured more frequently during face-to-face interviews because the survey sampling is random. Thus, in absolute terms, high incidences of NTMs do not automatically imply a higher number of NTMs occurring in these countries.

⁷⁹ Private Standard Schemes and Developing Country Access to Global Value Chains: Challenges and Opportunities Emerging from Four Case Studies, (OECD) (2006): pp. 5-6.

⁸⁰ Chia-Hui Lee, G., 'Private Food Standards and their Impacts on Developing Countries', European Commission, DG Trade Unit G2, (2006) on the European Commission website accessed at: http://trade.ec.europa.eu/doclib/docs/2006/november/tradoc_127969.pdf. Also available on http://legacy.intracen.org/dbms/tirs/TIR_Publication_EK.Asp?DS=MONOGRAPHS&TY=F&CD=13393&ID=36438.

Similar findings emerged from other ITC NTM surveys in Burkina Faso, Peru and Sri Lanka, where the European Union and the United States register the highest number of cases. For most categories of exports, the European Union had the highest share of reported NTMs. The United States is prominently featured in these reports due to its large, developed market. Rwandan coffee and pyrethrum are particularly attractive in the United States, even though it is not the largest market in terms of export value. Neighbouring countries also surface in NTM reports in the upper levels due to their natural placement for trade because of proximity. In Rwanda's case, neighbouring countries Burundi, the Democratic Republic of the Congo and United Republic of Tanzania stand out (see table 4).

Measures reported for Japan, South Africa and Switzerland are mainly conformity assessment, pre-shipment and other inspections, charges and para-tariff measures. Two-thirds of surveyed Rwandan exporters reported they were affected by measures applied by Japan. With respect to measures applied by neighbouring countries, the instances varied depending on the product. Burundi, also a transit country, had the most reported cases (69%). Only 33% of the surveyed companies exporting to United Republic of Tanzania reported burdensome measures. This can be explained in that smaller partner country results may not be fully representative at this level of disaggregation. Table 5 reveals that even though Burundi, United Republic of Tanzania, Kenya and Uganda are Rwanda's partners in EAC and COMESA (except for United Republic of Tanzania), NTMs are reported at varying levels of intensity. The interregional arrangements are reducing tariffs; however, NTMs continue to be significant barriers to trade.

Table 4. Non-tariff measures applied by partner countries

Partner country	Export value ^{a/}		Surveyed companies			Reported NTM cases	
	Rwandan export value in 2010 (US\$ '000)	Share in total Rwanda export value	Number of surveyed companies exporting to this destination ^{c/}	Number of surveyed companies reporting NTMs applied by this export destination	Share of affected companies among those exporting to this destination	Number of product-specific NTM cases reported to be applied by this destination	Share in total reported product-specific NTM cases
Kenya	38 811	28.4%	6	2	33.3%	5	3.8%
Switzerland	26 473	19.3%	11	4	36.4%	4	2.9%
EU ^{b/}	23 363	17.1%	39	24	61.5%	52	38%
DRC	16 586	12.1%	11	3	36.4%	4	2.9%
United States	7 289	5.3%	28	19	67.9%	25	18.2%
Uganda	6 188	4.5%	8	2	25.0%	5	3.6%
Burundi	4 936	3.6%	16	11	68.8%	16	11.7%
United Republic of Tanzania	3 510	2.6%	9	3	33.3%	7	5.1%
Japan	2 181	1.6%	8	5	62.5%	7	5.1%
South Africa	1 677	1.2%	3	2	66.7%	2	1.5%
Other	5 861	4.3%	16	8	50.0%	10	7.3%
Total	136 875	100.0%	155	84	54.2%	137	100.0%

Source: ITC NTM survey and ITC calculations based on Trade Map data.

a/ Excluding minerals and arms.

b/ The export value of the European Union only refers to all member countries. The individual countries reported to be applying burdensome NTMs are: Belgium, Germany, France, Italy, the Netherlands, Spain, Poland and the United Kingdom. They jointly account for US\$ 23,363,000 of Rwanda's export value.

c/ Companies exporting to several destinations are counted once for every destination. As a result, the total in this table is higher than the total number of companies interviewed.

1.2.4. Most common non-tariff measures and procedural obstacles on imports

Rwandan importers reported a total of 70 NTM cases. Of this number, 61 cases (87%) pertained to transit countries. Of this total, 82% of the cases reported involved burdensome charges, taxes and para-tariff measures. This is not surprising as importing countries are likely to have a problem with any measure that increases the cost of their imports. The remainder of the cases reported were conformity assessment measures. This is also not surprising as transit countries are naturally prone to apply far more NTMs on imports in transit than the home country. In the case of partner countries (non-transit), conformity assessment takes the lead as the NTM most frequently reported, especially in the area of certification requirements.

'[It] will be better to reduce the number of weighbridges or find any mechanism that could be used to overcome this issue.'

Managing director, Rwandan importer, ITC NTM survey

1.2.5. Domestic challenges

Rwandan importers reported 131 NTM cases applied by local Rwandan authorities. This high number of complaints registered is a natural occurrence, because Rwandan importers would not be concerned about export-related measures but would be more preoccupied with regulations applied by their own country authorities.

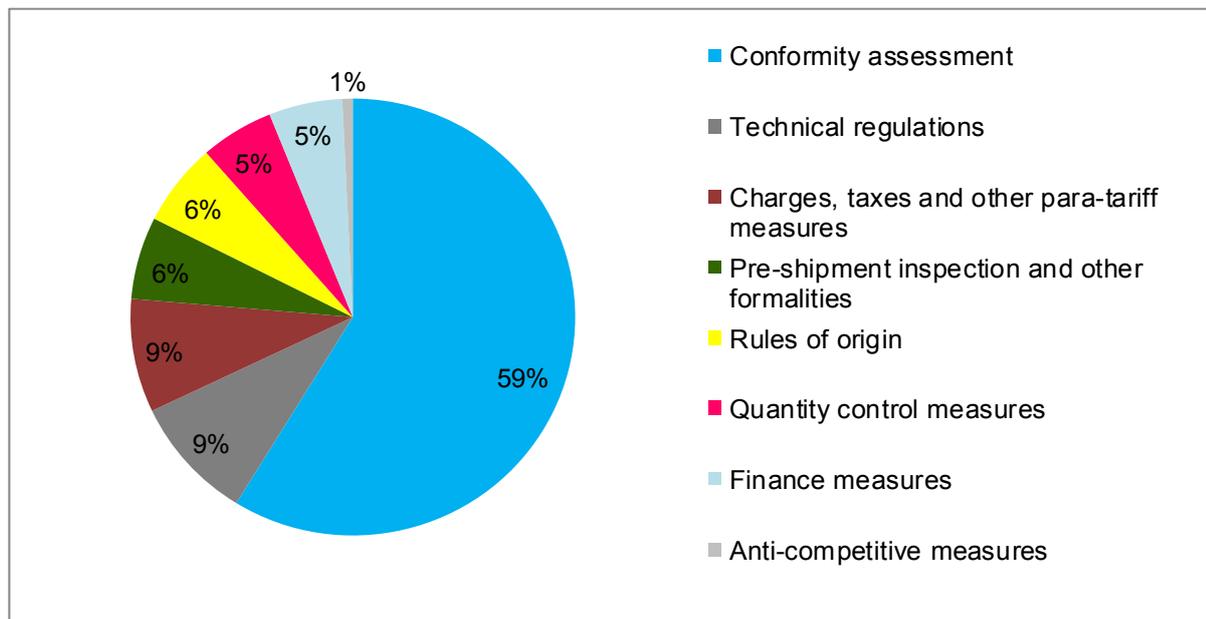
Not surprisingly, 59% of these measures fall under conformity assessment (see figure 9). As with exports, conformity assessment is a common concern in almost all ITC surveys so far.

Examples of these measures include:

- Inspections of construction materials from China, Belgium, Kenya, Turkey and Uganda;
- Inspections on manganese from India, South Africa and the United States;
- Testing requirements on chemicals and laboratory equipment from India, Kenya and Uganda;
- Certificates for car accessories and computer/information technology (IT) equipment from China, India, Kenya and the United Arab Emirates;
- SPS certificates required for vegetable seeds from Kenya, South Africa and Uganda;
- Inspections and analysis certificates required for pharmaceutical products from Belgium, France, Kenya, South Africa and Switzerland;
- Testing of cosmetics from France, Spain, Turkey and the United States.

Complaints about these measures may not necessarily be because of the mere imposition or legitimacy of the measure itself, but rather the resulting excessive delays. These delays are sometimes due to poor administrative or technical procedures. One case even involved customs in MAGERWA, where in addition to excessive inspection delays, furniture products were removed from containers and broken without compensation. MAGERWA, a mixed capital company, was established in 1969 to manage public warehouses. Its shareholders are the government (6.25%), Rwanda Development Bank (68.74%), Bank of Kigali (6.25%), Commercial Bank of Rwanda (6.25%), SDV (6.25%), AMIFIN Holding (6.25%) and Rwanda Links (0.01%).

Other NTMs attributed to Rwanda included technical regulations such as labelling requirements on imported vegetable seeds; Ministry of Health licences or authorizations for pharmaceutical products from Belgium, France, South Africa and Switzerland; and medicines from China, Cyprus, Greece, Egypt, India, Jordan, Kenya and Uganda. Following closely were charges and taxes with 9% (see figure 8). As with exports, conformity assessment is a common feature of almost all ITC surveys so far.

Figure 8. Most frequent categories of non-tariff measures attributed to Rwanda

Source: ITC NTM survey.

As was the case with NTMs, there was a higher incidence of cases of domestic POs on imports than those on exports (a total of 149.) However, delays in administrative procedures, followed by high fees and charges were also the most cited problems, accounting for 63% and 22% respectively of the cases reported. The perception of those surveyed is that Rwandan authorities could do more to reduce bottlenecks.

There were 39 cases of POs reported and attributed to partner/transit countries on imports linked to a measure applied by Rwanda. These cases were distributed as follows:

- Issues of delays in administrative procedures accounting for 69% of the reported cases;
- Information not adequately published accounting for 16% of the cases reported;
- Unusually high fees and charges at 15%.

1.2.6. Transit countries

Like their colleague exporters, several Rwandan importing companies identified multifarious weighbridge requirements touching on both NTMs and POs when transiting. Import transit cases involved the following charges by Uganda and Kenya:

- Weighbridge taxes on hardware imports from China, Germany and United Arab Emirates;
- Weighbridge charges on construction materials from China, Belgium, Turkey and United Arab Emirates;
- Charges on glass and mirrors imported from China, Belgium, India and Indonesia.

In addition, different truck weight limits along the Central Corridor between Rwanda and Dar es Salaam forced Rwandan importers to change trucks while bringing wines from Belgium, France and Italy; cosmetics from Turkey and the United States; and mobile phones from China to complete transit through the United Republic of Tanzania. Other fees were imposed in the transit of sugar, dry cells, rice and spare parts imports from Egypt, China, Germany, Pakistan and the United Arab Emirates. There is no harmonized truck weight limits across countries situated in the Northern Corridor from Mombasa through Uganda to Rwanda. Pneumatic tyres from China, Germany and the United Arab Emirates were subject to tax on

transit fees imposed by Kenya and Uganda. Accounts of informal payments and bribery as well as delays in administrative procedures were also reported.

1.2.7. Private measures or standards

There is no evidence from the data that Rwandan importers faced private standards in the home market. Unlike the fate of exporters, there are few private measures imposed by originating country clients attached to imports.

1.3. Trade-related business environment and cross-sectoral issues

Generally, POs and TBE-related difficulties can arise in the home country and in partner countries. In Rwanda, the majority of the reported difficulties are domestic: 240 out of 536⁸¹ (45%) cases, compared to 179 (33%) cases in partner countries and 117 (22%) in transit countries. ITC has found this to be the norm for most of the country surveys conducted so far. The survey data for Rwanda follows the same pattern. The share of domestic obstacles for exports is 32%; for imports, it is 57%. It is evident that POs and the inefficiencies of the TBE add a significant domestic dimension to export-related problems. Overall, both exporters and importers reported being most affected by delays in administrative procedures and unusually high fees and charges.

1.3.1. Domestic authorities

The Rwandan agencies most frequently reported with POs and TBE difficulties by exporting companies were the RBS at 30% of cases; the OCIR CAFE (Rwanda Coffee Authority) at 15% and MINAGRI at 9.2% (see table 6). With respect to the importing companies, customs accounted for 40% of the obstacles reported. RBS follows closely accounting for 33% of reported cases. Customs ranked a distant fourth with respect to reported POs and TBE difficulties by exporters.

'RBS should speed up its process to ease our trade.'

Cooperative president, exporter, ITC NTM survey

The high incidence of impediments attributed to RBS on the export side may be a result of its role as a standards agency with Rwanda being primarily an agro-exporter. Some of the suggestions with

respect to RBS from the exporters are that RBS should:

- Speed up its processes;
- Invite importers to meet and take on board their opinions;
- Be better equipped with its testing instruments;
- Advocate for Rwandan exporters when neighbouring countries pose challenges.

It was felt that the delays attributed to MINAGRI were principally because of a lack of a one-stop shop or single window to expedite issuing signed certificates needed for coffee exports. The problems with customs in MAGERWA typically involved excessive delays to clear items and the mishandling of imported products.

Overall, the perception of exporting and importing companies is that their businesses could operate more efficiently and save costs if the government would address the POs and TBE inefficiencies by:

- Setting up a central place to obtain all necessary documents for destination markets;
- Addressing delays in processing documents sometimes due to understaffing, inadequate person hours or lack of skills.

Poor transportation systems, such as road transport, account in part for bottlenecks that hinder the growth of trade. Improving the road systems could lead to a faster movement of goods and consequently lead to

⁸¹ Total cases in partner countries, Rwanda and transit countries for both imports and exports.

the development of the manufacturing sector and facilitate international trade. The Rwandan government signalled its intent when it commissioned an UNCTAD study in 2010 to assist in developing a comprehensive trade policy.

Table 5. Procedural obstacles and inefficient trade-related business environment issues – Rwandan agencies

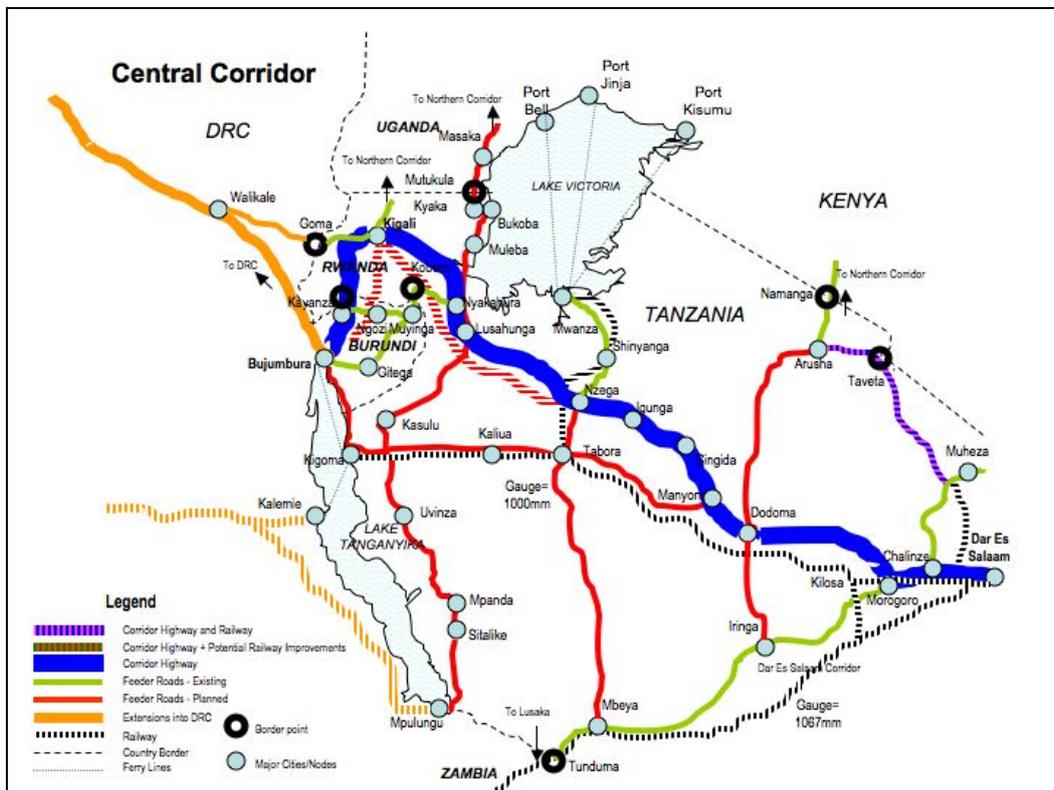
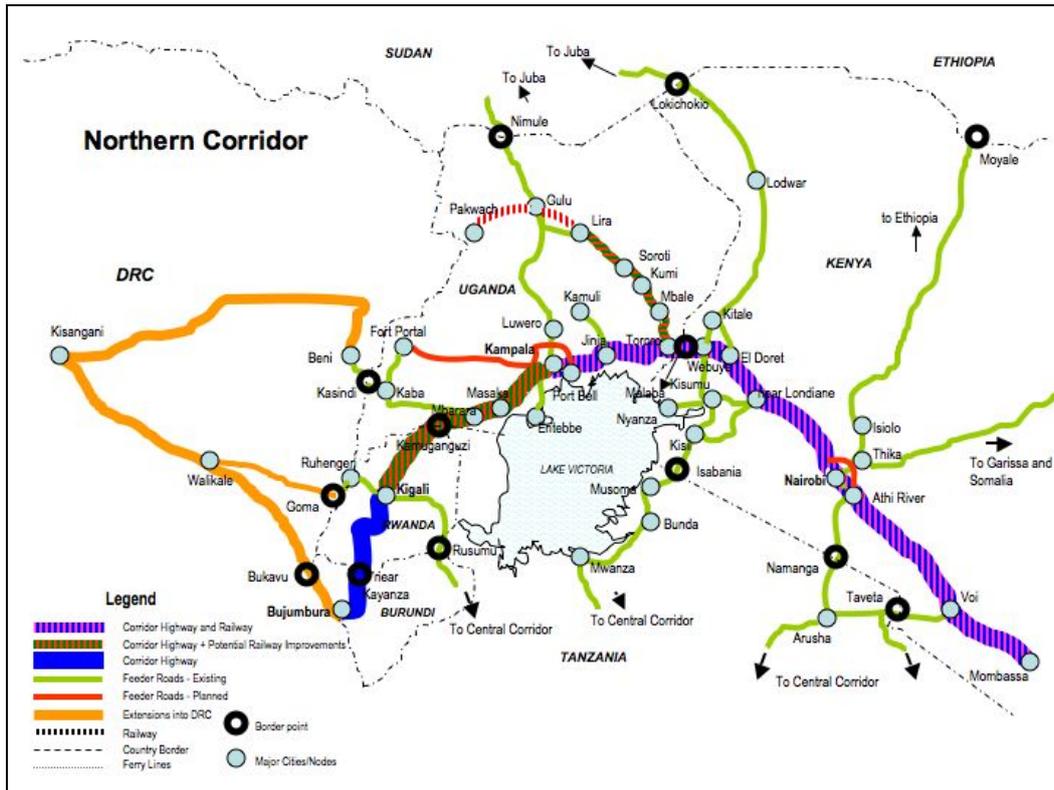
POs/TBE affecting exports			POs/TBE affecting imports		
Location obstacles	Number of obstacles reported	Share in total obstacles	Location obstacles	Number of obstacles reported	Share in total obstacles
RBS	26	29.9%	Rwanda customs	62	40.5%
OCIR CAFE	13	14.9%	RBS	51	33.3%
MINAGRI	8	9.2%	RRA	10	6.5%
Customs	7	8.0%	RURA (Rwanda Utilities Regulatory Agency)	7	4.6%
REMA	4	4.6%	MAGERWA	6	3.9%
Air transporters	1	1.1%	Ministry of Health	5	3.3%
Ministry of Commerce and Industry	1	1.1%	Ministry of Health	4	2.6%
RRA	1	1.1%	REMA	2	1.3%
UN transport regulation	1	1.1%	COMESA – Rwanda office	1	0.7%
Agency not specified	25	28.7%	Agency not specified	5	3.3%
Total	87	100%	Total	153	100%

Source: ITC NTM survey.

1.3.2. Transit and interregional countries

As discussed in earlier in this report, Rwandan exporters and importers reported a relatively high number of POs cases that occurred in transit countries; 19% in the case of exports and 24% for imports. A landlocked country like Rwanda is always particularly vulnerable to obstacles applied by neighbouring countries when transporting goods in and out of the country through the Northern and Central Corridors from Mombasa and Dar-es-Salaam (see maps, figure 9). EAC countries govern these main international transit arteries for Rwanda. Numerous reported problems impacting on TBEs with respect to both exports and imports were concerning weighbridges. Informal payments (bribery and corruption), delays in administrative procedures (14 cases for each) linked to weighbridges as well as TBEs associated with truck axle (and associated weight) limits were also reported. The most frequently reported POs were unusually high fees and charges (28 cases), followed by delays in administrative procedures (11 cases). Some other obstacles identified were delays due to excessive weighbridge requirements, attributed to EAC countries (Kenya and Uganda), affecting products such as coffee destined for Belgium, the United Kingdom and the United States.

Figure 9. The Northern and Central Transportation Corridors



Source: Images from www.eastafricancorridors.org/

The NTMs patterns for transit countries are the same interregionally involving Uganda, Kenya, Burundi and United Republic of Tanzania, which are sometimes destination countries and where EAC rules apply. The data reveal complaints about certificate of origin obstacles required by EAC countries to enable exporters to benefit from lower tariffs. This is discussed by sector later in this report.

When compared to its total exports to the world, Rwanda's trade within the EAC region is small, except in the case of Kenya, its top export market. Exports by value to the remaining EAC members for the respective years were miniscule. However, when compared to Kenya the overall share of reported NTMs and POs attributed to other EAC members is disproportionately higher (see also table 4). This observation might be explained by Rwanda's landlocked status and dependency on transit through these particular partners to export products such as tea, coffee, minerals and perhaps vehicles or machinery for repair abroad.

1.3.3. Partner countries

With respect to exports, the occurrence of POs or TBE-related problems across partner countries mirrors the respective occurrence of NTMs. This is expected, because generally speaking, POs are directly or indirectly related to NTMs, Rwandan exporters reported unusually high fees and charges as the most common PO they experienced with partner countries, followed by delays in administrative procedures. Rwandan exporters also reported informal payments as one of the obstacles they faced in their trade with partner countries.

The most frequently reported partner countries applying POs are the European Union (EU)⁸² (37.7%), the United States (21.5%) followed by Burundi, United Arab Emirates, Japan, United Republic of Tanzania, Democratic Republic of the Congo and Egypt each representing between 2.3% and 7.7% of total POs reported (see table 6). The European Union, United States and Burundi parallel the same ranking they received in reported NTMs, as illustrated in table 6. Among EU countries, most POs have been reported in Belgium and the United Kingdom (14.6% and 13.1% respectively out of 130 cases). In the case of Belgium, this finding is not unexpected, given that it is the largest market for Rwandan exports in the European Union, accounting for 11.5% of Rwandan total export value. However, it is unclear why a high number of POs have been reported in the United Kingdom, given that the share of exports to the United Kingdom does not exceed 1.7% of total Rwandan export value.

With respect to imports, the majority of the reported POs applied by partner countries are delays in administrative procedures. Approximately 18.4% of POs reported by importers have been applied by the European Union,⁸³ followed by Uganda at 16.3%, Kenya at 14.3% and China, India and South Africa at 10.2% each.

⁸² The following individual countries were reported in the survey: Belgium, France, Germany, Italy, Spain, Sweden and the United Kingdom.

⁸³ The following individual countries were reported in the survey: France, Germany, Italy, the Netherlands and Spain.

Table 6. Procedural obstacles and inefficient trade-related business environment issues – partner countries

POs/TBE affecting exports			POs/TBE affecting imports		
Location of obstacles	Number of obstacles reported	Share of total obstacles	Location of obstacles	Number of obstacles reported	Share of total obstacles
EU ^a	49	37.7%	EU ^b	9	18.4%
United States	28	21.5%	Uganda	8	16.3%
Burundi	10	7.7%	Kenya	7	14.3%
United Arab Emirates	10	7.7%	China	5	10.2%
Japan	7	5.4%	India	5	10.2%
United Republic of Tanzania	7	5.4%	South Africa	5	10.2%
DRC	4	3.1%	Burundi	2	4.1%
Egypt	3	2.3%	Malaysia	2	4.1%
Netherlands	2	1.5%	Mauritius	2	4.1%
Pakistan	2	1.5%	United Republic of Tanzania	2	4.1%
South Africa	2	1.5%	Turkey	1	2.0%
Australia	1	0.8%	UAE	1	2.0%
Cambodia	1	0.8%			
Canada	1	0.8%			
DRC	1	0.8%			
Kenya	1	0.8%			
Uganda	1	0.8%			
Total	130	100%	Total	49	100%

Source: ITC NTM survey.

^a The following individual countries were reported in the survey: Belgium, France, Germany, Italy, Sweden, Spain and the United Kingdom.

^b The following individual countries were reported in the survey: France, Germany, Italy, Spain and the Netherlands.

2. Agriculture

2.1. Exports of raw and processed agricultural and food products

This section examines the impact of NTMs and POs on Rwanda's principal export sector – raw and processed agricultural and food products. The important subsectors of coffee, tea and remaining agro-food export products are examined in section 2. Section 3 describes Rwanda's affected imports in the sector. Sections 4 and 5 consider Rwanda's manufactured exports and imports.

2.1.1. The role of the sector

Agriculture is the backbone of Rwanda's economy, accounting for 44% of GDP with raw and processed agricultural and food products representing about 46.6% of total Rwandan exports in 2010.⁸⁴ An estimated 80% of Rwanda's working population is employed in the agricultural sector (including plant and animal production, fishing, forestry and related activities). They live in rural areas and are heavily dependent on this sector. Minimal diversification in the Rwandan economy in past years has resulted in vulnerability to external shocks and international market fluctuations.

Agricultural productivity has been declining over time because of environmental degradation and loss of soil fertility through over-cultivation, lack of modern inputs and the excessive parcelling of land. Traditional cultivation methods are still widespread. Agricultural output is primarily based on family and subsistence farming, with almost 80% of farms less than one hectare. Bananas, sweet potatoes, cassava, beans and sorghum are the primary food crops. The chief cash crops are tea and coffee, which provide more than half of Rwanda's export revenue. A third industrial crop, pyrethrum (*chrysanthemum* genus) historically used for insecticides or a lice remedy in the Middle East and other parts of the world, was revived in the mid-1990s. Livestock production is under development. Fishing and forestry are underdeveloped.

The Rwandan National Agricultural Export Board (NAEB) is contributing to diversifying Rwanda's agriculture exports through horticultural crops as well as pyrethrum, essential oils, macadamia nuts, vanilla and silk. Essential oil extracts from geraniums is also an important processed agricultural product for Rwanda. Other agricultural products are entering the market such as flowers and passion fruits, where Rwanda is enjoying increased investment and advanced cold storage facility assistance. Rwanda's chief cash crops for export, coffee and tea, are already vulnerable to international prices, notwithstanding NTMs. These products comprised 38% of total export value in 2010.

The fresh food and raw agro-based products subsector leads in reported NTMs with 65.9% of all affected companies screened. The most frequently reported NTMs in the agriculture sector are conformity assessment measures (76.8%), followed by charges, taxes and other para-tariff measures (15%) and technical requirements (8.2%). The most frequently reported trading partners applying burdensome NTMs to this sector were the United States (15 cases), followed by 11 cases in the United Kingdom, five cases in Belgium and four cases each in Japan and Switzerland. Pakistan, the United Arab Emirates, France and Egypt accounted for the remainder.

The largest exporting subsector is coffee, tea, maté and spices, representing 82.1% of the share of Rwanda exports in the agriculture sector and the most reported in terms of NTMs (52.7% of total cases) applied by partner countries (see tables 7 and 8). It is worth mentioning that 87% of the cases were reported by companies producing and exporting these products, while only 13% of the cases were registered by trading agents (see table 7).

The following sections illustrate that the majority of NTMs applied by partner countries were to exports in the coffee subsector, amounting to about 70% of total cases. This is not surprising given the fact that coffee accounts for 24% of Rwanda's total exports and also accounts more than half of its agriculture exports.

Conformity assessment measures in partner countries were the burdensome measures most frequently reported by companies and trading agents. The second highest most frequently reported NTMs for coffee in partner countries were charges, taxes and other para-tariff measures. Pre-shipment inspection and formalities, technical requirements and rules of origin were some of the NTMs reported.

The subsector with the second highest reported NTMs is black tea with 21 NTMs. As with coffee, most of the reported impediments for tea are conformity assessment measures applied in partner countries such as Egypt, France, Japan, Kenya, Pakistan, South Africa, Switzerland, Uganda, the United Arab Emirates, the United Kingdom and the United States (table 7). NTMs affecting other beverage exports demonstrate that the majority of reported NTMs were conformity assessment measures applied by Belgium, Burundi, Kenya, Uganda, the United Republic of Tanzania and the United States.

⁸⁴ ITC calculations (value of total export of agricultural products in 2010 is US\$ 110,919, divided by total export value of US\$ 237.8 million in 2010).

2.2. Non-tariff measures and procedural obstacles attributed to partner countries

Conformity assessment measures account for about 63% of total cases reported in this sector (92 cases out of 146) applied by partner countries; 47% of the conformity assessment measures were reported under coffee, tea, maté and spices subsector (43 cases out of 92). See table 6. More disaggregated data for partner countries show that 27 cases were reported for the 6-digit coffee (not roasted, not decaffeinated, subsector, HS 090111); 24 of these were certification measures (see table 7).

With respect to black tea, 14 cases were identified in the six-digit subsector (fermented and partly fermented tea in packages not exceeding 3 kg (HS 090230), comprising 10 certification measures. Certification measures applied by partner countries are among the most frequent conformity assessment measures deemed burdensome by Rwandan exporters in key exporting sectors. Rwandan exporters reported charges, taxes and other para-tariff measures as the second most burdensome measures applied by partner countries (see table 8). About 15% of total NTMs fall under this category, mostly in the coffee subsector. Disaggregated data show that these measures appear in the form of taxes imposed on transport facilities linked to weighbridges in transit countries.

The second sector most affected by conformity assessment measures was the beverages and tobacco sector (see table 7) where 15 cases were identified; followed by 13 in the grape wines subsector.

There were 12 cases of technical requirements related to products reported across the agriculture sector, with 11 reported by exporting companies and one by a trading agency (see table 7). One-third of these measures were reported in the dairy products, eggs, honey, edible animal product subsector; and another third in the coffee, tea, maté and spices subsector, mainly in coffee exports to partner countries. The remainder of the technical requirements were distributed among the beverages, spirits and vinegar, tobacco and manufactured tobacco substitutes subsector and live trees, plants, bulbs, roots and cut flowers subsector. Survey analysis revealed that most technical requirements identified in partner countries were related to packaging. A few of the requirements fell in the category of labelling and one measure reported by a trading agency was related to storage and transport conditions for plants, animals and food.

The NTM survey showed that about 40% of POs and TBEs in the agriculture sector were in the form of unusually high fees and charges (73 cases out of 185); 36 cases of these measures were reported in partner countries Belgium, the United Arab Emirates, the United Kingdom and the United States, while nine cases were reported in transit countries such as Kenya, Uganda and the United Republic of Tanzania. The second most common PO experienced was delays in administrative procedures (about 34% of total POs); 32 cases were reported in partner countries Belgium, the United Kingdom, the United Republic of Tanzania and the United States.

Rules of origin measures typically imposed by EAC countries in order to grant tax benefits were reported in nine cases, mostly vegetable, fruit, nut and miscellaneous food preparations.

2.3. Non-tariff measures and procedural obstacles attributed to Rwanda

A number of NTMs encountered domestically negatively affected various agricultural exports, primarily the coffee, tea, maté and spices sector with seven cases out of 14 – about 50% of total reported NTMs (see table 9). Most of the measures were reported in the coffee HS 6-digit subsector (HS 090111). Many cases were reported by companies both producing and exporting the products, while only one case was reported by a trading agent. Among the NTMs applied by domestic authorities, certification required by Rwandan authorities (nine cases) was the most common. This was followed by export inspection with two cases and licences or permits to export (see table 9). Only one case was reported under other export technical measures, which was applied by authorities on cereals and milling products, malt, starches, inulin and wheat gluten.⁸⁵

⁸⁵ These results are perceptions of the surveyed companies and will require deeper dialogue between them and the Rwandan government.

Survey results reveal that certification required by Rwanda for its own exports was reported as the most common conformity assessment NTM applied by local authorities; 64% of those NTMs took the form of certification required by local authorities and occurred mainly in the coffee subsector (five cases out of nine; tables 8 and 9, respectively). Difficulties observed for coffee sometimes reveal NTMs linked to other obstacles, such as unusually high fees, costs of experts or delays to meet certification requirements.

One certification requirement case was reported for single citrus fruit juice concerning delays in RBS testing performed in Kigali over a two-week period before exportation. Some reported the need for better testing procedures to help RBS expedite the process. Producers of banana wine complained that RBS conformity assessment certificates are not recognized in destination countries.

There were two cases each reported for export inspection and licensing or permit to export. Export inspection measures were identified in the fats and oils derived from milk n.e.s.⁸⁶ subsector (HS 040590) and in the fruit and vegetable juice subsector (HS 200980), namely maracuja (passion fruit) juice (see table 15). Export licences or permits were required in the coffee subsector (HS 090111) and again in fruit and vegetable juice. Obstacles faced were attributed more to delays and high fees associated with these requirements.

2.4. Analysis of important subsectors

This section of the report examines the problems faced by Rwanda's key subsectors of coffee and tea, which represent more than 90% of Rwanda's agricultural exports.

2.4.1. Coffee

The coffee subsector (HS 090111 green coffee beans), accounts for about half of Rwandan agricultural exports and about 24% of its total exports. Raw coffee exports are not necessarily benefiting from preferential access in Rwanda's major markets as it already enjoys most-favoured nation (MFN) duty-free treatment.⁸⁷ This product is progressively reaching specialty coffee status in global markets. However, was affected by the 2008–2009 economic crisis, where the value dropped from US\$ 48,252 million in 2006 to US\$ 32,322 million and US\$ 32,984 million in 2007 and 2009 respectively. Coffee bean exports recovered and reached a peak in 2010, with an export value of US\$ 54.4 million.⁸⁸ Figures for 2011 show exports valued at US\$ 74.6 million, a 37% increase over the previous year. Rwandan coffee enjoyed record high prices between 2004 and 2011 due to the government and private sector promotion of fully washed coffee beans, which involved government investment in washing stations and processing facilities.

The number of reported NTMs in partner countries is the highest for Rwanda's raw coffee exports compared to other export subsectors. Exporting companies and trading agents reported 54 cases; 27 of them concerned conformity assessment measures. Of the conformity assessment cases, 24 were certification measures, one product registration measure, one testing measure and one inspection requirement measure. In addition, 17 cases of charges, taxes and other para-tariff measures were reported in this sector. These charges comprise taxes on road transport facilities, primarily to the port in Mombasa. Bulk coffee is transported by road through Kenya and Uganda.

'We pay high fees to OCIR to obtain necessary certificates, such as phytosanitary certificates and certificates of origin... We pay 5% of the value of coffee.'

Director General, Rwandan export company, ITC NTM survey

Example of certifications for Rwandan coffee exports

- Quality – including Fair Trade and organic certificates (OCIR/NAEB)
- ICO – international country of origin certificate (OCIR/NAEB)
- EAC country of origin certificate (customs)
- Weight certificate (OCIR/NAEB)
- MINAGRI SPS certificate
- Processed – RBS certification

⁸⁶ n.e.s. refers to not elsewhere specified.

⁸⁷ Rwanda's Development-Driven Trade Policy Framework, p. 18, UNCTAD. http://unctad.org/en/Docs/ditc20092_en.pdf.

⁸⁸ Analysis based on UN COMTRADE data.

The remaining burdensome measures reported were technical requirements, such as packaging and storage and transport conditions for plants, animals and food, and pre-shipment inspection measures. Rwandan authorities applied six of the NTMs reported by coffee exporters. Five of these cases related to certifications required by Rwandan authorities; one case was licensing or permits to export; and one rules of origin measure was reported.

The partner countries where NTMs were reported for coffee were the United States (11 cases), United Kingdom (seven cases), Belgium (five cases), Japan (three cases), Switzerland (three cases), Australia, China, France and Germany (see table 9). The transit countries where NTM for coffee were reported were Kenya (seven cases), United Republic of Tanzania (four cases) and Uganda (six cases).

In terms of the procedural obstacles and inefficient-related business environment affecting coffee, about 39% were imposed by Rwanda, i.e. 72 cases out of 185. There were 28 cases of unusually high fees and charges. These fees were applied mainly by OCIR CAFE followed by the RBS. However, the agencies, such as the OCIR, are sometimes enforcing the quality certification requirements of top markets such as Belgium, Japan, the United Kingdom and the United States. Other exporters complained of high fees imposed by OCIR at 5% of the value of the coffee exported. The fees are charged to meet quality certification requirements, however, Rwandan exporters considered them to be too high. Recent reports are that the 5% *taxe remuneratoire* has been reduced to 3% and is applied to semi-washed coffee.⁸⁹ By

'To export, [a phytosanitary certificate] is required by MINAGRI. The problem is that this takes around three days to be obtained...'

Rwandan green coffee bean exporter, ITC NTM survey

contrast, there was one case involving OCIR that reported a charge of 13% of the total value of the exported coffee per contract.⁹⁰

A few concerns were raised about certifications required by destination countries but implemented by Rwandan agencies. For example, some coffee exporters felt that MINAGRI could expedite the process of obtaining signed SPS certificates for coffee required by Belgium, China, Japan, Switzerland and the United States.

With respect to private standards imposed by partner countries, some United Kingdom clients require Rwandan coffee exports to bear the Fair Trade label. Inspection and the cost to obtain a temporary label is said to be €1,500. One exporter surveyed claimed that the cost was US\$ 5,000 and took three months to obtain, albeit likely a one-time certification expense. Coffee exporters reported that the pre-shipment inspections required by final destination countries to confirm that relevant documents were supplied invariably delayed entry by two days.

The problems this subsector faces with transit countries such as Kenya and Uganda include higher costs resulting from prevalent weighbridge tonnage requirements. Traders have decided to transport their products in more than one truck to avoid the additional tonnage fees imposed in Uganda and the United Republic of Tanzania. In the case of Rwandan authorities, the most common PO reported was delays in administrative procedures (21 cases). The authorities in question were RBS, MINAGRI, customs department and OCIR CAFE.

2.4.2. Tea

Rwandan tea is increasingly enjoying the status of a top quality tea, purported not to rely on use of pesticides due to the special growing conditions in Rwanda. This feature is important in a highly competitive global black tea market. The government reports overall tea exports in 2011 of US\$ 63.9 million. The companies participating in the survey exported tea in 2010 under two product lines reported to have faced impediments in destination countries. The export value for green tea did not exceed US\$ 3,000; black tea accounted for

'A phytosanitary certificate is a problem due to many offices that are scattered instead of [a] one-stop centre. This takes more than two days.'

Rwandan black tea exporter, ITC NTM survey

⁸⁹ Communication from DR Consultants, Rwanda.

⁹⁰ ITC NTM survey data, CSec3.

US\$ 3,832 million. The distinction between the two types of tea in terms of export value is explained by the fact that green tea is processed into black tea for export. Rwanda's black tea is produced on large plantations,⁹¹ governed by the Rwanda Tea Authority (OCIR THE).⁹² In 2007, black tea export value reached US\$ 15,030 million, only to later drop to US\$ 636,000 by 2009 as a result of the 2008–2009 economic crisis. The product rebounded in 2010 to much higher levels.⁹³ Rwanda's national tea export strategy has successfully raised output and quality through investment in the supply and value chain. NAEB and RDB are facilitating loans to tea producers through a cooperative management advancement programme. Two new tea factories are being constructed to facilitate value chain improvements for exports.

Conformity assessment measures factored equally for tea and coffee. With respect to the export of green tea, only one certification measure was reported as burdensome while exporting to the United States (see table 7). There were 21 cases reported in the export of black tea; 14 of these cases were catalogued as conformity assessment (certification 10 cases, testing three cases and inspection one case).

The reported burdensome NTMs faced by Rwandan black tea exporters were applied by Egypt, France, Japan, Kenya (transit country), Pakistan, South Africa, Switzerland, Uganda (transit country), the United Arab Emirates, the United Kingdom and the United States. Traders also revealed that some partner countries, such as Japan, Pakistan, the United Kingdom and the United States, require SPS certifications from various departments, which results in delays. Fair Trade certificates demanded by private entities result in increasing delays as well as onerous costs to Rwandan exporters. Among the obstacles described were reports that United Arab Emirates requires its importers of Rwandan black tea to obtain a costly licence and meet labelling requirements, which takes one month for approval. The survey revealed only one case of certification required by Rwandan authorities for black tea.

Tea exporters reported transit country obstacles such as increases in costs of transport from Rwanda to Mombasa due to regulations imposed by weighbridge limits. These costs materialized in the form of maximum weight charges, prompting tea exporters to follow their fellow coffee exporters to use more trucks to carry their product.

To address the problems associated with multiple standards and excessive red tape, exporters have suggested harmonizing paperwork between COMESA countries and harmonized standards for tea by EAC countries.

2.4.3. Other agro-food export products

There were eight cases of burdensome measures reported for other agricultural sectors while exporting to partner countries, especially fruit and vegetable juice (HS 200980), mainly in the area of rules of origin. For example, producers of maracuja juice destined for EAC countries such as the United Republic of Tanzania must apply for a certificate of origin to benefit from reduced EAC tariff rates. The complaint concerned the high cost associated with obtaining the certificate.

Exporters of grape wines identified certification and testing measures as burdensome (HS 220429). There were 15 cases, which included 10 conformity assessment cases for essential oils (HS 330124 and HS 330129).

'Importers in the destination countries require organic certificates. But the process of acquiring the certificate is difficult and costly.'

[Rwandan geranium essential oils extract exporter, ITC NTM survey](#)

Rwandan exporters also reported two cases of troublesome measures applied by Rwandan authorities while exporting fruit and vegetable juice. There was one case of export inspection and another under licensing or permit to export. A major complaint reported for grape wine exports was that while the testing is required by the export destination, RBS testing takes a long time and is expensive. Exporters of

concentrated juice faced delays for export certificates from RBS because of the need to test in Kigali, where the experts took four weeks or more to do the testing. There were several cases of problems

⁹¹ World Bank, 'Rwanda Economic Update: Seeds for Growth', April 2011, p. 8.

⁹² Ibid. OCIR THE is also now under NAEB.

⁹³ Analysis based on UN COMTRADE data.

associated with obtaining organic certifications for essential oil extracts from geraniums. Certifications required in France, South Africa, the United Kingdom and the United States, and were reported as costly and difficult to acquire. Dried cassava leaf exporters complained of burdensome Fair Trade private standards.

2.5. Imports of raw and processed agricultural and food products

Like many LDCs, Rwanda is an NFIDC with agricultural imports totalling US\$ 181.8 million in 2010 compared to US\$ 105.9 million of exports in the same year, resulting in a negative trade balance. The major items imported include cane or beet sugar, palm oil, rice, wheat and meslin, maize (corn) and animal or hydrogenated vegetable fats. All Rwandan companies interviewed by telephone in this sector indicated that they were affected by NTMs.

2.6. Non-tariff measures and procedural obstacles – partner and transit countries

Previous ITC survey results for various countries have typically shown very few NTMs applied by partner countries on imports. Rwanda is no exception to this rule. Six cases of burdensome NTMS were attributed to partner countries and transit countries. Of these, three were attributed to partner countries and concerned certification requirements for seeds, fruit and spores for sowing. While these products only represented 0.07% share of the product in total import value for the agriculture sector, the importance of seeds, fruit and spores for sowing to production in Rwanda should not be understated.

An NTM case in the form of tax on transport facilities was applied in Kenya and the United Republic of Tanzania on the following imports:

- Rice, semi-milled or wholly milled, polished or glazed, represents the highest value share of reported imports in the survey at 6.87% when transiting Kenya;
- Refined sugar while transiting Kenya;
- Grape wines while transiting the United Republic of Tanzania.

Overall, a total of 17 cases of procedural obstacles and inefficient trade-related business environment were reported in partner countries, most of which were attributed to regional trading partners. The majority (59%) of the reported POs were delays in administrative procedures in destination countries as follows:

- Kenya (three cases)
- South Africa (three cases)
- Uganda (three cases)
- United Republic of Tanzania (one case)

This was followed by six reported cases of information not adequately published and disseminated attributed to Kenya (three cases) and Uganda (three cases). There was one case of unusually high fees and charges, which was attributed to imports coming from Italy.

2.7. Non-tariff measures and procedural obstacles – Rwanda

Importers reported a total of 22 agricultural product cases of NTMs applied in Rwanda, 36% of which were recorded for seeds, fruit and spores for sowing (eight cases). The majority of the cases (64%) were conformity assessment measures applied for health and safety purposes, with most attributed to the imports of seeds, fruit and spores for sowing, n.e.s. (HS 120999). Technical requirements, which accounted for 18% of all cases, were also reported as a burdensome measure applied by Rwandan authorities to agricultural imports

Of the 40 cases of POs and inefficient TBE issues reported, 23 were attributed to Rwanda. Most POs were delays in administrative procedures (12 cases) linked to conformity assessment certifications and attributed to RBS and the customs department with RBS accounting for 76%. This was followed by five cases of

unusually high fees and charges applied mainly by RBS; three cases of technological constraints, e.g. information and communication. Two cases of limited and inappropriate facilities were attributed to RBS and one case of large number of different documents was attributed to Rwandan customs.

2.8. Summary and policy options

This section presents possible policy options to address the NTMs, POs and TBEs identified by the survey. These suggestions have been supplemented by recommendations provided during the stakeholders meeting in Kigali in July 2012 (see appendix V). As tariff measures are increasingly eliminated, NTMs are being viewed globally as the next frontier to address barriers to trade. Input from industry players is critical to establishing a dialogue with policymakers in any economy. Some observers consider NTMs to be more egregious obstacles to trade than tariff measures.

Previous ITC survey results for various countries revealed that companies had more complaints about NTMs attributed to their own governments. This is not so in the case of Rwanda, where exporters of agricultural products reported more burdensome NTMs attributed by partner countries. Of all the POs reported by Rwandan exporters and attributed to Rwandan agencies, the majority were linked to measures applied by destination countries. In addition to these results, the Rwandan government's efforts to tackle NTMs and related POs place it in a more favourable light than most governments facing NTM challenges.

This survey reveals that the impact of NTMs on Rwanda's key trading sector of agriculture is significant. These burdensome NTMs exacerbate the costs and impediments already challenging this landlocked LDC. The main players involved are destination partner countries and transit countries, which may also be regional trading partners. The data continues to reveal conformity assessment measures as the most burdensome, which prompts questions about the tools necessary to facilitate compliance and to address delays in administrative procedures. The burdensome measures were reported by Rwandan companies regardless of size.

As is usually the case, most of the time the measures reported in the agriculture sector could be considered legitimate in that they are certification or inspection requirements on agricultural products that impact human, animal and plant life. Additionally, problems were raised with technical requirements relating to the environment or other labelling measures. However, Rwandan exporters and importers alike have found that certification or conformity measures may overreach beyond the stated objectives, thus becoming burdensome largely due to POs in the form of excessive delays along with associated business costs and high fees or charges. This report's conclusion also takes into account recent steps by the government to reduce delays and other obstacles.

Partner countries

The coffee sector, representing 48% of the agriculture sector's export value, experienced the most burdensome measures in Rwanda's main markets: Belgium, the United Arab Emirates, the United Kingdom and the United States. Duplicated certifications and the lack of mutual recognition among developed and developing country markets for Rwandan products can be particularly debilitating for a landlocked LDC. Rwandan authorities should use the results of this survey in its activities at EAC and in negotiations with larger trading partners that import Rwandan coffee beans, tea and pyrethrum plant extracts. The European Union, Switzerland and the United States are prime candidates for such consultations.

One chief officer of a medium to large-sized company suggested that the government could create a one-stop shop for documents required by various key export markets and could invest in boosting agricultural exports. The government is now in a position to use aspects of the NTM survey results in its bilateral negotiations with larger trading partners that import Rwandan coffee beans and tea. Attempts should also be made to bring the main partners, the European Union, Switzerland and United States, to the negotiating table to address mutual recognition of quality standards and certifications, and the vulnerabilities Rwandan exporters suffer as a result of the lack of such recognition.

Transit countries

Rwandan agricultural exporters registered several burdensome difficulties applied by its main transit countries of Kenya, Uganda and the United Republic of Tanzania. In this regard, smaller companies are

affected by excessive costs. Rwanda's trade authorities need to engage in advocacy to eliminate onerous NTMs. The most frequent POs identified were high weighbridge fees, delays and other procedural requirements such as truckload limits. Rwanda continues to pursue these transit issues bilaterally and regionally in the context of COMESA and EAC as follows:

- Rwanda's coordinator for its EAC National Monitoring Committee (NMC) has actively sought to address specific and concrete burdensome NTM problems. Many of the solutions achieved are outlined in the conclusions section of this report. Some of the actions are presented in box 1.
- The EAC Quality Infrastructure Initiative has also assisted in improving quality assurance standards. Issues emerging from this survey could be presented under this initiative as well as examine any gaps or resolve discrepancies.
- Rwanda has raised NTB issues affecting its exports under the COMESA NTBs programme.⁹⁴ COMESA's treaty, Article 49, also mandates the elimination of NTBs. The EAC treaty contains a similar provision in Article 75.

Tea is most impacted under COMESA due to the fact that it is sold at auction in Mombasa for destinations throughout the region. A recommendation from a tea producer surveyed is that certifications in the COMESA region should be harmonized. In addition, Rwanda's proposals in the context of the WTO Trade Facilitation deliberations that address transit problems are important to tackling transit issues multilaterally, but could be elaborated in the regional context for earlier implementation, notwithstanding the stalemate in the Doha Round negotiations.

Box 1. Improving exporting and importing conditions

Government interventions aimed at improving exporting and importing conditions in the Northern and Central Corridors applauded by Rwanda's transport associations include:

- Electronic Single Window;
- Blue Channel for customs clearance that covers 65% introduction of electronic cargo scanners;
- One-stop border post at Gatuna and Malaba and 24/7 operations at Gatuna, Malaba, and Busia;
- Extension of working hours at customs and borders, moving from a 12-hour operation to a 16-hour operation at Cyanika and Rusumo.

Three mandatory documents announced by Rwanda Revenue Authority, which are no longer required transit documents, while others are optional depending on whether goods are being exported or imported:

- Commercial invoice;
- Packing list/delivery note/good consignment note;
- Bill of lading/customer declaration.

Source: Transporters Association, Association of Clearing and Forwarding, and Truck Drivers Association, press release, May 2012.

Domestic

While significantly fewer measures reported were attributed to Rwandan agencies, the issues raised must be addressed. Rwanda has already taken steps to resolve these problems. During the July

'RBS should be better equipped with testing equipment.'

Rwandan importer, ITC NTM survey

⁹⁴ 'Rwanda's Development-Driven Trade Policy Framework', p. 20, UNCTAD, http://unctad.org/en/Docs/ditc20092_en.pdf.

2012 stakeholders' consultations (see appendix V) clarifications were provided about aspects of the report and some recommendations were discussed. These recommendations are also provided in the conclusions section of this report. This section highlights a few problems and solutions:

- The need to establish multiple shops to obtain certifications and fees charged for coffee exports repeatedly surfaced.
- During the July 2012 Kigali stakeholders workshop (see appendix V), Rwandan officials issuing certificates said that in addition to a single window for import documents, Rwanda could establish a one-stop shop or single window to obtain certificates.
- Complaints of long delays may have amounted to two or three days, which could be viewed in other countries as not that long. However, if the exports are perishable and cold storage facilities are inadequate or the deadline to reach the client in the destination market is shorter than two days, this situation could be highly burdensome with serious impact.

Some Rwandan companies reported extremely high fees for certificates that require examination by authorities to ensure awareness of any exemptions or discrepancies. High domestic fees to obtain required SPS certificates and certificates of origin for EAC from MINAGRI, RBS and customs were also reported. Some fees, for example for certificates of origin, may seem quite low to an international observer, which prompted questions about assistance to surveyed countries with respect to benchmarking best practices.

During the July 2012 stakeholder consultations (see appendix V), Rwandan customs indicated that to obtain a certificate of origin to benefit from EAC tariff, exports valued under US\$ 2,000 are charged no fee. For exports in excess of US\$ 2,000 the fee is US\$ 5. With respect to RBS fees, officials acknowledged that fees for the application and granting of certificates could be considered high for some enterprises. However, Rwandan fees are less than those of its neighbours. According to officials in Kigali, neighbouring country fees may be two to three times higher. RBS officials requested ITC assistance to benchmark typical fees in export markets and neighbouring countries to provide a comparison that can be examined by Rwandan officials. It was also suggested that better dialogue between the stakeholders and the agencies would help in the surmounting the difficulties.

During the consultations, the Rwandan Private Sector Federation (PSF) reported that it is seeking memoranda of understanding (MOUs) with key government agencies in an effort to establish agency point persons to address NTM issues and to review the issue of fees. The RDB is also monitoring the impact of fees and charges on industry competitiveness and has taken steps to remove obstacles. RDB and the MINICOM efforts could be operationalized through a review of all fees payable in connection with the exporting and importing processes and to examine their relationship with policies to promote trade and weaken any burdensome impact on enterprises.

Other comments collected during the ITC NTM survey concerned delays in the certification process. Stakeholders agreed that time is of the essence in terms of business realities. As in the case with the fees, stakeholders requested that ITC assist surveyed countries in benchmarking best practices internationally, in particular for LDCs. Other stakeholders suggested that ITC provide follow-up monitoring of company experiences to track whether the improvements have taken effect and to address any new problems that arise.

Some surveyed companies encouraged government to provide subsidies. Realistically, providing any WTO-consistent subsidies may be a challenge for Rwanda as an LDC. However, OCIR does provide financial assistance for production materials and supplies for which it must charge fees for administrative costs and to reimburse some of the assistance. The revenue is then used to replenish resources for other enterprises.

A few traders speculated that certain certification issues imply that Rwandan products require more assistance to meet compliance standards imposed by importing countries. Other companies surveyed believed that the problem demonstrates a lack of adequate domestic testing and certification procedures. Development partners could assist by providing specialized technical assistance to respond to these problems.

Private standards

Particularly revealing were exporter accounts of the impact from private standards or measures imposed by private clients. The costs and delays associated with these private standards cause serious burdens for Rwandan exporters. These requirements took several forms, including:

- Inspection certificates proving that standards were met such as Fair Trade certificates required by clients in the European Union and the United States;
- Bottle sizes imposed by private regional EAC partners;
- Packaging criteria;
- Specific transport means or firms required by regional, European Union and United States clients.

The prevalence of private standards is an opportunity for Rwandan trade officials to raise these concerns bilaterally and internationally. Relevant Rwandan organizations may wish to consult with their constituents about the negative effects of private standards to their trade. The Rwandan government should initiate consultations with the private entities identified. RBS officials indicated they recognize the problems and are trying to tackle the issue by inviting the private entities to the table to explore solutions.

International options

Rwanda could choose to assert its interests multilaterally in the context of the WTO TBT Committee and any revival of the WTO non-agriculture market access (NAMA) negotiations on NTBs. Some TBT labelling requirements for volume, shape, quality and appearance of packaging, labelling for dangerous chemicals and toxic substances, pesticides and fertilizer apply to agriculture as well. A number of proposals have been tabled in this area, which suggests a revision of the TBT Agreement.

The NAMA NTB proposals intend to improve rules, especially with respect to the recognition of certifications across WTO members. While no proposal has been tabled specifically for agriculture in these negotiations, Rwanda may wish to explore the crosscutting horizontal texts developed by the Chair of the WTO Agriculture Committee on transparency and standards. In addition, Rwanda may wish to raise some of the labelling issues applied by destination countries that fall under TBT in the WTO TBT Committee.

Work in the WTO SPS committee and the work of the Standards and Trade Development Facility (STDF) programme can also increase awareness of the challenges raised in this survey. Rwanda may draw on the results from this study in its interventions and advocacy in a number of bilateral, regional and international agreements. A CEO of a medium-large company surveyed suggested Rwanda redouble its efforts to improve market conditions for its agricultural exporters within the framework of WTO negotiations.

Private standards that create burdensome NTMs or obstacles to trade are increasingly gaining attention at the WTO and in other international forums. While the standards are private, the TBT Agreement does include government obligations concerning consistency of private standards. In addition, governments can initiate consultations with its private entities imposing special requirements to ensure that private standards are not subverting international efforts to weaken burdensome NTMs and that private standards are not introduced onerously beyond standards required by governments, especially when LDC enterprises are involved. Rwanda may raise some of the examples found in these survey results at the relevant WTO bodies to raise awareness among WTO members and increase efforts by relevant governments where the private clients operate.

Policy options to enhance certification, quality and expand market penetration for coffee and tea could include exploring the advantages of building a geographical indication (GI) system or wider collective brand approach. There are a number of joint initiatives that Rwanda could explore with donors to set up a targeted GI certified industry for its coffee and tea. Rwanda's tea is considered one of the 'highest quality in the world'⁹⁵ and Rwandan specialty coffee is gaining in reputation. At the same time, assistance could be provided to expand the necessary infrastructure and testing facilities for quality control and for meeting premium market standards. In the context of Economic Partnership Agreement (EPA) negotiations, the

⁹⁵ World Bank, 'Rwanda Economic Update: Seeds for Higher Growth', April 2011, p.8.

European Union is seeking extensive provisions for GIs. If the content of the CARIFORUM EPA can be taken as an example, the provisions for European Union assistance to develop and identify GIs could be a useful component for African EPA negotiations, including Rwanda.

Table 7. Agricultural exports – burdensome non-tariff measures applied by partner countries

Reported export products	Exports to the world		Number of reported NTM cases								
	Products' export value in 2010 (US\$ '000)	Share of subsector in the sector's total export value*	Technical requirements	Conformity assessment	Pre-shipment inspection and formalities	Charges, taxes and other para-tariff measures	Quantity control measures	Subsidies	Rules of origin	Subtotal	Countries reported to apply burdensome NTMs (number of cases)
Dairy products, eggs, honey, edible animal products n.e.s.	16	0.0%	4	0	0	0	2	0	0	6	Burundi (2), UK (2)
Live trees, plants, bulbs, roots, cut flowers, etc.	304	0.3%	1	0		0	0	1	0	2	Belgium, France
Edible vegetables and certain roots and tubers	1 911	1.7%	0	8		0	0	0	0	8	Belgium (3), US (1), France (1)
Edible fruit, nuts, peel of citrus fruit, melons	22	0.0%	-	4	-	0	-	-	-	4	Belgium (3)
Coffee, tea, maté and spices	91088	82.1%	3 + 1 ^t	41 + 2 ^t	6	14 + 7 ^t	1	0	2	77 (67 + 10 ^t)	US (14+1 ^t), UK (10+1 ^t), Belgium (5), Japan (4), Switzerland (4), Pakistan (2), UAE (2), France (2), Egypt, Australia, South Africa, China, Germany, Kenya (transit country) (6+3 ^t), United Republic of

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Reported export products	Exports to the world		Number of reported NTM cases								
	Products' export value in 2010 (US\$ '000)	Share of subsector in the sector's total export value*	Technical requirements	Conformity assessment	Pre-shipment inspection and formalities	Charges, taxes and other para-tariff measures	Quantity control measures	Subsidies	Rules of origin	Subtotal	Countries reported to apply burdensome NTMs (number of cases)
Product code description (abridged)											Tanzania (transit country) (2+2 ¹), Uganda (transit country) (6+2 ¹)
Cereals and milling products, malt, starches, inulin, wheat gluten	956	0.9%	0	6	0	1	1	0	0	8	Belgium (3), United Republic of Tanzania, Uganda
Cereal, flour, starch, milk preparations and products	32	0.0%	-	2	-	-	-	-	-	2	Burundi, DRC
Vegetable, fruit, nut and miscellaneous food preparations	250	0.2%	0	4	0	0	0	0	7	11	Burundi (3), United Republic of Tanzania (2), DRC (2), Kenya, Uganda, Belgium
Beverages, spirits and vinegar; tobacco and manufactured tobacco substitutes	3 465	3.1%	3	15	0	0	0	0	0	18	Belgium (3), Burundi (2), Kenya (3), United Republic of Tanzania (3), Uganda (2), US (2), Burundi (2)
All other agro and food products	6 303	5.7%	0	10	0	0	0	0	0	10	Belgium, Burundi, Kenya, United Republic of Tanzania, Uganda, France,

Reported export products	Exports to the world		Number of reported NTM cases								
	Products' export value in 2010 (US\$ '000)	Share of subsector in the sector's total export value*	Technical requirements	Conformity assessment	Pre-shipment inspection and formalities	Charges, taxes and other para-tariff measures	Quantity control measures	Subsidies	Rules of origin	Subtotal	Countries reported to apply burdensome NTMs (number of cases)
Product code description (abridged)											South Africa, UK, US
Total	104 027	100.0%	11+1^t	90+2^t	6	15+7^t	4	1	9	146 (136+10^t)	

Source: ITC NTM survey.

Table 8. Procedural obstacles and inefficient trade-related business environment issues affecting agricultural and food product exports, applied by Rwanda, partner and transit countries

POs and inefficient TBE	Number of reported PO/TBE cases that occurred				Subtotal
	In Rwanda (and agencies involved, if specified)	Partner countries	Transit countries		
Large number of different documents	2: Agriculture ministry - Rwanda (2)	5: US (3), UAE, UK			7
Documentation is difficult to fill out	1: OCIR CAFE				1
Information is not adequately published and disseminated	6 + 1 [†] : * (6) + Customs [†]	1: Japan			8
No due notice for changes in procedure	1: RBS				1
Delay in administrative procedures	21: RBS (13), MINAGRI (4), customs (2), OCIR CAFE,*	31 + 1 [†] : Belgium (9), US (8), UK (3 + 1 [†]), United Republic of Tanzania (3), Japan (2), Egypt, Pakistan, UAE, France, South Africa, Canada	7 + 2 [‡] : Uganda (4 + 1 [†]), Kenya (2 + 1 [†]), United Republic of Tanzania		62
Delay during transportation	1: RBS	2: Australia, US	4 + 3 [‡] : Uganda (2 + 1 [†]), Kenya (1 + 1 [†]), United Republic of Tanzania (1 + 1 [†])		10
Unusually high fees and charges	28: OCIR (11), RBS (6), MINAGRI RRA* (8)	34 + 2 [‡] : Belgium (9), UK (6 + 1 [†]), US (6 + 1 [†]), UAE (4), Japan (2), Egypt, Pakistan, the Netherlands, Kenya, Uganda, France, South Africa	7 + 2 [‡] : Kenya (3 + 1 [†]), Uganda (3), United Republic of Tanzania (1 + 1 [†])		73
Informal payment, e.g. bribes		2: United Republic of Tanzania (2)	7: Uganda (3), Kenya (2), United Republic of Tanzania (2)		9
Limited/inappropriate facilities	8 + 1 [†] : RBS (3), customs, Private company, * (3 + 1 [†])	1: France			10
Inaccessible/limited transportation system			1: Uganda		1
Lack of recognition, e.g. of national certificates	1: Customs	1: United Republic of Tanzania			2

POs and inefficient TBE	Number of reported PO/TBE cases that occurred				Subtotal
	In Rwanda (and agencies involved, if specified)	Partner countries	Transit countries		
Other obstacles	1: UN transport regulation				1
Total	72	80	33		185

Source: ITC NTM survey.

[†] The measure is reported by a trading agent.

Table 9. Agricultural exports – burdensome non-tariff measures applied by Rwandan authorities

Reported export products		Export to the world		Number of reported NTM cases				
		Products' export value in 2010 (US\$ '000)	Share of subsector in the sector's total export value*	Export inspection	Certification required by the exporting country	Licensing or permit to export	Other export technical measures	Sub-total
Dairy products, eggs, honey, edible animal products, n.e.s.		16	0.0%	1	1	0	0	2
Coffee, tea, maté and spices		91 088	82.1%	0	5+1 [†]	1	0	7 (6+1 [†])
Cereals and milling products, malt, starches, inulin, wheat gluten		956	0.9%	0	0	0	1	1
Vegetable, fruit, nut and miscellaneous food preparations		250	0.2%	1	1	1	0	3
Beverages, spirits and vinegar; Tobacco and manufactured tobacco substitutes		3 465	3.1%	0	1	0	0	1
Total	n.a.	95 775	93%	2	8+1[†]	2	1	14 (13+1[†])

Source: Trade Map 2010.

* Value of total exports of agricultural products in 2010 is US\$ 110,919.

[†]The measure is reported by a trading agent.

Table 10. Burdensome non-tariff measures (disaggregated) affecting coffee, tea, maté and spices sector exports – applied by Rwandan authorities

Reported export products		Export to the world		Number of reported NTM cases				
Subsector code (as reported)	Product code description (abridged)	Products' export value in 2010 (US\$ '000)	Share of subsector in the total sector's exports*	Export inspection	Certification required by the exporting country	Licensing or permit to export	Other export technical measures	Sub-total
090111	Coffee, not roasted, not decaffeinated	53 218	48.0%	0	4 + [†]	1	0	6
090230	Black tea (fermented) and partly fermented tea in packages not exceeding 3 kg	3 832	3.5%	0	1	0	0	1
Total	n.a.	57 050	51.4%	0	6	1	0	7

Source: Trade Map 2010.

* Value of total exports of agricultural products in 2010 is US\$ 110,919.

[†] The measure is reported by a trading agent.

Table 11. Agricultural and food product imports – POs and inefficient trade-related business environment issues

POs and inefficient TBE	Number of reported PO/TBE cases that occurred				Subtotal
	In Rwanda (and agencies involved, if specified)	In partner countries	In transit countries		
Large number of different documents	1: Customs	-	-	-	1
Information is not adequately published and disseminated	-	6: Kenya (3), Uganda (3)	-	-	6
Delay in administrative procedures	10 + 2 ¹ : RBS (9), customs (1 + 2 ¹)	9 + 1 ¹ : Kenya (3), South Africa (3), Uganda (3), United Republic of Tanzania ¹	-	-	22
Unusually high fees and charges	5 ¹ : RBS (4 ¹), insurance company ^t	1: Italy	-	-	6
Limited/inappropriate facilities	2: RBS (2)	-	-	-	2
Technological constraints, e.g. information and communication technologies	3: RBS (3)	-	-	-	3
Total	23	17	0	0	40

Source: ITC NTM survey.

^tThe measure is reported by a trading agent.

Table 12. Agricultural imports – burdensome non-tariff measures applied by Rwandan authorities

Reported import products	Imports to the world		Number of reported NTM cases					Subtotal
	Products' import value in 2010 (US\$ '000)	Share of product in the sector's total import value	Technical requirements	Conformity assessment	Finance measures	Rules of origin		
Dairy products, eggs, honey, edible animal product n.e.s.	4 436	2%	-	1	-	-	1	
Edible fruit, nuts, peel of citrus fruit, melons	1 030	1%	-	1 ^t	-	-	1	
Cereals and milling products, malt, starches, inulin, wheat gluten	63 545	32%	-	1 ^t	1 ^t	1 ^t	3	
Oil seed, oleagif fruits, grain, seed, fruit, etc., n.e.s.	3 935	2%	3	5	-	-	8	
Animal, vegetable fats and oils, cleavage products, etc.	40 482	20%	-	1 + 1 ^t	-	-	2	
Sugars and sugar confectionery	38 580	19%	-	1 + 1 ^t	-	-	2	
Beverages, spirits and vinegar; tobacco and manufactured tobacco substitutes	7 051	4%	1	1	-	1	3	
All other agro and food products	5 998	3%	-	1	-	1	2	
Total	165 057	83%	4	14	1	3	22	

Source: ITC NTM survey.

^tThe measure is reported by a trading agent.

3. Manufactures

3.1. Manufactured goods – exports

This section of the report analyses segments of the manufacturing sector that were not previously analysed, including goods falling under the following subsectors: chemicals; metal and other basic manufacturing; leather and leather products; textiles and clothing, non-electric machinery; electronic components; leather; transport equipment; computers, telecommunications and consumer electronics; miscellaneous; and other manufacturing sectors.

3.1.1. The role of the sector

Rwanda's manufacturing industry produces a relatively diverse range of products. Despite the fact that manufacturing accounted for 44% of Rwanda's industrial sector yields in 2011, the sector is not strong in terms of exports. Less than 4% of manufacturing output is exported. The capacity use and demand in this sector for Rwanda is low.⁹⁶ High costs in terms of production, energy and transport for importing key inputs are some of the challenges Rwanda faces. Total exports for the manufacturing sector for the year 2010 amounted to approximately US\$ 24 million, representing about 19% of total main exports by value for that year (see table 13).

The most exported basic manufactures included ceramic tableware, kitchenware and other household articles accounting for 34% of the total share of the subcategory. This was followed by paints and varnish based on polymers (HS 320890), which accounted for 11% of the sector and was exported to Burundi. Miscellaneous manufactures such as basketwork, wickerwork, other; works of art, collectors pieces and antiques accounted for 13.7% share of total exports for Rwanda within the sector. The primary destinations for these exports were Belgium, France, Japan, Kenya (transit), Uganda (transit), the United Arab Emirates and the United States.

The chemicals subsector, while one of the smallest sectors along with wood, wood products and yarn/fabric, and clothing, appears to have been the most affected by NTMs in bilateral trade exports to Burundi, Italy, Spain, the United Kingdom and the United States. At the telephone interview phase of the NTM survey, 84% of the other manufacturing companies reported being impacted by NTMs, while 60% of the exporters interviewed in the metal and basic manufacturing sector reported being affected by NTMs and other POs.

3.1.2. Non-tariff measures and procedural obstacles – destination countries

As in the case of the agricultural sector, conformity assessment is by far the most identified NTM for Rwandan manufactured goods exports, representing 58% of the total NTMs cases reported. The highest frequency of NTMs was in the area of miscellaneous manufactures and attributed to Belgium, France, Japan and the United Arab Emirates. Exporters in the chemicals subsector (paints, varnish and insecticides) encountered NTMs applied by Burundi, Italy, Spain, the United Kingdom and the United States. In particular, complaints of non-recognition of registration certificates across countries was a concern raised by surveyed exporters and costly Fair Trade certificate requirements by private clients in the United Kingdom were also cited by handmade banana fibre paper producers.

There were 11 cases of reported POs confronted by exporters in this sector, largely due to delays in administrative procedures applied by main Rwandan partner markets such as Burundi, the Democratic Republic of the Congo, Italy, Japan, Spain, Sweden, the United Arab Emirates, the United Kingdom and the United States. The main transit countries of Kenya and Uganda were mentioned in this POs category. There were five cases of these measures applied by the RBS, Ministry of Commerce and Industry and MINAGRI, and customs in Rwanda. A notable number of cases (18) of unusually high fees and charges were reported as being applied by Burundi, France, Germany, Italy, Japan, Spain, Sweden, the United Arab Emirates, the United Kingdom and the United States. There were three cases of unusually high fees and charges applied by REMA, within Rwanda.

⁹⁶ 'Investment Policy Review: Rwanda', UNCTAD, 2006.

Based on the telephone interviews, 80% of surveyed exporters in the chemical sector reported being affected by burdensome NTMs and/or POs. Similar to coffee and tea, Rwandan pyrethrum is gaining in quality recognition and the product is not found in many countries. In the past, Rwanda mainly exported pyrethrum in its plant or flower form, where it was subject specifically to agriculture certifications. Now it is principally exported in a semi-refined form. To reduce the impact of NTMs, the main producer currently has plans to export the fully refined product.

'Registration certificate and different tests are required by EU [member states], even though you possess those of US laboratory...'

Rwandan pyrethrum exporter, ITC NTM survey

During the face-to-face interviews, Rwandan exporters of pyrethrum extract complained of US Environmental Protection Agency certification requirements, which not only take time resulting in delay, but also come at a high cost. For the same product, one exporter has been using a US certification to export to the European Union. However, the exporter explained that in 2013, the European Union will require a special licence to sell the product, which the exporter believes will cost even more. During the July 2012 stakeholders' consultation (see appendix V), agencies told participants that the US government has been providing assistance to the pyrethrum industry in Rwanda.

Rwandan exporters of products classified as miscellaneous manufacturing, possibly handicraft items, also registered complaints of NTMs. Some complained of high charges to obtain a Fair Trade licence applied by importers in France, Germany and Italy. The exporters indicated that to minimize the certification costs, they were compelled to team up with other exporters to transport their goods. Items needed as inputs for other Rwandan manufactures such as laboratory equipment, machinery and glass have been impacted by inspection requirements, delays and high fees. For glass and machinery, high weighbridge charges imposed by transit countries were the most reported.

A few measures were identified for art works (foliage branches) under miscellaneous manufacturing. Exporters complained of requirements to pay expensive insurance for their employees who are present or who perform in other countries. Another report was that a visa application to the United States took up to three to five months to obtain. While interesting to report, these challenges do not fall under NTMs.

3.2. Manufactured goods – imports

3.2.1. The role of the sector

The demand for merchandise imports in Rwanda is high for consumer, intermediate and capital goods. With respect to these products, Rwandan imports by far exceed its exports, which is consistent with the trade balances previously referred to in this report.⁹⁷ Challenges faced by importers not only impact on consumer goods but also inputs and intermediate goods key to Rwandan export sectors.

Rwanda's total imports of manufactured goods for the year 2010 accounted for US\$ 900 million, which represented about 88% of total imports for that year. Significant shares of total imports are observed for manufacturing goods, including among others, transport equipment with an import value of US\$ 185 million (i.e. 16% of total imports), chemicals with an import value of US\$ 173 million (15%) and IT and consumer electronics accounting for US\$ 88 million (8%).

In many developing countries, chemicals imports are important inputs to local production, both in the agriculture and industrial sectors of the economy. Pharmaceutical products, an essential element for public health, are also classified in this sector. As a result, the cost-efficiency of imports of chemicals often significantly impacts other industries along the value chain. Consequently, particular attention must be placed on NTMs and POs affecting imports under this category.

In Rwanda, importers of manufactured goods reported more NTMs than exporters. This is more likely due to the fact that Rwanda is not a major manufactures exporter and it is typical for surveys to contain more

⁹⁷ 'Investment Policy Review', p. 11.; Rwanda's Development-Driven Trade Policy Framework, p. 15, UNCTAD. http://unctad.org/en/Docs/ditc20092_en.pdf.

importers in the sampling size, given the high number of importers; 70% importing companies surveyed by telephone reported being affected by NTMs.

3.2.2. Non-tariff measures and procedural obstacles – partner and transit countries

Table 15 shows that relatively fewer NTMs were applied by partner countries while exporting goods to Rwanda compared to those measures applied by transit countries. This is expected as originating countries rarely impose burdensome measures on goods they are exporting, while the case is different for measures applied by transit countries. Rwanda, being a landlocked country and depending on land transportation in its trade, would indeed be more vulnerable to burdensome measures applied by countries in transit.

The NTM survey revealed only six cases of NTMs in partner countries (countries of origin); 50% of which were export registration measures applied to miscellaneous manufacturing imports (powder-puffs and pads for the application of cosmetics/toilet preparations – HS 961620) coming out of France, Spain and Turkey. There were two cases of certification required by originating countries reported in transport equipment, specifically in parts and accessories and bodies for motor vehicles (HS 870829) imported from China and in motorcycles (HS 871140) imported from India. One case of export taxes and charges was reported while importing chemicals from Uganda.

There was one case of finance measures and another case of rules of origin reported while importing chemicals into Rwanda. Importers of chemicals for use as inputs such as chromium oxide, used for pigments and for tableware, magnesium oxides used primarily for cements, as an insulator and other applications, and molybdenum oxides used for additives to engine oil and production of metals, have also been impacted by NTMs. Many importers also complained of advance payment requirements imposed by clients in partner countries such as India, the source of a few of these imports for Rwanda.

There were 62 cases of NTMs applied by transit countries; 72% of these concerned tax on transport facilities in the form of weighbridge charges distributed amongst partner countries and products as follows:

- 24% for basic manufacturing; specifically in glass imports (HS 700600) applied by Kenya and Uganda; bars and rods (HS 721499) imposed by Kenya, Uganda and the United Republic of Tanzania; glass mirrors (HS 700992) applied by Kenya and Uganda; and roofing tiles and ceramic (HS 690510) imposed by Kenya (see table 15);
- 18% for wood products applied by Kenya, Uganda and the United Republic of Tanzania;
- 15% from IT and consumer electronics applied by Kenya, Uganda and the United Republic of Tanzania;
- 11% each for chemicals and transport equipment applied by the three noted partner countries.

The other category of frequently reported burdensome measures applied by transit countries was inspection requirements (11 cases) on transport equipment to Kenya, Uganda and the United Republic of Tanzania, as well as on IT and consumer electronics.

Inspection requirements were the second most frequently reported burdensome measures applied by transit countries (11 cases), see table 15. There were reports of two instances of burdensome measures applied to imports of office furniture (HS 940330). There were three instances of burdensome measures applied to telephone set parts and telephones for cellular networks (HS 851770) and parts and accessories of motor vehicle bodies (HS 870829). Again, notwithstanding membership in free trade arrangements, most of these alleged burdensome measures were applied by the United Republic of Tanzania – one of Rwanda's neighbouring countries.

A fairly high incidence of procedural obstacles and inefficient TBE affecting imports of manufactured goods was reported (205 cases). Of this number, 26% were reported in transit countries and 13% in partner countries (see table 17). About 53% of POs reported in transit countries were unusually high fees and charges reported in Kenya, Uganda and the United Republic of Tanzania; 21% of these POs were delays in administrative procedures reported in Kenya and the United Republic of Tanzania; 17% were cases of

informal payment (bribes) reported in Kenya and the United Republic of Tanzania. The balance of the reported cases took the form of delays during transportation and other obstacles reported in Kenya and the United Republic of Tanzania.

With respect to POs identified in partner countries, more than 70% of cases fell in the category of delay in administrative procedures occurring for the most part in China, Germany, India, Italy, the Netherlands South Africa, Uganda, and other countries. A reported 19% of the cases were unusually high fees and charges reported in China, Germany, Italy, Malaysia and South Africa. About 11% of the cases fell in the category of numerous documents required in France, Spain and Turkey.

3.2.3. Non-tariff measures and procedural obstacles – Rwanda

A fairly high incidence of NTMs affecting imports of manufactured goods was reported domestically (109 cases), see table 16. Among them, the most frequently encountered by Rwandan importers was conformity assessment, which made up 58% of reported cases; 35% of these cases were in the chemical sector, mainly on vaccines for human use (HS 300220) and 17% of these cases were in the IT and consumer electronics sector (principally portable digital computers HS 847130). The remainder were in the subsector of basic manufactures, transport equipment (e.g. parts and accessories of bodies for motor vehicles HS 870829), wood products, miscellaneous manufacturing, electronic components and non-electronic machinery sectors.

‘The government should try to find a way that facilitates the packaging material substitutes to polythene bags [which are] prohibited by [the] environmental authority in Rwanda.’

Quality and export specialist, Rwandan export company, ITC NTM survey

Some examples of targeted measures were:

- Chemicals and computers/IT – RBS testing delays and backlogs along with inspection delays at the RBS;
- Consumer electronics such as mobile phones – inspection delays at customs sometimes due to equipment shortages;
- Human medicines – Ministry of Health approval delays due to technical regulation measures and licensing;
- Car accessories inspection – delays in receiving verification documents.

Some reported that the government's ban on plastic for packaging material is a hindrance to trade and recommended that the government find substitutes. The packaging is required by some private clients that import tissue paper manufactured in Rwanda. However, during the stakeholders consultations in July 2012 (see appendix V), the government indicated that exceptions to the ban are allowed on request only for export purposes. However, those exporters availing themselves of the exemptions reported added costs to import the packaging because Rwanda does not produce the necessary packaging as a result of the ban.

Of the 205 POs reported by manufactured goods importers, 61% were those applied by Rwandan authorities (see table 17); 64% of the POs applied domestically fell in the category of ‘delay in administrative procedures’. This comes as no surprise because like many developing and least developed countries, most of these cases materialized as delays in procedures applied by customs (36 cases), RBS (23 cases) and the Health Ministry (eight cases). The majority of these cases were reported for imports of IT and consumer electronics, spare parts for automobiles, wood products such as paper items and miscellaneous equipment such as medical equipment (see

‘Licence[s] by [the] Ministry of Health takes four days due to poor administrative procedures.’

Rwandan pharmaceutical adhesives importer, ITC NTM survey

table 17). Unusually high fees and charges followed delays in administrative procedures, accounting for 22% of the cases reported.

3.3. Analysis of important subsectors

3.3.1. Chemicals

The Rwandan chemicals import sector accounts for approximately 18% of total manufacturing imports with a value of US\$ 173 million in 2010. During the telephone interviews with 83 chemicals companies, 84% of the respondents reported being affected by burdensome NTMs and the resulting POs; 78% of the cases reported in this subsector were applied by Rwandan authorities. Most reports were conformity assessment measures, which accounted for the majority of cases at 59%. This category was followed by technical requirement measures, which accounted for approximately 14%. Importers of pharmaceutical adhesive dressings complained of delays occasioned by the Rwandan Ministry of Health due to poor administrative procedures when they attempt to obtain licensing or a certificate of analysis.

Approximately 11% of the NTMs reported in this subsector were applied by transit countries, with 8% applied by an entity other than a country, for example, private clients (see table 15). The majority of the cases identified were distributed between taxes on transport facilities and advance import deposit. These measures were applied principally by Kenya, but also by Uganda and the United Republic of Tanzania. Importers of pneumatic tyres from China, Germany and the United Arab Emirates complained of weighbridge delays and additional charges in transit countries.

3.3.2. Information and communication technologies and consumer electronics

In 2010, ICTs and consumer electronics accounted for about 9% of total manufactured imports at a value of US\$ 88 million (see table 15). About 16% of NTMs cases reported in this subsector were in transit countries. These measures mainly took the form of a tax on transport facilities and inspection requirements that were applied principally by the United Republic of Tanzania, but also by Kenya and Uganda.

There were no NTMs reported in this sector in partner countries. However, Rwandan authorities applied about 26 out of a total of 36 cases reported in this sector (i.e. 72%) as shown in table 16. The complaints covered the ubiquitous conformity assessment measures (11 cases), as well as numerous other measures such as quantity control measures (five cases), charges, taxes and other para-tariff measures (four cases), pre-shipment inspection and formalities (three cases), finance measures (one case), anti-competitive measures (one case) and rules of origin (one case). In this sector, importers reported that, inspection and certification analysis or testing by mainly the RBS and at times customs can take up to two weeks for computer accessories. For other importers, RBS and RRA inspection of computers from France, Kenya, Uganda, the United Arab Emirates and the United Kingdom, and had taken as little as three days.

3.4. Summary and policy options

There was a high incidence of NTMs reported in the manufacturing sector, most of which were conformity assessment measures applied by Rwandan authorities (63 cases). Conformity assessment measures are generally applied to ensure compliance with technical requirements. The most frequently reported measure imposed by transit countries was tax on transport facilities (45 cases out of 62 cases). Such measures exacerbate the already burdensome costs of importing products for Rwanda, especially necessary inputs for the manufacturing sector.

Three neighbouring countries, Kenya, Uganda and the United Republic of Tanzania were reported to have applied these measures. The policy options to address these measures require coordination through EAC, as well as some bilateral efforts. Putting these cases on the table would open the door to deeper consultations to establish intra-regional and bilateral trade, and would result in fewer NTBs.

With respect to procedural obstacles and inefficient-related business environment, about 61% of POs were applied by domestic agencies, primarily in the form of delays in administrative procedures by the customs department. Not surprisingly, similar findings occurred in other developing countries and LDCs where delays in administrative procedures by customs were frequently reported.

Because conformity assessment measures cut across all sectors, whether exports or imports, Rwanda could explore a systematic approach to lessen the burden of this measure on its traders. This study demonstrates that the problems are not the conformity assessment measures themselves, but the

associated POs that sometimes take the form of prohibitive costs, delays and inefficiencies that hamper Rwandan trade. Some of the possible approaches to address those measures applied by Rwandan authorities could include investment in modernizing testing techniques and equipment to expedite delays and enhance quality, as well as providing the authorities with the necessary tools to improve the services.

RBS has indicated that it manages to keep up with the latest techniques, but may have difficulties keeping up with new equipment and new technology that export destinations may suddenly require. With respect to pyrethrum, RBS and other agencies have expressed concern that the problem of onerous certification requirements is not addressed by the export destination. Pyrethrum is not found in many countries and is gaining a similar profile to coffee and tea as a key and quality Rwandan export. An introductory dialogue with key export destination governments about pyrethrum and essential oil extracts from geraniums may lead to a plan of action to reduce the NTMs obstacles raised by surveyed companies.

Existing government efforts could be complemented by the facilitation of experts to conduct assessments to meet standards as well as conform to certification requirements. Other traders across sectors believe the government could do more to reduce transportation costs and delays by providing subsidies. In addition, an internal policy framework to garner support to address NTM issues arising from agencies and dialogues with industries could help prevent negative impacts. This framework could also help find solutions to issues before a toll is exacted on Rwandan trade flows, while at the same time meet legitimate public policy objectives.

Another suggestion from Rwandan traders that merits special consideration is that government could do more to resolve the issue of the use of polythene packaging for tissue paper prohibited by the Rwandan Environment Authority. While it was clarified during the consultations in July 2012 (see appendix V) that exemptions are allowed for products for export to use the packaging, the RDB is facilitating Rwanda's leadership in the region to attract investment into biodegradable packaging as a substitute. Reports are that Rwanda's neighbours have since recognized the country's environmental advantages and are now considering introducing a similar polythene ban. If neighbours introduce this ban, Rwanda's investment initiative in biodegradables stands to benefit from geographic economies of scale in the region.

Table 13. Manufacturing exports – burdensome non-tariff measures applied by partner countries

Subsector	Exports to the world			Number of reported NTMs cases						
	Export value in 2010, '000 US\$	Share of the subsector in the total sector exports*	Technical requirements	Conformity assessment	Charges, taxes and other para-tariff measures	Quantity control measures	Rules of origin	Subtotal		
Chemicals (sector 05)	2 391	11%		7				7	US (3), Burundi, Italy, Spain, UK	
Leather and leather products (sector 06)	3 013	13%		2				2	Entity other than a country (2)	
Metal and other basic manufacturing, non-electric machinery (sectors 07 and 08)	7 490	32%		4			3	7	Burundi (4), Burundi (transit country), entity other than a country (2)	
Computers, telecommunications, consumer electronics, electronic components; transport equipment (sectors 09, 10 and 11)	7 271	31%		1				1	Burundi	
Clothing (sector 12)	64	0.3%		1				1	Entity other than a country	
Miscellaneous manufacturing (sector 13)	3 547	13.7%	3	7	8	1	1	20	Belgium (3), France (3), Japan (3), UAE (2), US (2), Kenya (transit country) (2), Uganda (transit country) (2), entity other than a country (3)	
Total	23 776	100.0%	3	22	8	1	4	38		

Source: ITC Trade Map 2010.

* Value of total exports of manufacturing products in 2010 is US\$ 25,956.

Table 14. Manufacturing exports – procedural obstacles and inefficient trade-related business environment in Rwanda, partner and transit countries

POs	Number of POs cases					Subtotal
	In Rwanda (and agencies involved, if specified)	In partner countries	In transit countries			
Difficulties with translation of documents from or into other languages		1 UAE				1
Large number of checks	1 REMA					1
Delay in administrative procedures	5 RBS (2), MINICOM, MINAGRI, customs department	11 US (3), UK (2), Burundi (2), Italy, Japan, Sweden, DRC	3	Uganda (2), Kenya		19
Unusually high fees and charges	3 REMA (3)	18 US (4), Italy (3), UK (3), UAE (2), Burundi, Spain, Japan, Sweden, France, Germany				21
Informal payment, e.g. bribes		3 Burundi (3)	2	Uganda, Kenya		5
Total	9	33	5			47

Source: ITC NTM survey.

Table 15. Manufacturing imports – burdensome non-tariff measures applied by partner and transit countries

Reported import products	Import from the world		Number of reported NTMs cases										
	Products' import value in 2010 (US\$ '000)	Sector's share in total import value of manufacturing imports*	Partners apply the measure				Transit countries apply the measure						
Subsector code (as reported)			Certification required by the exporting country	Export registration	Export taxes and charges	Sub-total	Partners reported to apply burdensome NTMs	Inspection requirement	Merchandise handling or storing fees	Tax on transport facilities	Advance import deposit	Sub-total	Transit countries and other entities reported to apply burdensome NTMs
Wood products	32 480	3%						2		8		10	United Republic of Tanzania (8), Kenya, Uganda
Textiles	52 132	5%								2		2	United Republic of Tanzania (2)
Chemicals	173 211	18%			1	1	Uganda			5	3	8	Kenya (3), United Republic of Tanzania, Uganda, Entity other than a country (3)
Leather and leather products	9 818	1%											
Basic manufactures	174 625	18%								11		11	Kenya (6), Uganda (4), United Republic of Tanzania
Non-electronic machinery	96 392	10%						1				1	United Republic of Tanzania
IT and consumer electronics	88 195	9%						3		5 + 2 ^t		10	United Republic of Tanzania (8), Kenya ¹ , Uganda ¹
Electronic components	74 167	8%								3		3	United Republic of Tanzania (2), Kenya
Transport equipment	184 979	19%	2			2	China, India	3 + 2 ^t	2 ^t	2 + 3 ^t		12	United Republic of Tanzania (3 + 1 ^t), Kenya (2), Uganda (2 ^t)
Clothing	9 987	1%								3		3	United Republic of Tanzania (3)
Miscellaneous manufacturing	77 184	8%		3		3	France, Spain, Turkey			1	1	2	United Republic of Tanzania, entity other than a country
Total	973 170	100%	2	3	1	6	n.a.	11	2	45	4	62	n.a.

Source: ITC Trade Map 2010.

* Value of total imports of manufacturing products in 2010 is US\$ 961,476.

^t The measure is reported by a trading agent.

Table 16. Manufacturing imports – burdensome non-tariff measures applied by Rwanda

Reported import products	Import to the world		Number of reported NTM cases									
	Product's import value in 2010, '000 US\$	Share of product in the sector's import value*	Technical requirements	Conformity assessment	Pre-shipment inspection and formalities	Charges, taxes and other para-tariff measures	Quantity control measures	Finance measures	Anti-competitive measures	Rules of origin	Sub-total	
Wood products	32 480	3%	0	6	0	1 + 1 [†]	0	1 [†]	0	0	9	
Textiles	52 132	5%	0	0	2	0	0	0	0	0	2	
Chemicals	173 211	17%	5	21 + 1 [†]	0	0	0	1	0	1 [†]	29	
Leather products	9 818	1%	0	0	0	0	0	0	0	2	2	
Basic manufactures	174 625	18%	0	7	1	0	0	0	0	0	8	
Non-electronic machinery	96 392	10%	0	2	1	0	0	0	0	0	3	
ICTs and consumer electronics	88 195	9%	0	11	3	4 [†]	5 [†]	1 [†]	1 [†]	1 [†]	26	
Electronic components	74 167	8%	0	3	0	0	0	0	0	0	3	
Transport equipment	184 979	19%	0	4 + 3 [†]	0	1 + 2 [†]	0	2 [†]	0	1 [†]	13	
Clothing	9 987	1%	0	0	0	1 [†]	0	1 [†]	0	0	2	
Miscellaneous manufacturing	77 184	8%	3	5	1	1	2	0	0	0	12	
Total	961 476	100%	8	63	8	11	7	6	1	5	109	

Source: ITC NTM survey; Trade Map 2010.

*Value of total imports of manufacturing products in 2010 is US\$ 961,476.

[†] The measure is reported by a trading agent.

Table 17. Manufacturing imports – procedural obstacles and inefficient trade-related business environment issues

POs and inefficient TBE	Number of reported POs/TBE cases					Subtotal
	In Rwanda (and agencies involved, if specified)	In partner countries	In transit countries			
Large number of different documents	2: Health Ministry, customs division	3: France, Spain, Turkey				5
Information is not adequately published and disseminated	2 ^t : RURA ^t					2
No due notice for changes in procedure	1 ^t : RRA					1
Delay in administrative procedures	67 + 15 ^t : Customs (30 + 6 ^t), RBS (21 + 2 ^t), Health Ministry (8), RRA (3 + 1 ^t), customs division in MAGERWA (2), REMA (2), RURA (1 + 5 ^t), COMESA Rwanda office ^t	18 + 1 ^t : India (5), China (4), Uganda (2), Germany, Italy, South Africa, the Netherlands, Kenya, UAE, Malaysia, Burundi ^t	9 + 2 ^t : United Republic of Tanzania (9 + 1 ^t), Kenya ^t			112
Delay during transportation			4: United Republic of Tanzania (3), Kenya			4
Unusually high fees and charges	11 + 16 ^t : customs (4 + 10 ^t), MAGERWA (3), RBS (2 + 2 ^t), RRA (2 ^t), clearing agency ^t , RURA ^t , * (2)	5: Germany, Italy, South Africa, China	21 + 7 ^t : United Republic of Tanzania (8 + 1 ^t), Kenya (7 + 3 ^t), Uganda (6 + 3 ^t)			60
Informal payment, e.g. bribes	-	-	7 + 2: United Republic of Tanzania (4 + 1 ^t), Kenya (3 + 1 ^t)			9
Limited/inappropriate facilities	5 + 2 ^t : RBS (5 + 1 ^t), customs ^t					7
Technological constraints, e.g. information and communication technologies	2: Customs (2)					2
Other obstacles	1 + 1 ^t : RRA (1 + 1 ^t)		1: United Republic of Tanzania			3
Total	88 + 37^t	26 + 1^t	42 + 11^t			205

Source: ITC NTM survey.

Chapter 4 Conclusions

Trade liberalization within the last 30 years has possibly contributed to growth in the GDP of some developed and developing nations to the extent that it has resulted in increased international trade and the benefits that accrue from such trade.⁹⁸ Increased liberalization has been accompanied by a significant increase in the number of trade agreements signed between countries and/or regions. Such agreements have brought about extensive reductions in border tariffs initially implemented by governments for reasons including, but not limited to import substitution, the protection of infant industries and domestic employment, consumer protection and national security. However, the relative importance of NTMs has increased as the average tariff rates have declined.

NTMs include a wide range of policy interventions other than border tariffs that affect trade in goods. They are often seen by countries as the best instruments to achieve public policy objectives, in particular technical SPS. These measures have the potential to correct market failures arising from information asymmetries, but can become a major obstacle to trade. WTO SPS and TBT Agreements allow countries to adopt appropriate protection of human, plant and animal health. However, to minimize disputes and reduce compliance costs countries are encouraged to base their domestic technical regulations or standards on those developed by international organizations, including the International Plant Protection Convention (IPPC) for plant health, the Joint FAO/WHO Codex Alimentarius Commission (Codex) for food safety and the Office International des Epizooties (OIE) for animal health.

Due to the growing impact of NTMs on exporters and importers, several studies have been conducted in the past attempting to quantify their effects on international trade. A number of studies have revealed that in several countries NTMs are often more restrictive to trade than are tariffs. Trade literature also reports that NTMs in agriculture appear to be more restrictive and widespread than those in the manufacturing sector.

It is recognized that as international trade has become more liberalized and tariffs are eliminated, NTMs become more problematic and actually surpass tariffs in terms of barriers to trade. NTMs themselves may not be barriers per se. It is the POs associated with NTMs that have negative consequences on trade. The impact of NTMs as hindrances to trade should be assessed against the policy objectives sought in their application.

Challenging NTMs have always existed, but their impact becomes more evident and more acute as tariffs fade from the spotlight. The debate surrounding NTMs raises questions about legitimacy, discrimination and the level of burdensomeness on the flow of much desired trade. The results of this survey and others reveal that many times NTMs are legitimate, but their frequency, complexity and excess adversely effect trade. The problems found in cases impacting industries in landlocked LDCs such as Rwanda take more of a burdensome toll on trade and are more surprising at a time when the government and the international community are mobilizing all efforts to alleviate poverty and promote engines of growth.

The ITC Company Survey is mandated to capture the experiences of firms in developing countries about their experiences with NTMs. Surveys by their nature are not dynamic, but snapshots in time. Some surveyed countries are in the process of defining solutions to NTMs perceived as barriers by their enterprises. Some take longer than others. In Rwanda's case, notwithstanding its constraints as an LDC, progress tackling some of the barriers has been swift and is still being implemented. After the meeting in Kigali in July 2012 to present the results of the survey and discussions with agencies and stakeholders (see appendix V), many clarifications were presented by the government. This helped to create a framework and context for this report and resulted in recommendations.

Results for the Rwanda study reflect similar patterns found in other ITC reports in this series. For example, exporters and importers cite conformity assessment measures along with technical regulations and charges and para-tariff measures as the NTMs most experienced. They also report impact from POs and TBEs such as delays in administrative procedures and high fees and charges. The largest markets to

⁹⁸ 'Global Trade Liberalization and the Developing Countries', available at International Monetary Fund: www.imf.org/external/np/exr/ib/2001/110801.htm.

which these are attributed are the European Union and the United States. In the case of landlocked countries, transit and regional neighbours are also applying the most burdensome measures. On the import side, domestic agencies are the most frequently cited for POs.

However, Rwanda departs from the trend with respect to exporter reports of NTMs being applied mainly by domestic authorities. In the case of Rwanda, it was either partner or transit countries that dominated in this regard. Private standards have emerged as a continuous challenge for a few surveyed countries. However, Rwandan companies have frequently reported the presence of burdensome private standards.

In addition to its usefulness to improve internal policy development, this report provides further insights that may assist Rwanda in its ongoing initiatives with export destination countries. NTBs experienced within EAC and with COMESA partners are particularly daunting when these institutions specifically mandate that NTBs be eliminated among their members to realize benefits afforded to customs unions.

1. Conformity assessment and technical requirements

The survey shows that NTMs, POs and TBE impact a number of Rwandan exports and imports. Rwanda's leading export sector, agriculture is the most affected with fresh food and raw agro-based products leading the way, followed by processed food and agro-based products, notably coffee and tea. Coffee and tea are crucial for Rwanda's export competitiveness. In addition, exports of pyrethrum extracts, essential oil extracts, juices and certain manufactured products such as tableware, tissue paper and handicrafts are subject to a fair number of NTMs.

In terms of imports, inputs for agricultural production and certain manufactures such as seeds and spores, chemicals, laboratory equipment, machinery and glass have been impacted by inspection requirements, delays and high fees. For glass and machinery, high weighbridge charges imposed by transit countries were the most reported.

Conformity assessment and technical requirements are the measures identified by most surveyed exporters. These measures took the form of certificates, inspections resulting in export licensing and permit requirements, excessive fees and charges, and packaging and storage requirements. Clearly, some of the measures serve important consumer protection and associated administrative cost objectives. However, the survey report portrays a picture of excesses in terms of delays, fees and lack of mutual recognition of certifications and inspections already obtained. For example, the European Union and the United States are reported not to recognize each other's certificates that may have been granted to Rwandan exporters, thereby causing extra costs and delays when accessing those markets. With respect to importer reports, conformity assessment measures also took the lead with respect to the number of frequency of occurrences of NTMs causing unnecessary delays, high costs and perpetual inefficiencies.

The majority of NTMs reported were attributed to partner and transit countries. Given the necessary objective of some NTMs to assure health and safety standards, it is reported that sometimes partner countries require onerous certificates to prove conformity. Consequently, Rwandan agencies are charged with conducting testing and certification linked to requirements in destination countries for its exports. However, some Rwandan companies reported the imposition of high fees to issue certificates as well as excessive delays, which have nothing to do with the requirements from partner or transit countries. This results in higher costs to the Rwandan exporters when meeting the destination requirements, further placing them at a competitive disadvantage.

Some traders indicated the desire for a one-stop shop or single window to process the relevant documentation. Others highlighted the need for a single enquiry point to obtain all necessary documents required in destination and home markets to qualify for certifications. Rwandan coffee and green and black tea are progressively reaching specialty status in the global marketplace. Rwandan tea is purported not to rely on the use of pesticides due to the special growing conditions in the country. This feature can give Rwanda an important competitive edge in becoming attractive for the added value necessary to establish a geographical indication or collective mark system. Such a system can bring an immediate edge for premium pricing and opportunities for additional international support to develop testing and quality control facilities. Support from international standard setting organizations is also key as the trend in the global economy and in international agreements to which Rwanda is a party is towards harmonization.

The situation is equally problematic for imports. Conformity assessment measures that result in barriers imposed by government and transit countries are taking a toll according to participating Rwandan importers. Unusually high fees and delays associated with measures such as weighbridge charges by transit countries as well as inefficient testing methods and high fees and delays in inspection procedures at home are the most prevalent complaints. Imports are key to Rwanda's trade both from the perspective of satisfying consumer demand and as inputs in the production process.

2. Private standards

In addition to the requirements imposed by governments, Rwandan exporters sometimes face onerous standards imposed by private clients affecting coffee, tea, dried cassava, geranium extracts, bananas and pineapples imposed by private clients. For example, there were numerous cases reported of Fair Trade certificates demanded by clients in the European Union. The costs and delays associated with obtaining these certificates are reported to have caused serious burdens for Rwandan exporters. Other private requirements required sometimes included bottle sizes imposed by private regional EAC partners; types of packaging and means of transport imposed by regional, EU and United States clients.

3. Procedural obstacles, certificates of origin, trade-related business environment, neighbouring and transit problems

According to the results of this survey, delays in administrative procedures and unusually high fees and charges imposed by partner countries such as the European Union, South Africa, Switzerland, the United Arab Emirates, the United States and neighbouring countries, as well as Rwandan agencies have been highlighted as frequent POs experienced.

There were some misconceptions with respect to the taxes imposed by OCIR in terms of amounts, e.g. 3%, 5% or 13%, and also the reason for these taxes. OCIR explained that the fees are to recoup some of the subsidies provided to growers for supplies, inputs and coffee washing machines. There were also some misconceptions over fees for EAC certificates of origin needed to benefit from the preferential tariff. These misconceptions will need to be clarified so that enterprises have accurate information.

A number of burdensome measures identified are associated with neighbouring countries, which double as destinations for exports as well as transit countries for both exports and imports. Some of the issues with respect to rules of origin or certificate of origin and the associated charges for them are supposedly linked to the benefits Rwandan traders derive from receiving lower EAC tariffs. These certificates are required by EAC countries to determine if the product in question is eligible for preferential treatment. However, if the costs are onerous or contrary to the spirit of the agreement between EAC countries, the Rwandan government should investigate the matter and consult with EAC and its members.

Box 2. Recent Rwandan and EAC government initiatives

- Electronic single window introduced by MINICOM and the Rwandan Revenue Authority
- Reduction or elimination of certain fees for certifications
- RBS is increasing its human resources and extending standards training for exporters and importers as well as training of trainers
- NMC reached bilateral understanding with Uganda
- Online reporting mechanism (www.tradebarriers.org)
- 36 resolved NTBs since 2008 in the Time Bound Programme
- Harmonization of axle load limit to 56 tons
- Standardization of weighing scales
- EAC project on one-stop border posts (OSBP)
- 24/7 operations (Gatuna, Malaba and Busia)
- Reduction of roadblocks
- Reduction of weighbridges
- Pre-clearance and quick release procedures

For Rwandan exports to reach destination markets, problems associated with transit countries must be resolved, in particular excessive weighbridge charges and delays. To meet varying truck weight limits across the Northern and Central Corridors, Rwandan exporters and importers must change trucks when transiting, resulting in a multiplicity of costs and fees.

Rwanda is not a primary producer of manufactures. Nevertheless, some exporters of banana wines and juices reported NTMs. More NTMs are applied on manufacturing imports, chiefly in the area of excessive fees, delays and domestic certification requirements. Equally, excessive weighbridge charges and administrative delays were reportedly applied on imports by transit countries. Consequently, Rwanda may wish to examine these NTMs problems from a holistic perspective covering its chief exports and imports across all sectors. As Rwanda begins to diversify into areas in the services sector, such as tourism and financial services, NTMs on imports could become a serious threat to Rwanda's overall economic growth policies.

4. Recent government interventions

The following represents some of the interventions and initiatives that Rwanda has launched to alleviate the impact of the burdensome NTMs facing exporters and importers. Rwanda continues to rigorously pursue the transit issues bilaterally and regionally in the context of COMESA and EAC initiatives. The Coordinator of Rwanda's NMC is housed in MINICOM and co-chaired by Rwanda's PSF. Below is an outline of the methodology used to resolve EAC trade-related problems:

- Firms raise problems with the Coordinator;
- The Coordinator contacts her or his counterpart in the relevant EAC country;
- Those issues requiring further intervention are brought to the MINICOM Director General for Trade who then escalates the matter to ministerial level;
- The minister will bring the matter before the EAC Council of Ministers for a decision. Decisions taken at the EAC Council of Ministers are enforced.

The EAC Quality Infrastructure Initiative is reported to have assisted in improving quality assurance standards. Issues emerging from this survey could also be presented under this initiative. Rwanda's proposals in the context of the WTO Trade Facilitation deliberations that address transit problems are important to tackling transit issues multilaterally, but could be elaborated regionally for earlier implementation, notwithstanding the stalemate in the Doha Round negotiations.

The numerous cases attributed to Rwanda's neighbours, which are either transit or destination countries, suggest that results-oriented bilateral and regional initiatives are key to resolving NTMs. Rwanda has proved this works. Recently, Rwanda concluded an agreement with Uganda to reduce weighbridge and other obstacles at the border. Harmonizing standards and streamlining requirements in EAC are also solutions. EAC has recently launched an exercise to review product standards in each member state. Given that conformity assessment measures are a leading complaint from exporters and importers, this EAC initiative could be an additional opportunity to resolve NTM issues.

The World Bank Group's Rwanda Investment Climate Reform Initiative has also reported that the government has already established one-stop centres, placing all applications under a single department aimed to reduce delays and bureaucratic red tape. The report indicated that:

- The period to set up a business has been reduced from 16 days to 3, with the actual registration taking only 1 day and the costs cut by 95%.
- Administrative costs and queues are diminishing.
- Eight of the most problematic regulations affecting business are being streamlined.⁹⁹

To improve the trade and business environment with neighbouring states, The World Bank Group reports that 17 reforms aimed at speeding up trade-related procedures and reducing their cost have been implemented. These include:

- Reducing the number of necessary trade documents, which has simplified and will speed up cross-border trading with Burundi and Uganda;
- Creating a new automatic system for cancelling and validating transit bonds, which has freed up a significant portion of traders' working capital;
- Instituting a risk-management and intelligence unit and implementing a risk-based inspections and clearance regime;
- Launching a one-bank counter for Majerwa (dry port) and customs, and simplifying the trade payment system;
- Extending working hours;
- Removing import/export declaration forms;
- Introducing pre-payment systems for cargo clearance.

These efforts have already produced tangible benefits. Between 2008 and 2010, the time to export decreased from 47 days to 38 days, while the time to import decreased from 69 days to 35 days (resulting in a 49% improvement).¹⁰⁰

The following policy options arose from surveyed company suggestions as well as those introduced as recommendations in discussions with government agency and private sector participants in the July 2012 stakeholders' meetings in Kigali.

5. Policy options – domestic actions

Sustained interaction with industry stakeholders and awareness building

To address recurring problems described in this report, stakeholders suggested that more sustained interaction with the key agencies identified in the survey would help increase awareness and improve information dissemination on initiatives that the government is taking and available mechanisms. During the July 2012 stakeholders' consultation (see appendix V), the PSF mentioned the usefulness of having NTMs point persons in agencies identified to monitor and resolve NTMs problems. As a result, the PSF is pursuing MOUs with different agencies.

⁹⁹ The World Bank Group, 'Rebuilding Business in Rwanda', 2010.

¹⁰⁰ Ibid.

Rwanda is to be applauded for its environmental policies linked to its ban on polythene and efforts to provide exemptions for export products, as well as investment in production of biodegradable substitutes. Biodegradable substitutes produced in Rwanda will have the dual function of maintaining Rwanda's environmental policy objectives as well as providing lower costs for exporters to obtain packaging at home. RDB, REMA and other agencies can raise awareness among exporters surveyed about the current exemption to allow use of polythene packaging for export products and the efforts to invest in production of biodegradable packaging in Rwanda as a substitute. However, the export destination importer of Rwanda's products must also accept the substitute. It is likely this will be the case as Rwanda's exports of tissue paper using the packaging are mainly to neighbouring countries, which are reported to be adopting Rwanda's environmental policies. RDB must explore assurances that the biodegradables investments will be recognized in partner countries.

Examine and benchmark fees and charges

Most surveyed companies complained of high fees and charges imposed by domestic agencies. It was clear that sometimes reports were varied and enterprises may not have been aware of exemptions or special fees. While low or no fees were charged in some cases for small enterprises, the government should examine all fees by product across all certifying agencies and the number of certifications required in relation to policy and safety objectives. RDB can also work with agencies to advocate for lower fees impacting businesses and assess costs and business losses.

Examine and benchmark international best practices to address delays and administrative burdens

There were numerous cases of burdensome delays and other difficulties associated with obtaining required certifications and inspections. There were some reports of delays of three days or more, which may actually be the norm in other countries for the same certifications. At the stakeholders' meeting, participants viewed that perceptions of delays may be relative and specific to the particular sector or to the export or import contract. A three-day or more delay may adversely impact on a Rwandan small medium-sized enterprise (SME), which could stand to profit from a contract or products that may be perishable. In addition, agencies responsible for inspecting, testing and issuing certifications must have adequate facilities, equipment, human resources and skills to minimize delays. However, RBS mentioned that sometimes a particular product requires additional days, perhaps a few weeks, to examine varying constraints against the destination market standards. This timeframe may be normal for examining a particular constraint and the standard involved.

Given that ITC has already conducted several country company perspective surveys, stakeholders suggested that ITC facilitate the development of common benchmark practices in the region and other landlocked LDCs to guide Rwandan standardizing agencies. In addition, it was suggested that common practices in destination markets be examined against those in surveyed countries. Stakeholders considered that assistance in measuring typical timeframes to issue certifications in other markets would be important to help policymakers improve their domestic procedures.

Implement the one-stop shop mechanism to provide traders with all the required certifications and forms from different agencies

Surveyed exporters and importers complained of multiple certificates required and the merits of a one-stop shop facility. One official in an agency certification office issuing at least four different certificates also agreed that a one-stop shop is needed. Other surveyed companies expressed frustration with the lack of enough information about the certifications required in destination markets for their products. They recommended that the government provide a one-stop shop with clear and user-friendly information on the requirements necessary to export to each destination.

Stakeholders applauded MINICOM and RRA for introducing an electronic single window. In consultations with PSF, the representative stated that the system is yet to be fully implemented. In addition, concern was raised that while enterprises in Kigali may adapt to the electronic facility, human and paper back-ups should be introduced in centres outside of Kigali where some enterprises are not yet computer literate.

During the stakeholders meeting in Kigali in July 2012 (see appendix V), participants noted that survey results targeted problems with lack of a one-stop shop for certificates.

Because a single window focuses on imports, they suggested building on existing trade facilitation mechanisms implemented by the government to introduce another electronic window for required certificates for each export sector. Similarly, agencies said that initiative should be taken to increase business awareness of existing enquiry points, which are currently under used, to find out about foreign market regulations and conformity requirements.

A cross-cutting review of number of certifications, turnaround time to deliver certifications and associated fees impacting Rwanda's important trading sectors may better inform government agencies when benchmarking against best practices and policy objectives. Stakeholders agreed that business realities and whether products are perishable could require different turnaround times. For both turnaround time and fees, stakeholders asked that ITC assist surveyed countries in benchmarking best practices internationally, in particular for LDCs. Others suggested that ITC conduct follow up monitoring of company experiences to determine whether the improvements have taken effect and to identify any new problems.

Other areas for exploration include enhancing the competitiveness of Rwandan exports while at the same time improving testing and conformity assessment procedures. Geographical indications systems for coffee and tea are prime candidates. Some approaches to addressing the concerns, inferred from the results of this survey could include investment to modernize testing techniques and equipment to reduce delays and enhance quality, as well as to provide the authorities with the necessary tools to improve their facilities. These approaches could be complemented by the government's facilitation of experts to conduct assessments to meet standards and conform to certification requirements. Other traders across sectors believe the government could do more to reduce transportation costs and delays by providing subsidies.

Assistance to small laboratories to facilitate approvals to support RBS and other agencies

A few surveyed companies considered that the NTMs and POs they faced were due to inefficiencies in administrative procedures and testing capacity. Some agencies concurred with this view and suggested that ITC provide concrete technical assistance to facilitate approvals to support RBS and other agencies. A few options are discussed in the section below concerning international options.

Assistance to increase domestic awareness of the private standards challenges of Rwandan exporting enterprises

Survey results for Rwanda revealed that in addition to conformity assessment requirements imposed by partner country governments, private clients of Rwandan companies require a number of private standards and certifications. In the same way as governments and regional and multilateral institutions are working to eliminate burdensome NTMs to trade, private entities appear to be unchecked with respect to the impact of their burdensome measures on developing countries, in particular LDC enterprises. Many times, companies enter into contracts without comprehending the severe burden they would face. There are many reports of high costs incurred to pay for foreign experts to come to Rwanda to carry out inspections and high costs to obtain the certifications. Government agencies have also heard complaints about these measures, which result in burdensome NTMs.

However, the obligations are private and governments are not involved in the contracts. This makes it difficult for Rwandan companies to receive support in addressing obstacles. During the stakeholders meetings in July 2012, agencies noted that consultations will be held with some of the most recognized private standard entities to take up complaints and address current issues. It was also suggested that the Rwandan government take up the NTMs impact of private standards at the WTO and in bilateral consultations with the home governments of the private entities. In addition, Rwandan agencies can raise these issues with their counterparts in partner countries.

6. Policy options – international action

6.1. Regional and transit countries

The stakeholders meeting recommended that Rwanda continue its successful regional and bilateral agreements to address NTMs. For example, a recent agreement was concluded with Uganda to reduce weighbridge restrictions at Gatuna. Rwanda's NMC Coordinator works full time on these issues and maintains a network of contact with key agencies and the private sector to monitor and reduce NTMs involving EAC trade. Some issues are elevated to the EAC Ministerial level for decision. This mechanism can prove to be an effective instrument to examine other NTMs reported in this survey. Rwandan efforts to harmonize SPS standards with its EAC partners has resulted in a draft EAC SPS protocol to strengthen enforcement while at the same time reducing obstacles to trade. Rwanda is currently considering adopting the protocol.

6.2. Major markets

Rwandan companies that participated in this ITC survey frequently cited lack of harmonization of standards between the European Union and the United States as obstacles. RBS and other agencies have included this issue for negotiations with the European Union at the EPA level. MINICOM can also aggressively address this issue in bilaterals with the United States, particularly in the context of TIFA negotiations. In addition, RBS has established relationships with its regional counterparts and continues to strive for harmonization within the region. During the stakeholder consultations in Kigali in July 2012 (see appendix V), participants stressed the need to increase awareness of the challenges of private standards faced by its enterprises, especially SMEs.

Enterprises must communicate with RDB and MINICOM to inform them of problems they are facing so that these agencies can open dialogue with the relevant entities. Participants representing the Rwandan government indicated that they would take these matters up internationally and bilaterally with partner countries in the context of EPA negotiations with the European Union and under the Trade and Investment Framework Agreement with the United States.

6.3. WTO and ITC

The WTO is doing its part to increase international awareness of burdensome NTMs and has recently released its annual *World Trade* report, focusing on the proliferation of NTBs, including burdensome private standards. Beyond its negotiating functions, many of the WTO's committees serve as deliberative bodies where members identify and discuss trade barriers and take decisions where consensus is reached. Rwanda can assert its interests multilaterally in the context of the WTO TBT Committee and any revival of the WTO NAMA negotiations on NTBs. Some TBT labelling requirements for volume, shape, quality and appearance of packaging, labelling for dangerous chemicals and toxic substances, pesticides and fertilizer, apply to agriculture as well. Rwanda may wish to raise labelling issues applied by destination countries that fall under TBT in the committee. A number of proposals have already been tabled in this area.

Work in the WTO SPS committee can also increase awareness of the challenges raised in this survey and assist in creating international solutions for Rwanda. Rwanda may draw on results from this study in its interventions and advocacy in a number of bilateral, regional and international venues. Participants in the July 2012 Kigali stakeholders' consultations requested that ITC provide concrete assistance to help Rwandan laboratories meet requirements. Rwanda has benefited from the WTO STDF programme and the Rwanda Horticulture Export Standards Initiative (RHESI). A final report has since been issued.¹⁰¹

The report highlights the objectives of the programme to expand Rwanda's fruit, vegetable and flower exports through improved SPS management and capacity building. Pyrethrum flower and geraniums cited in this report for Rwanda's attractive pyrethrum extract and geranium essential oils could enjoy consequential benefits from the implementation of the STDF RHESI efforts. ITC might assist Rwanda in

¹⁰¹ Ex-Post Evaluation of Project STDF 145, 'Rwanda Horticulture Export Standards Initiative (RHESI), Final Report, 31 January 2012'.

formulating concrete actions building on the RHESI. ITC may also explore whether Rwanda would like to formulate a STDF project request for other exports such as coffee and tea. Furthermore, ITC might assist in the training of Rwandan officials on new food safety standards with the objective of achieving wider recognition of Rwandan certifications.

Private standards that create burdensome NTMs or obstacles to trade are increasingly gaining attention at the WTO and in other international forums. While the standards are private, the TBT Agreement does state that member governments ‘... shall take such reasonable measures as may be available to them to ensure that local government and non-governmental standardizing bodies within their territories, as well as regional standardizing bodies of which they or one or more bodies within their territories are members, accept and comply with [the] Code of Good Practice’.¹⁰²

In addition, governments can initiate consultations with its private entities imposing special requirements to ensure that private standards are not subverting international efforts to diminish burdensome NTMs and that private standards are not introduced onerously beyond standards required by governments, especially when LDC enterprises are involved. Rwanda may raise some of the examples found in this survey with the relevant WTO bodies to amplify the magnitude of the problem and to increase efforts by relevant WTO member governments where the private clients operate.

As far as Doha Round negotiations are concerned, the NAMA NTB proposals are intended to improve rules especially with regard to recognition of certifications across WTO members. While no proposal has been tabled specifically on agriculture NTBs under NAMA, a Rwandan CEO of a medium-large company surveyed suggested Rwanda redouble its efforts to improve market conditions for its agricultural exporters via the WTO agriculture negotiations.

7. Outlook

By assessing the most important obstacles to trade experienced by Rwandan enterprises, the ITC NTM survey can help lay the foundation for further government action. Participants at the July 2012 stakeholders meeting in Kigali (see appendix V) actively contributed clarifications as well as built on recommendations. These recommendations may enhance Rwanda's progress to address NTMs and increase awareness.

In addition to the recommendations, key Rwandan agencies suggested that ITC provide follow-up monitoring of company experiences to determine whether the improvements have taken effect and to identify any new problems.

¹⁰² TBT Agreement Article 4.1. The Code of Good Practice is annexed to the TBT Agreement and largely requires that standards are not developed or applied with the effect of creating obstacles to trade. While the code is voluntary, government bodies are required to accept the code, non-governmental bodies may join. The WTO member obligation to take reasonable measures available to ensure its entities join the code is unequivocal.

Appendix I Global methodology of the non-tariff measure surveys

Non-tariff measure surveys

From 2008 to 2010,¹⁰³ 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.¹⁰⁴ In 2011, the NTM surveys were launched in 10 countries. The main objective of the 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 Rwanda 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 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; 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

¹⁰³ The work started in 2006, when the Secretary-General of UNCTAD 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, 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 NTMs Surveys in developing countries using the NTMs 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.

¹⁰⁴ 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 for the significant improvement to both the NTMs classification and the NTMs survey methodology. Since then, ITC has implemented NTMs surveys based on the new methodology in Burkina Faso, Hong Kong SAR, Peru and Sri Lanka.

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 NTMs 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 specializing 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 telephone interviews with all companies in the sample (step 1) and face-to-face interviews undertaken with the companies that reported difficulties with NTMs during the telephone interviews (step 2).

Step 1: Telephone Interviews

The first step includes short telephone interviews. Telephone interviews 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 telephone interview 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 ending the telephone interview.

Step 2: Face-to-face interviews

The face-to-face 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 help 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 the 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 – HS), 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 NTMs classification, an international taxonomy of NTMs consisting of more than 200 specific measures grouped into 16 categories (see

appendix II). The NTMs 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 [POs] 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 (an 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 or TBE (see appendix III).

Local survey company

Both telephone 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 telephone interviews 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 preparing 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 in the 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 telephone 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 telephone interviews with exporting companies is determined independently for each export sector.¹⁰⁵

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 involved in the importation of intermediate products 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 the 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 partners 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 telephone interviews.

Average sample size

Based on the results of the NTM surveys in 10 countries, the number of successfully completed telephone interviews can range from 150 to 1,000, with subsequent 150 to 300 face-to-face interviews with exporting and importing companies. The number of telephone interviews 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

¹⁰⁵ 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 is based on the equation below (developed by Cochran, W. G. 1963. *Sampling Techniques*, 2nd Edition, New York: John Wiley and Sons, Inc.) 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*, 2nd Edition, New York: John Wiley and Sons, Inc.

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

Each case of each company consists of one NTM (a government-mandated regulation, for example an 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 same NTM applied by the same partner country and reported by one company, the results would include three 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 table 18.

Table 18. Dimensions of a non-tariff measure 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 business environments 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 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.

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.

ITC also 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.

As a result, 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 has received training on the survey, trade and NTMs-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 incomplete. 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 NTMs 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.

Survey findings

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 NTMs issues and helps identify possible solutions to the problems experienced by exporting and importing companies.

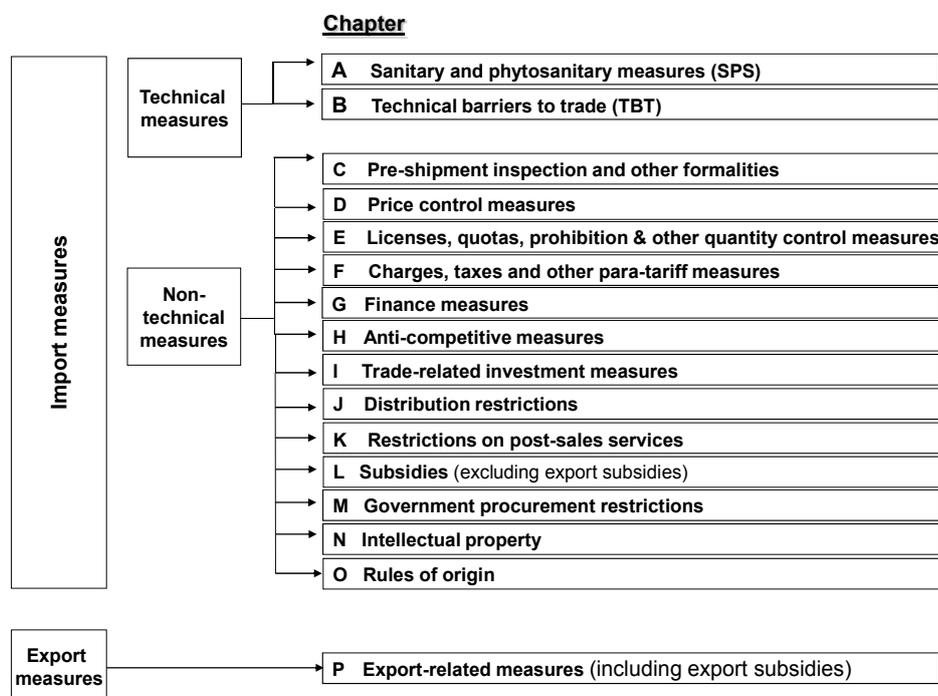
The NTM survey results serve as a diagnostic tool for identifying and solving predominant problems. This can be realized at the national or international level. The survey findings can also serve as a basis for designing projects to address the problems identified and for supporting fundraising activities.

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 Organisation 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. This classification is used to collect, classify, analyse and disseminate information on NTMs received from official sources, e.g. government regulations; and for working with perception-based data, e.g. surveys of companies.

The NTM classification differentiates measures according to 16 chapters (denoted by alphabetical letters), each comprising 'sub-branches' (one-digit), 'twigs' (two-digits) and 'leaves' (three-digits). This classification drew upon the existing, but outdated, UNCTAD Coding System of Trade Control Measures and has been modified and expanded by adding various categories of measures to reflect current trading conditions. The current NTM classification (see figure 10) was finalized in November 2009.

Figure 10. The structure of the NTMs classification



Chapter A, on sanitary and phytosanitary measures (SPS), refers to laws, decrees, regulations, requirements, standards and procedures to protect human, animal or plant life or health from certain risks such as the establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms; risks from additives, contaminants, toxins, disease causing organisms in foods, beverages or feedstuffs. Hygienic requirements, fumigation requirements or quarantine are examples. The chapter is also known as SPS.

Chapter B, on technical barriers to trade (TBT), contains measures referring to the technical specification of products or production processes and conformity assessment systems thereof. They exclude SPS, but a TBT measure may be applied to food products, if the measure is not for food safety. Product identity or quality requirements are examples.

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 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 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 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 G, 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 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.

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, layout 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 (POs) related to compliance with non-tariff measures and to inefficient business environment and infrastructure

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

Appendix IV Experts and stakeholders interviewed

Experts and stakeholders who participated in the open-end discussions on non-tariff measures and related obstacles

In addition to NTM survey interviews with companies, interviews with representatives of the following associations and institutions were undertaken:

- Ministry of Trade and Industry, Rwanda.
- Rwanda NTBs Focal Point, Rwanda Ministry of Trade
- Rwanda Bureau of Standards
- Rwandan Development Board
- Rwanda Private Sector Federation of Rwanda
- Rwanda Customs Department
- OCIR CAFE/Rwanda Coffee Authority

Appendix V Agenda of stakeholder meeting

Thursday, 12 July 2012, 8.30 a.m. – 15.45 p.m.

LEMIGO Hotel, KIGALI, Rwanda

STAKEHOLDER MEETING ON NON-TARIFF MEASURES (NTMS) IN RWANDA

08:30	Registration
09:00	Opening Remarks Ms. Kaliza Karuretwa, Director General, Ministry of Trade and Industry Ms. Poonam Mohun, Market Analysis and Research, ITC
09:30	ITC Project on non-tariff measures (NTMs) – An Overview Ms. Poonam Mohun, Market Analysis and Research, ITC
10:00	Implementation of a large-scale company survey on NTMs in Rwanda: Experiences and challenges encountered Mr. Ivan Murenzi, DR CONSULTING
10:15	Discussion
10:30	Coffee Break
11:00	Overall survey results: Main trade barriers affecting Rwandan companies Ms. Alicia D. Greenidge, Expert Trade Adviser Representative of Rwanda Customs
11:30	Floor Discussion
12:00	Lunch
13:15	Main trade barriers identified in Rwandan key subsectors Ms. Alicia D. Greenidge, Expert Trade Adviser
13:30	Comparing Rwanda Survey Results to Some General Results Ms. Poonam Mohun, Market Analysis and Research, ITC
13:45	Floor Discussion
14.15	NMC Current Status Mr. Vincent Safari, Ministry of Trade
14.30	Overcoming challenges related to NTMs in Rwanda and final recommendations Mr. Patrice Ntiyamina, Deputy Director General, Rwanda Bureau of Standards Ms. Alicia D. Greenidge, Expert Trade Adviser
15:00	Floor Discussion
15:30	Concluding remarks Ms. Kaliza Karuretwa, Director General, Ministry of Trade and Industry Ms. Poonam Mohun, Market Analysis and Research, ITC

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