

## What border barriers impede business ability? Analysis of Survey on Trade Barriers February 2014

### Executive Summary

The ICC survey ‘*What border barriers impede business ability?*’ was conducted from October through December 2013 in order to focus on specific trade facilitation challenges. The survey provides interesting insights that may be helpful in considering what countries and traders might do to lessen grassroots border barriers and other impediments to trade. Next to VAT and duty issues, tariff classification uncertainty, unnecessary physical inspections and customs delays, were identified as the main obstacles to cross border trade. This points to a need for further capacity-building efforts, in particular education and availability of information for both traders and border control officials on the correct process to follow. The results of the survey illustrate the importance of an effective customs-business dialogue at the national level to find ways to ensure predictability and consistency in trade processes and shorten release times.

### Preface

The following is an analysis of a survey on the question of border barriers impeding trade. The survey was conducted from October through December 2013 in order to focus on specific issues rather than speak of trade facilitation in general terms. It is noted that this analysis is neither statistically valid nor necessarily representative of the hundreds of thousands of organizations that trade globally. Nor does it even claim to reflect the official position of the organizations to which respondents belong. That said, the survey does provide interesting insights, particularly to open-ended questions, that may be useful in considering what countries and traders might do to lessen impediments to trade and grow the global economy to the benefit of all.

We hope that this analysis can provide useful insights on concrete manifestations of border barriers as identified by economic operators.

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### Analysis

There were 356 usable responses to the survey. Not all respondents answered every question. Responses received after 1 January 2014 are not included. There were many respondents from a small number of countries, and few responses or no responses from a number of major trading nations. The people that did respond were individuals within large and small organizations who gave their own view on the questions posed. The survey was distributed to personal contacts of Mr Barone's, ICC National Committees and through them to ICC member companies and associations and posted to two "Linked-In" sites. What portion of respondents was in each of these categories is not known.

All of the data presented should be understood to be prefaced by the words "respondent said." With regard to sectors, a good many respondents said they traded in multiple sectors. For example, "consumer products" and "apparel." This would be consistent with trading or retailers. Responses to the ranking of trade barriers were included in each category the respondent "said" they were in. There was a check for duplicate IP addresses. There was one and it was deleted.

### General Questions

The following four questions characterize respondents to the survey.

#### 1. Are you a trader in goods or services?

The preponderance of respondents were traders that both exported and imported goods. Traders in goods constituted more than 80% of the respondents.

Are you a trader in goods or services?		
Answer Options	Response Percent	Response Count
We trade in goods primarily for export	24.1%	85
We trade in goods primarily imported	8.5%	30
We both import and export	48.6%	171
We trade in support services (such as freight forwarding, transportation, 3rd party logistics)	6.8%	24
We are responding for our association members	2.8%	10
We are consultants, academics, NGO's or government officials	7.1%	25
Other	2.0%	7
<b>answered question</b>		<b>352</b>

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### 2. Traders in goods, what industrial sector is your business primarily identified with (e.g. agriculture, consumer)?

Of the 19 industrial sectors specifically identified, consumer products traders were the highest number of respondents. However, as noted in the table below, no particular sector dominates the analysis.

Answer Options	Response Percent	Response Count
Agribusiness	12.2%	35
Aerospace & defence	4.2%	12
Apparel & footwear	7.0%	20
Automotive & parts	17.1%	49
Beverages (including alcoholic and non-alcoholic)	4.5%	13
Capital projects and infrastructure materials	5.9%	17
Chemicals	9.8%	28
Consumer products	19.9%	57
Consumer hard goods (including appliances)	6.3%	18
Electronics (including computers, tablets, PDAs)	11.8%	34
Energy, utilities & mining	5.2%	15
Engineering & construction	14.3%	41
Forest, paper & packaging	4.5%	13
Industrial machinery	16.0%	46
Metals	13.9%	40
Pharmaceuticals & life sciences	10.8%	31
Retail distribution	7.7%	22
Technology	8.7%	25
Transportation & logistics equipment	7.7%	22
Other (please specify)		76
	<b>answered question</b>	<b>287</b>
	<b>skipped question</b>	<b>66</b>

The category “other” enabled the respondents to elaborate on the sector they perceived themselves to be in. There were a wide variety of responses ranging from “boats” to “waste” in the category “other”.

### 3. What geographic areas do your answers mostly pertain to?

It is recognized that with regard to trade barriers, each market could very well represent a different challenge. In order to keep the survey short, this question elicits the identity of those markets that would most come to mind in responding to questions related to barriers.

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Answer Options	Response Percent	Response Count
All geographic areas in general with specific variations	26.0%	89
The United States & Canada	17.5%	60
Europe	30.7%	105
Non EU Countries in Europe	18.4%	63
Africa, Middle East	28.7%	98
South America	11.7%	40
Latin America	13.2%	45
Asia	34.2%	117
<b>answered question</b>		<b>342</b>
<b>skipped question</b>		<b>11</b>

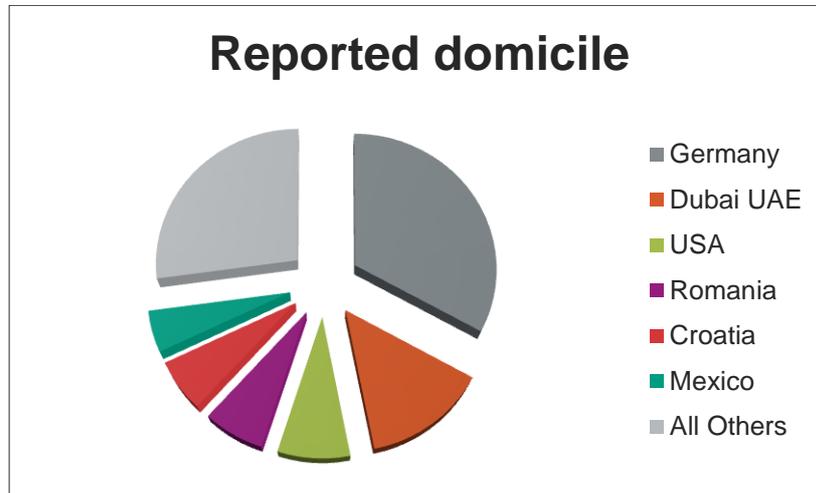
#### 4. In what country are you located?

This question sought to identify the perspective of the respondent. Many respondents work for enterprises with operations in multiple countries. Some respondents work at the headquarters of MNEs or at subsidiaries. This question seeks not the perspective of the headquarters, or the subsidiary, but that of the person responding to the query. As an example, an embargo would be viewed differently depending on where the respondent is physically domiciled.

Argentina	1	Iran	4
Australia	2	Ireland	5
Austria	11	Japan	2
Bahrain	1	Jordan	1
Bulgaria	2	Korea	2
Canada	2	Liechtenstein	1
Chile	1	Mexico	16
China	3	The Netherlands	2
Croatia	20	Pakistan	1
Dubai	45	Romania	22
Finland	3	Saudi Arabia	5
France	7	South Africa	1
Germany	109	South Korea	1
Gibraltar	6	Switzerland	7
Greece	9	Turkey	1
Guatemala	1	United Kingdom	1
Hong Kong	3	United States	26

There were 324 usable responses to this question. Respondents domiciled in Germany represented almost one third of all respondents. While there is no explanation for the disproportionate response from Germany other than the importance of trade to the German economy, respondents were not in any one particular industry. Responses came from across the identified sectors. The highest number said they were traders of industrial machinery.

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**What Border Barriers Impede Your Business Ability?**

The purpose of the survey was to determine what traders believe are the principal barriers to their business. Logically, focusing on these would have a positive impact on facilitating trade. It is also interesting to see how this relates to the work of negotiators in, for example, the Transatlantic Trade and Investment Partnership (TTIP), Trans-Pacific Partnership (TPP) and the implementation of the WTO Agreement on Trade Facilitation.

There were 28 answer options and the ability to elaborate on additional perceived barriers. Respondents were asked to rate the top ten. The survey tool recomputed the ranking each time a value was inserted. Some people said this process was too complicated or that there were too many options. There were 93 “write in” responses (among the entire respondent population). These were generally very specific to a commodity or a country practice.

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Table 1 below indicates the barrier most voted by respondents as the #1 barrier to trade. Duty was perceived as most burdensome by most respondents but not all. The “aerospace” and “technology” sectors said that the need for licenses and permits are the most significant barrier. The pharmaceutical industry said that “VAT” is most burdensome. However, it is noted that respondents are heavily weighted in the EU where drugs are duty free.

TABLE 1: TOP BARRIERS TO TRADE

Summary Of Votes As #1 Issue	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Agribusiness	9	4	1	2	4	0	0	0	1	2	1	0	0	1	0	0	0	3	0	0	0	0	1	0	0	0	1	0
Aerospace	1	1	1	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
Apparel	5	3	1	0	0	0	0	0	2	1	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	0	0	0
Automotive	12	5	2	1	2	0	1	0	2	0	1	1	1	1	1	0	0	1	0	0	0	4	1	0	1	0	1	0
Beverages	2	1	1	0	0	0	0	0	2	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0
Capital Projects	3	0	0	0	0	1	2	1	0	1	0	2	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0
Chemicals	8	1	0	0	1	1	0	0	2	1	1	0	1	1	0	0	2	0	0	0	0	0	1	0	0	0	0	0
Consumer Products	13	4	3	1	3	0	0	0	5	3	4	1	0	1	0	0	1	2	0	0	1	0	0	0	0	0	1	0
Consumer Hard Goods	6	0	1	0	1	0	0	0	2	1	0	1	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Electronics	5	0	3	0	2	0	1	0	4	0	2	1	1	0	0	0	0	0	0	0	1	2	0	1	0	0	1	0
Energy, Utilities, Including Mining	3	0	1	0	0	1	1	1	0	1	0	1	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1
Engineering & Construction	8	7	4	2	2	0	2	0	2	1	1	1	1	0	0	0	0	1	1	0	1	2	0	0	0	0	0	0
Forest, Paper & Packaging	5	1	0	0	0	0	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Industrial Machinery	0	0	2	3	3	3	4	4	2	1	2	3	2	2	3	2	0	2	2	0	2	4	2	2	0	2	1	2
Metals	11	5	0	0	3	2	1	1	2	1	2	1	0	0	0	0	3	2	0	0	0	0	0	0	0	0	0	1
Pharmaceuticals & life sciences	3	6	0	1	1	1	1	0	2	3	3	0	0	0	1	2	0	0	0	0	0	0	0	0	0	0	0	0
Retail distribution	0	0	2	1	1	2	2	3	1	0	1	1	1	2	2	2	0	2	1	0	2	4	1	1	1	0	1	0
Technology	2	2	1	0	2	0	1	1	2	0	3	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Transportation & logistics equipment	2	4	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
Other	15	6	2	0	8	2	2	0	6	3	6	0	0	1	0	1	0	1	0	1	0	5	0	0	0	0	0	0
LSP's	3	4	1	1	1	1	0	1	2	0	1	1	0	0	1	1	0	1	1	0	1	1	0	0	0	0	0	1
Consultants	4	6	2	3	2	0	1	1	2	0	3	0	0	1	1	0	0	0	0	0	0	1	1	0	0	1	0	0
Associations	3	0	0	0	4	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0

**Key**

- |  |   |
|--|---|
| 1. Duty  | 15. Poor brokers \ forwarders   |
| 2. VAT   | 16. Hours of operation  |
| 3. Classification Uncertainty                                  | 17. Lack of needed facilities such as for high value cages or refrigerators |
| 4. Valuation issues such as periodic price adjustments         | 18. Congestion at the port  |
| 5. Unnecessary physical examinations or inspections            | 19. Official corruption   |
| 6. Challenges to transfer pricing                              | 20. Theft   |
| 7. Obscure or inconsistent rules of origin                     | 21. Peak season backups   |
| 8. Wide variability in clearance times                         | 22. Slow import export procedures   |
| 9. Customs delays  | 23. Difficulty getting information from government authorities              |
| 10. Other government agencies such as tax, health, agriculture | 24. Inadequate infrastructure such as roads in and out of port areas        |
| 11. Need for licenses or permits                               | 25. Difficulty with preference programs such as GSP                         |
| 12. Lack of information systems to facilitate import or export | 26. Obscure trade agreements  |
| 13. Need for hardcopy documents or certificates                | 27. Poor telecommunications   |
| 14. Risk of unclear compliance rules                           | 28. Inability to obtain advance rulings                                     |

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Table 2 below is more revealing. This table indicates what traders perceived as the top five barriers to their business<sup>1</sup>. Note twelve (12) sectors said “classification uncertainty” is the primary issue followed by ten (10) who said customs delays and seven (7) who said unnecessary inspections and examinations. These latter two may certainly be related. While there may be some bias in the arrangement of the issues in the questionnaire itself, the wide range of issues rated among the top five by most sectors strongly suggests that while specific obstacles may impact the different sectors, some are fairly common to all.

**TABLE 2: TOP FIVE BARRIERS OTHER THAN DUTY AND VAT**

Summary Of Issues Voted Among Top 5

Sector \ Key	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Agribusiness	10	9	14	4	5	4	8	8	13	2	6	7	2	0	0	4	3	1	1	5	2	3	3	1	2	2
Aerospace	5	4	2	3	0	2	1	1	6	0	2	2	0	2	0	0	0	0	0	4	1	0	1	2	0	0
Apparel	6	4	4	3	3	2	6	2	6	2	4	2	0	0	0	0	3	1	1	1	2	2	0	0	0	1
Automotive	21	14	9	9	10	3	10	3	6	5	8	5	2	3	0	2	3	2	0	8	5	0	4	6	3	1
Beverages	4	2	3	3	2	1	2	2	4	2	0	2	0	1	0	1	1	0	1	2	1	1	0	0	0	0
Capital Projects	2	4	4	3	3	3	2	3	2	4	3	3	2	0	0	1	2	0	0	0	0	0	0	4	0	2
Chemicals	9	5	7	2	4	3	6	5	7	0	3	5	3	1	0	4	5	0	0	2	2	1	0	1	0	0
Consumer Products	21	11	14	9	8	7	15	11	19	5	4	7	2	1	0	6	6	2	3	3	2	1	3	1	2	1
Consumer Hard Goods	9	4	11	0	4	2	4	2	5	3	3	3	0	1	0	0	2	0	1	0	0	1	0	0	0	0
Electronics	10	5	9	2	4	1	13	1	8	5	4	6	4	2	0	1	3	2	1	5	3	1	2	6	2	1
Energy, Utilities, Including Mining	5	6	5	2	2	2	5	1	2	1	3	3	2	1	0	1	2	0	0	2	1	0	0	2	0	1
Engineering & Construction	19	11	15	5	6	8	14	2	7	3	6	2	3	4	0	1	6	3	1	7	1	0	2	2	2	2
Forest, Paper & Packaging	3	3	3	0	3	4	4	2	3	1	1	1	0	1	1	2	2	0	0	0	1	1	0	1	0	0
Industrial Machinery	16	6	13	8	9	7	11	5	10	7	4	6	1	2	0	1	5	1	0	7	5	1	3	5	0	4
Metals	16	14	10	9	7	4	11	8	9	5	3	7	2	2	0	3	6	1	2	1	2	0	1	5	1	4
Pharmaceuticals & life sciences	3	7	8	5	8	7	9	11	10	2	1	5	2	3	1	1	4	0	0	5	5	0	1	0	0	0
Retail distribution	8	5	8	4	2	6	10	2	2	2	1	0	0	0	1	2	2	0	2	1	0	1	1	0	0	0
Technology	11	6	7	2	5	3	7	2	5	4	3	4	1	1	0	0	1	1	0	3	3	0	0	4	1	2
Transportation & logistics equipm	4	4	3	2	0	1	3	2	2	0	1	1	0	1	0	0	2	1	0	2	1	0	1	1	0	0
Other	28	24	28	12	13	8	20	11	19	4	11	5	1	3	0	3	4	2	4	7	11	1	1	1	0	3
LSP's	10	5	12	6	3	3	12	7	7	3	4	3	2	4	0	2	1	1	1	3	3	2	1	1	0	2
Consultants	16	10	9	4	4	2	6	9	9	6	7	6	3	1	0	0	6	1	1	4	5	0	1	5	1	6
Associations	3	2	6	2	3	3	6	3	3	0	0	1	0	3	1	2	2	0	0	3	0	3	0	0	0	0

Key

- |  |   |
|--|---|
| 3. Classification Uncertainty                                  | 15. Poor brokers \ forwarders   |
| 4. Valuation issues such as periodic price adjustments         | 16. Hours of operation  |
| 5. Unnecessary physical examinations or inspections            | 17. Lack of needed facilities such as for high value cages or refrigerators |
| 6. Challenges to transfer pricing                              | 18. Congestion at the port  |
| 7. Obscure or inconsistent rules of origin                     | 19. Official corruption   |
| 8. Wide variability in clearance times                         | 20. Theft   |
| 9. Customs delays  | 21. Peak season backups   |
| 10. Other government agencies such as tax, health, agriculture | 22. Slow import export procedures   |
| 11. Need for licenses or permits                               | 23. Difficulty getting information from government authorities              |
| 12. Lack of information systems to facilitate import or export | 24. Inadequate infrastructure such as roads in and out of port areas        |
| 13. Need for hardcopy documents or certificates                | 25. Difficulty with preference programs such as GSP                         |
| 14. Risk of unclear compliance rules                           | 26. Obscure trade agreements  |
|  | 27. Poor telecommunications   |
|  | 28. Inability to obtain advance rulings                                     |

<sup>1</sup> Traders were asked to rank what they believed to be the top ten barriers. The top 5 have been parsed out believing that this is a more accurate reflection of what people considered to be burdensome.

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### Open-ended Questions

Respondents were asked to elaborate on perceived barriers not named in the answer options to Question #3 (“Rank the top 10 principle impediments to your supply chain”). Furthermore, they were requested to indicate the country, if the issue was country specific. Responses were then sorted based on whether the response provided a specific example of a barrier that actually resulted in increased costs or business interruption or named a specific practice and country. In this part of the survey, specificity was the desired attribute. Following are fifty of those responses, lightly edited to add clarity. The point here is not to criticize any particular country but to highlight the kinds of real issues that retard trade and prosperity through specific examples. The variety of issues is considerable both in terms of specific process issues and in terms of the number of countries mentioned.

The following are 50 representative responses:

1. An exporter said: On export of 2 containers to Turkey the container numbers got mixed up on the (Veterinary) Vet-certificate attachment. Even though both containers were on the same certificate and invoice, the delay of 10 days cost our customer 800 USD but was paid by us.
2. An exporter-importer said: For our company it is road transportation of goods over the Neum corridor (Bosnia and Herzegovina). Although goods delivery is inside EU, passing over Neum results in additional border formality and costs. This is apply to all business in Croatia situated south of Neum corridor (Dubrovnik city and nearby islands). We are looking forward to a bridge, building was stopped by government.
3. An exporter-importer said: Goods held incorrectly claiming non-adherence to SWPB ISPM15 [a wood inspection certificate]; then released after 2 weeks with thousands of dollars of storage costs
4. An exporter-importer said: [Customs duty was paid ] on Goods sent for Exhibition to Saudi Arabia for sending and receiving in spite of [the goods] being for Exhibition and our office being located in a Free Zone.
5. An exporter said: [The] Green Fence Policy of the Chinese government that [started] beginning of 2013; [caused] huge delays in ports and high demurrage/detention costs (up to some months)
6. An exporter-importer said: I have a case for export into KSA (Kingdom of Saudi Arabia) - here the shipment requires a Certificate of conformity - goods [had been] ready [for] 2 weeks - inspection was done yesterday - now we need the agency to issue the certificate - they need another 1 to 2 weeks - so we lost 4 weeks for just one document.
7. An importer said: I just paid a penalty to the shipping company because the Health Authority asked supplementary analysis and the container was blocked until the results arrived (the analysis arrived after 4 days). Another 3 days were lost for handling from the port to the Health Authority and back to port for custom clearance.
8. An importer said: Istanbul Turkey. It is so close, we can both import and export goods. It is the same distance from here as Athens, but customs procedures (TIR vehicle etc.) make it difficult. For example, I needed an extra part that cost 110 euros in Turkey. I paid another 80 euros in transportation (a package of 12 Kg, minimum charge 80 euros) another 100 euros to get customs clearance plus all the taxes. It takes 10 days to get anything (or send anything) to Turkey. [...] in continuous trade there are smaller urgent needs.
9. An importer-exporter said: Manual documentation processes at point of export from the US to Ecuador resulted in a paperwork omission. The Latin American customs

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- authority assumed attempted smuggling and held 5 ocean containers for over 10 months. Massive storage charges accrued because of clerical error which the foreign customs authority assumed was a criminal act.
10. An importer said: Our company has operated [a] trading business in Bremen for over 20 years. During this time, we [have] faced always unnecessary inspections and examinations without clear reason each year and caused a long delay and much more cost. A [recent] Container from COSCO will be further controlled on [date provided]. It [resulted] in at least a 5 day delay and 400 Euros.
  11. An exporter-importer said: A packaging material [shipment] held at the border due to malfunction of customs software caused serious delays in production.
  12. An exporter said: Phytosanitary treatment of wood in Germany is much more expensive than in other European countries because the authorities prescribe other chemicals
  13. An exporter-importer said: Recently a shipment of black Friday/holiday items were pulled for a VACIS exam. It took Customs and Border Protection 5 days to get it to the exam station then 5 days to inspect. What was getting looked at? We had all the paper work. The items were for children, we had the GCC's [USA General Conformity Certification relating to product safety]. Since the exam delayed the ETA, we had to open our distribution centre so we could get the inventory out to our stores, which was an unexpected additional cost. *[A VACIS exam is a US Customs X-Ray of a container looking for contraband].*
  14. An importer said: Regular customs checks of containers in Rotterdam cost demurrage to be paid to the carrier. This cannot be reimbursed [recovered].
  15. An importer-exporter said: Simple export declarations costing from 40 to 120 euros [Greece]. Same declarations are performed at no cost by courier companies in UK.
  16. An importer exporter said: Speed money to be paid in India.
  17. An importer-exporter said: The border patrol put a seal on a truck delivering our products from Italy for no reason, and we had to wait on a Sunday for 2 hours for the seal to be removed.
  18. An importer exporter said: Turkey - import by customer was delayed due to obscure regulation for more than a week. Case could only be solved by offering money.
  19. An importer-exporter said: We buy wire rods from Abu Dhabi (...) and last month Jebel Ali customs [stopped] the truck because of wrong entry papers. They have not cleared it within a week and it was big loss for us.
  20. An importer said: We expected a container from China at the beginning of December. This container was picked out for a physical control. The custom officers found a higher gas concentration (caused by new wheels for wheelbarrows.). It needed ventilation, transportation to a warehouse outside the harbour terminal. Finally we had to pay 2500 euros for additional transportation, inspection, ventilation and we had a delay of 4 weeks to finally receive the container. To avoid this we decided to do the custom declaration near our hometown in the future and abandon the fiscal clearance.
  21. An importer-exporter said: We send chemicals which have to be cooled. Sometimes we need dry ice for the cooling. Therefore the transport time has to be fast. Because of delays in USA (financial shutdown) we have to destroy many deliveries.
  22. An exporter said: We were sending the goods to Russia for exhibition. Goods were passing through Ukraine. Ukrainian customs didn't let the goods pass; we had a large stand in Russian exhibition with no goods on it.
  23. A logistics service provider said: When certain equipment was specifically duty exempted in order to encourage investment in the sector the delay in allowing the exemption caused the occurrence of not only demurrage at the port but also container

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- detention charges from the shipping company although the delay was not due to the consignee but because of the Customs which provided a delay detention refund note to the shipping companies and dockside terminals [which] was not honoured by them.
24. An association said: Excessive delays at the vehicle and pedestrian frontier into/out of Gibraltar [(from Spain)] since August 2013 has led to employees being late for work, meetings missed and decisions delayed. This costs Gibraltar businesses money.
  25. An importer-exporter said: Two month blocked export in France due to HS-Code and Dual Use Classification review.
  26. An importer-exporter said: [The] Brazil Import License System leads to shipping delays and loss of turnover.
  27. A service provider said: Different IT-systems for customs communication in each EU Member State [are an issue]. As a service provider for ASP-[passport] services [we have] no direct customs communication with e.g. Spain or Italy without local VAT-no. We have to use a Spanish partner to send the messages to our clients.
  28. An importer said: As we are in "seasonal business" any non-calculable variation in import-processes [i.e. unpredictability] is directly affecting on-time shelf availability of products, respectively sell through at non-discounted prices. Further to that retail-partners hold us liable for delays. Very early importation creates stock risks.
  29. An exporter said: Greece and other countries with expanded island characteristics. Islands should have the facilities for arranging customs clearance on the spot. In our case (Kythera, Greece) goods need to travel to Piraeus (Athens - mainland), then to the customs for clearance and then to the transport company or port for export. This is adding a great cost in the whole procedure and takes up more time as well.
  30. An importer-exporter said: Being air conditioner manufacturers we could not deliver window units within the peak months due to border delays and the orders ultimately had to be cancelled and we had to return the LC. Border delays at Kingdom of Saudi Arabia (KSA) cited.
  31. An importer-importer said: Border delays in Kingdom of Saudi Arabia affects the business as we cannot meet the customer deadlines for delivery. The certification procedures for KSA & Kuwait makes even more delays.
  32. An importer-exporter said: Brazil [has the] highest import delays, Russia [has the highest] legal uncertainty and India – [is] very protective. The complexity of non-customs related legislation [regulations] especially in agriculture /veterinary and environmental issues.
  33. An importer-exporter said: Brazil - inconsistent application of regulations leads to lengthy border delays, affecting both distribution and manufacturing. Difference in regulations for import/export vs. other agencies, for example tax authority.
  34. An importer-exporter said: China's last minute imposition of cargo holds on Canadian pork shipments owing to long very minor establishment discrepancies in CIQ's data base..."ST. instead of Street" on Official Meat Inspection Certificates as reason to hold shipments.....needless excessive exams by FDA on imported processed vegetables a couple dozen shipments held and many inspected and sent to lab for analysis with all product being found perfectly fine and released.
  35. An importer-exporter said: Chinese Customs [do] have different classification positions [interpretations].
  36. An exporter said: Poor communication / language (English) skills [clearing] at port in China.
  37. An importer-exporter said: Clearing paper reels through customs in Santos, Brazil warehouse. Different Interpretation of "Incoterms" than in Europe.

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38. An importer-exporter said: Company is exporter of clay roof tiles in Bosnia and Herzegovina but we need to provide customs documents ([for] their approval) for export simplified procedure - for each border crossing. Entering (Croatia) EU we need to declare each truck with safety or annunciation declaration for each truck and wait for customs code for export and (regarding that we have weekly customs clearance[s]) our forward[ing] agent need[s] to declare again customs clearance.
39. An importer-exporter said: Custom office refused to accept value on the invoice (pleasure boat) even if it was issued directly by the factory and even we are official distributor and importer for that factory and their product. The boat was blocked as we couldn't get import documents, they charge[d] us for much higher value and VAT rate than it was on the invoice.
40. An importer-exporter said: Demurrage of Containers to Qatar due to delays in legalization at the embassy.
41. An importer-exporter said: In India, importer should submit the original copy of certificate of origin for preferential duty treatment. When it comes to shipment via airplane, cargoes come before arrival of document about 2-3 days, but without Certificate of Origin, importers don't have an option to get duty reduction, as duty refund procedure costs more than a year. [Also Inconsistent practice over same law/regulations between local customs. India/China/Russia].
42. An exporter said: In several cases (especially Brazil and India) the foreign customs demanded certificates or a kind of letter according to their local law which we did not know and are therefore difficult to provide and understand.
43. An importer-exporter said: Most of our issues are not related to Customs in the US specifically. They are other government agency (OGA) related, specifically FDA. FDA consistently pulls product and holds it without exam at our expense. We cannot deliver because our facilities tend to be more than 50 miles from the nearest district office.
44. An exporter said: Our main activity is apparel CMT (cut, make & trimmings). We received several times fabrics directly from non-EU suppliers that were bought by our EU customers and sent directly to Romania. Customs must be cleared directly by the EU customer in this case, but always this is long (they have to be able to pay directly the import tax and 24% VAT to Romania fiscal authorities). We are losing precious production time due to this. It will be useful if we could claim back the tax and VAT paid by us for our customers. If we pay them now, they cannot be claimed back because we have to provide to the authorities that we paid the invoice as well (which is not the case, because the goods do not belong to us).
45. An importer-exporter said: Unable to fulfil contractual delivery commitment to customer due to inability to get the required stamp from the EU, where wet stamps are no longer used and are in violation of EU rules.
46. An importer-exporter said: Slow handling, unclear internal communication and flow of information between German export control authority BAFA and Customs causing delays, unnecessary bureaucracy and paper work, frustrating customers and blocking business.
47. An importer-exporter said: Slow import procedure in China, delay lead to perishables getting spoilt; Chinese import authorities demanding unnecessary documents according to international agreements; US authorities imposing new regulations on short notice; US authorities imposing ban on certain plants although grown in sterile tissue culture which cannot be infested by any pests. [Added] - Use of reference pricing. - Restrictive procedural processes, such as requiring a wet stamp on the

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shipping country's export documents even when the exporting country's processes are 100% electronic and wet stamps no longer exist (i.e., Uzbekistan).

48. An exporter said: Unnecessary licenses (e.g. CEMT) are requested for non-Greek trucks by the Greek customs for export to non EU countries when goods are moved within the limits of EU (non-compliance to EU laws). This increases the cost of transport and final product price, and to complicated logistics, leading to losing customers.
49. An importer-exporter said: We are importing regularly reagents which 'can' contain animal content. Inspection at the border has to be done for 100% although we have only 3-5% which needs to be controlled. As AEO-F we have the simplified procedures but for these products it is not allowed and we have to use the normal procedure which slows down our end-to-end process dramatically. No chance to get a simplification here for the reagents without animal content.
50. A logistics service provider said: With new agricultural clearance system in Mexico, release times may take up to 24 hours, delaying the timely delivery of goods as scheduled in factories.

## Conclusions

What conclusions can be drawn from the above survey results?

While there is great diversity among the responses, especially those to the open-ended question, there are some common threads that can be identified.

Traders seek:

- a) Predictability (how long will a process take);
- b) Reliability (the process itself will take a definite amount of time and the cost can be planned); and
- c) Consistency (the process will not vary from transaction to transaction or border to border).

A review of experiences also suggests the possibility that border officials as well as traders may not be adequately trained or otherwise may be unfamiliar with the correct process to follow, hence the need for further capacity-building efforts, in particular education and availability of information for both traders and border control officials.

A high proportion of the comments focus on delays. A “delay” is by definition a departure from the amount of time that a process is expected to take, or perceived as reasonable. Insofar as the border authority can provide importers an amount of time to expect for a process and is consistent, the trader’s perception of delay will be lessened. More effective customs-business dialogue at national level can contribute to finding ways to shorten release time.

This survey coincides with a number of international developments seeking to facilitate trade and simplify border procedures. These include the conclusion of a multilateral agreement on trade facilitation at the 9<sup>th</sup> Ministerial Conference of the World Trade Organization in December 2013 in Bali (Indonesia), and the on-going negotiations of the Trans-Pacific Partnership Agreement (TPP), the Trans-Atlantic Trade and Investment Partnership (TTIP) and the

