Outline

Theory (Primer): 20 min

• Introduction to Market Access Map: tariffs, AVEs, TRQs, TRs, RoO, trade agreements

Practice: 25 min

• Online demonstration
• Q&A
WHAT IS MARKET ACCESS?

Comparative Advantage (CA) + Market Access Conditions $\rightarrow$ Revealed CA

1990s: «mystery of missing trade» (Treffler, 1995) $\rightarrow$ 2000s: it is trade costs!

Decreux Y., Spies J. “Export Potential Assessments: A methodology to identify (new) export opportunities for developing countries” (forthcoming, Nov 2015, ITC)
Welcome

Read more here

Market Access Map can help you if you are:

- A company involved in exporting or importing
- A trade analyst or researcher
- A trade negotiator

Market Access Map provides six modules for retrieving, analysing and downloading information on tariffs, trade and non-tariff measures (market requirements). To start, click on the link below to access. Find tariff sub-module or use the menu above to access other types of data.

>> START USING MARKET ACCESS MAP NOW

Information included:

Market Access Map offers current and historical data on:

- General, MFN and preferential tariffs applied by 196 countries and territories
- Applied tariff rate quotas, including quota contingents and administration methods
- Trade remedies including anti-dumping, countervailing and safeguard duties
- Other non-tariff measures (market requirements), e.g. technical requirements and conformity assessments
- Final bound tariffs of WTO member countries
- Tariff export and import trade flows
Find tariffs

ITC MARKET ACCESS MAP
Improving transparency in international trade and market access

Find tariffs
Find non-tariff measures
Find trade remedies
Trade agreements and Rules of Origin
Compare tariffs

NEWS: the Market Access Map? Watch our video tutorials

Market Access Map can help you if you are:

No queries ongoing No new queries No Recent Queries 1 user online No announcements
Find non-tariff measures
Find trade remedies
Trade agreements and Rules of Origin
Purpose of Market Access Map

- before, it was a big database called ‘MAcMaps’ (see 2001)
- created in 2005 as a web application: to increase user-friendliness and accessibility
- the original competitive edge was provision of AVEs: became popular among CGE modelers

- Three target audiences:
  1. Exporters - “Quick Search” module
  2. Trade policymakers/negotiators - “Advanced Analysis” module
  3. Researchers/students - “Raw Data Download” module

Features:

- Wide geographic coverage (tariffs on 191 countries, trade on 239 countries)
- Wide coverage of instruments
- Includes most of existing trade preferences
- Analytical flexibility
Modules

- Exporters
- Policymakers
- Researchers

ITC MARKET ACCESS MAP
Improving transparency in international trade and market access

Quick search
Advanced analysis
Raw data download
Country analysis
Options
Support materials

Welcome

newsletter is out! Read more here

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No queries running
No new queries
No Recent Queries
1 user online
No announcements
Market Access Map

Tariffs

Non-Tariff Measures

TRQs
Trade Remedies
NTMs
Trade Agreements
Rules of Origin

ITC
WHAT IS SPECIFIC TARIFF?

Tariffs

Ad valorem
- Example: 5%

Specific
- Example: 2$ per kg

Compound
- 5%
- AND
- 2$ per kg

Mixed
- 5%
- OR
- 2$ per kg

, whichever is lower (higher)
SPECIFIC TARIFFS

- levied on the basis of volume or weight (i.e., quantity). E.g. $2 per kg

Incidence of specific tariffs (per cent of number of MFN tariff lines)

- Switzerland 79.8 per cent of tariff line products
- Thailand 21.9 per cent of tariff line products
- Russia 12.2 per cent of tariff line products
- USA 8.2 per cent of tariff line products
- EU 4.6 per cent of tariff line products
- Chile 0 per cent of tariff line products
WHY DO SPECIFIC TARIFFS EXIST?

Imagine Switzerland imports fresh beef (HS 020130) from Argentina

**Before Border**

- The prime beef is 4 times the price of the low-quality beef, but (assume) also 4 times the quality

**After Border**

- The prime beef is now only 2 times the price of the low-quality beef, but still 4 times the quality

At the border: specific tariff of $18 / kg

- $36 / kg Prime-quality beef
- $9 / kg Prime-quality beef
- $27 / kg Low-quality beef

18/9 = 200% ad valorem equivalent

18/36 = 50% ad valorem equivalent

$54 / kgPrime-quality beef
AD VALOREM EQUIVALENTS (AVEs)

$18\,\text{per kg} \approx 50\%$

We compute and display them in MACMap for applied and bound tariffs. This enables:

1. Comparison of tariffs across products/countries
2. Calculation of average tariffs for a product group/sector/country

AVEs are computed for specific, compound, and mixed tariffs.

\[ \ln X_{jt} = a_0 + a_1 /_{jt} + a_2 /_{jt} + a_3 \ln t_{jt} + a_4 l_t + u_{ijt} \]
Ad Valorem Equivalents (AVEs): calculation

- AVEs express specific tariffs in percentages
- The level of the AVE depends on the value of one unit of the product (e.g. 1 kg).

\[
\text{AVE} (\%) = \left( \frac{\text{Specific tariff} (\$)}{\text{Unit value} (\$)} \right) \times 100
\]

UV = \frac{\text{Most recent trade value of country’s import of the product from partner country}}{\text{Quantity imported}}
QUIZ : Ad valorem equivalents (AVEs)

For a particular specific tariff, the lower is the unit value, the higher will be the ad valorem equivalent. Let’s check.

Imagine Switzerland applies a tariff of $50 per ton to imported fish fillets

If one ton of **South Africa**’s exported fish fillets cost $200, what is the equivalent ad valorem tariff?

\[
\frac{50}{200} = 25\%
\]

If one ton of **Ghana**’s exported fish fillets cost $100, what is the equivalent ad valorem tariff?

\[
\frac{50}{100} = 50\%
\]
Market Access Map

Tariffs

Non-Tariff Measures

TRQs
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ITC
Tariff rate quota (TRQ) vs. Absolute quota

Question: What is the difference between a tariff rate quota and an absolute quota?

**Absolute quota**: absolute limit on the quantity imported into a country.  
**Tariff rate quota**: certain quantity can be imported at a reduced rate (*in-quota rate*), a higher rate (*out-quota rate*) will apply once the contingent is reached.

**Important!** Tariff rate quota does not impose a limit on the quantity imported.

**Caveat**: absolute quotas and voluntary export restraints (VERs) no longer exist.
Trade remedies

Anti-dumping measures are levied against imports that are dumped (export price is “unfairly low”, either below the home market price or below cost).

*Example:* A Chinese exporter is selling bicycle tires in EU at a price of $1 whereas its home market price is $2.

Countervailing measures are levied against imports that are subsidized by the exporting country's government, designed to offset (countervail) the effect of the subsidy.

*Example:* Canada provides an export subsidy to lumber producers, who export mainly to USA at $200 per ton whereas US domestic lumber are available at $250 per ton.

Safeguard measures are import protection provided under the Safeguards Clause (GATT Article XIX that permits countries to restrict imports if they cause injury). Restrictions must be for a limited time and nondiscriminatory.

*Example:* After a sudden and important rise of Indian cotton yarn exports, Turkey provided sufficient proof that this rise cause injury to its industry and implemented a quantitative safeguard measure (quota) of 15,000 tons for three years on cotton yarn.
NTMs: Current Issues

P. Lamy: «Global trade is changing in terms of the obstacles it faces» («The Geneva Consensus: Making Trade Work For All», p.33)

The nature and role of NTMs has changed over time. For many years, NTMs mainly meant quantitative restrictions, voluntary export restraints, export subsidies. Nowadays, it is mainly SPS and TBT measures.

Measurability Problem

**Measuring**: «restrictiveness», «tariff equivalent», «price wedge»

**Quantifying**: how to compute AVE of NTM?

For the moment, *inventory approach*: counting (frequency index, coverage ratio)
Effects of Trade Agreements

• On Producers:
  • face tougher competition
  • benefit from a favorable access to the partner market and better access to inputs

• On Government: Tariff revenues are reduced

• On Economy:
  • Terms of trade
  • Resource re-allocation
  • Trade diversion
TYPES OF TRADE AGREEMENTS

**Partial Scope Agreement**: reduces trade restrictions between partner countries for a specific number of products.

**Free Trade Agreements**: eliminates tariff barriers between the parties for all or nearly all products (FTA, RTA, etc.).

**Economic Partnership Agreement**: eliminates tariff barriers but goes beyond market access into other areas such as development cooperation.

**Customs Union**: free trade zone + common external tariff.

**Common Market**: customs union + free flow of factors of production within region (capital, labour, etc.).
Proliferation of trade agreements

Number of currently implemented trade agreements

Status as of 1 Apr 2011

Source: ITC Market Analysis and Research
“Customs duties on originating goods classified under the tariff lines indicated with “D” shall be reduced in 7 equal annual installments from the Base Rate to 3.0 %”
European Union’s Trade Regimes

- **GSP**
- **EBA**
- **(Interim) EPA**
- **Interim EPA, EU-EAC**
- **Final EPA, EU-Cariforum**
- **GSP+**
- **MFN WTO**
- **Non-reciprocal**
- **Euromed**
- **Customs Union with EU**
- **Bilaterals**

*Belarus and Myanmar (GSP) as well as Sri Lanka (GSP+) are temporarily suspended from the GSP regime; South Sudan awaits access to EBA.

**EPA:** only Cariforum countries have signed a final EPA – for all other countries interim EPAs apply; Interim EPA: Only countries receiving preferential rates are included.

- **B.I.O.T.** British Indian Ocean Territories
- **EAC** East African Community
- **EBA** Everything But Arms
- **EEA** European Economic Area
- **Euromed** Euro-Mediterranean Partnership
- **OCT** Overseas Countries and Territories

Preferences under: **Interim EPA, EU-Ecowas & Mauritania**
**EU-ESA**
**EU-CAEMC & São Tomé and Principe**
**EU- Pacific Islands**
**EU- W.G.**
Market Access Map

Tariffs

Non-Tariff Measures

TRQs
Trade Remedies
NTMs
Trade Agreements
Rules of Origin

50 years of TRADE IMPACT FOR GOOD
Rules of Origin

Chile-China FTA: “Import customs duties on goods originating in China shall be eliminated …”

- But in globalization era, with global value chains, the word “originating” needs to be defined!

Chile-China FTA (Art.17): “The percentage of regional value content shall not be less than 40%, …”

Case study: Trans-Pacific Partnership (TPP) – “sticking point”

“Under NAFTA, at least 62.5 percent of a passenger car or light truck’s net cost must originate in North America to be considered tariff free under the agreement. Mexico wants to increase the percentage to 65 percent in the Trans-Pacific Partnership, while Japan wants it to be about 45 percent — which would allow for a greater number of parts from low-wage countries like Thailand to be included”. LA Times, 04.08.15, link

Concluded: 05.10.2015
SOURCES OF DATA

Market Access Map is continuously updated.

Data is sourced from:

- **Applied tariff data is collected by ITC directly** from national authorities (e.g. customs, Ministry of Finance, Ministry of Trade)

- Tariff rate quota data from WTO (agricultural notification of tariff quota) and national sources for bilateral and regional tariff quota agreements

- Trade data from national sources, IDB (integrated database) WTO and the COMTRADE database of the United Nations Statistics Division (UNSD).
PRACTICAL PART

www.macmap.org
KEEP IN TOUCH WITH US

- Data update
- Latest feature launch
- Event and training workshops
- Publication release
- New video tutorials
- Short-term job opportunities

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www.linkedin.com/company/itc-market-analysis-tools
www.youtube.com/MarketAnalysisTools
marketanalysis@intracen.org
Thank you!

For more information, please contact me: kniahin@intracen.org

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THE TOOLS ARE AVAILABLE AT
http://www.intracen.org/marketanalysis

MARKET ANALYSIS TOOLS
Enhancing the transparency of global trade and market access

In 2012, the tools will remain free to users from developing countries.

The International Trade Centre has developed five web portals: Trade Map, Market Access Map, Investment Map, Trade Competitiveness Map and Standards Map to enhance the transparency of global trade and market access and to help users in their market analyses.

As of the 1st January 2008, all users from least developed and developing countries and territories may access the ITC’s market analysis tools free of charge.

New feature in Trade Map! Company data is now available for more than 60 countries.

Latest trends available in Trade Map
Most important evolutions for Paraguay’s exports between the first quarter 2011 and the first quarter 2012

<table>
<thead>
<tr>
<th>Destination of products exported by Paraguay*</th>
<th>US$</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>24</td>
<td>+1267%</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>21</td>
<td>+327%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>1.1</td>
<td>-79%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3.2</td>
<td>-78%</td>
</tr>
</tbody>
</table>

Products exported by Paraguay*

<table>
<thead>
<tr>
<th>Products exported by Paraguay*</th>
<th>US$</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Footwear, gaiters and like, parts thereof</td>
<td>3.5</td>
<td>+193%</td>
</tr>
<tr>
<td>Articles of apparel, accessories, knitted or crocheted</td>
<td>2.9</td>
<td>+54%</td>
</tr>
<tr>
<td>Machinery, nuclear reactors, boilers, etc</td>
<td>3.9</td>
<td>-69%</td>
</tr>
<tr>
<td>Copper and articles thereof</td>
<td>5.7</td>
<td>-51%</td>
</tr>
</tbody>
</table>

* Threshold value : US$ 1 million
Type your registered e-mail address and password, and click on log in.
Quick search of tariffs

Market Access Map has 8 modules that allow you retrieving, analysing and downloading data for tariffs, trade and non-tariff measures. You can select any of the activities offered by each module from the tabs on top of the page or else you can start your search from the Find tariffs sub-module using the link below.

START USING MARKET ACCESS MAP NOW

Information included:
- MFN and preferential rates of 191 countries
- Bound tariffs - WTO member countries
- Ad valorem equivalents (AVEs) of specific tariffs (various methodologies)
- Trade data - UNSD Comtrade database as well as the ITC Normalized trade matrix
- Tariff rate quotas and antidumping duties
- Information on import-related and export-related non-tariff measures (NTMs)
- Tariff reduction simulations
- Predefined country and product groups (various HS and BITC revisions)

Here you can see the current data availability

Other Market Analysis Tools provided by ITC:
- Trade Map
- Investment Map
- Trade Competitiveness Map
- Standards Map
STRUCTURE OF THE APPLICATION

Quick search
- User friendly searches on tariffs, non-tariff measures, trade data and country comparisons for latest years
- **Target:** All users; Companies involved in export/import operations

Simulations
- Compare tariffs before and after a reduction using a variety of different formulae and coefficients of reduction.
- **Target:** Advanced users; Trade policy makers and trade negotiators.

Options
- Customization of the default settings relevant for your searches and simulations, including data sources, calculation methodology of AVE and groups for countries and products

Advanced search
- Complex queries for multiple countries and products and download of large amounts of time series data.
- **Target:** Advanced users; Trade analysts and researchers.

Country analysis
- Summary information on a specific country's trade, tariffs and non-tariff measures, supported by useful links to external sources.
- **Target:** All users; Policy makers

Support materials
- Information on the data sources and calculations provided by the application including: user guide, methodology and glossary
Fill the search boxes with the first few letters of the data you’re looking for.

Select your desired level of information: HS-6 or National Tariff Line.
When in doubt, click on *Glossary* for definitions and concepts.
Find tariffs
Step 2/2

Tariffs applied by France

Product: 911390 - Watch straps, watch bands and watch bracelets, and parts thereof, n.e.s.
Partner: all partners
Data source: ITC (MAcMap)
Year: 2012
Nomenclature: HS Rev.2012

Click on the name of the tariff regime to see countries subject to the respective tariff regime.

Selected National Tariff Line code:
9113900011 - Watch straps, watch bands and watch bracelets, and parts thereof, n.e.s.

<table>
<thead>
<tr>
<th>Tariff regime</th>
<th>Total ad valorem equivalent tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFN duties (Applied)</td>
<td>6%</td>
</tr>
<tr>
<td>European Union rate</td>
<td>0%</td>
</tr>
<tr>
<td>Preferential tariff for Iceland</td>
<td>0%</td>
</tr>
<tr>
<td>Preferential tariff for Liechtenstein</td>
<td>0%</td>
</tr>
<tr>
<td>Preferential tariff for Norway</td>
<td>0%</td>
</tr>
<tr>
<td>Preferential tariff for Overseas Countries and Territories</td>
<td>0%</td>
</tr>
<tr>
<td>Preferential tariff for Andorra</td>
<td>0%</td>
</tr>
<tr>
<td>Preferential tariff for San Marino</td>
<td>0%</td>
</tr>
<tr>
<td>Preferential tariff for GSP countries</td>
<td>0%</td>
</tr>
<tr>
<td>Preferential tariff for Least Developed Countries</td>
<td>21%</td>
</tr>
</tbody>
</table>

Chose more records per page to see the entire list in one screen

Read carefully, key information here!!
Find tariffs
Step 2/2

Tariffs applied by France

Product: 911390 - Watch straps, watch bands and watch bracelets, and parts thereof, n.e.s.
Partner: Egypt
Data source: ITC (MaCMap)
Year: 2012
Nomenclature: HS Rev. 2012

Read carefully, key information here!!
See trade regimes that a country applies or faces and rules of origin for many trade agreements.
There might be several applicable trade regimes for one product in any one importing country. Review the rules of origin and certificates of origin in this link.
### RULES OF ORIGIN - EXAMPLE

<table>
<thead>
<tr>
<th>HS heading</th>
<th>Description of product</th>
<th>Working or processing, carried out on non-originating materials, which confers originating status</th>
</tr>
</thead>
<tbody>
<tr>
<td>9113</td>
<td>Watch straps, watch bands and watch bracelets, and parts thereof:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Of base metal, whether or not gold- or silver-plated, or of metal clad with precious metal</td>
<td>Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product</td>
</tr>
<tr>
<td></td>
<td>- Other</td>
<td>Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product</td>
</tr>
<tr>
<td>Chapter 92</td>
<td>Musical instruments; parts and accessories of such articles</td>
<td>Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product</td>
</tr>
</tbody>
</table>
ANNEX III A TO PROTOCOL B

Specimens of movement certificate EUR 1 and application for a movement Certificate EUR 1

Printing instructions

1. Each form shall measure 210 x 297 mm; a tolerance of up to minus 5 mm or plus 8 mm in the length may be allowed. The paper used must be white, sized for writing, not containing mechanical pulp and weighing not less than 25 g/m². It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.

2. The competent authorities of the contracting parties may reserve the right to print the forms themselves or may have them printed by approved printers. In the latter case, each form must include a reference to such approval. Each form must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.
Which countries offer the best market access for bracelets?
Click on the heading "level of protection" to sort by those offering the lowest tariff.

Download data in excel format.

... or click on the map.
Compare tariffs

Geographical distribution for tariffs applied by all importing countries to Egypt

Product: 911390 - Watch straps, watch bands and watch bracelets, and parts thereof, n.e.s.
Find non-tariff measures

Features:

- Example of NTMs applied by an importer

Country: **Russian Federation** applying NTMs to **imports**; Partner: **World**; Product: **(HS6) 030429**

- You can drill in to reach the most detailed level but remember that many links to legislation are broken

Next steps:

- Remove previous counting logic
- Prepare pdf files to store in memory images of the sites and documents (instead of providing only external links that risk to be lost)
- Allow the user to display at once all the different regulations (legal texts) collected for a specific country (without including constraints on the product or NTM measure)
- Improve cross links to FAO IPSAPH data base and EU Export Help desk.
Use MAcMap to see if trade remedies are applied to your product!
## TARIFF vs. NON-TARIFF

<table>
<thead>
<tr>
<th>Tariff</th>
<th>Non-tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td>• duty on trade</td>
<td>• regulation on trade</td>
</tr>
<tr>
<td>• usually on imports</td>
<td>• usually on imports and production</td>
</tr>
<tr>
<td>• applied by governments</td>
<td>• applied by governments</td>
</tr>
<tr>
<td>• collected by customs</td>
<td>• products need to comply with these regulations</td>
</tr>
<tr>
<td>• expressed in percentage or in value</td>
<td>• checking at different points: prior to export; at the border, after import</td>
</tr>
</tbody>
</table>
QUICK QUIZ: Ad Valorem Tariff

If a container of t-shirts is valued at US$ 10,000, what would be the ‘after the border ’ value of the container if it were imported at a 6.5% ad valorem tariff rate?

a) US$ 10,650
b) US$ 650
c) US$ 10,065
d) US$ 16,500
Tariff rate quotas (TRQs)

Tariff rate quota is a two tier tariff

- A tariff quota has two parts, the Inside Tariff Quota Rate and the Outside Tariff Quota Rate.

Example: Tariff rate quotas applied by Japan to rice imported from the US

<table>
<thead>
<tr>
<th>Exporting country</th>
<th>10061090 – Rice in the husk</th>
<th>Importing country</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
<td>Inside Tariff Quota Rate: 0 yen/kg</td>
<td>Japan</td>
</tr>
<tr>
<td></td>
<td>Outside Tariff Quota Rate: OTQR: 662%*</td>
<td></td>
</tr>
</tbody>
</table>

*662% is an AVE of OTQR 341 yen/kg*
Rules of Origin (RoO) are criteria used to define where a product was made. This is complicated by globalization and the way a product can be processed in several countries before it is ready for the market.

Certificate of Origin (CO) is the document attesting that goods in a particular export shipment are wholly obtained or produced or manufactured or processed in a particular country (country of origin).
Non-tariff measures

Exporting country

Russian federation

NTMs applied
(020120 - Fresh or chilled bovine cuts)

Number of regulations a company had to comply with

SPS measures

Technical barriers

Licenses, quotas,…

Charges, taxes,…

Importing country

Hong Kong
FEATURES OF MARKET ACCESS MAP

Wide geographical coverage:
  • tariffs applied by 191 countries to the products exported by over 239 countries and territories

Wide coverage of instruments:
  • Ad valorem tariffs; specific tariffs; tariff rate quotas and antidumping duties; sanitary and phytosanitary measures, technical measures and other non-tariff measures

Preferences:
  • Covers most bilateral and regional agreements, and unilateral preferences
  • Rules of origin and certificates of origin also included for most agreements

Analytical flexibility:
  • Permits any analysis: by region, by economic sector or by measure