STDF Working Group 13th October 2015

UNIDO Activities Update
Trade Standards Compliance Analysis

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Some Highlights:

Global Food Safety Partnership (GFSP) Retreat, Vienna

Cooperation with China Food and Drug Administration (CFDA)

Trade Standards Compliance Analysis

Vienna Food Safety Forum VFSF
Trade Standards Compliance Analysis

Meeting Standards, Winning Markets

- EU DG Santé, US FDA, Australia AQIS, Japan MHLW
- Import/Border Rejection Analysis,
- Buyer Surveys, and
- Quality Infrastructure Indices

Rationale

Objectives of the Analysis:

• Provision of **policy guidance** for all development partners
• More **transparency** on trade standards challenges
• **Benchmarking** of compliance capacity
• Increasing **aid efficiency**

→ Support for **informed development policy decision-making**
→ Better (“smarter”) **design of technical assistance programmes**

**Contribution of the Analysis:**

• Analysis of border rejections
• Estimation of export losses
• Identification of developing countries’ ability to assess & prove compliance
Trade Standards Compliance Report (TSCR) 2010 and 2015

**Partner:** Institute of Development Studies (IDS)

**Cooperation:**
- **Border rejection analysis (4 markets):** EU DG Sanco, US FDA, Japan MHLW, AQIS/Australia
- **Buyer survey:** National/international private sector associations
- **Quality Infrastructure Indices**
- **Emerging Issues chapter:**
  - **TSCR 2010:** FAO, ILO, IPPC, ISO, UNEP, WTO
  - **TSCR 2015:** major retailers (AEON, Kraft Foods, GFSI), certification schemes (Fairtrade, MSC), NGOs (WWF, Oxfam), etc.

**Additional activities:**
- Regional TSCRs for Asia (with IDE-JETRO) and Latin America and the Caribbean (with Inter-American Development Bank, IDB)
- Web tool/database (with IDB), incl. TSC Footprints

**Dissemination:**
Hard copies + website: [www.unido.org/tradestandardscompliance](http://www.unido.org/tradestandardscompliance)
Regionalizing the Global TSC Analysis/Report: 2015 ++
# Import Rejection Analysis

**What do import rejections tell us?**

UNIDO since 2010 works on rejection analysis as a tool for facilitating better policy decisions.

### Focus:
- Import rejections by world region
- Reasons for import rejection

### Analysis by commodity, sector such as fish, fruits and vegetables, nuts and seeds

### Reasons and rate of rejections varies across markets

Rejections at importing border are a **good rough indicator of compliance capacity** and for areas where and which improvement is needed.

### Import rejections have persisted to be a reality for developing country exporters. They provide areas for policy guidance in terms of investments to achieve compliance** with SPS and TBT requirements in international markets.
The Trade Standards Compliance Observatory
Benchmarking Trade Standards Compliance –

Buyer Compliance Confidence Radar
250 Global Buyers

Border Rejection Analysis:
Major markets: EU, US, Japan, Australia

Trade Standards Compliance Benchmarking

Quality Infrastructure Performance Survey
48 Countries

(Work in Progress)
Trade Standards Compliance Footprint – 2012
Rejection analysis

Trade compliance – All food products
Export share – product group and export market (2010)

Number of food product consignment refusals 2006 - 2010

<table>
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<th>Importing country</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Total</th>
<th>Annual average</th>
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<td>18</td>
<td>12</td>
<td>9</td>
<td>23</td>
<td>12</td>
<td>74</td>
<td>15</td>
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<td>European Union</td>
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<td>27</td>
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<td>110</td>
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<tr>
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<td>609</td>
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</tbody>
</table>

Trade Standards
Compliance
(Border rejections)
2015: Rejection Analysis: Reasons

Reasons for Rejection of Fish and Fishery Product Exports - Example
2015: Rejection Analysis by Region: Africa vs Asia

African Fish Products

Asian Fish Products

Reasons for rejection

Frequency

African Fish Products

Asian Fish Products

Reasons for rejection

Frequency
2015: Rejection Analysis by Groups of Countries

Reason for rejection/total rejection for each level group of in US Market

- Hygienic control/controls
- Bacterial contamination
- Adulteration/missing document
- Veterinary drug residues
- Other contaminants
- Additive
- Pesticide residues
- Packaging
- Heavy metal
- Mycotoxins
- Others

Fraction

Reasons for Rejection

High Income Economies
Upper middle income economies
Lower middle income economies
Low Income Economies
2015: Top 5 Countries facing Compliance Issues

- China
- India
- Indonesia
- Thailand
- Vietnam

Example: Top five countries with highest fish product rejections in EU Market - example
Economic Losses Average/year 2005 - 2015

Top 5 Countries/4 Markets: losses/year

- China: US$ 12,948,000
- India: US$ 2,949,000
- Indonesia: US$ 2,537,000
- Thailand: US$ 6,542,000
- Vietnam: US$ 3,080,000

Estimated export losses are however only the tip of the iceberg:
Reputational loss is difficult to establish
Watch the video link: https://www.youtube.com/watch?v=THBvdI8dR0c