

ERIA-DP-2009-13

ERIA Discussion Paper Series

Business Views on Trade Facilitation¹

Loreli C. De DIOS

Center for the Advancement of Trade Integration and Facilitation

May 2009

Abstract: Business views on the most important barriers to trade facilitation are taken from two region-wide surveys in 2006 covering the ASEAN priority integration sectors, namely: agro-based, fisheries, automotive, electronics, e-ASEAN, healthcare, rubber, textile and apparel, wood-based, air travel, tourism, and logistics. The data were reassembled into (1) border procedures, (2) individual barriers, (3) broad categories of barriers, and the results ranked in terms of incidence and significance. Border procedures such as unofficial facilitation fees, tedious goods declaration, poor information on procedures, difficult release of goods, and complex refund and appeals process were the most widespread and serious. Logistics businesses were similarly affected by lengthy documentation, burdensome inspection, varying goods nomenclature, facilitation fees, poor regional coordination, and inefficient clearance. Across all types of barriers, for the goods sector, Customs procedures and their manner of implementation were prevalent, while quantity control measures, official and unofficial fees, and technical standards were significant. For the services sector, the operator's licensing requirement was the most common and severe, while high excise taxes, user fees, lengthy visa procedures, and market limits were further impediments. Logistics operators confirmed the singular importance of Customs procedures particularly time consuming documentation, followed by foreign ownership and transport-specific limitations. Time and monetary costs of complying were substantial.

Keywords: ASEAN Economic Community, ASEAN priority sectors, economic integration, trade facilitation, trade barriers, non tariff measures, Customs procedures, and border procedures.

JEL Classification: F15.

¹ Background paper for ERIA 'Deepening East Asian Economic Integration' project in FY2008.

1. Introduction

This paper seeks to identify priority measures for trade facilitation based on the results of two surveys done under the AADCP-REPSF Project No. 06/001: An Investigation into the Measures affecting the Integration of ASEAN's Priority Sectors (Phase 2), namely, (1) the Region-wide Business Survey (06/0013e) by Rowena Owen, PT ACNielsen Indonesia, and (2) the Case of Logistics (06/001d) by Robert de Souza, Mark Goh, Sumeet Gupta, and Luo Lei.

Respondents for the Business survey consisted of companies from nine priority goods and five services sectors that engage in import transactions within ASEAN. The 757 companies in the goods sector were distributed as follows: agro-based (72), fisheries (47), automotive (102), electronics (134), e-ASEAN (91), healthcare (47), rubber (61), textile and apparel (123), wood-based (79); while the 174 services companies came from e-ASEAN (32), healthcare (19), air travel (37), tourism (41), and logistics (45). Two sets of questionnaires were administered separately but all were asked to rate the seriousness of each barrier that affected them according to a 1-5 scale with 1 for least and 5 for most serious. Weighted average means were used to rank these barriers.

Respondents for the Logistics survey were logistics services providers (shippers and freight forwarders), regulatory bodies, and logistics trade associations across ASEAN countries, for a total of 189 interviewees. Each was asked if a particular barrier exists or not, and to rate the significance of the barrier to free trade using a 6-point scale with 1 for insignificant and 6 for critically significant. Modal rather than mean scores were used as the basis for ranking these barriers.

Data from the surveys is revisited to ascertain the most important barriers from the viewpoint of survey respondents; the term "barrier" is used rather than the more neutral "non-tariff measure", in accordance with the terminology employed by the surveys. Using the WTO definition of trade facilitation, i.e. "The simplification and harmonization of international trade procedures" where trade procedures are the "activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade", focus is

on Customs or border regulations and practices. Priority trade facilitation measures will thus consist of improvements in rules, controls, or arrangements (both formal and informal) governing the movement of goods across borders/Customs. The ultimate goal is to reduce transactions costs and increase efficiency while securing legitimate regulatory objectives.

It is noted that the category Customs regulations and procedures by itself is not a type of non-tariff measure under the ASEAN or UNCTAD schemes. Only special Customs formalities are a non-tariff measure in the UNCTAD inventory, which they define as “formalities which are not clearly related to the administration of any measure applied by the given importing country such as the obligation to submit more detailed product information than normally required on the basis of a customs declaration, the requirement to use specific ports of entry, etc.” ASEAN considers it a technical measure and classifies certain Customs-specific measures under para-tariff measures, e.g. surcharges and decreed Customs valuation.

Barriers covered by the two surveys include regulations or procedures themselves, too much or a lack of procedure, dissimilarities of rules between countries, and more importantly, their manner of implementation such as imperfect or uneven or non-application of rules, arbitrariness, and malpractices. Equal weight of barriers is assumed to enable comparison.

Both surveys classified their respective barriers into several categories. For the Business survey, Customs procedures were further classified under sub-categories. That is, the category “Customs procedures” had ten sub-categories roughly corresponding to the steps in the import clearance process, under which individual barriers were classified.

The survey data were re-assembled into the following groups: (1) border procedures alone, (2) all barriers at the individual level, (3) broad categories of barriers, the last of which is given in the Appendix. These were ranked on the basis of incidence as well as significance. The top-ranked ones will be taken to indicate priorities for trade facilitation.

The paper proceeds according to the above tabulation so that Section A deals with border procedures, B with individual barriers in the goods sectors, C with individual barriers in the services sectors. The ranking of barriers by the survey respondents

themselves, together with time and monetary costs of compliance are presented in Section D. Section E concludes the report.

2. Border Procedures

Questions about border procedures were asked in both surveys: the Business survey addressed them only to goods sectors respondents while the Logistics survey addressed them to its services respondents.

The ten sub-categories under the Business survey are ranked for each sector in terms of incidence and then significance. The results are shown in Table A1 for all sectors as a whole, and in Appendix A for each sector. The relatively widespread and serious barriers are shown in boldface, using as thresholds the average scores that are given under the column headings.

Table A1. Ranking of Border Barriers in All Priority Goods Sectors from Business Survey

RANKING BASED ON INCIDENCE	INCIDENCE (45)
Others - unofficial facilitation fees for clearance or issuance of forms etc	61
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	53
Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	52
Release of goods - difficult, time consuming	51
Selectivity & examination of goods - no risk management system, long examination	50
Refund of duty & access to appeal - complex and difficult processes	45
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	39
Payment of duties and taxes - Customs assesses differently, payment problems	35
Duty exemption schemes - procedures not transparent, resulting delays	32
Classification of goods - AHTN not used, inconsistent	30

RANKING BASED ON SERIOUSNESS	SERIOUSNESS (2.79)
Refund of duty & access to appeal - complex and difficult processes	3.21
Release of goods - difficult, time consuming	3.03
Others - unofficial facilitation fees for clearance or issuance of forms etc	2.92
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	2.80
Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	2.76
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	2.76
Duty exemption schemes - procedures not transparent, resulting delays	2.74
Payment of duties and taxes - Customs assesses differently, payment problems	2.64
Selectivity & examination of goods - no risk management system, long examination	2.55
Classification of goods - AHTN not used, inconsistent	2.49

The main observation about the top ranked barriers is that they are implementation practices that can be remedied through administrative decisions within the Customs agency:

- Unofficial facilitation fees affect the majority of respondents and are considered moderately serious in impact. The transaction involves two parties as the fees are both requested and paid for, implying mutual private benefits from the arrangement to the detriment of the public treasury, a typical principal-agent problem. This practice may be reduced by a streamlining of procedures and an information or data management system that allows the counter-checking of actions of both parties.
- Barriers during goods declaration can be eliminated through a simplification of documentary requirements both in number and content, an information hotline for queries about procedures, or a time limit for the approval of declarations. Regular importers with good track records can be accorded Fast Lane privileges. This also requires an efficient database system.
- Barriers with respect to information on regulations and procedures can be easily removed with the help of the internet, a most effective way of publicizing regulations and procedures, updating them regularly, issuing explanatory notes, correcting inaccuracies, or responding to queries from clients. This is an area that does not require huge expenditures yet yields numerous benefits to users. A properly administered interactive website also allows Customs to receive

feedback on its actions that aid its accountability efforts or clarify decisions immediately.

- Barriers during the release of goods such as procedural or signature requirements can be reduced through simplification and an information system that allows automatic release once payment has been received.
- The duty/tax refund process and appeals process are areas that can also be streamlined.
- Selectivity requires a good risk management system with regularly updated risk criteria and machine-implemented selection based on these risk criteria. X-ray equipment can reduce the time spent in examining goods. Manual inspection must be subject to time limits.
- The remaining border procedures are top ranked under particular sectors, e.g. valuation for agro-based, automotive and healthcare; classification for agro-based; payment for automotive and rubber; and duty exemption for wood-based industries. These barriers mainly pertain to discretionary decisions or lack of transparency, or the non-application of rules. Accountability must be enforced with the help of an efficient information system.

The Logistics survey results tabulated below support the findings from the Business survey. Logistics service providers rated as critically significant documentation, inspection, classification, and clearance processes, and facilitation fees as moderately significant. In addition, the lack of border crossing coordination with neighboring Customs points to the urgent need for formal arrangements to eliminate this barrier.

Table A2. Ranking of Border Barriers from Logistic Survey

	INCIDENCE (18%)	SIGNIFICANCE (3.83)
Time consuming documentation requirements	46	6
Burdensome inspection requirements	23	6
Different classification of goods in different countries	32	6
Lack of border crossing coordination with regional neighbors	19	5
Inefficiency of inbound clearance process	15	5
Arbitrary independent rulings	14	4
Volatility in border traffic	10	4
Multiple uncoordinated offices	12	4
Improper penalties	11	4
Other customs-related barriers	5	4
Malpractices (facilitation fees)	33	4
Limited hours of operations at Customs facilities	25	3
Discriminatory inspection practices, such as preferred treatment for domestic carriers	12	3
Customs department raises fees unilaterally	9	3
Criminal practices	9	3
Regulations that limit foreign firms' ability to provide brokerage services	12	2
Security related delays	20	2
Restriction on weight and value of shipment	20	1

3. Individual Barriers in the Priority Goods Sectors

Each question in the surveys was treated as an individual barrier for purposes of ranking them against each other. Equal weight of barriers is thus the underlying assumption, whether a regulation, a practice, non-application of rule, etc., to enable comparisons. To separate the top-ranked barriers, cut-offs consisting of the sum of the mean and one standard deviation for each indicator were used, given below for the Business survey.

Table B1. Mean and Standard Deviation of Scores from Business Survey

GOODS SECTOR	INCIDENCE			SERIOUSNESS		
	Mean	Std Dev	Sum	Mean	Std Dev	Sum
ALL	40.32	14.58	54.90	2.94	0.24	3.18
Agro-based	45.00	14.53	59.54	2.87	0.34	3.21
Automotive	42.46	16.18	58.64	3.03	0.33	3.36
e-ASEAN	41.91	16.42	58.33	3.01	0.42	3.43
Electronics	40.02	15.71	55.73	3.04	0.36	3.40
Fisheries	38.98	15.30	54.27	3.06	0.43	3.49
Healthcare	40.75	18.14	58.89	2.99	0.47	3.46
Textiles and Apparel	39.19	16.18	55.38	2.91	0.35	3.26
Wood-based	34.93	13.00	47.93	2.74	0.45	3.19
Rubber	39.73	16.57	56.30	2.89	0.42	3.31

The barriers are also described in terms of category using the legend C for Customs procedures, P for para-tariff or price control measures, F for finance measures, Q for quantity control measures, M for monopolistic measures, and T for technical measures. Furthermore, those that are implementation practices are denoted with an “i” while asterisks mark those barriers that are simultaneously pervasive and serious.

Table B2 ranks the barriers for all goods sectors together, while each sector’s listing is given in Appendix B.

Table B2. Ranking of Individual Barriers in All Priority Goods Sectors from Business Survey

Ranking based on Incidence	NTM Category	Incidence (55+)	Seriousness
Customs marking requirements	T	67	2.94
Too many supporting documents for Customs declaration	C	65	2.82
Approval of Customs declaration form takes too long	C, i	64	3.01
Product characteristic requirements	T	64	3.08
Unofficial facilitation fees are paid to expedite Customs clearance or issuance of forms, permits, etc	C, i	63	2.81
Time period to settle import payment from date of delivery is specified	F	63	2.99
Unofficial facilitation fees are requested to expedite Customs clearance or issuance of forms, permits, etc	C, i	59	3.03
Information on Customs regulations and procedures are not up to date	C, i	57	2.81
Examination of goods takes long	C, i	57	2.76
Information on Customs regulations and procedures are not accessible	C, i	56	2.79
Shipments are selected for examination	C	56	2.39
Detailed product information is required	T	56	2.91

Ranking based on Seriousness	NTM Category	Incidence	Seriousness (3.19+)
Import application approval process is lengthy	Q, i	44	3.53
High official cost of import license	Q	31	3.46
Unofficial facilitation fees requested to expedite issuance of forms	Q, i	46	3.36
Unofficial facilitation fees paid to expedite issuance of forms	Q, i	49	3.33
Seasonal or product-specific quotas	Q	13	3.34
Unofficial facilitation fees requested to expedite testing and inspection	T, i	37	3.29
Advance payments are required when applying for import license	F	38	3.26
Official cost of complying with technical standards is high	T	27	3.24
Unofficial facilitation fees paid to expedite testing and inspection	T, i	43	3.22
Complex duty/tax refund process; difficult to seek refund	C, i	47	3.21
Difficult to appeal against Customs rulings	C, i	42	3.21
Restrictive foreign exchange allocation	F	54	3.19
Prohibitions or bans	Q	26	3.19

In general, the prevalent barriers affecting goods businesses are Customs procedures and their manner of implementation, giving the opportunity for discretionary decision-making and the extraction of facilitation fees. All of the barriers in the list affect the majority of respondents. Suggestions for reducing such Customs barriers were given in the previous section. For the rest:

- The most pervasive barrier, Customs marking requirement, is a technical standard that is imposed by Customs, and just moderately serious. The requirement defines the information to be printed on the package such as country of origin, weight, special symbols for dangerous substances, and the like. The objectives are not unreasonable, and can be less of a problem if a simple standard form is made available to traders that they can attach to their packages. Perhaps a standard ASEAN package label can be agreed upon.
- Product characteristic requirements are technical specifications that the product must fulfill, usually for reasons of public health and safety, environmental and wildlife protection, national security, or prevention of deceptive practices. The objectives are again legitimate, and compliance is usually done through certification by an authorized body. The process will be enhanced if certifying

bodies across ASEAN are recognized by all members for certificates to be immediately accepted at the border.

- The fixed time period for the settlement of import payments is a finance measure that is also within reason, depending on how long or short it actually is in each country. For unrealistically short periods, businesses should dialogue with finance officials to bargain for flexibility.

Most of the serious barriers are in the form of fees associated with procedures. The top serious ones are quantity control measures and their manner of implementation. Import licensing is not unexpectedly a major hindrance to trade, as it imposes time and money costs, both formally and informally. ASEAN members need to deliver on their commitments to the reduction, if not elimination, of such non-tariff measures.

The costs of complying with technical standards, both official and unofficial, are the next serious barriers, followed by difficult Customs refund and appeal procedures. Official charges must be rationalized while transparent and simplified procedures will reduce the need for facilitation fees.

The sectoral tables in Appendix B show the rankings for each priority goods sector. Aside from the barriers that emerged across all sectors summarized above, each sector had specific concerns (shown in italics in each table):

- Agro-based industry (App. B1) is seriously affected by the lengthy and difficult release of goods by Customs, administrative price-setting, and labeling requirements such as type and size of print on packages, and consumer information
- Many in the automotive business (App. B2) are affected by the need to secure non-automatic import licenses, time-consuming release of goods by Customs, and charges on imports and administrative price-fixing. However the more serious barriers are finance measures, i.e. regulations concerning the use of credit to finance imports, terms of payment, and multiple exchange rates, as well as quantity control measures such as discretionary import licensing, importer accreditation system that favors certain importers, and bilateral quotas.

- The e-ASEAN sector (App. B3) is plagued by time-consuming Customs release, labeling requirements, and charges on imports. Government monopolistic measures are the most severe constraint on the sector.
- Many in electronics (App. B4) are affected by inaccurate or unclear information on Customs procedures, lengthy Customs release, and labeling requirements. Quantity control measures such as global quotas and prohibitions and bans have a serious impact on them.
- Fisheries (App. B5) is particularly concerned with government monopolistic measures, technical requirements including long product inspection and testing, quarantine, direct shipment from origin to final destination, and designated Customs office for shipments, as well as lengthy Customs release of goods. Pre-shipment inspection and labeling requirements affect the majority in this sector.
- Licensing is both prevalent and serious for the healthcare sector (App. B6). Common other barriers are labeling, testing, inspection, and quarantine requirements, inspection by health authorities prior to release, and packaging standards. Global quotas, government monopolistic measures, and accreditation have a severe impact.
- Administrative price-fixing, preshipment inspection, licensing, and labeling are barriers common to many textile and apparel businesses (App. B7). It is government monopolistic practices, inspection prior to release, labeling, and designated Customs office for shipments that are critical.
- For wood-based businesses (App. B8), licensing is a highly critical barrier. Preshipment inspection, taxes and charges on imports, unclear information on Customs procedures, administrative price fixing, and automatic replacement of declared values by reference prices are widespread by only moderately serious.
- Many rubber-based companies (App. B9) are similarly affected by additional charges on imports. However the more serious barriers are licensing, direct origin-to-destination shipment, terms of payment rules, labeling and lengthy product testing and inspection.

4. Individual Barriers in the Priority Services Sectors

The ranking of barriers in the services sector from the business survey was also based on the sum of each sector's mean and one standard deviation, given below.

Table C1. Mean and Standard Deviation of Scores from Business Survey

SERVICES SECTORS	INCIDENCE			SERIOUSNESS		
	Mean	Std Dev	Sum	Mean	Std Dev	Sum
All	38.73	12.97	51.70	3.03	0.34	3.37
e-ASEAN	33.42	14.61	48.03	3.31	0.74	4.05
Healthcare	40.39	22.10	62.49	2.79	0.54	3.33
Tourism	42.31	15.21	57.52	2.94	0.58	3.52
Air Travel	39.76	13.97	53.73	2.77	0.44	3.21
Logistics	37.69	16.61	54.30	3.21	0.45	3.66
Logistics (from Logistics survey)	17.43	8.79	26.22	3.22	1.40	4.63

Each barrier is further classified under the pertinent GATS mode of supply to better appreciate their impact. These are mode 1 or cross-border supply (CBS), mode 2 or consumption abroad (CA), mode 3 or commercial presence (CP), and mode 4 or movement of natural persons (MNP). Cross-border supply barriers would be equivalent to border procedures in the goods sector. Consumption abroad does not apply to any of the barriers under consideration. Barriers that were not specific to a single mode were labeled "all".

The type of services trade barrier from Hoekman and Braga (1997) was also indicated separately, consisting of quantitative restrictions (Q), price-based instruments (P), standards, licensing, and procurement (S), and discriminatory access to distribution networks (D). This typology roughly corresponds to the one for goods.

Table C2 is the summary list of barriers affecting all priority services sectors together, while Appendix C tables give each sectors top-ranked barriers in terms of incidence and seriousness.

Table C2. Ranking of Barriers in All Priority Services Sectors from Business Survey

Ranking of Barriers based on Incidence	Mode of supply	Type	Incidence (52%+)	Seriousness
License is required to operate in the market	CP	S *	78	3.51
Period of license validity is restricted	CP	S	70	3.31
Quality standards are imposed	all	S	59	3.02
Unofficial facilitation fees are requested for issuance of forms, licenses, etc.	CP	S, i	57	3.30
Unofficial facilitation fees are paid for issuance of forms, licenses, etc.	CP	S, i	55	2.95
Laws and regulations are not up to date	All	All, i	56	3.00
Enforcement of rules and regulations is unpredictable	All	All, i	53	3.20

Ranking of Barriers based on Seriousness	Mode of supply	Type	Incidence	Seriousness (3.37+)
Additional or higher excise tax imposed on products of non-national/non-resident companies	CBS	P	31	3.61
License is required to operate in the market	CP	S *	78	3.51
Other financial measures: higher license or user fees for non-resident or foreign companies	CBS	P	34	3.50
Restrictions on temporary intra-firm transfer of tools of the trade	CP	D	29	3.50
Limits on the geographic market or market segments for locally established foreign suppliers	CP	Q	29	3.40
Lengthy visa/work permit procedures	MNP	S, i	36	3.38
Regulatory decisions are not participatory	All	All	47	3.37

The most common as well as most serious barrier is the operator's licensing requirement. Unofficial fees for the issuance of forms and licenses also affect the majority together with general barriers such as quality standards, outdated laws and regulations, and unpredictable enforcement. These mainly affect commercial presence, i.e. where the service is supplied through the movement of a commercial organization to the consumer's country of residence.

On the basis of seriousness, the top barriers relate to all modes of supply and are of varied types, led by high excise tax on products of non-residents and user fees charged non-residents which affect cross-border supply and are price based policies. Restrictions on the intra-firm transfer of tools of trade and limits to the geographic market for locally established foreign suppliers both relate to commercial presence. Lengthy visa/work permit procedures restrain the movement of natural persons. Non-participatory decision-making on regulations affects all modes of supply.

The Appendix tables display the important barriers for each sector, with emphasis (in italics) on those particular to the sector that did not surface in the overall ranking in Table C2:

- e-ASEAN services' (App. C2) commercial presence is most affected by barriers. No duty-free admission of services-related tools, restrictions on the disposal of allocated licenses, investment screening by host country, joint venture requirement are pervasive. Not as widespread but critically serious are limits on service operations or output, lengthy renewal of license which relate to commercial-presence, and difficult visa procedures which constrains the movement of natural persons.
- Most of the listed barriers in healthcare services (App. C2) are widespread and very serious and restrain commercial presence, e.g. limits to service operations or output, various licensing restrictions, limits to foreign capital participation and legal form of establishment and value of transactions or assets. Limits to the entry of personnel are very common.
- Many in tourism services (App. C3) face unofficial fees, unclear license procedures, and limits to service suppliers, affecting all modes of supply. Serious barriers are the absence of duty free admission of tools of the trade, no temporary entry privileges for spouses, price regulation, difficult visa procedures, and eligibility for subsidies reserved for nationals.
- Almost all of the barriers to air travel services (App. C4) relate to commercial presence as well, with restrictions on disposal of allocated licenses ranked as the most serious though not widespread, followed by licensing costs.
- Most logistics companies (App. C5) have to cope with regulatory barriers to all modes of supply, e.g. inaccessible laws and regulations. The most severe one is limits to service operations or output though this is not pervasive, followed by restrictions on transfers to parent company in home country, and lengthy licensing process.

The Logistics survey covered a wider range of questions relative to the Business survey, to include Customs procedures. The results presented in Table C3 underscore

the importance of such border procedures, as they outweighed the other types of barriers in terms of incidence and significance.

- Customs procedures turned out to be the most pervasive as well as critically significant, in particular, time consuming document requirements. Most of the significant barriers restrict cross-border supply and take place at Customs, notably burdensome inspection, varying classification systems, lack of border crossing coordination with regional neighbors, inefficiency of inbound clearance processes, aside from the absence of adequate warehouse and specialized storage facilities. Barriers to commercial presence follow as the next most significant, such as limits on equipment usage by road transport operators or discriminatory licensing requirements.

Table C3. Ranking of Barriers to Logistics Services Based on Logistics Survey

Ranking of Barriers based on Incidence	Mode of supply	Type	Incidence (26%+)	Significance (Mode)
Time consuming documentation requirements	CBS	Customs,i*	46	6
Foreign ownership regulations: limit foreign investment such as on the basis of economic needs or capacity tests, form of establishment	CP	S *	41	4
Road transport-specific barriers: limits on fleet size and hours of operation	CP	Q *	34	5
Malpractices e.g. facilitation fees	All	P, I *	33	4
Different classification of goods in different countries	CBS	Customs *	32	6
Maritime-specific barriers: inefficient ports i.e. inability to handle large cargo volume	CBS	D *	29	4

Ranking of Barriers based on Significance	Mode of supply	Type	Incidence	Significance (Mode) 4.6
Time consuming documentation requirements	CBS	Customs,i*	46	6
Burdensome inspection requirements	CBS	Customs	23	6
Different classification of goods in different countries	CBS	Customs,i*	32	6
Lack of border crossing coordination with regional neighbors	CBS	Customs	19	5
Inefficiency of inbound clearance process	CBS	Customs,i	15	5
Maritime-specific barriers: directional imbalance	CBS		13	5
Maritime-specific barriers: absence of adequate warehouse and specialized storage facilities	CBS	D	13	5
Road transport-specific barriers: limits on equipment usage	CP	Q	23	5
Road transport-specific barriers: limits on fleet size and hours of operation	CP	Q *	34	5
Arbitrary independent rulings	CBS	Customs, i	14	4
Volatility in border traffic	CBS		10	4
Multiple uncoordinated offices	CBS	Customs, i	12	4
Improper penalties	CBS	Customs	11	4
Other Customs-related barriers	CBS	Customs	5	4
Foreign ownership regulations: limit foreign investment such as on the basis of economic needs or capacity tests, form of establishment	CP	S*	41	4
Discriminatory licensing requirements; variation across locations	CP	S	18	4
Maritime-specific barriers: inefficient ports i.e. inability to handle large cargo volume	CBS	D *	29	4
Aviation-specific barriers: access to cargo handling and storage and warehousing facilities	CBS	D	22	4
Aviation-specific barriers: cabotage regulations that restrict the supply of internal point-to-point transport services to domestic carriers	CBS	D	13	4
Aviation-specific barriers: limited lift capacity and directional imbalance	CBS		11	4
Malpractices e.g. facilitation fees	All	P, i*	33	4

5. Survey Respondents' Ranking of Barriers and Time and Monetary Costs of Compliance

The Business survey asked respondents to rank the barriers according to seriousness of impact as well as estimate the time and money spent in complying with requirements. Table D1 shows that numerous regulatory agencies, requirements or documents are the most serious and require much time and money. Delays and facilitation fees only underscore this problem.

Table D1. Priority Goods Sector: Business Survey Respondents' Ranking of Barriers According to Seriousness of Impact on Business

Problem	Average annual cost of compliance (US\$)	Average increase in time to comply per transaction (%)
1. Much overlapping bureaucracy: 12% (n=93)	2,104,802	31%
2. Long time to approve import applications: 7% (n=53)	895,924	50%
3. Time consuming release of goods from Customs: 5% (n=37)	26,916	60%
4. Long time for Customs to check and approve the declaration: 4% (n=33)	2,184	39%
5. Products need to meet certain technical requirements or specifications: 4% (n=32)	33,363	25%
6. "facilitation fees" (unofficial fees) are paid to expedite either customs clearance or issuance of forms: 4% (n=27)	61,778	39%

Both the average annual costs and time spent in complying with these requirements (Table D2) are substantial. Approval of licenses takes from 18 to 30 days, cargo release from 6 to 15 days, approval of declaration from 4 to 14 days, and product testing and inspection from 3 to 15 days. They also vary widely across sectors, e.g. cargo release and approvals of declaration as well as license approval take the longest for agro-based and healthcare products. Costs are just as considerable and varied. Removal of these constraints would thus reduce costs also by a large proportion.

Table D2. Priority Goods Sector: Business Survey Results on Average Time and Money Costs of Compliance

	Average time to process cargo from arrival to release (hours)	Average time to check & approve customs declaration form (hours)	Average time to examine/ inspect goods (hours)	Average official cost of license US\$	Average time to approve import applications for licensing (hours)	Average official cost of complying with technical standards US\$	Average time for product testing and inspection (hours)
ALL	75	54	34	20790	175	21754	57
Agro based	120	47	40	33945	206	7967	75
Automotive	86	89	43	20936	160	11890	34
e-ASEAN	83	49	37	27718	176	12022	57
Electronics	62	43	32	46509	145	81329	69
Fisheries	62	43	44	44918	161	5020	50
Healthcare	102	116	33	2865	260	13779	123
Textile & Apparel	71	45	25	7188	191	5205	33
Wood based	52	28	22	7188	191	28999	21
Rubber	51	52	33	3555	184	8121	96

Services companies are most affected by the restrictions on the selling of allocated licenses, followed by restrictions on transfer payments to parent companies, and finally the lengthy licensing time, which is the costliest as well (Table D3). This is confirmed by more detailed data in Table 4: renewal of visas and work permits takes 30 days, new business licensing 55 days, and license renewal 40 days on the average. All sectors face about the same lengthy time constraint, with the noticeable exception of e-ASEAN businesses which have to wait 105 days to obtain a business license. Costs of obtaining a business license vary widely, the highest being recorded by logistics companies which is 30 times that of the lowest which is by healthcare firms.

Table D3. Priority Services Sector: Business Survey Respondents' Ranking of Barriers with the Most Serious Impact on Business

Barrier		Average annual cost of complying with the measure (US\$)	Average time increase to perform a transaction (%)
Once the license has been allocated, there are restrictions on selling or disposing of them (n=10)	6%	1357	6%
Restrictions on payments or transfers by locally established foreign operators to their parent company in home country (n=8)	5%	-	69%
It takes long to obtain a license (n=8)	5%	62213	37%

Table D4. Priority Services Sector: Business Survey Results on Average Time and Money Cost of Compliance

	ALL	e-ASEAN	HEALTH CARE	TOURISM	AIR TRAVEL	LOGISTICS
Average time to renew visas and work permits (hours)	246	206	190	253	305	247
Average time to obtain business license (hours)	437	838	419	335	314	419
Average time to renew a business license (hours)	323	267	346	310	314	377
Average cost of obtaining business license (US\$)	66040	44759	4443	27826	79383	131767
Average cost of renewing business license (US\$)	17747	31239	4587	17276	12234	15749

The Logistics survey posed a similar question about barriers that have the greatest impact on free trade and obtained the responses in Table D5. Customs procedures and practices are the topmost barrier, consisting of unclear and unapplied rules, lengthy processes, insufficient EDI and work hours, inconsistent classification, as well as inadequate Single Window service. Again these confirm the singular importance of border measures.

Table D5. Logistic Survey Respondents' Ranking of Barriers that Influence Free Trade

1. Customs
Lack of clear and firm rules
Customs clearance including documentation and inspection takes long
Use of EDI does not include payments
ASEAN's Single Window or One Stop Service needs improvement
Inconsistent classification of goods
Single point of entry for Customs
Customs working hours do not permit resolution of urgent situations
2. Foreign investment
Foreign ownership in ASEAN, particularly in transport sector
Language problems
3. Mode-specific transportation
Open skies policy
Border coordination between different countries
Underdeveloped ports
4. Other barriers
Prevalence of facilitation money practices and bureaucracy

6. Summary and Conclusions

Border barriers are mainly implementation practices that can be remedied through administrative decisions within the Customs office:

- The practice of charging and paying unofficial facilitation fees may be reduced by a streamlining of procedures and an information or data management system that allows the counter-checking of actions of both parties.
- Barriers during goods declaration can be eliminated through a simplification of documentary requirements both in number and content, information hotline for queries about procedures, or a time limit for the approval of declarations.

Regular importers with good track records can be accorded Fast Lane privileges. This also requires an efficient database system.

- Barriers with respect to information on regulations and procedures should be easily removed with the help of a website for informing the public and obtaining feedback from them about regulations and procedures, an area that does not require a huge outlay yet yields numerous benefits to users.
- Barriers during the release of goods such as procedural or signature requirements can be reduced through simplification and an information system that allows automatic release once payment has been received.
- The duty/tax refund process and appeals process are areas that can also be streamlined.
- Selectivity requires a good risk management system with regularly updated risk criteria and machine-implemented selection based on these risk criteria. X-ray equipment can reduce the time spent in examining goods. Manual inspection must be subject to time limits.
- The remaining border procedures e.g. valuation, classification, payment, and duty exemption, mainly pertain to discretionary decisions or lack of transparency, or the non-application of rules. Accountability must be enforced with the help of an efficient information system.

The Logistics survey respondents similarly cited documentation, inspection, classification, and clearance processes, and facilitation fees as the crucial border barriers. In addition, the lack of border crossing coordination with neighboring Customs points to the urgent need for formal arrangements to eliminate this barrier.

Individual barriers in priority goods sectors again showed customs procedures and their manner of implementation to be the most widespread while fees associated with procedures were critically serious. For the rest:

- The most pervasive barrier, Customs marking requirement, is a technical standard that is imposed by Customs, can be less of a problem if a simple standard form is made available to traders that they can attach to their packages. It is suggested that a standard ASEAN package label be agreed upon for this purpose.

- Product characteristic requirements are technical specifications that the product must fulfill, for legitimate objectives, and compliance is usually done through certification by an authorized body. The process will be enhanced if certifying bodies across ASEAN are recognized by all members for certificates to be immediately accepted at the border.
- The fixed time period for the settlement of import payments is a finance measure, concerns about which businesses should bring up with finance officials in order to bargain for flexibility.
- Quantity control measures and their manner of implementation such as import licensing are not unexpectedly a major hindrance to trade, as it imposes time and money costs, both formally and informally. ASEAN members need to deliver on their commitments to the reduction, if not elimination, of such non-tariff measures.
- The costs of complying with technical standards, both official and unofficial, are the next serious barriers, followed by difficult Customs refund and appeal procedures. Official charges must be rationalized while transparent and simplified procedures will reduce the need for facilitation fees.

The rankings for each priority goods sector show certain specific concerns aside from those described above:

- Agro-based industry is seriously affected by the lengthy and difficult release of goods by Customs, administrative price-setting, and labeling requirements such as type and size of print on packages, and consumer information
- Many in the automotive business are affected by the need to secure non-automatic import licenses, time-consuming release of goods by Customs, and charges on imports and administrative price-fixing. However the more serious barriers are finance measures, i.e. regulations concerning the use of credit to finance imports, terms of payment, and multiple exchange rates, as well as quantity control measures such as discretionary import licensing, importer accreditation system that favors certain importers, and bilateral quotas.

- The e-ASEAN sector is plagued by time-consuming Customs release, labeling requirements, and charges on imports. Government monopolistic measures are the most severe constraint on the sector.
- Many in electronics are affected by inaccurate or unclear information on Customs procedures, lengthy Customs release, and labeling requirements. Quantity control measures such as global quotas and prohibitions and bans have a serious impact on them.
- Fisheries is particularly concerned with government monopolistic measures, technical requirements including long product inspection and testing, quarantine, direct shipment from origin to final destination, and designated Customs office for shipments, as well as lengthy Customs release of goods. Pre-shipment inspection and labeling requirements affect the majority in this sector.
- Licensing is both prevalent and serious for the healthcare sector. Common other barriers are labeling, testing, inspection, and quarantine requirements, inspection by health authorities prior to release, and packaging standards. Global quotas, government monopolistic measures, and accreditation have a severe impact.
- Administrative price-fixing, preshipment inspection, licensing, and labeling are barriers common to many textile and apparel businesses. It is government monopolistic practices, inspection prior to release, labeling, and designated Customs office for shipments that are critical.
- For wood-based businesses, licensing is a highly critical barrier. Preshipment inspection, taxes and charges on imports, unclear information on Customs procedures, administrative price fixing, and automatic replacement of declared values by reference prices are widespread but only moderately serious.
- Many rubber-based companies are similarly affected by additional charges on imports. However the more serious barriers are licensing, direct origin-to-destination shipment, terms of payment rules, labeling and lengthy product testing and inspection.

For all services sectors the most common as well as most serious barrier is the operator's licensing requirement, which restrains commercial presence. Unofficial fees for the issuance of forms and licenses also affect the majority together with general

barriers such as quality standards, outdated laws and regulations, and unpredictable enforcement. On the basis of seriousness, the topmost barriers are high excise tax on products of non-residents and user fees charged non-residents, restrictions on the intra-firm transfer of tools of trade and limits to the geographic market for locally established foreign suppliers, lengthy visa/work permit procedures, and non-participatory decision-making on regulations.

Barriers specific to each services sector include:

- For e-ASEAN services, no duty-free admission of services-related tools, restrictions on the disposal of allocated licenses, investment screening by host country, joint venture requirement are pervasive. Not as widespread but critically serious are limits on service operations or output, lengthy renewal of license which relate to commercial-presence, and difficult visa procedures.
- Healthcare services are restrained by limits to service operations or output, various licensing restrictions, limits to foreign capital participation and legal form of establishment and value of transactions or assets, as well as limits to the entry of personnel.
- Many in tourism services face unofficial fees, unclear license procedures, and limits to service suppliers, no duty free admission of tools of the trade, no temporary entry privileges for spouses, price regulation, difficult visa procedures, and eligibility for subsidies reserved for nationals.
- Air travel services are limited by restrictions on disposal of allocated licenses followed by licensing costs.
- Logistics companies have to cope with regulatory barriers to all modes of supply, e.g. inaccessible laws and regulations. The serious ones are limits to service operations or output, restrictions on transfers to parent company in home country, and lengthy licensing process.

The Logistics survey covered a wider range of barriers to include Customs procedures that turned out to be the most pervasive as well as critically significant, in particular, time consuming document requirements. Most of the significant barriers restrict cross-border supply and take place at Customs, notably burdensome inspection, varying classification systems, lack of border crossing coordination with regional

neighbors, inefficiency of inbound clearance processes, aside from the absence of adequate warehouse and specialized storage facilities. Barriers to commercial presence follow as the next most significant, such as limits on equipment usage by road transport operators or discriminatory licensing requirements.

Substantial time and monetary costs of compliance are incurred by businesses in both goods and services sectors. Official costs alone are considerable and need to be examined further. Unofficial costs are likely to be sizeable as well. Customs approval, inspection, and clearance time on the average is lengthy.

The main conclusion from the above analysis is that border procedures continue to be pervasive and critically affect both goods and services businesses across ASEAN. The procedures themselves are numerous and must be reduced or rationalized or streamlined, a need that has been enunciated for years now, and acted upon only slowly. The ASEAN Single Window illustrates this difficulty, for national Single Windows still need to be realized in all member countries and are hampered by legal requirements.

Aside from the procedures per se, the manner of implementation has transformed certain procedures into formidable barriers, in particular those that allow wide discretion in application. Traders who have more to gain from unofficial payments favor this environment, and Customs personnel benefit privately from the arrangement. The total welfare loss of government is said to far exceed these private gains.

This can be addressed through an efficient information system that enables counterchecking of documents and a credible audit system to enforce accountability. Content and time can be monitored through such a system, so that valuation and classification errors can be traced, while lengthy procedures examined to establish source of delays. Risks can also be managed and selectivity carried out by machine instead of manual alerts, and goods released automatically after payment, all through a good database and information system.

Transactions time require further study to pinpoint the exact causes and suggest remedies. Since time stamps are usually recorded for each procedure at Customs, this can be monitored regularly and used as target indicators for procedural improvement.

Poor information on border procedures was also cited as a major constraint. Thus another avenue that yields huge benefits is to make information available through the internet, update these as required, and obtain feedback from users. The lack of

transparency and absence of accountability reinforce each other. Carrying out all these somewhat obvious solutions nevertheless requires a strong political will of government.

Appendixes. Business Views on Trade Facilitation

Appendix A. Ranking of Border Barriers in the Priority Goods Sector

A1. Agro-based

	INCIDENCE (49)		SERIOUSNESS (2.87)
Classification of goods - AHTN not used, inconsistent	62.50	Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	3.29
Payment of duties and taxes - Customs assesses differently, payment problems	57.64	Information on regulations and procedures - not accessible, accurate, up-to-date, clear, or followed	3.20
Release of goods - difficult, time consuming	55.56	Selectivity & examination of goods - no risk management system, long examination	3.06
Duty exemption schemes - procedures not transparent, resulting delays	54.86	Declaration of goods procedures - difficult to understand, numerous documents, long approval time	2.94
Refund of duty & access to appeal - complex and difficult processes	54.72	Others - unofficial facilitation fees for clearance or issuance of forms etc	2.83
Others - unofficial facilitation fees for clearance or issuance of forms etc	52.78	Refund of duty & access to appeal - complex and difficult processes	2.79
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	44.45	Release of goods - difficult, time consuming	2.76
Information on regulations and procedures - not accessible, accurate, up-to-date, clear, or followed	40.63	Classification of goods - AHTN not used, inconsistent	2.74
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	35.42	Payment of duties and taxes - Customs assesses differently, payment problems	2.67
Selectivity & examination of goods - no risk management system, long examination	35.42	Duty exemption schemes - procedures not transparent, resulting delays	2.46

A2. Automotive

	INCIDENCE (49)		SERIOUSNESS (2.94)
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	58.63	Payment of duties and taxes - Customs assesses differently, payment problems	3.41
Duty exemption schemes - procedures not transparent, resulting delays	57.85	Others - unofficial facilitation fees for clearance or issuance of forms etc	3.15
Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	56.37	Release of goods - difficult, time consuming	3.04
Selectivity & examination of goods - no risk management system, long examination	55.88	Refund of duty & access to appeal - complex and difficult processes	3.04
Release of goods - difficult, time consuming	54.90	Duty exemption schemes - procedures not transparent, resulting delays	2.92
Classification of goods - AHTN not used, inconsistent	51.96	Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	2.87
Others - unofficial facilitation fees for clearance or issuance of forms etc	46.08	Declaration of goods procedures - difficult to understand, numerous documents, long approval time	2.85
Payment of duties and taxes - Customs assesses differently, payment problems	38.73	Classification of goods - AHTN not used, inconsistent	2.84
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	36.77	Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	2.69
Refund of duty & access to appeal - complex and difficult processes	35.79	Selectivity & examination of goods - no risk management system, long examination	2.66

A3. e-ASEAN

	INCIDENCE (47)		SERIOUSNESS (2.91)
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	59.34	Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	3.30
Selectivity & examination of goods - no risk management system, long examination	58.24	Duty exemption schemes - procedures not transparent, resulting delays	3.13
Others - unofficial facilitation fees for clearance or issuance of forms etc	56.87	Payment of duties and taxes - Customs assesses differently, payment problems	3.05
Release of goods - difficult, time consuming	54.21	Refund of duty & access to appeal - complex and difficult processes	3.04
Payment of duties and taxes - Customs assesses differently, payment problems	52.74	Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	3.00
Classification of goods - AHTN not used, inconsistent	48.35	Selectivity & examination of goods - no risk management system, long examination	2.94
Duty exemption schemes - procedures not transparent, resulting delays	41.76	Release of goods - difficult, time consuming	2.73
Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	39.01	Classification of goods - AHTN not used, inconsistent	2.71
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	37.36	Declaration of goods procedures - difficult to understand, numerous documents, long approval time	2.66
Refund of duty & access to appeal - complex and difficult processes	30.77	Others - unofficial facilitation fees for clearance or issuance of forms etc	2.52

A4. Electronic

	INCIDENCE (47)		SERIOUSNESS (2.75)
Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	58.21	Selectivity & examination of goods - no risk management system, long examination	3.17
Duty exemption schemes - procedures not transparent, resulting delays	58.21	Declaration of goods procedures - difficult to understand, numerous documents, long approval time	3.06
Payment of duties and taxes - Customs assesses differently, payment problems	54.97	Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	2.87
Others - unofficial facilitation fees for clearance or issuance of forms etc	52.99	Duty exemption schemes - procedures not transparent, resulting delays	2.77
Release of goods - difficult, time consuming	52.61	Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	2.77
Classification of goods - AHTN not used, inconsistent	48.88	Payment of duties and taxes - Customs assesses differently, payment problems	2.67
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	41.79	Release of goods - difficult, time consuming	2.66
Selectivity & examination of goods - no risk management system, long examination	36.94	Refund of duty & access to appeal - complex and difficult processes	2.66
Refund of duty & access to appeal - complex and difficult processes	34.33	Classification of goods - AHTN not used, inconsistent	2.56
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	33.21	Others - unofficial facilitation fees for clearance or issuance of forms etc	2.35

A5. Fisheries

	INCIDENCE (41)		SERIOUSNESS (2.92)
Others - unofficial facilitation fees for clearance or issuance of forms etc	62.77	Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	3.43
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	56.74	Refund of duty & access to appeal - complex and difficult processes	3.21
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	47.87	Release of goods - difficult, time consuming	2.99
Selectivity & examination of goods - no risk management system, long examination	42.98	Classification of goods - AHTN not used, inconsistent	2.92
Release of goods - difficult, time consuming	39.37	Others - unofficial facilitation fees for clearance or issuance of forms etc	2.91
Payment of duties and taxes - Customs assesses differently, payment problems	36.17	Payment of duties and taxes - Customs assesses differently, payment problems	2.90
Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	34.57	Duty exemption schemes - procedures not transparent, resulting delays	2.88
Refund of duty & access to appeal - complex and difficult processes	32.98	Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	2.85
Duty exemption schemes - procedures not transparent, resulting delays	30.85	Selectivity & examination of goods - no risk management system, long examination	2.60
Classification of goods - AHTN not used, inconsistent	26.60	Declaration of goods procedures - difficult to understand, numerous documents, long approval time	2.53

A6. Healthcare

	INCIDENCE (38)		SERIOUSNESS (2.75)
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	62.77	Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	3.23
Refund of duty & access to appeal - complex and difficult processes	51.59	Refund of duty & access to appeal - complex and difficult processes	3.18
Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	48.51	Declaration of goods procedures - difficult to understand, numerous documents, long approval time	2.99
Release of goods - difficult, time consuming	44.68	Selectivity & examination of goods - no risk management system, long examination	2.96
Duty exemption schemes - procedures not transparent, resulting delays	44.68	Payment of duties and taxes - Customs assesses differently, payment problems	2.84
Others - unofficial facilitation fees for clearance or issuance of forms etc	39.36	Release of goods - difficult, time consuming	2.72
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	32.98	Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	2.55
Payment of duties and taxes - Customs assesses differently, payment problems	21.28	Duty exemption schemes - procedures not transparent, resulting delays	2.42
Classification of goods - AHTN not used, inconsistent	18.08	Classification of goods - AHTN not used, inconsistent	2.42
Selectivity & examination of goods - no risk management system, long examination	17.02	Others - unofficial facilitation fees for clearance or issuance of forms etc	2.19

A7. Textile and Apparel

	INCIDENCE (41)		SERIOUSNESS (2.60)
Others - unofficial facilitation fees for clearance or issuance of forms etc	75.21	Release of goods - difficult, time consuming	3.09
Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	49.60	Payment of duties and taxes - Customs assesses differently, payment problems	2.71
Refund of duty & access to appeal - complex and difficult processes	46.14	Others - unofficial facilitation fees for clearance or issuance of forms etc	2.66
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	44.44	Selectivity & examination of goods - no risk management system, long examination	2.66
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	43.25	Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	2.60
Duty exemption schemes - procedures not transparent, resulting delays	41.06	Duty exemption schemes - procedures not transparent, resulting delays	2.55
Payment of duties and taxes - Customs assesses differently, payment problems	32.11	Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	2.51
Release of goods - difficult, time consuming	27.24	Declaration of goods procedures - difficult to understand, numerous documents, long approval time	2.49
Classification of goods - AHTN not used, inconsistent	26.42	Classification of goods - AHTN not used, inconsistent	2.40
Selectivity & examination of goods - no risk management system, long examination	21.95	Refund of duty & access to appeal - complex and difficult processes	2.34

A8. Wood-Based

	INCIDENCE (40)		SERIOUSNESS (2.69)
Refund of duty & access to appeal - complex and difficult processes	49.37	Duty exemption schemes - procedures not transparent, resulting in delays	3.24
Release of goods - difficult, time consuming	47.85	Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	3.09
Payment of duties and taxes - Customs assesses differently, payment problems	47.47	Selectivity & examination of goods - no risk management system, long examination	2.85
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	42.41	Classification of goods - AHTN not used, inconsistent	2.75
Others - unofficial facilitation fees for clearance or issuance of forms etc	39.24	Others - unofficial facilitation fees for clearance or issuance of forms etc	2.69
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	37.34	Release of goods - difficult, time consuming	2.67
Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	37.02	Refund of duty & access to appeal - complex and difficult processes	2.63
Duty exemption schemes - procedures not transparent, resulting delays	36.08	Declaration of goods procedures - difficult to understand, numerous documents, long approval time	2.53
Classification of goods - AHTN not used, inconsistent	31.65	Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	2.22
Selectivity & examination of goods - no risk management system, long examination	29.11	Payment of duties and taxes - Customs assesses differently, payment problems	2.20

A9. Rubber

	INCIDENCE (42)		SERIOUSNESS (2.70)
Payment of duties and taxes - Customs assesses differently, payment problems	68.85	Release of goods - difficult, time consuming	3.22
Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	52.05	Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	2.84
Duty exemption schemes - procedures not transparent, resulting delays	51.48	Others - unofficial facilitation fees for clearance or issuance of forms etc	2.84
Refund of duty & access to appeal - complex and difficult processes	46.72	Information on regulations and procedures - not accessible, accurate, uptodate, clear, or followed	2.82
Selectivity & examination of goods - no risk management system, long examination	46.45	Payment of duties and taxes - Customs assesses differently, payment problems	2.76
Declaration of goods procedures - difficult to understand, numerous documents, long approval time	36.89	Selectivity & examination of goods - no risk management system, long examination	2.62
Others - unofficial facilitation fees for clearance or issuance of forms etc	34.84	Classification of goods - AHTN not used, inconsistent	2.54
Release of goods - difficult, time consuming	33.61	Declaration of goods procedures - difficult to understand, numerous documents, long approval time	2.52
Classification of goods - AHTN not used, inconsistent	26.23	Duty exemption schemes - procedures not transparent, resulting delays	2.50
Valuation of goods - WTO Transaction Value not used, procedure not transparent, declared values not accepted or replaced by reference prices	26.23	Refund of duty & access to appeal - complex and difficult processes	2.39

Appendix B. Ranking of Individual Barriers in the Priority Goods

B1. Agro-based Sector

Ranking of Barriers based on Incidence	NTM Category	Incidence (60%+)	Seriousness
Product characteristics requirement	T	72	2.70
Customs marking requirements	T	71	2.73
Time period to settle import payment from date of delivery is specified	F	68	2.37
Too many supporting documents for Customs declaration	C	65	2.77
Unofficial facilitation fees are paid to expedite Customs clearance or issuance of forms, permits, etc	C, i	65	2.94
Information on Customs regulations and procedures are not up to date	C, i	64	2.73
Shipments are selected for examination	C	64	2.72
Approval of Customs declaration form takes too long	C, i	63	2.91
Unofficial facilitation fees are requested to expedite Customs clearance or issuance of forms, permits, etc	C, i	60	3.18
<i>Labeling requirements: type and size of print on packages</i>	T	60	2.80
<i>Labeling requirements: consumer information</i>	T	60	3.10
Ranking of Barriers based on Seriousness	NTM Category	Incidence	Seriousness (3.21+)
Import application approval process is lengthy	Q, i	49	3.92
Unofficial facilitation fees requested to expedite issuance of forms	Q, i	54	3.42
High official cost of license	Q	32	3.40
Unofficial facilitation fees paid to expedite issuance of forms	Q, i	54	3.36
<i>Time consuming release of goods from Customs</i>	C, i	57	3.34
Official cost of complying with technical standards is high	T	33	3.31
Unofficial facilitation fees paid to expedite testing and inspection	T, i	50	3.25
Unofficial facilitation fees requested to expedite testing and inspection	T, i	42	3.24
<i>Administrative price-fixing: officially set prices</i>	P	50	3.24
<i>Difficult to obtain release of goods from Customs</i>	C, i	53	3.23
Difficult to appeal against Customs rulings	C, i	57	3.23

B2. Automotive Sector

Ranking of Barriers on Incidence	NTM Category	Incidence (59%+)	Seriousness
Too many supporting documents for Customs declaration	C	72	2.93
Approval of Customs declaration form takes too long	C, i	69	3.15
Time period to settle import payment from date of delivery is specified	F	68	3.23
Information on Customs regulations and procedures is not accessible	C, i	66	3.00
Information on Customs regulations and procedures is not up to date	C, i	66	2.90
Examination of goods takes long	C, i	63	2.89
<i>Need to secure non-automatic import license</i>	Q	63	3.19
Product characteristics requirement	T	62	2.67
Shipments are selected for examination	C	61	2.47
Customs marking requirements	T	61	2.88
<i>Time consuming release of goods from Customs</i>	C, i	59	3.11
Unofficial facilitation fees are requested to expedite Customs clearance or issuance of forms, permits, etc	C, i	59	3.16
<i>Internal taxes and charges levied on imports</i>	P	59	3.19
<i>Administrative price fixing: officially set prices</i>	P	59	3.19
Ranking of Barriers on Seriousness	NTM Category	Incidence	Seriousness (3.36+)
High official cost of license	Q	38	3.96
<i>Regulations concerning the use of credit to finance imports</i>	F	31	3.87
<i>Regulations concerning terms of payment for imports</i>	F	38	3.65
<i>Not all import applications are approved (discretionary)</i>	Q, i	54	3.60
Restrictive foreign exchange allocation	F	55	3.59
Import application approval process is lengthy	Q, i	44	3.58
<i>Importer accreditation system restricts license to certain importers</i>	Q	25	3.56
<i>Bilateral quotas at government or industry level</i>	Q	11	3.50
Advance payments are required when applying for import license	F	41	3.46
Complex duty/tax refund process; difficult to seek refund	C, i	54	3.45
<i>Multiple exchange rates depending on product category</i>	F	35	3.37
Difficult to appeal against Customs rulings	C, i	50	3.36

B3. e-ASEAN Sector

Ranking of Barriers based on Incidence	NTM Category	Incidence (58%+)	Seriousness
Customs marking requirements	T	76	2.92
Approval of Customs declaration form takes too long	C, i	68	3.05
Product characteristics requirement	T	66	3.25
Too many supporting documents for Customs declaration	C	64	3.13
Examination of goods takes long	C, i	63	2.64
<i>Time consuming release of goods from Customs</i>	C, i	63	3.12
<i>Labeling requirements: type and size of print on packages</i>	T	63	3.25
Information on Customs regulations and procedures is not accessible	C, i	62	2.81
<i>Internal taxes and charges levied on imports</i>	P	60	3.15
Shipments are selected for examination	C	59	2.54
Unofficial facilitation fees requested to expedite Customs clearance or issuance of forms, permits, etc	C, i	59	3.09
Detailed product information is required	T	58	2.67
Ranking of Barriers based on Seriousness	NTM Category	Incidence	Seriousness (3.4+)
<i>Labeling requirements: consumer information</i>	T	55	4.25
<i>Imports channeled exclusively through government-approved private entities</i>	M	27	4.00
<i>Use of government-sanctioned national insurance and shipping companies for exports</i>	M	7	4.00
Advance payments are required when applying for import license	F	40	3.67
Unofficial facilitation fees requested to expedite testing and inspection	T, i	35	3.62
Unofficial facilitation fees requested to expedite issuance of forms	Q, i	47	3.58
High official cost of license	Q	37	3.57
High official cost of complying with technical standards	T	32	3.47
Restrictive foreign exchange allocation	F	55	3.44

B4. Electronics Sector

Ranking of Barriers based on Incidence	NTM Category	Incidence (56%+)	Seriousness
Approval of Customs declaration form takes too long	C, i	69	3.03
Too many supporting documents for Customs declaration	C	68	2.68
Customs marking requirement	T	68	3.18
Examination of goods takes long	C, i	64	2.93
Information on Customs regulations and procedures is not accessible	C, i	63	2.77
Product characteristics requirement	T	62	3.04
Shipments are selected for examination	C	61	2.39
<i>Information on Customs regulations and procedures is not accurate</i>	C, i	61	2.77
Time period to settle import payment from date of delivery is specified	F	61	3.19
Information on Customs regulations and procedures is not up to date	C, i	60	2.80
<i>Information on Customs regulations and procedures is not easily understood</i>	C, i	60	2.78
<i>Time consuming release of goods from Customs</i>	C	59	2.88
<i>Labeling requirements: consumer information</i>	T	58	3.19
Unofficial facilitation fees paid to expedite Customs clearance or issuance of forms, permits, etc.	C, i	56	2.94
Ranking of Barriers based on Seriousness	NTM Category	Incidence	Seriousness (3.4+)
Unofficial facilitation fees paid to expedite issuance of forms	Q, i	40	3.93
<i>Global quotas: maximum quantity or value for import</i>	Q	22	3.73
Seasonal or product-specific quotas	Q	16	3.73
Unofficial facilitation fees paid to expedite testing and inspection	T, i	37	3.70
Unofficial facilitation fees requested to expedite testing and inspection	T, i	31	3.69
Unofficial facilitation fees requested to expedite issuance of forms	Q, i	36	3.67
<i>Use of government-sanctioned national insurance and shipping companies for exports is required</i>	M	13	3.60
<i>Prohibitions or bans</i>	Q	23	3.55

B5. Fisheries Sector

Ranking of Barriers based on Incidence	NTM Category	Incidence (54%+)	Seriousness
Shipments are selected for examination	C	68	2.35
Unofficial facilitation fees are paid to expedite Customs clearance or issuance of forms, permits, etc.	C, i	68	2.72
Product characteristic requirements	T *	68	3.83
Time period to settle import payments from date of delivery is specified	F	64	3.43
Restrictive official foreign exchange allocation	F *	62	3.50
Approval of Customs declaration form takes too long	C, i	62	3.11
Too many supporting documents for Customs declaration	C	60	2.71
Unofficial facilitation fees paid to expedite testing and inspection	T, i	60	3.38
Unofficial facilitation fees are requested to expedite Customs clearance or issuance of forms, permits, etc.	C, i	57	3.11
Detailed product information required	T	57	2.20
<i>Pre-shipment procedure, e.g. inspection, certification</i>	Q	57	2.82
Unofficial facilitation fees paid to expedite issuance of forms	Q, i	57	3.33
<i>Labeling requirements: consumer information</i>	T	57	3.00
Customs marking requirements	T	55	3.20
Ranking of Barriers based on Seriousness	NTM Category	Incidence	Seriousness (3.49+)
<i>Exports channeled exclusively through government-approved private entities</i>	M	11	4.00
<i>Use of government-sanctioned national insurance and shipping companies is required for imports</i>	M	21	4.00
<i>Product testing and inspecting takes long</i>	T, i	32	3.89
Product characteristic requirements	T *	68	3.83
<i>Shipment is required to pass through a designated Customs office</i>	T	28	3.80
<i>Quarantine requirement for live cargo</i>	T	34	3.67
Unofficial facilitation fees are requested to expedite issuance of forms	Q, i	45	3.64
Unofficial facilitation fees requested to expedite testing and inspection	T, i	45	3.58
<i>Time consuming release of goods from Customs</i>	C, i	40	3.53
Restrictive official foreign exchange allocation	F *	62	3.50
<i>Direct shipment from origin to final destination is required</i>	T	15	3.50
Difficult to appeal against Customs rulings	C, i	30	3.23

B6. Healthcare Sector

Ranking of Barriers based on Incidence	NTM Category	Incidence (59%+)	Seriousness
<i>Labeling requirement: consumer information</i>	T	74	2.89
Product characteristics requirement	T *	72	3.60
Customs marking requirements	T	70	2.89
Too many supporting documents for Customs declaration	C	70	3.12
<i>Labeling requirement: type and size of print on packages</i>	T	68	3.25
Detailed product information is required	T	68	2.86
Unofficial facilitation fees are paid to expedite Customs clearance or issuance of forms, permits, etc.	C, i	66	2.81
Time period to settle import payment from date of delivery is specified	F	66	2.73
<i>Need to secure non-automatic import license</i>	Q *	62	3.62
<i>Goods inspection by health authorities is required prior to release</i>	T	62	2.83
Unofficial facilitation fees are requested to expedite Customs clearance or issuance of forms, permits, etc	C, i	60	3.11
Approval of Customs declaration form takes too long	C, i	60	3.37
<i>Testing, inspection, and quarantine requirements</i>	T	60	2.88
<i>Packaging requirements</i>	T	55	2.86
Ranking of Barriers based on Seriousness	NTM Category	Incidence	Seriousness (3.46+)
<i>Global quotas: maximum quantity or value authorized for import</i>	Q	15	4.50
Import application approval process is lengthy	Q, i	47	4.16
Seasonal or product- specific quotas	Q	6	4.00
<i>Use of government-sanctioned national insurance and shipping companies is required for exports</i>	M	6	4.00
<i>Importer accreditation system restricts licenses to certain importers</i>	Q	23	3.67
<i>Need to secure non-automatic import license</i>	Q *	62	3.62
Product characteristic requirements	T *	72	3.60
<i>State owned/controlled channel for imports</i>	M	38	3.50
<i>State owned/controlled channel for export</i>	M	9	3.50
<i>Use of government-sanctioned national insurance and shipping companies is required for imports</i>	M	17	3.50

B7. Textile and Apparel Sector

Ranking of Barriers based on Incidence	NTM Category	Incidence (55%+)	Seriousness
Unofficial facilitation fees are paid to expedite Customs clearance or issuance of forms, permits, etc.	C, i	78	2.56
Customs marking requirement	T	76	2.94
Unofficial facilitation fees are requested to expedite Customs clearance or issuance of forms, permits, etc.	C, i	72	2.75
Too many supporting documents for Customs declaration	C	61	2.66
Approval of Customs declaration form takes too long	C, i	61	2.68
Product characteristics requirement	T	60	3.13
Detailed product information is required	T	60	3.25
Unofficial facilitation fees are paid to expedite issuance of forms	Q, i*	59	3.36
Restrictive official foreign exchange allocation	F	58	3.11
<i>Administrative price-fixing: officially set prices</i>	P	57	3.22
<i>Pre-shipment procedure</i>	Q	57	2.84
Unofficial facilitation fees are requested to expedite issuance of forms	Q, i*	57	3.32
Time period to settle import payment from date of delivery is specified	F	56	3.05
<i>Need to secure non-automatic import license</i>	Q	55	2.80
<i>Labeling requirement: type and size of print on packages</i>	T	55	2.86
Ranking of Barriers based on Seriousness	NTM Category	Incidence	Seriousness (3.26+)
<i>Use of government-sanctioned national insurance and shipping companies is required for imports</i>	M	24	3.57
Import application approval process is lengthy	Q, i	54	3.52
Seasonal or product- specific quotas	Q	17	3.50
<i>Goods inspection by health authorities is required prior to release</i>	T	20	3.43
High official cost of license	Q	33	3.43
Advance payments are required when applying for import license	F	37	3.36
Unofficial facilitation fees are paid to expedite issuance of forms	Q, i*	59	3.36
<i>Bilateral quotas at government or industry level</i>	Q	8	3.33
<i>Labeling requirement: consumer information</i>	T	54	3.33
<i>Shipment is required to pass through designated Customs office</i>	T	53	3.33
Prohibitions or bans	Q	24	3.32
Unofficial facilitation fees are requested to expedite issuance of forms	Q, i*	57	3.32

B8. Wood-based Sector

Ranking of Barriers based on Incidence	NTM Category	Incidence (48%+)	Seriousness
Product characteristics requirement	T	62	2.79
Time period to settle import payment from date of delivery is specified	F	61	2.71
Too many supporting documents for Customs declaration	C, i	57	2.77
Approval of Customs declaration form takes too long	C, i	54	2.91
Information on Customs regulations and procedures is not accessible	C, i	52	2.57
Information on Customs regulations and procedures is not up to date	C, i	52	2.57
Customs marking requirement	T	52	2.38
Unofficial facilitation fees are paid to expedite Customs clearance or issuance of forms, permits, etc	C, i	51	2.67
<i>Internal taxes and charges levied on imports</i>	P	51	2.85
Restrictive official foreign exchange allocation	F	51	3.18
<i>Pre-shipment procedure</i>	Q	51	2.18
<i>Information on Customs regulations and procedures is not easily understood</i>	C, i	49	2.72
<i>Administrative price-fixing – officially set prices</i>	P	49	2.82
<i>Reference prices automatically replace declared values when they are lower than the former</i>	C	48	2.73
Unofficial facilitation fees are requested to expedite Customs clearance or issuance of forms, permits, etc,	C, i	48	3.03
Ranking of Barriers based on Seriousness	NTM Category	Incidence	Seriousness (3.19+)
<i>Need to secure non-automatic import license</i>	Q	44	4.20
Seasonal or product- specific quotas	Q	10	4.00
<i>Not all import applications are approved (discretionary)</i>	Q, i	28	3.78
High official cost of license	Q	19	3.56
Import application process is lengthy	Q, i	34	3.40
Unofficial facilitation fees are requested to expedite issuance of forms	Q, i	43	3.36
Complex duty/tax refund process; difficult to seek refund	C, i	38	3.27
Difficult to appeal against Customs rulings	C, i	37	3.21

B9. Rubber-based Sector

Ranking of Barriers based on Incidence	NTM Category	Incidence (56%+)	Seriousness
Time period to settle import payment from date of delivery is specified	F	70	2.92
Unofficial facilitation fees are requested to expedite Customs clearance or issuance of forms, permits, etc.	C, i	69	2.86
Unofficial facilitation fees are paid to expedite Customs clearance or issuance of forms, permits, etc.	C, i	69	2.82
<i>Internal taxes and charges levied on imports</i>	P	69	2.63
Product characteristics requirement	T *	67	3.38
Too many supporting documents for Customs declaration	C	64	2.70
Approval of Customs declaration takes too long	C, i	64	3.12
Information on Customs regulations and procedures are no up to date	C, i	62	2.88
Customs marking requirement	T *	61	3.33
Detailed product information is required	T	61	3.00
<i>Additional charges on imports</i>	P	57	2.73
Restrictive official foreign exchange allocation	F *	57	4.17
Examination of goods takes long	C, i	56	2.69
Ranking of Barriers based on Seriousness	NTM Category	Incidence	Seriousness (3.31+)
Restrictive official foreign exchange allocation	F *	57	4.17
Import application approval process is lengthy	Q, i	49	3.57
<i>Need to secure non-automatic import license</i>	Q	49	3.50
Official cost of complying with technical standards is high	T	23	3.50
<i>Direct shipment is required from origin to final destination</i>	T	23	3.50
<i>Regulations concerning terms of payment for imports</i>	F	38	3.44
Advance payments are required when applying for import license	F	51	3.43
Product characteristics requirement	T *	67	3.38
High official cost of license	Q	33	3.33
Customs marking requirement	T *	61	3.33
<i>Labeling requirements: consumer information</i>	T	39	3.33
<i>Product testing and inspecting takes long</i>	T, i	38	3.33

Appendix C. Ranking of Individual Barriers in the Priority Services Sectors

CI. e-ASEAN Services

Ranking of Barriers based on Incidence	Mode of supply	Type	Incidence (48%+)	Seriousness
Quality standards are imposed	All	S	69	2.76
<i>No duty-free temporary admission of services-related tools of the trade</i>	CP	D	63	2.69
<i>Restrictions on selling or disposal of allocated licenses</i>	CP	S	59	3.00
Period of license validity is restricted	CP	S	56	3.77
License is required to operate in the market	CP	S	53	3.40
<i>Establishments are subject to investment screening by host country</i>	CP	D	50	3.00
<i>Joint venture with domestic firm is required to be formed</i>	CP	S	50	3.00
Unofficial facilitation fees are requested for issuance of forms, licenses, etc.	CP	S, i	50	3.58
Unofficial facilitation fees are paid for issuance of forms, licenses, etc.	CP	S, i	50	3.42
<i>Procedures for duty-free temporary admission of services-related tools of the trade are cumbersome</i>	CP	D, i	50	3.00
Ranking of Barriers based on Seriousness	Mode of supply	Type	Incidence	Seriousness (4.05+)
<i>Limits on the total number of service operations or quantity of service output</i>	CP	Q	19	5.00
Lengthy visa/work permit procedures	MNP	S, i	16	5.00
Other financial measures: higher license or user fees for non-resident or foreign companies	CBS	P	31	4.83
<i>Renewal of license takes long</i>	CP	S, i	31	4.78
<i>Difficult or complicated visa/work permit procedures</i>	MNP	S, i	13	4.25
Limits on geographic market or market segments for locally established foreign suppliers	CP	Q	34	4.20
Additional or higher excise tax on products of non-national/non-resident companies	CBS	P	31	4.83

C2. Healthcare Services

Ranking of Barriers based on Incidence	Mode of supply	Type	Incidence (62%+)	Seriousness
Quality standards are imposed	All	S *	95	4.00
License is required to operate in the market	CP	S *	95	4.36
Period of license validity is restricted	CP	S *	84	4.10
<i>It takes long to obtain a license</i>	CP	S, i *	84	3.40
<i>Restrictions on selling or disposal or allocated licenses</i>	CP	S *	74	4.00
Laws and regulations are not up to date	All	All, i	74	3.15
<i>Limits on temporary entry period of foreign personnel</i>	MNP	D	68	2.56
Enforcement of rules and regulations is unpredictable	All	All, i	63	2.30
<i>Restrictions on legal form of establishment</i>	CP	S *	63	3.43
<i>Renewal of license takes long</i>	CP	S, i	63	3.00
Ranking of Barriers based on Seriousness	Mode of supply	Type	Incidence	Seriousness (3.33+)
License required to operate in the market	CP	S *	95	4.36
Period of license validity is restricted	CP	S *	84	4.10
<i>Limits on the total number of service operations or quantity of service output</i>	CP	Q	21	4.00
<i>Restrictions on selling or disposal of allocated licenses</i>	CP	S *	74	4.00
Quality standards are imposed	All	S *	95	4.00
<i>Validity of license is restricted in terms of geography, jurisdiction or market segment</i>	CP	S	42	3.80
Lengthy visa/work permit procedures	MNP	S, i	32	3.75
<i>Requirements for license application are not clear, e.g. documents</i>	CP	S, i	21	3.67
<i>Limits on the participation of foreign capital</i>	CP	Q	26	3.50
<i>Restrictions on the legal form of establishment</i>	CP	S *	63	3.43
<i>It takes long to obtain a license</i>	CP	S, i *	84	3.40
<i>Limits on the value of transactions or assets</i>	CBS	Q	26	3.33
<i>Limits on the types of services locally established foreign suppliers may supply</i>	CP	Q	37	3.33

C3. Tourism Services

Ranking of Barriers based on Incidence	Mode of supply	Type	Incidence (58%+)	Seriousness
<i>Requirements for license application are not clear, e.g. documents</i>	CP	S, i	83	2.71
<i>License application and renewal procedures are unclear</i>	CP	S, i	80	2.69
<i>Unofficial facilitation fees are requested for issuance of forms, licenses, etc</i>	CP	S, i	68	3.32
<i>Unofficial facilitation fees are requested for visa/work permits</i>	MNP	S, i	66	3.21
<i>Unofficial facilitation fees are paid for issuance of forms, licenses, etc</i>	CP	S, i	61	2.89
<i>Unofficial facilitation fees are paid for visa/work permits</i>	MNP	S, i	59	2.94
<i>Limits on the number of service suppliers</i>	CBS	Q	59	2.82
Ranking of Barriers based on Seriousness	Mode of supply	Type	Incidence	Seriousness (3.52+)
<i>Spouses of intra-company transferees do not have temporary entry privileges</i>	MNP	D	15	4.33
<i>No duty-free temporary admission of services-related tools of the trade</i>	CP	D	20	4.33
<i>Additional or higher excise tax imposed on products of non-national/resident companies</i>	CBS	P	34	3.88
<i>Services prices are regulated</i>	all	P	32	3.83
<i>Restrictions on temporary intra-firm transfer of tools of the trade</i>	CP	D	17	3.83
<i>Procedures for duty-free temporary admission of services-related tools are cumbersome</i>	CP	D, i	17	3.83
<i>Difficult or complicated visa/work permit procedures</i>	MNP	S, i	34	3.75
<i>Eligibility for subsidies is reserved for nationals</i>	CP	P	20	3.60

C4. Air Travel Services

Ranking of Barriers based on Incidence	Mode of supply	Type	Incidence (54%+)	Seriousness
License is required to operate in the market	CP	S *	81	3.42
Period of license validity is restricted	CP	S	73	2.82
Unofficial facilitation fees are requested for issuance of forms, licenses, etc.	CP	S, i	59	2.92
Unofficial facilitation fees are paid for issuance of forms, licenses, etc.	CP	S, i	59	2.71
Laws and regulations are not up to date	All	All, i	54	2.40
Restrictions on temporary intra-firm transfer of tools of the trade	CP	D *	54	3.42
Ranking of Barriers based on Seriousness	Mode of supply	Type	Incidence	Seriousness (3.21+)
<i>Restrictions on selling or disposal of allocated licenses</i>	CP	S	30	4.50
Other financial measures: higher license or user fees for non-resident or foreign companies	CBS	P	46	3.43
Restrictions on temporary intra-firm transfer of tools of the trade	CP	D *	54	3.42
License is required to operate in the market	CP	S *	81	3.42
<i>High cost of obtaining a license</i>	CP	S, i	38	3.22
<i>It takes long to obtain a license</i>	CP	S, i	46	3.21

C5. Logistic Services

Ranking of Barriers based on Incidence	Mode of supply	Type	Incidence (54%+)	Seriousness
License is required to operate in the market	CP	S *	82	3.83
Laws and regulations are not up-to-date	All	All, i	71	3.32
Enforcement of rules and regulations is unpredictable	All	All, i *	69	3.79
Regulatory decision taking is not participatory	All	All *	64	3.91
Period of license validity is restricted	CP	S	60	3.43
<i>Laws and regulations are not easily accessible</i>	All	All, i	58	3.60
Quality standards are imposed	All	S	58	3.30
Unofficial facilitation fees are requested for issuance of forms, licenses, etc	CP	S, i	56	3.53
Ranking of Barriers based on Seriousness	Mode of supply	Type	Incidence	Seriousness (3.66+)
<i>Limits on the total number of service operations or quantity of service output</i>	CP	Q	11	4.33
Regulatory decision taking is not participatory	All	All *	64	3.91
License is required to operate in the market	CP	S *	82	3.83
<i>Restrictions on transfers to parent company in home country</i>	CP	S	38	3.82
Enforcement of rules and regulations is unpredictable	All	All, i *	69	3.79
<i>It takes long to obtain a license</i>	CP	S, i	44	3.75

Appendix D. Ranking of Main Categories of Barriers in the Priority Goods Sectors

D1. All Goods

INCIDENCE		SERIOUSNESS	
Para-tariff measures: price control	46	Quantity control measures	3.20
Customs procedures	45	Finance measures	3.13
Finance measures	42	Technical measures	3.02
Technical measures	41	Para-tariff measures: price control	2.97
Quantity control measures	35	Customs procedures	2.79
Monopolistic measures	17	Monopolistic measures	2.79

D2. Agro-based

INCIDENCE		SERIOUSNESS	
Technical measures	50	Para-tariff: price control	3.11
Customs procedures	49	Quantity control measures	3.09
Finance measures	47	Customs procedures	2.87
Para-tariff: price control	43	Technical measures	2.84
Quantity control measures	40	Finance measures	2.82
Monopolistic measures	18	Monopolistic measures	2.54

D3. Automotive

INCIDENCE		SERIOUSNESS	
Para-tariff: price control	52	Finance measures	3.53
Customs procedures	49	Quantity control measures	3.36
Finance measures	45	Para-tariff: price control	3.09
Quantity control measures	38	Customs procedures	2.94
Technical measures	37	Technical measures	2.89
Monopolistic measures	17	Monopolistic measures	2.64

D4. e-ASEAN

INCIDENCE		SERIOUSNESS	
Para-tariff: price control	52	Monopolistic measures	3.26
Customs procedures	47	Quantity control measures	3.10
Technical measures	44	Finance measures	3.09
Finance measures	41	Technical measures	3.05
Quantity control measures	34	Para-tariff: price control	3.04
Monopolistic measures	14	Customs procedures	2.91

D5. Electronics

INCIDENCE		SERIOUSNESS	
Customs procedures	47	Quantity control measures	3.35
Para-tariff: price control	43	Technical measures	3.27
Finance measures	39	Monopolistic measures	3.22
Technical measures	39	Finance measures	3.06
Quantity control measures	31	Para-tariff: price control	3.01
Monopolistic measures	19	Customs procedures	2.75

D6. Fisheries

INCIDENCE		SERIOUSNESS	
Technical measures	43	Technical measures	3.29
Para-tariff: price control	42	Finance measures	3.27
Finance measures	42	Para-tariff: price control	3.07
Customs procedures	41	Quantity control measures	3.07
Quantity control measures	36	Customs procedures	2.92
Monopolistic measures	16	Monopolistic measures	2.92

D7. Healthcare

INCIDENCE		SERIOUSNESS	
Technical measures	51	Quantity control measures	3.35
Para-tariff: price control	45	Monopolistic measures	3.25
Finance measures	45	Technical measures	3.04
Customs procedures	38	Finance measures	3.03
Quantity control measures	36	Para-tariff: price control	2.82
Monopolistic measures	17	Customs procedures	2.75

D8. Textile and Apparel

INCIDENCE		SERIOUSNESS	
Para-tariff: price control	45	Monopolistic measures	3.18
Technical measures	43	Technical measures	3.18
Customs procedures	40	Para-tariff: price control	3.07
Finance measures	38	Finance measures	3.05
Quantity control measures	38	Monopolistic measures	2.90
Monopolistic measures	19	Customs procedures	2.60

D9. Wood-based

INCIDENCE		SERIOUSNESS	
Para-tariff: price control	40	Quantity control measures	3.20
Customs procedures	40	Finance measures	2.93
Finance measures	37	Para-tariff: price control	2.71
Technical measures	33	Customs procedures	2.69
Quantity control measures	29	Technical measures	2.57
Monopolistic measures	17	Monopolistic measures	2.40

D10. Rubber

INCIDENCE		SERIOUSNESS	
Para-tariff: price control	56	Finance measures	3.37
Finance measures	46	Technical measures	3.20
Customs procedures	42	Quantity control measures	2.99
Technical measures	39	Customs procedures	2.70
Quantity control measures	32	Para-tariff: price control	2.58
Monopolistic measures	18	Monopolistic measures	2.56

Appendix E. Ranking of Main Categories of Barriers in the Priority Services Sectors**E1. All Services**

INCIDENCE		SERIOUSNESS	
General regulatory measures	48	General regulatory measures	3.16
Measures affecting Commercial Presence	41	Measures affecting Commercial Presence	3
Measures affecting Cross-Border Supply	32	Measures affecting Cross-Border Supply	3
Measures affecting Movement of Natural Persons	31	Measures affecting Movement of Natural Persons	2.72

E2. e-ASEAN Services

INCIDENCE		SERIOUSNESS	
Measures affecting Commercial Presence	39	Measures affecting Commercial Presence	4.00
General regulatory measures	34	Measures affecting Cross-Border Supply	4.00
Measures affecting Cross-Border Supply	27	General regulatory measures	3.06
Measures affecting Movement of Natural Persons	23	Measures affecting Movement of Natural Persons	2.86

E3. Healthcare Services

INCIDENCE		SERIOUSNESS	
General regulatory measures	56	Measures affecting Commercial Presence	3
Measures affecting Commercial Presence	43	Measures affecting Cross-Border Supply	3
Measures affecting Movement of Natural Persons	32	General regulatory measures	2.71
Measures affecting Cross-Border Supply	22	Measures affecting Movement of Natural Persons	2.20

E4. Tourism Services

INCIDENCE		SERIOUSNESS	
General regulatory measures	49	General regulatory measures	3.21
Measures affecting Commercial Presence	43	Measures affecting Commercial Presence	3.00
Measures affecting Cross-Border Supply	43	Measures affecting Cross-Border Supply	3.00
Measures affecting Movement of Natural Persons	38	Measures affecting Movement of Natural Persons	2.76

E5. Air Travel Services

INCIDENCE		SERIOUSNESS	
Measures affecting Commercial Presence	44	Measures affecting Commercial Presence	3.00
General regulatory measures	44	Measures affecting Cross-Border Supply	3.00
Measures affecting Movement of Natural Persons	33	General regulatory measures	2.66
Measures affecting Cross-Border Supply	26	Measures affecting Movement of Natural Persons	2.42

E6. Logistic Services

FROM BUSINESS SURVEY			
INCIDENCE		SERIOUSNESS	
General regulatory measures	56	General regulatory measures	3.56
Measures affecting Commercial Presence	38	Measures affecting Commercial Presence	3.00
Measures affecting Cross-Border Supply	33	Measures affecting Cross-Border Supply	3.00
Measures affecting Movement of Natural Persons	30	Measures affecting Movement of Natural Persons	2.91
FROM LOGISTICS SURVEY			
INCIDENCE		SERIOUSNESS	
Malpractices and crime	21	Customs procedures	4.21
Movement of natural persons	20	Malpractices and crime	3.50
Commercial presence	19	Commercial presence	3.33
Customs procedures	18	Cross-border supply	2.62
Cross border supply	16	Movement of natural persons	2.33

ERIA Discussion Paper Series

No.	Author(s)	Title	Year
2009-13	Loreli C. De DIOS	Business View on Trade Facilitation	May 2009
2009-12	Patricia SOURDIN and Richard POMFRET	Monitoring Trade costs in Southeast Asia	Apr 2009
2009-11	Philippa DEE and Huong DINH	Barriers to Trade in Health and Financial Services in ASEAN	Apr 2009
2009-10	Sayuri SHIRAI	The Impact of the US Subprime Mortgage Crisis on the World and East Asia -Through Analyses of Cross-border Capital Movements-	Apr 2009
2009-09	Mitsuyo ANDO and Akie IRIYAMA	International Production Networks and Export/Import Responsiveness to Exchange Rates: The Case of Japanese Manufacturing Firms	Mar 2009
2009-08	Archanun KOHPAIBOON	Vertical and Horizontal FDI Technology Spillovers: Evidence from Thai Manufacturing	Mar 2009
2009-07	Kazunobu HAYAKAWA, Fukunari KIMURA, and Toshiyuki MATSUURA	Gains from Fragmentation at the Firm Level: Evidence from Japanese Multinationals in East Asia	Mar 2009
2009-06	Dionisius A. NARJOKO	Plant Entry in a More Liberalised Industrialisation Process: An Experience of Indonesian Manufacturing during the 1990s	Mar 2009
2009-05	Kazunobu HAYAKAWA, Fukunari KIMURA, and Tomohiro MACHIKITA	Firm-level Analysis of Globalization: A Survey	Mar 2009
2009-04	Chin Hee HAHN and Chang-Gyun PARK	Learning-by-exporting in Korean Manufacturing: A Plant-level Analysis	Mar 2009
2009-03	Ayako OBASHI	Stability of Production Networks in East Asia: Duration and Survival of Trade	Mar 2009
2009-02	Fukunari KIMURA	The Spatial Structure of Production/Distribution Networks and Its Implication for Technology Transfers and Spillovers	Mar 2009
2009-01	Fukunari KIMURA and Ayako OBASHI	International Production Networks: Comparison between China and ASEAN	Jan 2009
2008-03	Kazunobu HAYAKAWA and Fukunari KIMURA	The Effect of Exchange Rate Volatility on International Trade in East Asia	Dec 2008

2008-02	Satoru KUMAGAI, Toshitaka GOKAN, Ikumo ISONO, and Souknilanh KEOLA	Predicting Long-Term Effects of Infrastructure Development Projects in Continental South East Asia: IDE Geographical Simulation Model	Dec 2008
2008-01	Kazunobu HAYAKAWA, Fukunari KIMURA, and Tomohiro MACHIKITA	Firm-level Analysis of Globalization: A Survey	Dec 2008