



# Report on Trade and Investment Barriers (1 January 2017 – 31 December 2017)

## FACTSHEET

### 1. Overall stock of trade and investment barriers

The first chapter of the report presents a numerical analysis, per country, per type of barrier and per sector, of the total stock of 396 active trade and investment barriers registered in the Market Access Database across 57 trading partners.

The report reveals that the nine countries with the highest number of trade barriers still in place are all G20 economies. The highest stock of barriers has been observed in Russia with 36 measures recorded. The country with the second highest number of active barriers was China (25), followed by Indonesia (23), India (21) and Brazil (21). Other third countries with 10 or more trade and investment barriers registered include South Korea (20), Turkey (20), USA (20), Australia (14), Thailand (12), Argentina (11) and Mexico (10).

### 2. Trade and investment barriers reported in 2017

The first chapter of the report also offers a numerical analysis of the 67 new barriers reported to the Commission in 39 third countries in 2017. The highest occurrence of new barriers in 2017 was reported in the trade and investment relations with China (10), followed by Russia (6), South Africa (4), India (3) and Turkey (3). The Euromed region as a whole saw seven new barriers emerge in 2017 - pointing to a regional trend that is further analysed in the report.

The second chapter of the report provides a more detailed analysis of the new barriers reported in 2017, focussing on the countries where at least three barriers were recorded. In this regard, the following barriers are described in the report in detail:

- China (10):
  - Revision of Standard on wines
  - Draft Cryptography Law
  - Administrative Regulation on market Access of New-Energy Automobile Manufacturers and Product
  - Cybersecurity Law

- Restrictions on additives used in materials that may come in contact with food
- Waste import ban
- New certification requirements for low risk food products
- Tariffs on Multi-component semiconductors (MCOs)
- Import conditions related to milk and dairy products (later resolved)
- Quota on New Energy Vehicles starting in 2018 (later resolved)
- Russian Federation (6):
  - Restricted access to wood markets; possible temporary limit or full ban of birch log exports
  - Tax discrimination against imported wines
  - Restrictions on animal product establishments - accept of pre-listing and abolish requirement for listing for low risk animal products
  - Lifting of restrictions from parts of Poland that regained HPAI freedom
  - New Eurasian Economic Union Common phytosanitary requirement
  - Flagged ships in the Arctic
- South Africa (4):
  - SPS measures following avian influenza outbreaks in the EU
  - Difficulty to export Cognac
  - Local Content Requirements
  - Electromagnetic Interference and Compatibility Conformity Assessment Procedure
- India (3):
  - Certain taxes and other measures on imported wines and spirits
  - Indian ban on import of furskins
  - Testing requirements for imported toys
- Turkey (3):

- Export restrictions on hides, skins and wet-blue leather
- Discriminatory treatment between Turkish and EU-produced tractors
- Additional customs duties

In addition, the report also includes figures on the regional trend that the Euromed area experienced, which has led to the rise of barriers in the region to 33 overall (Algeria, Egypt, Israel, Lebanon, Morocco and Tunisia), with Egypt, Algeria and Israel accounting for the highest number of barriers.

- Lebanon (2):
  - Additional duties on import of petroleum products
  - Additional excise duties on alcohol products (later resolved)
- Tunisia (2):
  - Burdensome customs procedures and technical controls in ports on an extended list of products
  - Higher tariffs on "non-essential" consumer products
- Israel (1):
  - New food labelling requirements
- Algeria (1):
  - Import licences
- Egypt (1):
  - Requirement for bill statement "Origin Declaration" EUR 1 to be approved by the Chamber of Commerce of the exporting country

The report also analysed the trade flows potentially affected by all new barriers. In this context, the report shows that our Market Access Partnership helped identify and, more importantly, start the removal strategy of the 67 trade and investment barriers that - taken together - could affect EU exports potentially up to EUR 23.1 billion.

### **3. Trade and investment barriers resolved in 2017**

The third chapter of the report elaborates on the tools used in the Market Access Strategy to address these barriers. The report reveals that 45 of the previously registered trade barriers could fully or partially be resolved in 2017 in 13 different sectors of economic activity – among others aircraft, automotive, ceramics, ICT & electronics, machinery, pharma, medical devices, textiles & leather, agrofood, iron

& steel, wood, paper and services, – as well as horizontally. China was first in line with seven trade barriers resolved in 2017, followed by Brazil, Turkey and Canada (3 each), Argentina, India, Saudi Arabia, Taiwan and United Arab Emirates (2 each).

The following success stories are also described in more detail, focussing on the countries where at least two barriers were tackled:

- China (7):
  - New certification requirements for low risk food products
  - Import conditions related to milk and dairy products
  - Longstanding and unjustified import ban on EU Bovine/Ovine and products thereof due to BSE
  - Update of the National Reimbursement Drug List in China
  - Quota on New Energy Vehicles starting in 2018
  - Aircraft certification in China
  - Clinical Trial Exemption Catalogue for Medical Devices
- Brazil (3):
  - Backlog of market access applications (undue delays)
  - Regulation on allergen labelling
  - Brazilian machinery safety norms (NR12)
- Canada (3):
  - Investment thresholds
  - Member States unable to export from storage centres located in other provincial control units than where the manufactures were based
  - TRQ on wheat and barley and their products
- Turkey (3):
  - Export restrictions on copper scrap
  - Export restrictions on aluminium scrap
  - Import Surveillance regime
- Argentina (2):

- Exporting countries had to be Porcine Reproductive & Respiratory Syndrome (PRRS) free
- Importer sworn declaration for services (DJAS)
- India (2):
  - Pork products (e.g. hams) could only be exported to India if the meat was deboned before curing/drying.
  - Restrictions on imports of plants and plant products relating to fumigation treatments
- Saudi Arabia (2):
  - Saudi Arabia unjustified import restrictions of bovine and sheep meat due to Bovine Spongiforme Encephalopathy (BSE)
  - Ban on imports of poultry and poultry products due to HPAI
- Taiwan (2):
  - Import ban on bovine and bovine products due to BSE
  - Cumbersome and undue delays of import application procedures
- United Arab Emirates (UAE) (2):
  - Control scheme to restrict the use of hazardous materials in electronic and electrical devices
  - Temporary ban on imports of poultry and poultry products due to HPAI

The report also analysed the trade flows potentially affected by these resolved measures and revealed that the resolution of trade barriers in 2017 could positively affect EU exports in the range of EUR 8.2 billion.

As of this year, the report also included a more refined econometric analysis to assess the positive impact of this barrier removal work. The analysis has shown that the Market Access Partnership has contributed to € 4.8 billion additional exports for EU companies per year—in the range of several FTAs and twice as much as in our last analysis (performed in 2015, and covering 2012-2014). The EU is committed to further strengthen its enforcement efforts as protectionism rises abroad.