Support for Economic Cooperation in Sub-Regional Initiatives in Asia (SCSI)

Sanitary and Phytosanitary (SPS) Measures

Status Report on Agricultural Trade between Cambodia, the Lao PDR, Viet Nam and China

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List of Abbreviations

ACFTA	ASEAN-China Free Trade Agreement
ADB	Asian Development Bank
AEC	ASEAN Economic Community
APEC	Asia-Pacific Economic Cooperation
AQSIQ	General Administration of Quality Supervision, Inspection and Quarantine
ARAC	ASEAN Risk Assessment Centre For Food Safety
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
CFDA	China Food and Drug Administration
CI	Consumers International
CIQ	China Inspection and Quarantine
CIQA	China Entry-Exit Inspection and Quarantine Association
CLV	Cambodia, Lao PDR and Viet Nam
C/O	Certificate of Origin
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
FTA	Free Trade Area
GACC	General Administration of Customs of the People's Republic of China
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
GMP	Good Manufactured Practice
GMS	Greater Mekong Sub-Region
INFOSAN	International Food Safety Authorities Network
IPPC	International Plant Protection Convention
ISPM	International Sanitary and Phytosanitary Measures
LNCCI	Lao National Chamber Of Commerce and Industry
MAF	Ministry of Agriculture, Lao PDR
MAFF	Ministry of Agriculture, Forestry and Fisheries, Cambodia
MARD	Ministry of Agriculture and Rural Development, Viet Nam

MME	Ministry of Mines and Energy, Cambodia
MoH	Ministry of Health (abbrev. for Cambodia, China, Lao PDR, and Viet Nam)
MoIC	Ministry of industry and Commerce, Lao PDR
MoIT	Ministry of Industry and Trade, Viet Nam
MoU	Memorandum of Understanding
MRL	Maximum Residue Level or maximum Residue Limit
OIE	World Organization for Animal Health
RCI	Regional Economic Cooperation and Integration
SPS	Sanitary and Phytosanitary
STDF	Standards and Trade Development Facility
TBT	Technical Barriers to Trade
USA	United States of America
USAID	United States Agency for International Development
VAT	Value Added Tax
VFA	Vietnam Food Association
VINAFOOD I	Vietnam Northern Food Corporation
VINAFOOD II	Vietnam Southern Food Corporation
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization

About this document

Commissioned by the German Ministry of Economic Cooperation and Development (BMZ) and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH the "Support for Economic Cooperation in Sub-regional Initiatives in Asia (SCSI)" Programme supports core processes of regional integration in Asia. Among other fields of intervention, the programme focuses on overcoming technical and non-technical barriers to intraregional trade in the agricultural sector.

For this purpose, the SCSI Programme has commissioned the following status report on Sanitary and Phytosanitary (SPS) Measures in Cambodia, Lao PDR, and Viet Nam regarding exports to China. The status report is part of ongoing endeavours in fostering an inclusive regional dialogue, improving national capacities, and enabling the private sector to harness the opportunities of regional cooperation and trade.

For more information, please refer to page 61.

Factsheet Cambodia, Lao People's Democratic Republic (PDR), Viet Nam

	Cambodia	Lao PDR	Vietnam
Population	15,957,223	7,019,073	95,261,021
GDP growth	7% (2016 est.)	7.5% (2016 est.)	6.1% (2016 est.)
GDP (official exchange rate)	$19.37 billion	$13.76 billion (2016 est.)	$200.5 billion
GDP per capita	$3,700 (2016 est.)	$5,700	$6,400 (2016 est.)
Composition of GDP	agriculture: 26.7 % industry: 29.8% services: 43.5 %	agriculture: 21.3% industry: 32.5% services: 39.4% (2016 est.)	agriculture: 17% industry: 39% services: 44%
Agricultural products	rice, rubber, corn, vegetables, cashews, cassava (manioc, tapioca), silk	sweet potatoes, vegetables, corn, coffee, sugarcane, tobacco, cotton, tea, peanuts, rice; cassava (manioc, tapioca), water buffalo, pigs, cattle, poultry	rice, coffee, rubber, tea, pepper, soybeans, cashews, sugar cane, peanuts, bananas, pork, poultry, seafood
Labour force by occupation	agriculture: 48.7% industry: 19.9% services: 31.5% (2013 est.)	agriculture: 73.1% industry: 6.1% services: 20.6% (2012 est.)	agriculture: 48% industry: 21% services: 31% (2012 est.)

Source: CIA Factbook 2016.

1. Introduction

Regional economic cooperation and integration (RCI) is a driving force behind the liberalisation of trade in North and Southeast Asia. Among others, it includes measures to harmonise standards, facilitate cross-border trade, and streamline customs procedures. Although international and regional initiatives and trade agreements have eliminated most trade tariffs, especially agricultural trade faces several non-tariff barriers. For Cambodia, Lao PDR, and Viet Nam (CLV), complying with the requirements of various regulatory bodies such as the Association of Southeast Asian Nations (ASEAN) or the World Trade Organization (WTO) as well as free-trade agreements such as the ASEAN-China free-trade agreement (ACFTA) poses serious challenges. Internationally, as well as regionally, there is growing pressure on lesser developed countries to improve their regulatory systems and increase capacities in line with international rules with regard to sanitary and phytosanitary (SPS) measures (food safety, animal and plant health standards).

With a total trade volume of USD 345,764 billion (2015)[1] and a 12% year-on-year increase, China is ASEAN's biggest trading partner, while ASEAN ranks as China's third[2] biggest partner. With regard to food and agricultural products, ASEAN is China's second largest trade partner.[3] ACFTA includes favourable tariff cuts for foods whereby China mostly exports processed food products while ASEAN exports often comprise raw agricultural materials. As China's demand for agricultural products is expected to continuously increase, there is high potential for economic returns for the CLV countries. Thus, they need to fully develop their SPS capacities in order to meet Chinese demand and to make full use of ACFTA.

ASEAN and China have identified the necessity for, and opportunities from, improving cooperation in quality inspection by signing two Memoranda of Understanding (MoU) on strengthening SPS cooperation and cooperation on technical barriers to trade (TBT) in 2007 and 2009, respectively. However, the ASEAN-China cooperation on strengthening SPS does not provide a special framework to support the CLV countries to bridge the gap with other more developed ASEAN members. International donors were asked to provide special support which resulted in various organisations implementing relevant programmes but progress has been limited.

This report draws on assorted materials, mainly project reports, evaluations, export guidelines and briefings, but also journal articles, information from relevant websites, as well as export numbers and figures from various established databases. It is noteworthy that the material on SPS issues between ASEAN and China is scarce - not only as an aid topic but also in academic scholarship.

Following this introduction, a general overview of SPS definitions and the global SPS regime is given in chapter 2, before China's SPS regime is discussed in chapter 3. A detailed account of SPS-related policies in CLV is presented in chapter 4, followed by a brief mapping of SPS programmes from other do-

[1] ASEAN Secretariat: for detailed data see chapter 8.
[2] Excluding Hong Kong.
[3] Lu Yi, *Challenges in China-ASEAN Food Safety Cooperation Governance Through Soft Law*, Peking University Transnational Law Review, 2015:(1)141.

nors in chapter 5. To provide context for potential export products, Chinese market demands are presented in chapter 6, and some conclusions are drawn in chapter 7.

2. SPS definitions and the global SPS regime setting

2.1 World Trade Organization

Annex A of the WTO SPS Agreement defines SPS measures as including all relevant laws, decrees, regulations, requirements and procedures regarding food safety. These include measures related to, *inter alia*, end-product criteria; processes and production methods; testing, inspection, certification and approval procedures; quarantine treatments including relevant requirements associated with the transport of animals or plants, or with the materials necessary for their survival during transport; provisions on relevant statistical methods, sampling procedures and methods of risk assessment; as well as packaging and labelling requirements directly related to food safety.

On basis of the SPS Agreement which ensures that nations may enact health and safety measures based on sound scientific methods, the WTO sets the framework in which international, regional, and national agencies create and implement SPS standards.

Although the SPS Agreement allows countries to set their own standards these regulations must be based on science. They should be applied only to the extent necessary to protect human, animal or plant life or health and should not be created to arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail. The agreement still allows countries to use different standards and different methods of inspecting products.

The WTO SPS Agreement includes provisions on control, inspection and approval procedures. Governments must provide advance notice of new or changed SPS regulations and establish a national enquiry point to provide information. With regard to TBT, the Agreement states that national technical regulations cannot create unnecessary barriers to international trade.

2.2 The Three Sisters

The Annex to the WTO SPS Agreement names three international SPS standard-setting bodies, whose membership is open to all WTO members and whose standards are drafted in compliance with the Agreement. When members apply these standards they are likely to be safe from legal challenge through a WTO dispute. The Three Sisters are the **Codex Alimentarius Commission (Codex),** the **International Plant Protection Convention (IPPC),** and the **World Organisation for Animal Health (OIE)**.

The **Codex** was established by the Food and Agriculture Organization (FAO) and World Health Organization (WHO) to protect consumer health and promote fair practices in food and is the single most important international reference for food standard development. Further information on the Codex can be found here:

- Joint Expert Committee on Food Additives (JECFA);
- Joint Meetings on Pesticide Residues (JMPR);
- Joint Expert Meeting on Microbiological Risk Assessment(JEMRA).

The **IPPC** facilitates trade agreements to protect cultivated and wild plants by preventing the introduction and spread of pests. The IPPC Secretariat's programme comprises two major areas of work: international standard setting as well as implementation of the IPPC and associated adopted international standards (the so-called International Standards for Phytosanitary Measures (ISPM)).

The **OIE** was created to provide transparency on animal diseases around the world and is in charge of trade standards in the area of animal health.

Other international organizations that play an important role in SPS-related matters include:

- The United Nations (UN), the **Food and Agriculture Organization** (FAO)
- The **World Health Organization** (WHO)
- The **International Food Safety Authorities Network** (INFOSAN) - a voluntary international network of food safety authorities vis-à-vis food safety management
- The **Standards and Trade Development Facility** (STDF) - supports developing countries in building their capacity to implement international SPS standards, guidelines and recommendations as a means to improve their human, animal and plant health status and ability to gain or maintain access to markets.

2.3 Regional agencies

In addition to international (and national) standard-setting bodies a number of regional agencies are also increasingly important:

- The **European Food Safety Authority**
- The **ASEAN Consultative Committee on Standards and Quality**, Prepared Foodstuff Product Working Group
- The **ASEAN Risk Assessment Centre for Food Safety** (ARAC) is an ASEAN risk assessment mechanism to coordinate scientific assessment on food safety issues of common interest in ASEAN, promote the formulation of common management measures on these common food safety issues, and to facilitate efficient utilisation of the scientific resources and avoid duplication of efforts. The website also lists all **ARAC focal points** of the member states:
    - **ASEAN Expert Group on Food Safety**
    - Sectoral bodies such as the Expert Working Group on the Harmonisation of Maximum Residue Limits of Pesticides, under the ASEAN Sectoral Working Group on Crops.

3. China's SPS regime

3.1 Legislation

The SPS regulatory system in China has developed to include the following laws and decrees[4].

Legal Instrument	Promulgated/Amended
Laws	
Law on the Entry and Exit Animal and Plant Quarantine	30.10.1991 / 27.08.2009
Regulations on Implementation of the Law on the Entry and Exit Animal and Plant Quarantine	02.12.1996
Law on Quality and Safety of Agricultural Products	29.04.2006
Animal Epidemic Prevention Law (2013 Amendment), further amended on 24 April 2015	03.07.1997 / 30.08.2007 / 29.06.2013 / 24.04.2015
Regulations on Plant Quarantine	03.01.1983 / 13.05.1992
Regulations on Control of Pesticides	08.05.1997 / 29.11.2001
Regulations on Control of Veterinary Drugs	21.05.1987 / 29.11.2001, 09.04.2004 and 29.07.2014
Regulations on the Administration of Feed and Feed Additives	29.05.1999 / 29.11.2001 and 03.11.2011
Law on Frontier Health and Quarantine	02.12.1986
Law on Import and Export Commodity Inspection	21.02.1989 / 28.04.2002
Food Safety Law	28.02.1989 / 28.04.2002

Legal Instrument	Promulgated / Amended
Rules and administrative measures	
Measures for the Supervision and Administration of Inspection and Quarantine of Import and Export Aquatic Products	AQSIQ Decree No. 135 of 2011
Measures for the Supervision and Administration of Inspection and Quarantine of Import and Export Meat Products	AQSIQ Decree No. 136 of 2011
Measures for the Prevention and Treatment of AIDS at Frontier	AQSIQ Decree No. 139 of 2011
Measures for the Supervision and Administration of Inspection and Quarantine of Import and Export Cosmetic Products	AQSIQ Decree No. 143 of 2011
Administrative Measures on the Safety of Import and Export Food	AQSIQ Decree No. 144 of 2011
Administrative Measures for Registration of Overseas Manufacturers of Imported Food	AQSIQ Decree No. 145 of 2012

[4] As of 27.06.2017 updated and based on WTO Trade Policy Review 2016.

Measures for the Supervision and Administration of Inspection and Quarantine of Import and Export Dairy Products	AQSIQ Decree No. 152 of 2013
Administrative Measures on Quarantine of Entry-Exit Yachts of Hainan Province	AQSIQ Decree No. 152 of 2013
Measures on Inspection, Quarantine, Supervision and Administration of Entry-Exit Non-Edible Animal Products	AQSIQ Decree No. 159 of 2014
Administrative Regulations for Entry-Exit Health Quarantine on Special Goods	AQSIQ Decree No. 160 of 2014
Measures on Entry-Exit Inspection and Quarantine Application Enterprises	AQSIQ Decree No. 161 of 2014

China AQSIQ: General Administration of Quality Supervision, Inspection and Quarantine.

Recent developments

In April 2015 the Standing Committee of China's National People's Congress comprehensively revised the 2009 **Food Safety Law** of the People's Republic of China. The revised law now contains 10 chapters with 154 articles, adding 50 new articles to the old law as well as other revisions. It came into effect in October 2015 and is still being implemented.

The 2015 Food Safety Law is aimed at strengthening the domestic food safety management system. It imposes greater responsibility for food safety on **food producers** and **traders**, and on **local governments**; at the same time it imposes severe **punishments** on those that violate the law. More specifically, the main amendments introduced by the Food Safety Law in 2015 are as follows:

- adjusts the duties of food safety regulatory departments in accordance with the Plan for Reforming the State Council Agencies;
- includes the sale of edible agricultural products in the scope of the law;
- allows food and drug regulators of the people's governments at county level to set up food and drug regulatory offices in towns or specific areas;
- improves the production licensing system for food additives;
- enhances the use of food safety risk monitoring results;
- lists the circumstances (six) under which a food safety risk assessment shall be conducted;
- establishes a food safety risk exchange system;
- calls for the intensification of the links between the formulation of food safety
- establishes a registration system for infant formula powder and formulas for special medical purposes;
- increases the responsibility of food producers and traders for the implementation of food safety management rules;
- imposes requirements on food safety process control;
- establishes food safety self-inspection and reporting systems;
- calls for the establishment of a food safety tracing system;
- improves the food recall system and adds recall obligations for food operators;
- enhances the responsibility of local governments regarding implementation;
- intensifies innovation in regulatory means;
- strengthens industry self-discipline and enhances supervision by consumers' associations;

standards and food safety regulation;
- mandates that national food safety standards be formulated and issued by the health administrative authority of the State Council together with the food and drug regulator under the State Council;
- mandates that the limits of pesticide residues and residues from veterinary medicines, as well as test methods and rules, be formulated by the health administrative and agricultural administrative authorities of the State Council together with food and drug regulator under the State Council;
- imposes strict punishments on violations of laws and regulations; administrative detention is added as penalty, and the limit of administrative penalties is increased;
- bans for life a person once sentenced to a fixed-term imprisonment or more severe penalty due to food safety crimes from engaging in food production and operation; and
- enhances civil liabilities, including consumer compensation and punitive compensation; strengthens civil liability for persons spreading false food safety information.

As a result of the 2015 Food Safety Law, the requirements for foreign companies importing food into China have changed. Exporters or agents (foreign enterprises) that export food to China and importers (Chinese enterprises) that import food **must apply to the state entry-exit inspection and quarantine authority** (local quality and technical supervision departments or CIQ bureaux under the administration of AQSIQ) **through record-filing**. Overseas enterprises that produce food and/or export food to China **must be registered** by the state entry-exit inspection and quarantine authority. To apply for registration, enterprises must be recommended to the Certification and Accreditation Administration of China (CNCA) via a competent authority of the countries (regions) where such enterprises are located or in some other 'prescribed manner'. If a registered overseas food production enterprise has provided false material or if the imported food has been the object of a major food safety issue, the state entry-exit inspection and quarantine authority will cancel the registration of the enterprise and make a public announcement.

3.2 Agencies administering SPS regulation

The primary enforcement powers for food safety used to be divided among six[5] different agencies. Since 2013, the State Council has introduced structural adjustments in an effort to streamline the system by establishing a more centralised system, with the **China Food and Drug Administration (CFDA)** under the State Council responsible for the supervision of food production, distribution and restaurant/catering services.

- The **CFDA** is responsible for drafting laws, regulations and departmental rules to formulate policies to oversee food safety (including food additives and health foods), drugs (including traditional Chinese medicines), medical devices, and cosmetics; and supervising safety in food and drug production.

[5] MoH, MoA, AQSIQ, State Administration for Industry and Commerce, Ministry of Commerce, and State Food and Drug Administration.

- The **National Health and Family Planning Commission** supervises and manages public health; evaluates food safety risks; and formulates food safety standards.
- The **Ministry of Agriculture (MoA)** is responsible for supervising the safety and quality of agricultural products; supervising and managing livestock and poultry slaughtering facilities; and implementing entry and exit animal and plant quarantine.
- The **General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ)** is in charge of national quality, entry-exit commodity inspection, entry-exit health quarantine, entry-exit animal and plant quarantine, certification and accreditation.

AQSIQ serves as China's national enquiry point for SPS. AQSIQ is the 'ministerial administrative organ directly under the State Council of the People's Republic of China in charge of national quality, metrology, entry-exit commodity inspection, entry-exit health quarantine, entry-exit animal and plant quarantine, import-export food safety, certification and accreditation, standardisation, as well as administrative law-enforcement.' Directly under the administration of AQSIQ is the **China Inspection and Quarantine (CIQ)**. CIQ operates under the mandate of AQSIQ and has roughly 35 offices across China, sometimes referred to as Entry-Exit Inspection and Quarantine Bureaux, which serve to maintain a clear line of communication with laboratories and local offices to ensure import quality standards are upheld. They also function as entry-exit port inspection agents with the power to seize goods from foreign exporters in the event of missing or incorrect certification or documentation; and to ensure that CIQ labels are attached to certain categories of imported goods before entering the Chinese market.

The **China Entry-Exit Inspection and Quarantine Association (CIQA)** is a non-profit governmental societal organisation under China's Ministry of Civil Affairs and AQSIQ, comprising Chinese enterprises, institutions, societies, and individuals who operate on a voluntary basis. CIQA functions as a bridge between government and business/civil society in the sphere of entry-exit quarantine and inspection, filling regulatory gaps as needed. Often operating on behalf of AQSIQ overseas, CIQA also works bilaterally with foreign agencies in developing frameworks for coordination and cooperation. To this end, CIQA sponsors technical workshops, seminars, and presentations on increasing cross-sector cooperation, and has the authority to sign MoUs with bilateral partners to facilitate mutually beneficial engagement on issues of imports, exports, and international trade.

China made some 417 notifications regarding adopted or planned SPS measures. Most of the measures notified were not based on international standards. During 2014-2015, WTO members raised concerns regarding specific measures imposed by China on sanitary grounds.[6]

China has been criticised for having an **inconsistent record of SPS notifications to the WTO** meaning some import measures are modified and implemented without prior notice. In addition, AQSIQ's provincial branches have occasionally jumped ahead of AQSIQ in implementing new measures at the port. Under this changing regulatory environment, it is vital for exporters to work closely with Chinese importers to ensure that documentation requirements are met before shipping. Failure to do so could result in delays in products entering the country or even a rejection at the border.

[6] World Trade Organization, *Trade Policy Review: China* [web page] Accessed August 16, 2017. Available from: https://www.wto.org/english/tratop_e/tpr_e/tp442_e.htm

China customs procedures

Customs procedures continue to be regulated by several pieces of legislation.[7] In addition, the **General Administration of Customs of the People's Republic of China (GACC)**, the national authority responsible for customs administration in China, issues administrative customs ordinances and announcements to introduce and implement changes in customs procedures.

Since 2014, decrees and announcements issued by the GACC concerned paperless procedures, the harmonisation of customs procedures throughout China, the imposition of anti-dumping duties, and tariff classification, improving the transparency of customs operations through the disclosure of information. They facilitated the return of imported goods, standardised the registration of customs declaration entities, implemented free-trade agreements and rated enterprises according to their credit history.

In order to facilitate trade, China has launched a series of reforms to make customs procedures more efficient both for imports and exports.

- In 2014, the **registration requirements for customs declaration enterprises were** amended in order to simplify the licensing requirements and the establishment procedures for declaration enterprises. While previously these enterprises were required to obtain an administrative licence to establish branches across the 42 customs areas that exist in China this requirement has since been removed and was replaced by a filing requirement.
- China has launched a pilot programme on the **Reform of Classified Customs Clearance**. Enterprises have been classified, mainly based on their credit rating, as: authorised enterprises, enterprises of general integrity, and 'dishonest' enterprises. Customs clearance continues to depend upon the enterprise's classification and on four other aspects: internal control, financial status, compliance with rules, and trade security. Authorised enterprises, known as Authorised Economic Operators (AEO) (formerly classified AA and A), benefit from more simplified customs clearance procedures.[8]
- The **Reform of Paperless Customs Clearance**, which covers imports and exports via air, sea and land, was launched as a pilot programme in 2013. The programme was implemented across China's 42 customs offices and by 2014 it was applied across the whole country. **The Paperless Reform was not applied to goods subject to licensing or other restrictions**. However, as of 2015, a pilot paperless customs clearance scheme for products subject to automatic import licensing, which had been implemented in the Shanghai pilot free-trade zone, was expanded to Tianjin, Fujian, Guangdong, Ningbo and Suzhou. The pilot scheme covers all goods subject to automatic import licensing, excluding those for which a licence can be used for multiple shipments.

Overall, China has continued to make huge efforts to harmonise customs procedures across its 42 customs areas. However, a high number 'special customs supervision areas', which are governed by differ-

[7] Customs Law of the People' s Republic of China, Regulation of the People's Republic of China on Import and Export Duties, Provisions of the People's Republic of China on the Customs Administration of Declarations for the Import and Export of Goods, Customs Rules on Administration Levying Duties on Imports and Exports.

[8] For further information on requirements for AEO, AA, A, see Hong Kong Trade Development Council, *Guide to doing business in China – General Trade* [web page] Accessed August 16, 2017. Available from: http://china-trade-research.hktdc.com/business-news/article/Guide-To-Doing- Business-In-China/General-Trade/bgcn/en/1/1X000000/1X002LDW.htm

ent regulations, continue to exist. China also applies different customs procedures to specific areas, in some instances on a trial basis before implementing them nationally. More recently, since 2014, China has started to promote the integration of customs areas to harmonise clearance procedures. **Two national supervising offices** in Tianjin and Shanghai were introduced. Additionally, plans have been proposed to create five regional clusters in, among others, Beijing/Tianjin/Hebei, the Pearl River provinces, and the Chang Jiang (Yangtze) River Economic Belt.

Tariffs

According to the WTO, China's average applied most favoured nation tariff rate was 9.9% in 2015, progressively down from 15.3% in 2001. The average tariff was higher for agricultural products at **15.6%** while the average tariff for non-agricultural products was 9.0%.[9]

The **ASEAN members** are among the group of countries[10] to which China offers the lowest preferential tariff of **0.7%** under the ACFTA. The total duty-free rates (as a percentage of total tariff lines) was 94.8%. For agricultural products, an average duty of **1.7%** was levied against imports from ASEAN countries with a 93.6% duty-free rate.

In 2015, tariff-rate quotas, which are also applied to ASEAN members, were applied to 47 tariff lines included in Harmonised System (HS) chapters 10 (**wheat** and meslin, **maize**, **rice**), 11 (cereal flours other than of wheat or meslin, cereal groats[11]), 17 (cane or beet sugar), 31 (mineral or chemical fertilisers), 51 (wool, carded or combed), and 52 (cotton). The in-quota and out-of-quota rates also remained unchanged. The out-of-quota rates are in most cases equal to the bound rates. All in-quota rates are by value, with the exception of the rate that applies to a 'certain portion' of imports of cotton (section 4). According to the authorities, the tariff quota allocation process has not changed since 2013. The most recent information available for tariff quota utilisation dates from 2014.

Imports are subject to **value added tax** (VAT), which is collected by Chinese customs on behalf of the State Administration of Taxation. VAT on imports is charged based on the cost, insurance and freight price plus the import duty. If goods are also subject to the consumption (excise) tax, VAT is calculated on the price including the consumption tax. VAT has two rates: 13% and 17%. Domestically produced agricultural products sold directly by the producer continue to be exempt from VAT, while imported goods are not.

Most of the food and agricultural products fall under the classification of **automatic import licensing** meaning that import licences are legally issued by the issuing agency authorised by the Ministry of Commerce (MofCom). Under the automatic import licensing system, there is **no limit to the number of import licences that can be issued to the importer**, that is, for all goods listed under the licence, the importer could import as long as they apply. The purposes of automatic import licences are the collection and monitoring of statistics, providing the government with information about major goods that could possibly harm domestic industry.

[9] World Trade Organization, *Trade Policy Review: China* [web page] Accessed August 16, 2017. Available from: https://www.wto.org/english/tratop_e/tpr_e/tp442_e.htm

[10] Other countries include Chile, New Zealand, Costa Rica.

[11] HS group includes cassava flour.

3.3 Requirements for exporters

Importers (and exporters) must register as foreign trade operators with the MofCom or its authorised bodies before filing customs declarations. Foreign-invested enterprises (FIEs) may also register as foreign trade operators. They require a copy of the certificate of 'approval of foreign-invested enterprises' to register. **Import (and export) declarations must be made on paper and in electronic formats or completely through paperless procedures, and can be made either by a natural person or by a customs declaration enterprise**.

As of 1 October 2015, **interested foreign food exporters to China must register under the new** AQSIQ registration system and fill out the food exporter application, whereupon AQSIQ will grant the exporter an AQSIQ registration number. Importers (and exporters) need to comply with the **inspection and quarantine requirements of customs and AQSIQ**, as stipulated by law and by the Catalogue of Import and Export Commodities Subject to **Compulsory Inspection**. The Catalogue is amended every year to add or remove commodities as required to protect human, animal or plant health and the environment, and to prevent fraud and safeguard national security.

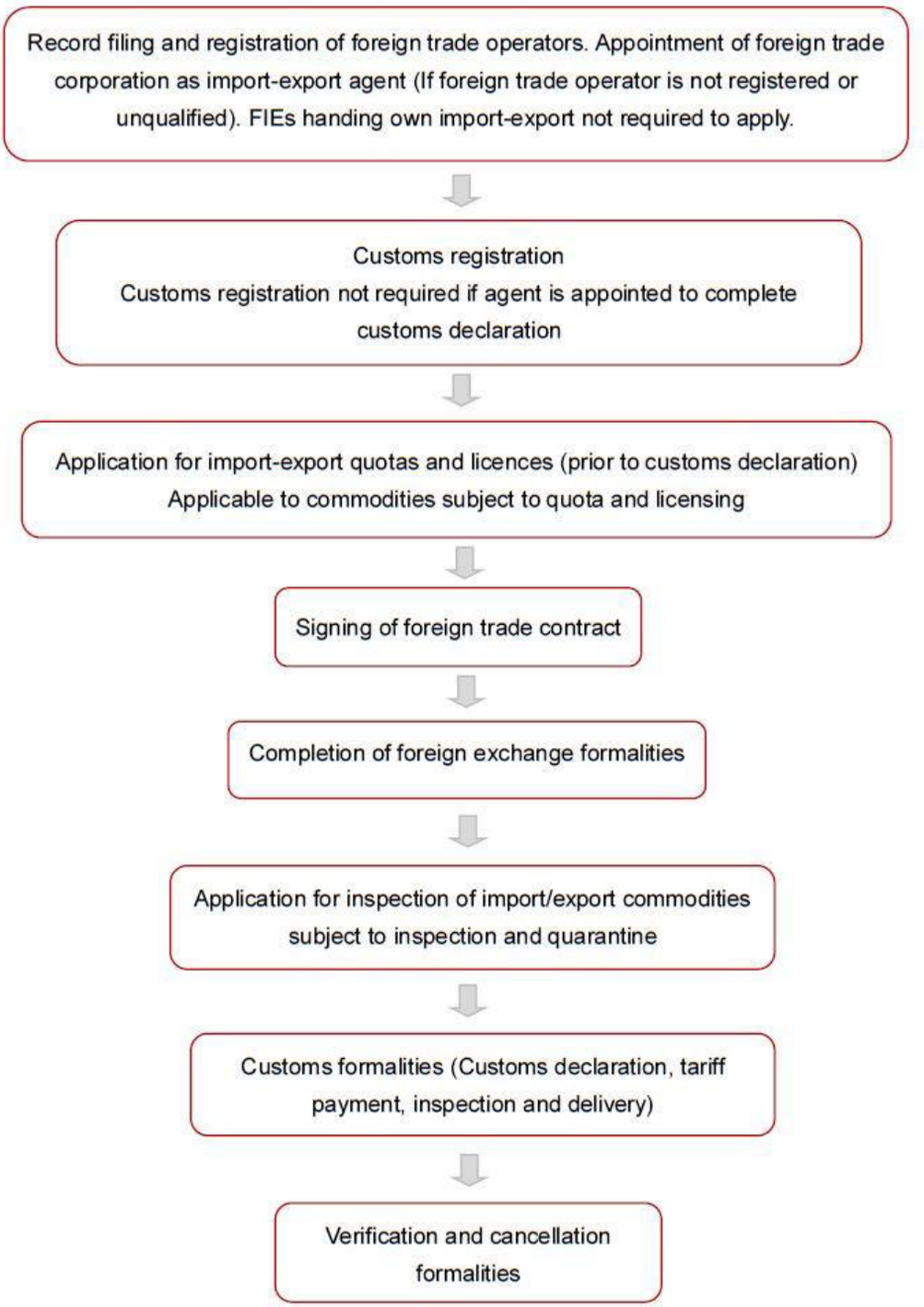
To assess and determine the viability of a product's market access, AQSIQ operates according to the following **criteria**[12]:

- all countries are given the equal opportunity to apply for market access, with an internal minimum of one case per country being processed at any time;
- preference and expedience are given to those categories and varieties of fruit with low pest-carrying risk;
- the applicant's product must be in compliance with existing AQSIQ requirements governing the same or similar products from other regions and areas;
- the exported product must be in accordance with ISPM in order to conduct Pest Risk Assessment and Pest Risk Management;
- the ability of AQSIQ to employ its limited labour resources in processing applications based on the relative complexity of each export application.

Manufacturers of imported food products must also be registered with AQSIQ. There are **documentation requirements** for the majority of imported food and agricultural products, including those relating to quality, quarantine, origin and import control, which vary between products and product categories. Additional requirements may apply to some, such as packaging standards, pre-clearance (if applicable), treatment options, labelling requirements, and container conditions.

[12] Produce Marketing Association, *Exporting Fresh Fruit and Vegetable to China – A Market Overview for Foreign Suppliers*, 2016.

3.4 Import-export flow chart and required documents for imports of special commodities[13]



[13] Source: Hong Kong Trade Development Council, *Guide to doing business in China – Import-Export Flow Chart* [web page] Accessed August 16, 2017. Available from: http://china-trade-research.hktdc.com/business-news/article/Guide-to-Doing-Business-in-China/Import-export-Flow-Chart/bgcn/en/1/1X000000/1X002LCX.htm.

Approval documents required in customs declaration for importers of special commodities

Commodity	Item	Approving authority	Approval documents
Endangered wild animals and plants		Application should be made by the importer to the provincial wild animals and plants adminsitration department, which should prepare a recommendation within 10 working days of the application and submit it together with all application materials to the State Council's wild animals and plants administration department for approval.	Import and Export approval documents
Food products	Pre-packaged food labelling	Application should be made prior to imports by the distributor or agent of imported food products for pre-packaged food labelling examination to the designated inspection and quarantine authorities, which should carry out insoection of format of the label and compliance of the label.	Registration certificate issued by inspection and quarantine authorities upon passing of the inspection
Cosmetics		Record filing management on consignee of imported cosmetics by inspection and quarantine authorities. Application for cosmetics labelling examination should be made by the distributor or agent of imported cosmetics to inspection authorities designated by AQSIQ before submitting the goods for inspection.	Imported goods inspection and quarantine certificate
Drugs	Anabolic agents and peptide hormones	Application should be made by the importer to the China Food and Drug Administration (CFDA), which should decide within 15 days of the acceptance of application wether imports are allowed.	Drugs import licence
	Narcotic drugs and psychotropic drugs	Application should be made to the CFDA	Narcotic drugs import licence or psychotropic drugs import licence

4. Reviewing SPS-related policies in the CLV countries

4.1 SPS Enquiry Points in Cambodia, Lao PDR and Viet Nam

Cambodia

Department of Technical Information and Public Relations/CAMCONTROL[14]

General Department of CAMCONTROL
Department of Technical Information and Public Relations
Ministry of Commerce
50Eo, St. 144, Phnom Penh, Cambodia
Tel.: +855 12 908 080 / 23 426 166
Fax: +855 23 426 166
Email: ccdg@camcontrol.gov.kh
Website: http://www.camcontrol.gov.kh/

Lao PDR

Economic Integration Division, Department of Cooperation, Ministry of Agriculture and Forestry

Economic Integration Division
Department of Planning and Cooperation
Ministry of Agriculture and Forestry
P.O.Box 811 Vientiane, Lao PDR
Tel.: +856 21 415363
Fax: +856 21 412343
Email: spsenquiries@laotradeportal.gov.la
Website: http://www.laotradeportal.gov.la/

Viet Nam

Vietnam SPS Notification Authority and Enquiry Point

Vietnam Sanitary and Phytosanitary Notification Authorities and Enquiry Point
Block A3, no 10 Nguyen Cong Hoan Street, Ha Noi, Viet Nam
Tel.: +84 4 3734 4764
Fax: +84 4 3734 9019
Email: spsvietnam@mard.gov.vn
Website: http://www.spsvietnam.gov.vn/en/home

[14] The Sub-decree No 59 sets out the responsibilities of CAMCONTROL in more detail, including the role as designated contact point or providing information on food safety under the framework of the ASEAN–China cooperation.

4.2 SPS profiles of Cambodia, Lao PDR and Viet Nam

Cambodia, Lao PDR, and Viet Nam face challenges on different levels in ensuring food safety. Most developing economies are confronted with an array of SPS capacity-building needs that exceed available resources, whether from national budgets or donors, as food safety stakeholders from the entire value chain need to be involved. To some extent small farmers and producers struggle to access relevant information on requirements and regulation. Access to information is often difficult and time consuming. Additionally, food security in general and the income of farmers and producers tend to take priority over food safety and SPS regulations are often not designed in an efficient, user-friendly way. Despite recent efforts to improve SPS capacity and food safety, implementation has been slow. In all three countries the issue of food safety has yet to be sufficiently developed to take further advantage of potential trade opportunities within agreements like the ACFTA. As the number and quality of the available sources used to compile the following country profiles differ widely, the portrayals of the three countries are slightly different.

4.2.1 Cambodia

Cambodia has made a lot of efforts to introduce a legal framework and invested in improving laboratory capacity, in order to establish a surveillance system for plant and animal health as well as food safety. However, many of the measures have yet to be fully implemented. The existing product standards and food safety practices face huge implementation and enforcement gaps. This often leads to producers and other internal market actors not adhering to existing standards and practices.

The Ministry of Commerce (MoC)/CAMCONTROL acts as national SPS enquiry point in Cambodia. Altogether, the following administrative organisations are in charge regarding food safety:

- **CAMCONTROL** (the Cambodian Import-Export Inspection and Fraud Repression Directorate-General of the MoC) deals with food and non-food products and fraud. It protects against harm to human health from unsafe goods, as well as harm to people, property and the environment arising from general product issues.
- The **Ministry of Agriculture, Forestry and Fisheries** (MAFF) has a key role in managing and controlling the safety and quality of agricultural products (raw materials) as they enter the food chain. It is responsible for the inspection of phytosanitary issues, agricultural chemical residues, animal health and sanitation and agricultural chemical residues, animal health and sanitation and agricultural material.
- The **Ministry of Health** (MoH) is responsible for administering all aspects of public health, including assuring the safety of food. The Department of Food and Drugs provides guidance on the creation of a fully integrated food control structure, involving all stakeholders in the food supply and food control chain.
- The **Ministry of Mines and Energy** (MME) is responsible for conducting quality controls for manufactured and industrial products, including the inspection and microbiological or chemical analysis of a wide range of products such as bottled water, beer, wine, fish, soy sauce and vinegar. Results of such analyses determine whether a licence is issued.

- The **Ministry of Tourism** registers and provides permits and inspects food outlets, such as food courts and restaurants.

- The General Department of Customs and Excise in the **Ministry of Economy and Finance** assumes the lead role in effectively exercising food safety inspections at international border checkpoints.
- The **Cambodia National Codex Committee** (Codex) is concerned with matters relating to policy on the safety and quality of products and services, consumer protection, fair trade and the coordination of the relevant ministries involved in food safety matters. (The contact point of the Codex is located in CAMCONTROL/the Department of Export Inspection and Fraud Repression, MoC).

In addition to the above-mentioned responsibilities, an **interministerial committee** was introduced to coordinate inspections of the quality and safety of products and services as well as to streamline the overall SPS legislation. It is responsible for introducing ministerial orders, sub-decrees and other regulations on food hygiene, food labelling and packaging. However, so far the committee has been reported to be relatively inactive.[15] Several important pending commitments for improvements continue to be unmet,[16] as the quality of legislation is still facing issues with remaining gaps, overlaps, low compliance with WTO principles, and challenges in implementation. Cambodia does not have a modern food law yet. However, a draft phytosanitary law is pending, while a draft law on animal health and production is in the process of approval. In addition, there is a 2007 law on fisheries. A Sub-Decree for regulations on phytosanitary inspection was recently updated by MAFF in March 2017. Measures to streamline mandates in food safety management[17], as well as management of plant and animal quarantine have yet to be implemented. Cambodia has few national standards or maximum residue levels (MRLs) adopted through national legislation which need to be improved especially in implementation. In short, the following issues remain:

- lack of a risk management function as well as national standards on food safety and management;
- lack of a coordinated food safety policy, disagreements regarding food control management responsibilities, i.e. lack of inter-ministerial coordination and overlapping responsibilities;
- not enough trained personnel, lack of expertise required to work on specific food safety issues and staff administering food safety do not have the appropriate skills; ineffective communication, training and education;
- low focused enforcement activities, particularly a lack of effective border controls (inspection and monitoring);
- absence of consumer representation or consumer voice in food safety matters.

The ineffective SPS policy-making mechanism can be partly attributed to the dispersed responsibilities of competencies for food control which often leads to overlapping and low defined mandates in managing SPS legislation and implementation. The evaluation of a STDF funded project to compile a comprehensive SPS action plan was concluded in 2013 showing the plan has yet to be implemented. At the same time, Cambodia was and is quite involved in respective SPS projects implemented within the ADB driven Greater Mekong Subregion (GMS). Therefore, donor coordination to complement ongoing

15 Consumer International & GIZ, *Food Safety Control Measures – Country Report for Cambodia*, 2013.
16 Findings from the 2011 WTO Trade Policy Review and the draft 2014 Cambodia Trade Integration Strategy (CTIS).
17 2010 Joint Prakas 868 and risk-based border management through the 2006 Sub-decree 21.

projects supporting SPS capacity building effectively is another aspect to improve the overall SPS system.

Inspection and laboratory testing

MoC/CAMCONTROL, MAFF, MME and MoH are all involved in the inspection of goods which leads to duplication and overlapping of roles and responsibilities. CAMCONTROL's inspection capacity is so far the most advanced one. The Government of Cambodia provided USD 2 million worth of sophisticated laboratory equipment to the inspection agency. However, insufficient training of officials and technical staff in enforcement challenges the implementation process.

While some government laboratories provide high-level expertise in particular analyses, laboratory personnel generally often lack training in analytical methods and quality assurance, limiting the overall capacity for food monitoring and disease surveillance. Therefore, international accreditation for national laboratories is still pending. Furthermore, laboratories tend to work in isolation from each other, contributing to overlaps between activities. Additionally, risk analysis has not been fully adopted as a basis for decision-making. Despite the efforts that have been made to support food safety education and training (notably, progress has been made in integrated pest management by programmes administered by the FAO,[18] the United States Agency for International Development (USAID) and SATNET[19]), the vast majority of farmers, food processors, food handlers and consumers remain uninformed about food safety and, as a result, don't have the capacity to comply with modern food quality and safety assurance requirements.

The **food processing industry** in Cambodia is still developing and faces a number of challenges, such as a lack of processing facilities, food processing technology and skills, market analysis and marketing information, sanitation and hygiene knowledge as well as low infrastructure development.

The **Cambodia Trade Integration Strategy 2014-2018** and the **Cambodia 2016-2020 Medium Term Plan for the Implementation of Cambodia's Trade SWAp** acknowledge the issue of deficient SPS capacities and pledge to increase governance in this area. However, these documents do not include plans on how to introduce and implement specific measures.

4.2.2 Lao PDR

The Lao PDR undertook a number of preparatory measures for joining the WTO in February 2013[20] and continues to implement a pending list of commitments to fully comply with the WTO framework. The process to upgrade the SPS legislation was and is supported by a multi-donor effort aimed at enhanced legal quality and improved compliance with WTO principles. To date, the country has only a few national standards and MRLs adopted through national legislation. Furthermore, continued efforts

[18] The FAO Asia Regional IPM/Pesticide Risk Reduction Programme. See http://www.vegetableipmasia.org/countries/view/cambodia

[19] The Network for Knowledge Transfer on Sustainable Agricultural Technologies and Improved Market Linkages in South and Southeast Asia. See http://www.satnetasia.org/sites/default/files/cambodia_training_report-ipm-final.pdf

[20] Lao PDR is the youngest WTO member among the CLMV countries (Cambodia joined in in 2004, Myanmar in 1995 and Viet Nam in 2007).

need to be put into improving the implementation of legislation in import and export procedures. As one measure, the government recently signed an agreement with ADB to enhance SPS management systems. The project within the GMS will support ongoing measures to scale up existing SPS enhancement initiatives, including strengthening surveillance and inspection programs for plant, animal health, and food safety; improving regional cooperation and harmonisation on SPS issues; and enhancing education levels for national SPS specialists.

The **Economic Integration Division, Department of Planning and Cooperation, Ministry of Agriculture and Forestry (MAF)** serves as an **SPS enquiry point**. Further departments in charge of SPS-related matters include:

- the **Department of Agriculture (DoA) of the MAF**, responsible for plant quarantine, control of pesticide use and good agricultural practice;
- the **Department of Livestock and Fisheries (DoLF) of the MAF**, responsible for animal health, food safety of animal products, meat inspection, fisheries products, feed control and use of veterinary drugs and growth enhancers;
- the **Food and Drug Department (FDD) of the Ministry of Health (MoH)** has the main responsibility for food safety.

Frozen meat and fisheries products are understood to be the competence of FDD, while fresh products are under DoLF, although the legislation does not provide specific clarification on jurisdiction.

The MAF has a general requirement for agricultural and forestry enterprises to register with the Office of the Permanent Secretary. The registration can be used to get loans or tax reductions. However, the DoA does not use the registration system for SPS controls. It only requires registration for some risky products such as pesticides and seed.

The three departments lead in national legislation and policy-setting, whereas much of the **implementation is the responsibility of the provinces**. SPS border checkpoint officials fall under the administration of provinces and districts. Provinces in Lao PDR traditionally used to have some autonomy including establishing SPS measures as well as discretionary powers to implement measures. Following the accession to the WTO, the role of the provinces remain relevant in developing administrative decisions for implementation within the parameters set by Ministries at the central level, and in implementing the requirements of legislation issued by the central authorities. On technical matters, officers from the provincial and district offices of agriculture and health are required to seek guidance from, or comply with the guidance issued by, the MAF and MoH. The Department of Planning and Coordination (DoP) of MAF has a coordinating role in SPS and houses the enquiry point but it is not involved in import and export controls. The National Notification Authority is in the Foreign Trade Policy Department of the Ministry of Industry Commerce (MoIC).

Analytic and diagnostic capacity is still insufficient to perform basic functions. So far no laboratory has ISO 17025 accreditation.[21] The Plant Protection Centre and the Animal Health Laboratory have basic capacity for diagnostics of plant pests and animal diseases respectively, while the Food and Drug Control Centre has very limited capacity for food analysis. Capacity for chemical analysis of food and agro-

[21] ISO/IEC 17025 is the standard for which most laboratories must hold accreditation in order to be deemed technically competent.

chemicals still has to be improved. The lack of staff and operational funding are key constraints for the operation of laboratories and development of testing and analytical skills.

The country has 81 national, provincial and local border crossings, 26 of which have plant quarantine officers (of these, 15 are international border checkpoints, in addition to the three international airports). For each shipment, plant quarantine officers are required to check the integrity and identity of the shipment, and to collect statistics. No tasks have been delegated to other agencies, but a government decree stipulates that if there is no plant quarantine officer, customs has to check, inform a plant quarantine officer or take a sample.

Export

Except for rice, for which a permit is required from the MoIC due to food security considerations, all plant products can be freely exported. Although the DoA does not impose any restrictions as to which border posts goods must be exported through, neighbouring countries do have some restrictions.

In order to export maize, fruit or vegetables, the exporter has to visit the office of MAF or a Provincial Agriculture and Forest Office to request a phytosanitary certificate. The request form should be accompanied by:

- an invoice,
- a packing list,
- a phytosanitary import permit of the country of destination, and
- a certificate of origin.

Reported waiting time

Issuance of phytosanitary certificate	3-5 days
Health certificate for export of foods (at request of buyer)	1 week
Issuance of Certificate of Origin (C/O)	1 day at Lao National Chamber Of Commerce And Industry (LNCCI) 3 days at Ministry of Industry Commerce (MoIC)
Mandatory sequence phytosanitary certificate and CO; cannot be done in parallel	4-7 days together
Total lead time for exports of rice - if testing in country of destination is required first	5-14 days up to 4 weeks
Notification border post	3 days ahead of shipment

Costs of retaining all required documents caused by SPS measures are difficult to estimate as **traders do not often get receipts for the fees they pay** and there is often **no transparency about fees that ap-**

ply. Some traders use contract service providers such as freight forwarders or customs brokers to file the paperwork in which fees are not listed individually. Informal payments (such as tea money or under-the-table payments) are common practice.[22]

Thirty-five authorised plant quarantine officers have been appointed and located at the DoA and in nine provinces who can issue phytosanitary certificates anywhere (including at nine of the 15 international border posts). In principle, the certificate can be obtained within one day of making the request, or the next day. The other provinces can do the inspection and forward the inspection report to one of the places that is authorised to issue certificates. In cases of less traded products or special destinations it may take time to find information on the requirements of the importing country. The distance between offices and inspection sites also affects waiting time for the issuance of phytosanitary certificates. The content of the phytosanitary certificate depends on the requirements of the importing country. Lao PDR has no facilities for fumigation or other treatment except wood treatment for ISPM 15.

The legislation on sanitary requirements for **animal and fish products** are still underdeveloped, while trade of animal products has more legislation than fisheries. Therefore, the control system for animal products is also used for fishery products. There may be some potential limited overlap with food safety control by the MoH since legislation and its implementation are still incomplete.

Efforts have been made to increase the transparency and awareness of SPS-related regulation by introducing the Lao Trade Portal. According to an STDF study, most traders claim that regulations are too complex and difficult to read and they feel uncertain about which regulations actually apply.[23] The website also has a page dedicated to the SPS Enquiry Point which includes very useful information such as:

- General export guidelines
- SPS laws and regulations
- Permitted provincial and checkpoint authorizers for phytosanitary certificates in Lao PDR
- Food safety
- Animal health
- Plant health
- Phytosanitary requirements for the export of watermelon, banana and cassava from Lao PDR to China
- Protocol on Plant Inspection and Quarantine Requirements for Exporting Rice from Lao PDR to the People's Republic of China

Capacity-building activities such as training of trainers on how to demonstrate the trade portal to provincial departments of industry and commerce are held to promote the use of the website.

Exporters (and importers) in Lao PDR are facing high logistical and regulatory costs. While SPS measures do not constitute the highest costs, they still form a relatively **high (financial) burden** for traders. High costs hinder profitability and competitiveness and in turn form an incentive for informal trade. In fact the large amount of informal trade and forgery of phytosanitary certificates and certifi-

[22] For more information see STDF.

[23] STDF conducted a study in which various SPS-related stakeholders were interviewed.

cates of origin (C/O) in Lao PDR can be largely attributed to the high transaction costs of formal trade. Furthermore, the SPS system functions too much as a source of fiscal revenue for provinces and is used to generate additional income which limits trade and is **insufficient as a control mechanism against health risks** and as a tool to promote trade.

Lao PDR has phytosanitary market access protocols with China for corn and a number of other products but still lacks the capacity to meet the agreed requirements; therefore, **informal trade often remains the only option for export to China**.

The STDF has provided wide-ranging recommendation for consideration with focus on increasing effectiveness and efficiency of SPS policies:

Counteracting institutional issues including transferring all mandates to collect SPS-related fiscal revenues to the customs authorities, adjusting the number of licences and permits for low or medium risks for commonly traded goods to decrease costs; aligning institutional responsibilities/mandates of control; improving transparency; implementing risk-based controls.

Improve the effectiveness of SPS measures by bringing informal trade gradually under control; focus human and budgetary resources more on facilitating exports and protecting health, and less on administration and document control; make use of safety assurances (such as good manufactured practice (GMP), the hazard analysis and critical control points (HACCP) concept, veterinary/sanitary certificates and phytosanitary certificates) to avoid duplicating controls on safe products.

Improve efficiency to simplify procedures by reducing documentary requirements, eliminating duplication in controls among SPS agencies and with Customs; allowing application forms to be downloaded electronically; publishing general sanitary and phytosanitary criteria for the release of imports and limiting the use of import and export licences and permits for implementing SPS measures, focusing on high-risk products if deemed necessary; avoiding import permits for countries of destination as a condition of the issuance of a phytosanitary certificate, except for products and countries for which phytosanitary requirements are not clear; avoiding tasks that are not required by foreign countries (e.g. do not require mandatory certification in cases where they are not required by the foreign buyer); reducing the waiting times for release processes by setting exact time targets for issuance of documents (e.g. phytosanitary certificates should, as in many other countries, normally be issued within 1-2 days); uncouple the issuance of C/O from the issuance of phytosanitary certificates.

Medium/long-term strategies for reducing transaction costs with introducing a good practice recommendation for border handling by Customs and SPS agencies to reduce the procedural time, including adopting automated and electronic issuance of certificates; engage in bilateral SPS agreements (protocols) with Viet Nam, Thailand and China to improve SPS management with countries with the highest exports; review the funding of SPS management tasks.

Priorities that SPS capacity-building should focus on capacity for substantive control tasks. The most urgent for export promotion are: conducting active and passive pest and disease surveillance of products for export, surveillance of the use of agrochemicals, and promoting GMP, HACCP, and (selectively) good agricultural practices (GAP), prioritised for export products and markets; issuance of phytosanitary and health certificates if demanded by importing countries. Most urgent for the protection of the health of crops, livestock and consumers are: conducting active and passive surveillance of pests and diseases, food products, and agrochemicals, with prioritisation based on health risks and cost-effectiveness; and selectively promoting GAP, and GMP in production and trade. While border con-

trols are a necessary component of SPS management, they generally make a relatively modest contribution to health protection and export promotion. In particular, the effectiveness of border controls needs to be improved. Therefore, capacity for border controls should be proportionate and balanced with capacity for controls behind the border.

4.2.3 Viet Nam

Viet Nam has emerged as a major agri-food exporter and SPS capacity has improved but did not develop and evolve in line with the rapid evolution of the sector.[24] Domestic regulations are often still not compliant with international norms or the standards implemented by many buyers in industrialised countries which are the target market for many of Viet Nam's exports.

While Vietnamese producers manage to successfully meet SPS standards for some products,[25] the capacity varies within agricultural products. For example, fish and fishery products accounted for a big proportion of total rejections in the European Union (EU), United States of America (USA) and Japan.[26]

The SPS Office Vietnam as a unit of the Ministry of Agriculture and Rural Development (MARD) is the main body that performs the transparency-related obligations as required by the WTO's Agreement on Application of Sanitary and Phytosanitary Measures. Its functions are to notify SPS contents and regulations and answer questions thereon; to request information from WTO members on measures and procedures for risk assessment, on inspection, examination and other relevant SPS matters. Other government ministries responsible for SPS include the following:

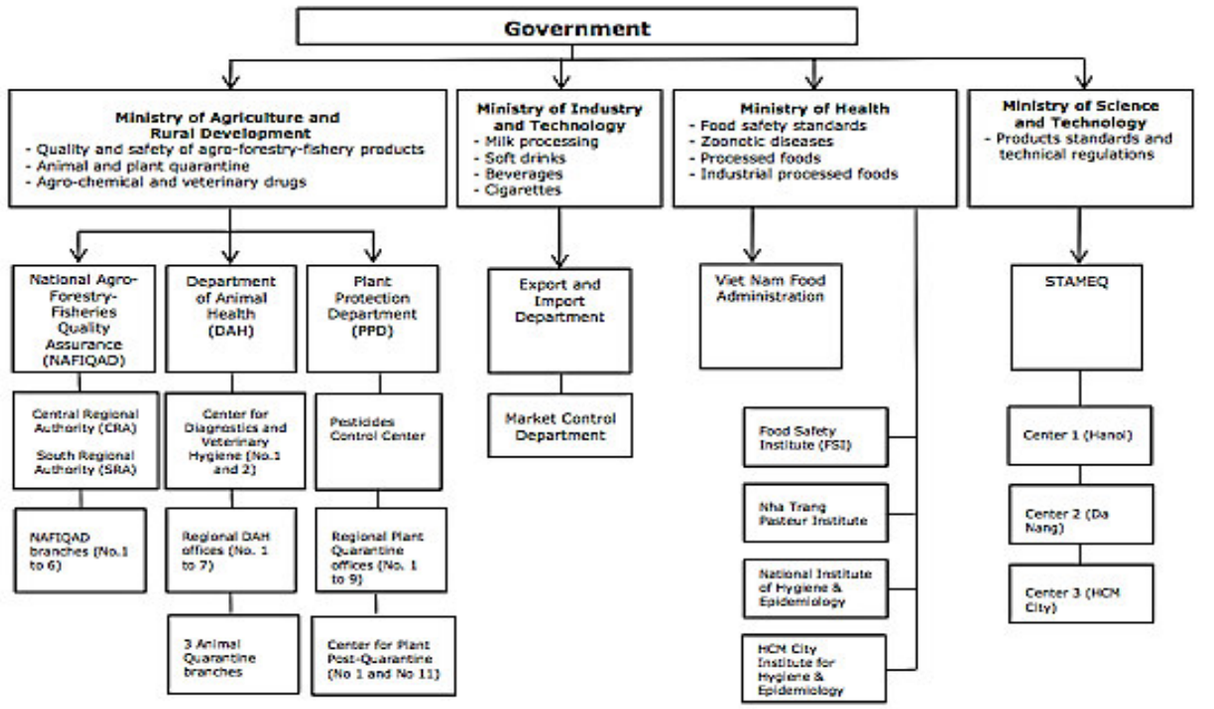
- The **Ministry of Health (MoH)** acts as the national coordinator for food safety and is responsible for supervising food hygiene and safety after slaughter or harvest through all stages of food handling, processing, preparation, labelling and marketing to the consumer and for the safety of imported food.
- The main implementing agency for food safety under the MoH is the **Vietnam Food Administration**[27], which assists the Minister of Health with the management of food safety and is responsible for the coordination of risk management concerning food contamination, carrying out food safety inspections, and the organisation of food safety research.
- The **Ministry of Industry and Trade (MoIT)** is responsible for the production and marketing of alcohol, beer, beverages, confectionary, milk, vegetable oil, flour, starches, and bottled water products.
- The **MARD** is responsible for the agricultural production of animals and crops, slaughter and inspection of livestock, and post-harvest handling of agricultural products.
- Under state management of MARD, **Vietnam Food Association (VFA)** works as a social organisation of enterprises operating in the fields of food producing, processing and trading; supporting members in applying modern technology to meet trading partners requirements.

[24] For a detailed overview of existing legislation of Vietnam's SPS-related laws, see: WTO. Trade Policy Review, 2013 pp.71–74.

[25] The single most important agri-food export commodity is rice, valued at USD 3.7 billion in 2011. Coffee exports totalled USD 2.7 billion in 2011, having grown more than three-fold since 2008. Cashew nuts (USD 1.5 billion) cassava (USD 960 million) and black pepper (USD 732 million) exports were also among the top agri-food exports in 2011.

[26] Cuong, Tran Viet, et al., *Using Multi Criteria Decision Analysis to Identify and Prioritise Export-Related Sanitary and Phytosanitary Capacity-Building Options in Viet Nam*, 2013.

[27] Vietnam Food Administration was established in 1999 under the Ministry of Health. The administration is responsible for managing food hygiene, safety, and quality in Vietnam.



Graphic reproduced from WTO 2013 Trade Policy Review Viet Nam.

A **national food safety strategy for 2011-2020** was approved in 2012 (Prime Minister's decision No. 20/QD-TTg). The strategy sets a general objective of implementing master plans on food safety from production to consumption by 2015, and controlling food safety over the entire food supply chain by 2020.

In 2012, a Decree (No 38/2012/ND-CP) was adopted detailing implementation of some articles of the Food Safety Legislation (FSL). This Decree is based on three important laws including the Law on Food Safety (FS) (2010), the Law on Standards and Technical Regulations (2006) and the Law on Product Quality (2007). The Decree guides the MARD, MoH, and MoIT on implementing provisions of the FSL, including a Declaration of Conformity to Technical Regulations for FS regulations, Safety requirements for genetically modified foods, granting and withdrawing FS certificates for establishments that meet food safety requirements; State inspection on food safety for imported and exported foods; Labelling of food products; and Delegation of responsibilities for state management of food safety to the relevant Ministries including MARD, MoH, and MoIT. In 2011 the Decree (No.38) was notified to the WTO SPS Committee before it was issued. Three ministries (MARD, MoH, MoIT) are currently developing circulars and technical regulations to enforce sections of the decree. Main challenges of the regulatory regime are still limited capacity, weak coordination and a large number of overlapping documents.

While there are numerous documents in the field of food safety, the scope and level of adjustment still overlap and fail to meet the requirements of actual production and circulation. **Producers running small facilities, especially, operate without the business being registered** due to lack of proper man-

agement and often fail to meet safety standards.[28] As only 10% of agricultural land is operated by state-owned enterprises (SOEs), the vast **majority of land is cultivated by household farmers**. For these smallholders it is particularly **difficult to access information** on the system of legal documents and technical standards. An overall strategic document on the access to quality management and the food safety chain does not yet exist.

There have been more than 200 registered exporters with the **VFA**[29]. Nevertheless, the trade remains highly concentrated, with the 10 largest exporters accounting for 70% or more of the total trade and the two main SOEs – Vietnam Northern Food Corporation (VINAFOOD I) and Vietnam Southern Food Corporation Limited (VINAFOOD II) – accounting for 44% of the volume respectively 53% of the value of Viet Nam's rice trade over the 2007-2009 period.[30]

The capacity of testing agencies is still limited, leading to inconsistent enforcement that adds to uncertainty for producers. The large number of legal documents relating to food safety (about 400 documents issued by the central government and ministries and about 1,000 documents issued by local governments), result in overlap and lack a clear focus. Coordination between agencies, risk analysis and identification systems need to be improved, both at the central government level and between central and local government.

5. SPS cooperation and programmes by donors in Cambodia, Lao PDR and Viet Nam

Cambodia, Lao PDR and Viet Nam have received high levels of assistance in the field of food security and food safety in recent years. According to the Mekong Institute, Cambodia was or is the recipient of 410 programmes (of which 22 are ongoing), Lao PDR of 175 (10 ongoing) and Viet Nam 220 (eight ongoing). However, while these programmes include various aspects of food-related development aspects in all sectors, fewer SPS capacity development programmes or programmes to support agricultural trade are being delivered.

5.1 Main actors in SPS capacity-building in CLV countries

The most prominent donor organisations that have been active in the past 10 years regarding SPS capacity development in the region are STDF, FAO and the ADB. In the following, main actors and programmes to support SPS issues in Cambodia, Lao PDR, and Viet Nam are listed.

[28] Nguyen-Viet H, Tuyet-Hanh TT, Unger F, Dang-Xuan S, Grace D, *Food safety in Vietnam: where we are at and what we can learn from international experiences*, Infect Dis Poverty. 2017 Feb 16;6(1):39

[29] Vietnam Food Association is the predecessor of Vietnam Food Import & Export Association which was established on November 13th, 1989. http://www.vietfood.org.vn/en/

[30] Organisation for Economic Cooperation and Development, *Agricultural Policies in Viet Nam*, Paris, 2015, pp. 155-156.

Donor Org.	Recipient	Description
STDF	**Cambodia**	**SPS Action Plan for Cambodia 2009-2010** *Implementing entity/Donor partner: FAO UN* *Programme value: USD 199,360* Several studies were conducted in the period 2005-2009 on how Cambodia could comply with the SPS Agreement to promote trade. Rice, cashews and cassava were identified as areas of agriculture and food production with potential for increased exports which could contribute to economic growth and poverty reduction. However, various weaknesses in SPS capacity were identified as a challenge to realise this potential. The FAO project team and national task force developed an **SPS Action Plan**, which included a set of recommendations on immediate and longer-term actions to improve the operation and performance of the SPS management system in Cambodia. However, as the follow-up report from 2013 shows, the Action Plan was not used for the programmes that followed, due to the lack of coordination with other donors.
Multiple Donors	**Cambodia**	**Trade Sector-Wide Approach (SWAp) since 2000** The aim is to coordinate the efforts and resources of the Cambodian Government, Cambodian stakeholders and development partners on a single, shared strategy to develop Cambodia's trade sector. The mechanism also includes a working group on agriculture and agro-industry. **The Trade Development Support Programme (TDSP) 2009-2012** *Project value: USD 12.6 million* The programme was structured to finance activities in trade-related agencies, with overall management by the Ministry of Commerce. The allocation was be derived from the Trade SWAp. The TDSP would be financed from resources mobilised through the MDTF, which is a multi-donor trust fund administered by the World Bank. Component 1a '**Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS)**' supported activities to accelerate the implementation of the Government's commitments in the area of SPS and TBT.
	Cambodia	The main objective of this project is to enhance Cambodia's national capacity to formulate, implement, manage and monitor a pro-poor trade policy that is consistent and supportive of the country's National Strategic Development Plan.
STDF	**Lao PDR**	**Strengthening Lao PDR's capacity to gain and maintain market access for fresh fruit and vegetable produce to the EU and other potential markets 10/7/2017-31/12/2017** *Project value: USD 34,670* Project Preparation Grant to conduct studies on ongoing and planned projects supporting the SPS sector (with a particular focus on the fresh fruit and vegeta-

		ble sector), and identify critical SPS capacity-building needs, gaps and possible synergies with other ongoing or planned activities; to analyse constraints faced by the fruit and vegetable sector in terms of compliance with the SPS requirements of importing countries (including the EU) related to the detection of quarantine pests, microbial and pesticide contamination, and explore options to overcome these to enhance market access; and conduct a workshop to discuss and confirm the priorities identified during fieldwork and develop a focused project proposal to address weaknesses in Lao PDR's existing SPS system with the aim of strengthening and augmenting the export of fresh fruit and vegetable products to the EU and other potential markets.
WB, AusAID, EU, GIZ	**Lao PDR**	**Laos PDR Trade Development Facility (TDF) Project 18/11/2007-31/3/2013** *Project value: USD 7.6 million* The programme's aim is to support the establishment of the National Integrated Framework Governance Structure (NIFGS) and implement NIFGS's initial activities facilitating trade and cross-border movement of goods and increasing the capacity of the Government to undertake specific tasks related to regional and global economic integration. **One of the six components is the SPS and Technical Barriers to Trade (TBT) Framework** (USD 1.736 million): It consisted of five sub-components (PAD, p. 31): (i) institutional, legal and regulatory reform and adjustment for SPS; (ii) preparation of risk-based policies and control measures for SPS; (iii) strengthening the private sector role in managing SPS; (iv) a unit to implement the SPS component and strengthen coordination with other SPS projects; and (v) institutional, legal and regulatory reform and adjustment for technical barriers to trade. It involved activities across a number of government agencies, aimed at facilitating international trade and improving food safety, animal and plant health. As part of the programme, a review of all existing SPS legal instruments, and an assessment of compliance with international obligations and standards was carried out. Legislative amendments and new drafts were developed, and international standards were incorporated while adhering to the Lao legislative tradition. From November 2011 to March 2013, during the first implementation stage of the project, a total of 15 pieces of legislation were produced. During the first six months, four texts were approved.
STDF	**Viet Nam**	**Strengthening Vietnamese SPS capacities for trade - improving safety and quality of fresh vegetables through the value chain approach 1/3/2010-31/8/2012** *Implementing partner: Viet Nam Fruit and Vegetable Research Institute; Other partners: FAO* *Project value: USD 641,470* This project aimed to enhance the SPS capacity of the vegetable value chain in Viet Nam to help the country capture market opportunities in domestic and international markets. The focus was on updating existing cultivation and post-harvest handling practices based on GAP and the Farmer Field School approach.

ADB	**Viet Nam**	**Trade facilitation: improved sanitary and phytosanitary handling in the Greater Mekong Subregion trade project 20/11/2012-31/12/2018** *Project value: USD 11 million* The project is aimed at strengthening institutions and operational and management capacities in the area of SPS and food safety management in Viet Nam and will enhance capacities needed to operate cost-effective SPS systems that facilitate trade and protect health. The project will focus on GMS trade in food products for which SPS food safety measures apply; in addition to establishing, strengthening and implementing surveillance and inspection programmes for food safety. This will include selective strengthening of the food safety handling capacities of restaurants in the Viet Nam tourist areas; and promote regional cooperation and harmonisation for SPS. It addresses major GMS concerns for SPS (including food safety), especially weak harmonisation and coordination with regional and international SPS and food safety requirements, and more specifically insufficient institutional contacts and trust in others' systems; main gaps in capacities among countries.
ADB	**Cambodia & Lao PDR**	**Trade facilitation: improved sanitary and phytosanitary handling in the Greater Mekong Subregion trade project 26/6/2012-28/2/2018** *Project value: USD 11 million* Strengthening sanitary and phytosanitary systems (SPS) to facilitate trade and protect public health. The project will establish and enhance surveillance and inspection programmes for plant health, animal health, and food safety. It will improve training of specialists, and promote regional cooperation and harmonisation of SPS measures.
FAO/ Japan	**ASEAN**	**Support to capacity building and implementation of international food safety standards in ASEAN countries 1/2/2016-31/1/2021** *Project value: USD 2,260,700* The main objective of the project is to strengthen the capacities of ASEAN countries in contributing to Codex standard-setting and in implementing the adopted Codex standards. This project also contributes to establishing trust between ASEAN countries and the donor as well as successful sessions of the FAO/WHO coordinating committee for Asia and constructive development of Codex standards.

As SPS regulations and administrative procedures can vary among large importing countries, programmes aimed at enhancing SPS capacities do not guarantee successful exports. Therefore, it is imperative to include specific capacity-building for the requirements of each destination country and include multilateral cooperation mechanisms.

Regional cooperation mechanisms

China and ASEAN signed a MoU on strengthening SPS cooperation in 2007. Furthermore, the ACFTA 2012 Protocol incorporates TBT and SPS measures into the Agreement on Trade in Goods. The cooperation includes Ministerial meetings which take place every two years, as well as three working groups on Animal Inspection and Quarantine, Plant Inspection and Quarantine and Food Safety. Meetings of

SPS Contact Points are held back-to-back with the Ministerial Meetings. Areas of cooperation include establishment of information notification and communication systems; exchange visits for relevant personnel of the Parties; organisation of training, seminars, conferences and similar activities to narrow the development gap between ASEAN and China; collaborative research in the areas of mutual interest; and establishment of a mechanism for consultation. More information on ASEAN-China Cooperation can be found on the **China-ASEAN SPS website**, administered by China. The website does not provide any details of the Contact Points and is not fed with regular updates by member countries with notifications or outcomes from working groups. It appears that ASEAN members that already have the capacity to meet Chinese standards are more engaged in SPS cooperation activities on a working level with China. For example, CLV countries did not send participants to the Workshop on China-ASEAN SPS Cooperation Information Website held in June 2016, while Indonesia, Malaysia, the Philippines and Thailand did send delegates. Chinese participants were from the CNCA of AQSIQ, the Division of Risk Control, the Division of Supervision on Animal & Plant Quarantine and the Division of Food Safety Supervision of Guangxi CIQ.

CLV countries seem not to be fully included in SPS cooperation within the ACFTA mechanism. While CLV countries are supported in SPS capacity-building activities by various bilateral programmes or within the GMS framework, programmes specifically targeted to facilitate trade with China were not identified.

ASEAN introduced the ASEAN Food Safety Network back in 2003 as a mechanism to exchange information. In 2015 the network was replaced by the establishment of the **ASEAN Risk Assessment Centre For Food Safety** (ARAC). ARAC was introduced to serve as a regional coordinating centre for independent food safety risk assessment in ensuring health and to facilitate its food trade by coordinating the implementation of food safety risk assessment within ASEAN; strengthen the capacity on the risk assessment of AMS; facilitate the sharing of information and experience on risk assessment; provide a pool of qualified experts on risk assessment; and coordinate and communicate with relevant ASEAN Sectoral Bodies and collaborative partners.

5.2 Compilation of existing export guidelines

5.2.1 Export guidelines to China

The **Global Agricultural Information Network's Exporter Guide for China 2016** provides practical tips to US agricultural, forest and fishery companies, but is also useful for information on requirements from the Chinese side and on how to conduct business in China. The report includes local business practices and a general review of consumer preferences, food standards and regulations, and import and inspection procedures.

The Produce Marketing Association has published a **Market Overview and Guide for Foreign Suppliers for Exporting Fresh Fruit and Vegetables to China**. It provides an overview of Chinese governing bodies, market entry strategies for imports to China, distribution channels, future opportunities and challenges, as well as recommendations to companies wanting to export to China.

The EU SME Centre has published a **brief introduction** on what you can expect when you decide to export your goods *from EU countries to China* including a section (pp. 12-17) on exporting food to China.

5.2.2 Cambodia

The **Cambodian National Trade Repository** **provides guidelines on import to, and export from, Cambodia** including information on registration, prohibited and restricted goods, SPS requirements, technical requirements, customs declarations, classification and value verification, ASYCUDA (an automated system for Customs data), payment of duties, CAMCONTROL and CoOs. The UN's Economic and Social Commission for Asia and the Pacific (UNESCAP) has published a **comprehensive business process analysis on the export of cassava and maize from Cambodia**. The description includes all relevant information on processes, such as conclusion of sales and contract terms, arrangements for transport, phytosanitary certificates, inspection, cargo inspection, application for CoOs, container handling at the port, customs clearance at the port and the preparation of documents for the importer.

5.2.3 Lao PDR

The Lao Trade Portal published a **guide to import and export** in June 2012, which provides detailed information on how to export from Lao PDR. UNESCAP has published a **comprehensive business process analysis** on the export of maize from Lao PDR.

5.2.4 Conclusion

While a number of export guidelines for food, fruit and vegetables have been published in cooperation with various donor organisations, there seems to be a **gap regarding guidelines for export from CLV countries to China**.

6. Demands of the Chinese market

China is the largest producer of fresh produce in the world, accounting for over 50% of global vegetable and 20% of global fruit production; with an agricultural sector that comprises 13% of China's total GDP.[31] Almost all of the produce is consumed domestically, which is a unique feature of China's fruit and vegetable production system. China is faced with the challenge of ensuring enough food for 22% of the world's population with only 7% of the world's arable land. The US DoA, along with several other sources, has projected continued growth in Chinese agricultural imports up to 2023.[32]

China's most significant imports are oilseeds and oils. Imports of oil cake and other solid residues from soybean have increased 37.7% in quantity to 18,077 T and 18.55% in value to USD 13,494 million in 2016. The import of edible vegetable oil has decreased 0.8% but rose 9.8% in value to USD 4.2 billion. Similarly, the import of soybeans, which are processed to oil, has decreased 1.4% in quantity but rose 10.1% in value to USD 34 billion.

China has become a net importer of grain. Import of grain has decreased 6.5% in quantity but risen 3.3% in value to USD 42 billion. Import of cassava has increased 2.3% and decreased in value to USD 1.4 bil-

[31] Produce Marketing Association, *Exporting Fresh Fruit and Vegetable to China – A Market Overview for Foreign Suppliers*, 2016.
[32] United States Department of Agriculture Global Agricultural Information Network, *China's Growing Demand for Agricultural Imports*, 2015.

lion. Import of maize has increased 6.3% in quantity and 0.7% in value to USD 639 million. China has swung from being a net exporter to a net importer of corn. Demand for animal feed is a significant factor in China's agricultural import growth. However, grain production and imports, particularly of rice, maize and soybeans are subject to government policies to ensure food security. Therefore, Chinese grain demand can fluctuate and exporters need to closely monitor the policies that affect prices and demand. For example, due to corn overcapacity, China has announced a reduction in imports by 1 million tonnes from January 2017 to 2 million.[33] This means that demand on corn will be significantly reduced in the short term. The Chinese government has adjusted its policies towards reducing corn production and to increasing soybean production.[34] As Cambodia and Lao PDR are corn producers, this trend of lower demand for corn will affect their exports. Rice production constitutes a large portion of agro-industry in all three CLV countries. Viet Nam has been a very successful rice exporting country. China is one of Viet Nam's biggest rice customers and their import volume accounts for one third of the Viet Nam's total rice export volume.

For **Cambodia** and **Lao PDR** it is important to monitor China's rice policy and tariff-rate quota, which are based on a first come first served basis, in addition to strictly following all requirements.

In recent years, China has had a strong demand for fresh fruit: from 2014 to 2016 fresh fruit imports increased annually by 23%. Along with Chile, Thailand, the Philippines, Peru and Ecuador, Viet Nam was able to achieve rapid growth in their fruit export to China. Viet Nam is the third biggest exporter of fresh fruit and constitutes 10% of Chinese imports. Vietnamese farmers have been attracted to fresh fruit and vegetable production by the significantly higher returns in comparison with other commodities such as rice, tea and maize.

According to Trademap data, Cambodia and Lao PDR had little to no success in harnessing China's demand for fresh fruit: Cambodia was able to increase exports of coconuts, Brazil nuts and cashew nuts.[35]

Import of food by quantity and value, December 2016[36]						**Unit: USD 1,000**	
Commodity	Quantity unit	Dec		Year to date		Percentage change	
		Quantity	Value	Quantity	Value	Quantity	Value
Fresh or dried fruits and nuts	10,000T	36	533,309	397	5,705,360	0.2	22.3
Of which:							
Bananas (incl. plantains), fresh or dried	T	83,458	35,139	887,192	585,483	-25.5	-49
Fresh longan	T	76,697	44,615	348,455	270,213	-0.2	-31.6
Grain food	10,000T	1,122	4,512,604	11,468	41,507,643	-6.5	3.3
Of which:							

[33] United States Department of Agriculture Global Agricultural Information Network, *Grain and Feed Annual – China Unloads Corn*, 2017.

[34] United States Department of Agriculture Global Agricultural Information Network, *Grain and Feed Annual – China Unloads Corn*, 2017.

[35] For China's fresh fruit import data from CLV countries, see chapter 8.2.2.2.

[36] Table acquired from HKTDC and adjusted to list the items with the highest import rates. For a full version, see chapter 8.

Cassava	10,000T	70	120,298	770	1,395,075	2.3	-10.9
Cereals and cereal flour	10,000T	144	430,716	2,199	5,705,032	-30.8	-30.5
Of which:							
Maize	10,000T	14	38,758	317	638,557	6.3	0.7
Wheat; maslin	10,000T	23	49,494	341	815,851	4.2	-14.5
Of which:							
Wheat or maslin flour	T	4,828	2,062	37,362	14,825	0.4	-1.6
Barley	10,000T	40	90,466	500	1,141,938	-11.3	-21.3
Rice （including rice in husk）	10,000T	44	203,309	356	1,614,077	11.3	9
Sorghum	10,000T	20	40,976	665	1,428,165	-77.1	-81.1
Soybeans	10,000T	900	3,927,236	8,391	33,984,686	-1.4	10.1
Edible vegetable oil	10,000T	76	573,632	553	4,163,928	-0.8	9.6
Of which:							
Soybean oil and fractions	10,000T	4	30,136	56	452,077	133.3	136.9
Ground-nut oil and fractions	T	3,986	5,273	106,963	150,985	-49	-47.5
Olive oil and fractions	T	4,929	20,848	45,425	195,836	-18.1	-27.9
Palm oil and fractions	10,000T	51	343,300	316	2,010,527	-4.1	13.5
Rape or mustard oil and fractions	10,000T	6	47,993	70	523,903	-42.5	-38.8
Oil cake and other solid residues from soybean	T	3,307	2011	18,077	13,494	37.7	18.5
Agricultural products	--	-	11,365,530	-	110,646,112	-	3.3

7. Conclusion

As shown in chapter 3, China's SPS regime itself is undergoing a process of transformation. It is therefore a challenge for all exporters to keep informed of changes to regulations and agricultural production policies. For developing economies and their development partners it is important to closely monitor changes regarding both SPS regulation and changing market demands in order to build SPS capacity in a sustainable and effective manner. It is especially important that when prioritising SPS investment for market access in certain trade sectors over others, cost-benefit considerations should be streamlined in a structured way. To assist with this, STDF has developed a framework for a tailored approach to prioritising SPS capacity needs.

Box 10. Key questions to ask in the sifting exercise

- **Is the problem recorded a real SPS issue?** In other words, are exports constrained by weaknesses in food safety, plant health or animal health capacity, or due to non-conformity with other factors (e.g. product quality or labelling requirements, which are not SPS issues)? Furthermore, is the SPS compliance problem currently relevant, has it been solved or has the export market relaxed or changed their requirements so they are no longer problematic?

- **Is the option really related to trade?** Sometimes capacity-building needs are defined that do not relate to trade, but instead to food safety, animal health or plant health controls that have no direct consequence for exports. These should normally be excluded since the focus of the analysis here is on export-oriented SPS capacity-building investments.

- **Is the option economically viable?** For example, if the option relates to establishing new exports, is there evidence that demand exists for the product concerned in the defined target export market(s) and that this demand can be fulfilled in a commercially-viable and sustainable manner given prevailing production costs, transport capacity, reliability and costs, etc.?

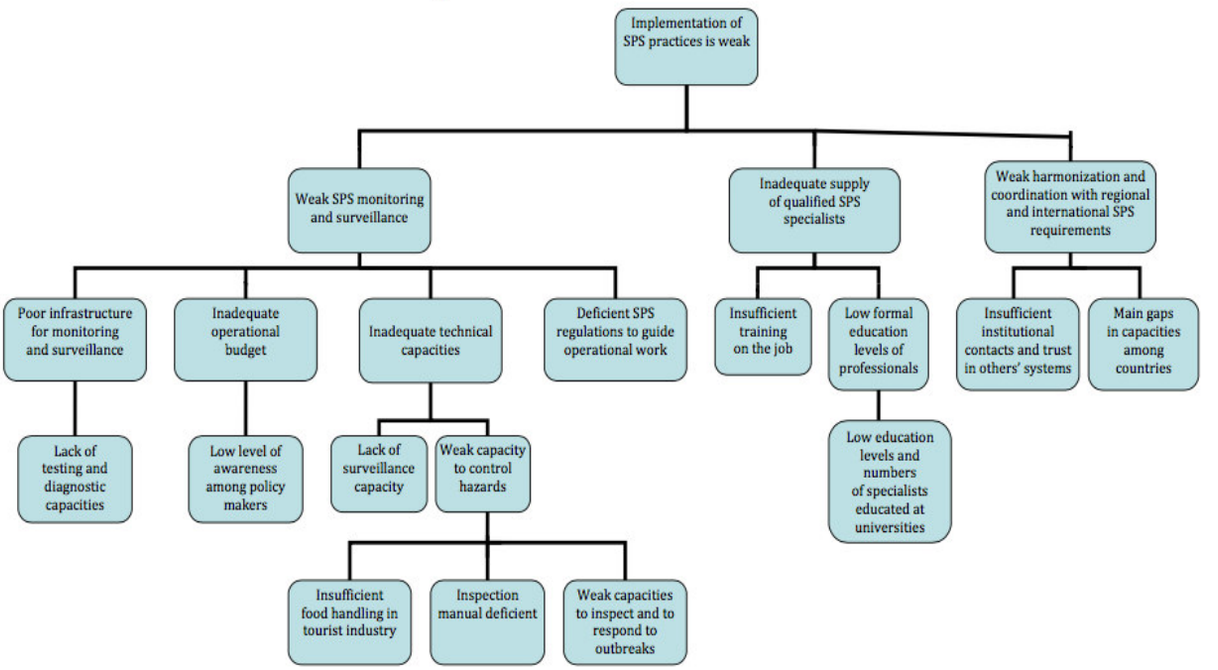
- **Are the sector concerned and the level of existing and/or potential exports substantive?** In some cases, export-oriented SPS capacity-building options may be proposed that relate to a small sector, perhaps consisting of only a single firm, or to levels of exports that are insignificant in the context of the overall level of agri-food trade. If so, the impacts of any investments in the associated SPS capacity are likely to be minimal and this option will almost automatically be ranked low in the quantitative priority-setting exercise. This emphasises the need to consider each of the proposed options in the context of the wider agri-food sector and structure of exports.

- **Are there other SPS or non-SPS capacity gap(s) that also need to be addressed?** In some cases, trade is impeded by multiple SPS issues, and/or unrelated capacity constraints, not all of which may be immediately apparent. For example, whilst an option may relate to a particular plant pest, it might be that other plant pests also need to be addressed in order to gain access to the target export market(s) or that product quality is the ultimate constraint. This may require that other capacity-building options in the choice set are undertaken simultaneously, that the scope of the option under consideration is expanded, or that the option is excluded altogether, etc.

Source: STDF, Prioritizing SPS Investments for Market Access (P-IMA): A Framework to inform and improve SPS decision-making processes*, 2016.*

The review of SPS-related policies in the CLV countries in chapter 4 and the overview of SPS programmes and regional cooperation mechanisms have provided some in-depth perspectives on progress as well as issues that exporters and development partners were confronted with. In all three countries, Cambodia, Lao PDR, Viet Nam is still a lot that needs to be done to improve SPS capacity and to harmonise regulations with other markets, such as the ASEAN Economic Community (AEC) as well as China, Japan and the EU. There have been multiple studies by various organisations such as STDF, Consumers International (CI), the Asian Development Bank (ADB), FAO and others. These studies focus on different aspects but agree that Cambodia and Lao PDR struggle to implement SPS practices (see figure 1), while Viet Nam has been successful at promoting certain export products.

Figure 1: CL SPS SECTOR PROBLEM TREE



However, all three countries need to streamline their responsibilities in a manner that overlapping mandates are corrected and regulatory gaps are closed, to increase transparency and reduce information costs as well as illegal or unofficial trade. Combined, these studies can be used to assess the current situation in these countries from which the following **recommendations** for further development and cooperation can be drawn:

- Develop food safety standards by adopting applicable regional and international standards: various SPS programmes have been developed with the aim of improving food safety in general. If properly implemented these could significantly improve the quality of food. In order to achieve successful trade, however, regional and international standards should be harnessed in a more strategic way.
- ASEAN-China SPS cooperation should be used as a gateway to successful cooperation: CLV countries in particular should engage in activities under this mechanism to learn from other ASEAN countries that have been more successful at overcoming SPS-related trade issues.

- CLV countries are also advised to further engage in other means of knowledge sharing and take part in other SPS-related dialogues such as Codex meetings on food safety, ASEAN and other regional meetings, such as those of the ISO and FAO, in order to strengthen the country's export certification system.
- Use lessons from other ASEAN members to implement food safety best practices such as labelling, packaging, details, safety and quality level.
- Streamline coordination between the authorities responsible for food safety control, determine which are the responsible agencies and prevent overlapping competencies.
- Technical food regulations should be implemented by setting targets for enforcement.
- Train staff to implement and enforce food control measures (qualified and certified food inspectors and laboratory technicians).
- Improve the capacity of existing food testing laboratories and investigate the possibility of integrating all laboratories.

8. Trade data compilation

8.1 China-ASEAN and China-CLV

Data on China and ASEAN or CLV trade vary depending on the source. As no single source was found that could provide all the data required for this report, various sources were used, namely the Hong Kong Trade Development Council (HKTDC), Trademap, as well as Guangxi and Yunnan's Statistical Yearbooks and the ASEAN Secretariat. The tables can be found on the following pages.

Trademap has calculated ASEAN's exports to China to be around USD 146.538 billion in 2014, 136.336 billion in 2015 and 157.167 billion in 2016.

According to the ASEAN Secretariat, ASEAN's exports to China were valued at USD 134.249 million in 2015, constituting a share of 11.4% of all ASEAN's exports.

The GMS has collected data on intra-GMS trade, putting it at USD 444 billion in 2015. However, GMS does not provide specific trade data on Yunnan and Guangxi's trade with individual GMS members.

According to the Statistical Yearbooks of Guangxi and Yunnan, Guangxi's imports from ASEAN have risen from USD 2.8 billion in 2014 to USD 9.6 billion in 2015; while Yunnan's imports from ASEAN have decreased from USD 5.6 billion in 2014 to USD 4.9 billion in 2015.

Guangxi[37]		
Total imports: from RMB 34.78 million in 1978 to 145.045 billion in 2015		
Total exports: from RMB 423.05 million in 1978 to 173.986 billion in 2015		
	2014 (USD)	**2015 (USD)**
ASEAN		
Imports from ASEAN	2.813 billion	9.558 billion
Exports to ASEAN	17.073 billion	19.455 billion
Total trade volume	19.886 billion	29.013 billion
Cambodia		
Imports from Cambodia	30.31 million	22.04 million
Exports to Cambodia	13.41 million	22.21 million
Total trade volume	43.72 million	44.25 million
Lao PDR		
Imports from Lao PDR	57.75 million	0.86 million
Exports to Lao PDR	6.71 million	12.76 million
Total trade volume	64.46 million	13.61 million
Viet Nam		
Imports from Viet Nam	1.039 billion	6.72 billion
Exports to Viet Nam	15.299 billion	17.92 billion
Total trade volume	16.338 billion	24.64 billion

Yunnan[38]		
Total imports: from USD 14 million in 1980 to USD 7.9 billion in 2015		
Total exports: from USD 96 million in 1980 to USD 16.6 billion in 2015		
	2014 (USD)	**2015 (USD)**
ASEAN		
Imports from ASEAN	5.592 billion	4.924 billion
Exports to ASEAN	8.723 billion	8.242 billion
Total trade volume	14.315 billion	13.166 billion
Cambodia		
Imports from Cambodia	No information	No information
Exports to Cambodia	14 million	75 million
Total trade volume	-	-

[37] Guangxi Statistical Yearbook 2016. available at: www.gxtj.gov.cn/tjsj/tjnj/2016/zk/indexeh.htm
[38] Yunnan Statistical Yearbook 2016.

Lao PDR		
Imports from Lao PDR	466 million	564 million
Exports to Lao PDR	906 million	318 million
Total trade volume	1.372 billion	882 million
Viet Nam		
Imports from Viet Nam	144 million	765 million
Exports to Viet Nam	1.418 billion	1.561 billion
Total trade volume	1.562 billion	2.326 billion

8.2 China's food Imports 2016, 2015, 2014[39]

Imports of food by quantity and value, December 2016						**Unit: USD 1,000**	
Commodity	Quantity unit	Dec		Year to date		Percentage change	
		Quantity	Value	Quantity	Value	Quantity	Value
Aquatic products	10,000T	24	678,585	265	7,072,437	-8.4	7.3
Of which:							
Frozen fish	10,000T	17	302,768	193	3,236,806	-12.4	-1
Meat and meat offal	T	366,379	869,508	4,684,860	10,597,106	14.6	7.6
Of which:							
Meat of bovine animals	T	57,622	258,503	579,836	2,515,760	-8.9	-15.3
Meat of swine	T	113,352	212,770	1,620,192	3,190,299	18.4	14
Meat of sheep and goats	T	16,173	46,739	220,063	573,885	-18.5	-13.3
Frozen chicken and offal	T	43,962	103,337	569,132	1,229,875	5.6	4.8
Fresh or dried fruit and nuts	10,000T	36	533,309	397	5,705,360	0.2	22.3
Of which:							
Bananas (incl. plantains), fresh or dried	T	83,458	35,139	887,192	585,483	-25.5	-49
Fresh longan	T	76,697	44,615	348,455	270,213	-0.2	-31.6
Dairy products	T	187,486	688,290	2,246,332	6,807,778	-1.8	6.3
Of which:							
Milk powder	T	71,979	475,873	825,535	4,486,955	21.2	5.7

[39] All data in section 8.2 was acquired from Hong Kong Trade Development Council (HKTDC)
http://info.hktdc.com/hktdc_offices/mi/ccs/index_static_type/FoodExport.htm
http://china-trade-research.hktdc.com/business-news/article/Facts-and-Figures/China-Customs-Statistics/ff/en/1/1X39VTVQ/1X09N9NM.htm

Grain food	10,000T	1,122	4,512,604	11,468	41,507,643	-6.5	3.3
Of which:							
Cassava	10,000T	70	120,298	770	1,395,075	2.3	-10.9
Cereals and cereal flour	10,000T	144	430,716	2,199	5,705,032	-30.8	-30.5
Of which:							
Maize	10,000T	14	38,758	317	638,557	6.3	0.7
Wheat; maslin	10,000T	23	49,494	341	815,851	4.2	-14.5
Of which:							
Wheat or maslin flour	T	4,828	2,062	37,362	14,825	0.4	-1.6
Barley	10,000T	40	90,466	500	1,141,938	-11.3	-21.3
Rice （including rice in husk）	10,000T	44	203,309	356	1,614,077	11.3	9
Sorghum	10,000T	20	40,976	665	1,428,165	-77.1	-81.1
Soybeans	10,000T	900	3,927,236	8,391	33,984,686	-1.4	10.1
Edible vegetable oil	10,000T	76	573,632	553	4,163,928	-0.8	9.6
Of which:							
Soybean oil and fractions	10,000T	4	30,136	56	452,077	133.3	136.9
Ground-nut oil and fractions	T	3,986	5,273	106,963	150,985	-49	-47.5
Olive oil and fractions	T	4,929	20,848	45,425	195,836	-18.1	-27.9
Palm oil and fractions	10,000T	51	343,300	316	2,010,527	-4.1	13.5
Rape or mustard oil and fractions	10,000T	6	47,993	70	523,903	-42.5	-38.8
Sugar	10,000T	22	114,039	306	1,170,526	-56.7	-35
Liquor	1,000L	253,500	470,116	2,234,873	4,343,534	-11.1	5.6
Of which:							
Beer	1,000L	48,302	49,049	646,384	665,740	42.5	34.2
Wine and other liquor made from grapes	1,000L	75,277	340,785	668,421	3,014,668	8.5	13
Fish flour for animal feeding	10,000T	4	54,769	104	1,613,172	-65.9	-72.4
Oil cake and other solid residues from soybeans	T	3,307	2011	18,077	13,494	37.7	18.5
Cigarettes	10,000CR	748	55,852	7,612	562,654	-9.9	-9.7

Imports of food by quantity and value, December 2015						Unit: USD 1,000	
Commodity	Quantity unit	Dec		Year to date		Percentage change	
		Quantity	Value	Quantity	Value	Quantity	Value
Aquatic products	10,000T	26	628,783	271	6,544,577	-5.5	-4.0
Of which:							
Frozen fish	10,000T	20	306,028	189	3,077,570	-10.2	-14.5
Fresh or dried fruit and nuts	10,000T	36	434,668	430	5,868,438	11.9	16.8
Of which:							
Bananas (incl. plantains), fresh or dried	T	112,034	68,173	1,073,859	774,135	-4.7	-4.7
Fresh longan	T	76,832	65,269	354,149	341,933	8.6	4.2
Dairy products	10,000T	19	648,310	185	6,055,356	-7.6	-28.8
Of which:							
Milk powder	10,000T	6	450,109	72	3,977,218	-30.8	-33.6
Grain food	10,000T	1,200	4,380,940	12,477	46,739,115	24.2	-4.7
Of which:							
Cereals and cereal flour	10,000T	208	619,395	3,270	9,391,461	67.6	51.1
Maize	10,000T	13	38,470	473	1,108,518	82.0	51.9
Wheat; maslin	10,000T	22	57,915	301	901,543	0.1	-7.9
Wheat or maslin flour	T	4,810	2,093	34,142	15,236	3.3	-5.3
Barley	10,000T	46	115,017	1,073	2,859,433	98.3	81.7
Rice (including rice in husk)	10,000T	40	186,319	338	1,497,756	30.9	19.4
Soybeans	10,000T	912	3,578,490	8,169	34,769,084	14.4	-13.6
Edible vegetable oil	10,000T	77	523,408	676	5,010,645	4.1	-15.5
Of which:							
Soybean oil and fractions	10,000T	2	12,721	82	645,894	-28.0	-40.9
Ground-nut oil and fractions	T	7,815	10,049	127,694	170,307	36.2	45.9
Olive oil and fractions	T	6,015	28,924	38,636	176,627	7.8	15.2
Palm oil and fractions	10,000T	53	302,552	431	2,765,142	8.6	-16.0
Rape or mustard oil and fractions	10,000T	11	78,413	82	657,443	0.6	-19.6
Sugar	10,000T	50	175,413	485	1,774,068	39.0	18.7
Liquor	1,000L	285,068	445,139	1,644,972	3,734,875	100.6	29.7

Of which:							
Beer	1,000L	33,889	36,541	538,349	575,121	59.4	41.3
Wine and other liquor made from grapes	1,000L	69,389	301,626	582,793	2,667,399	42.4	20.5
Fish flour for animal feeding	10,000T	12	198,314	103	1,791,602	-1.2	14.9
Oil cake and other solid residues from soybeans	T	2,402	1,697	59,684	41,681	164.1	137.3
Cigarettes	10,000CR	830	61,863	7,384	542,238	5.9	12.3

Imports of food in quantity and value, December 2014						**Unit: USD 1,000**	
Commodity	Quantity unit	Dec		Year to date		Percentage change	
		Quantity	Value	Quantity	Value	Quantity	Value
Frozen fish	10,000T	21	355,543	210	3,601,397	0.5	6.6
Fresh or dried fruit and nuts	10,000T	45	572,387	384	5,023,342	23.0	26.1
Of which:							
Bananas (incl. plantains), fresh or dried	T	171,135	111,028	1,127,168	811,825	119.0	141.7
Fresh longan	T	44,867	32,478	326,058	328,257	-10.7	-26.7
Dairy products	T	13	490,810	201	8,523,725	12.0	18.7
Of which:							
Milk powder	T	5	293,230	104	5,986,398	22.3	67.0
Grain food	10,000T	1,181	5,171,479	10,042	49,042,589	16.2	7.5
Of which:							
Cereals and cereal flour	10,000T	237	727,645	1,951	6,217,150	33.8	21.9
Maize	10,000T	61	163,706	260	729,688	-20.4	-22.2
Wheat; maslin	10,000T	5	18,325	300	978,545	-45.7	-48.0
Wheat or maslin flour	T	5,634	2,600	33,053	16,073	16.3	9.3
Barley	10,000T	78	219,586	541	1,573,914	131.8	97.1
Rice	10,000T	32	162,370	258	1,254,188	13.6	15.8
Soybeans	10,000T	853	4,190,044	7,140	40,285,043	12.7	6.0
Edible vegetable oil	10,000T	59	461,664	650	5,931,783	-19.7	-26.5
Of which:							
Soybean oil and fractions	10,000T	4	34,605	114	1,092,475	-1.9	-14.0

Ground-nut oil and fractions	T	10,902	13,924	93,737	116,695	53.6	7.7
Olive oil and fractions	T	3,531	15,147	35,836	153,341	-10.5	-19.9
Palm oil and fractions	10,000T	47	343,322	397	3,293,542	-18.6	-18.9
Rape or mustard oil and fractions	10,000T	3	29,418	81	817,874	-47.0	-57.2
Sugar	10,000T	36	144,936	349	1,494,241	-23.3	-27.8
Liquor	1,000L	79,585	275,795	820,060	2,875,437	28.8	-7.8
Of which:							
Beer	1,000L	25,702	31,582	338,066	403,255	85.4	74.1
Wine and other liquor made from grapes	1,000L	49,700	222,114	409,377	2,213,243	0.2	-14.2
Fish flour for animal feeding	10,000T	6	103,173	104	1,558,833	6.4	-6.8
Oil cake and other solid residues from soybeans	T	4,485	3,397	22,596	17,565	35.5	25.1
Cigarettes	10,000CR	880	58,763	6,974	482,866	3.3	4.3

8.2.1 Bilateral trade between ASEAN and China

Product: HS 08 Edible fruit and nuts; peel of citrus fruit or melonsa

Unit: USD thousand

Product code	Product label	ASEAN's exports to China		
		Value in 2014	Value in 2015	Value in 2016
0810	Fresh strawberries, raspberries, blackberries, black, white or red currants, gooseberries and . . .[40]	495,202	803,256	911,967
0803	Bananas, incl. plantains, fresh or dried	319,740	138,423	340,028
0807	Melons, incl. watermelons, and papaws (papayas), fresh	3,030	15,857	128,744
0801	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	412,809	435,068	124,715
0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	182,916	154,812	111,898
0813	Dried apricots, prunes, apples, peaches, pears, papaws 'papayas', tamarinds and other edible . . .[41]	56,207	121,746	60,847
0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not . . .[42]	19,785	47,840	44,538
0802	Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts and cashew nuts)	11,927	24,219	13,399
0805	Citrus fruit, fresh or dried	5,713	6,873	6,308
0806	Grapes, fresh or dried	196	114	2,595
0809	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	82	5	449
0808	Apples, pears and quinces, fresh	74	57	360
0812	Fruit and nuts, provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water . . .[43]	272	293	152

[40] and other edible fruits (excluding nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens, papaws "papayas", citrus fruit, grapes, melons, apples, pears, quinces, apricots, cherries, peaches, plums and sloes)

[41] and mixtures of edible and dried fruits or of edible nuts (excluding nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens, citrus fruit and grapes, unmixed)

[42] not containing added sugar or other sweetening matter

[43] water or in other preservative solutions, but unsuitable in that state for immediate consumption

0814	Peel of citrus fruit or melons, incl. watermelons, fresh, frozen, dried or provisionally preserved …[44]	19	18	1

8.2.2 Product-specific data[45]

8.2.2.1 Cassava

I) Total cassava products imported by China

Unit: USD thousand

Code	Product label	Imported value in 2012	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016
0714	Roots and tubers of manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith	1,784,805	1,830,597	2,113,301	2,120,845	1,379,188
1106	Flour, meal and powder of peas, beans, lentils and other dried leguminous vegetables of heading 0713, of sago and manioc, arrowroot and salep, Jerusalem artichoke, sweet potatoes and similar roots and tubers with high starch or inulin content of heading 0714, produce of chapter 8 'Edible fruit and nuts; peel of citrus fruits or melons'	10,063	12,436	11,912	27,385	27,883

II) Cambodia's cassava exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Cambodia			Cambodia's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
0714	Roots and tubers of manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith	25,654	22,080	15,482	23,291	22,379	21,333
1106	Flour, meal and powder of peas, beans, lentils and other dried leguminous vegetables of heading 0713, of sago and manioc, arrowroot and salep, Jerusalem artichoke, sweet potatoes and similar roots and tubers with high starch or inulin content of heading 0714, produce of chapter 8 'Edible fruit and nuts; peel of citrus fruits or melons'	0	0	0	0	16	0

[44] in brine, or in water with other additives

[45] All listed data in section 8.2.2 were acquired from Trademap.

III) Lao PDR's cassava exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Lao PDR			Lao PDR's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
0714	Roots and tubers of manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith	838	0	0	17,981	31,076	81,220[46]

IV) Viet Nam's cassava exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Viet Nam			Viet Nam's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
0714	Roots and tubers of manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith	341,484	385,518	236,045	417,905	429,924	293,116
1106	Flour, meal and powder of peas, beans, lentils and other dried leguminous vegetables of heading 0713, of sago and manioc, arrowroot and salep, Jerusalem artichoke, sweet potatoes and similar roots and tubers with high starch or inulin content of heading 0714, produce of chapter 8 'Edible fruit and nuts; peel of citrus fruits or melons'	222	123	489	10,906	11,087	12,717

[46] Data not collected by Trademap but based on the partner reported data (Mirror data) are shown in orange

8.2.2.2 Fresh fruit

I) Total fresh fruit imported by China

Unit: USD thousand

Code	Product label	Imported value in 2012	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016
0810	Fresh strawberries, raspberries, blackberries, black, white or red currants, gooseberries and …[47]	1,343,869	1,603,212	1,746,447	2,001,361	1,871,914
0809	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	384,726	386,618	582,893	777,189	917,269
0806	Grapes, fresh or dried	425,205	552,703	641,106	637,007	683,987
0803	Bananas, incl. plantains, fresh or dried	365,858	335,913	812,611	772,943	585,466
0802	Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts and cashew nuts	397,846	314,090	437,042	576,478	527,408
0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	237,305	295,807	255,064	408,425	364,254
0805	Citrus fruit, fresh or dried	150,776	166,152	230,034	266,894	354,733
0801	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	111,455	95,957	151,288	180,709	163,294
0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not …[48]	126,659	112,643	111,891	140,656	142,936
0808	Apples, pears and quinces, fresh	96,169	73,512	56,601	159,555	136,474
0813	Dried apricots, prunes, apples, peaches, pears, papaws 'papayas', tamarinds and other edible …[49]	97,195	102,537	70,654	43,546	73,533
0807	Melons, incl. watermelons, and papaws (papayas), fresh	62,633	56,658	41,659	38,784	33,536
0812	Fruit and nuts, provisionally preserved, e.g. by	1,976	2,414	2,144	2,923	1,718

[47] and other edible fruits (excluding nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens,
[48] containing added sugar or other sweetening matter
[49] fruits, and mixtures of edible and dried fruits or of edible nuts (excluding nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens, citrus fruit and grapes, unmixed)

	sulphur dioxide gas, in brine, in sulphur water…[50]					
0814	Peel of citrus fruit or melons, incl. watermelons, fresh, frozen, dried or provisionally preserved …[51]	6,204	2,501	4,662	3,137	919

II) Cambodia's fresh fruit exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Cambodia			Cambodia's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
0801	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	458	172	182	1,041	446	318
0806	Grapes, fresh or dried	0	0	0	0	0	60
0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	0	0	0	13	92	825
0812	Fruit and nuts, provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water…[52]	0	0	0	0	20	
0803	Bananas, incl. plantains, fresh or dried	0	0	0	0	0	7
0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not …[53]	0	0	0	0	13	78
0813	Dried apricots, prunes, apples, peaches, pears, papaws 'papayas', tamarinds and other edible …[54]	2	0	0	0	17	
0814	Peel of citrus fruit or melons, incl. watermelons, fresh, frozen, dried or provisionally preserved …[55]	0	0	0			
0808	Apples, pears and quinces, fresh	0	0	0	0	55	
0802	Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts and cashew nuts)	0	0	0	0	90	229

[50] or in other preservative solutions, but unsuitable in that state for immediate consumption
[51] in brine, or in water with other additives
[52] or in other preservative solutions, but unsuitable in that state for immediate consumption
[53] containing added sugar or other sweetening matter
[54] fruits, and mixtures of edible and dried fruits or of edible nuts (excluding nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens, citrus fruit and grapes, unmixed)
[55] in brine, or in water with other additives

0807	Melons, incl. watermelons, and papaws (papayas), fresh	0	0	0	20	28	34
0810	Fresh strawberries, raspberries, blackberries, black, white or red currants, gooseberries and . . .[56]	0	0	0	10	10	6
0805	Citrus fruit, fresh or dried	0	0	0	0	0	
0809	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	0	0	0	0	0	

III) Lao PDR's fresh fruit exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Lao PDR			Lao PDR's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
0808	Apples, pears and quinces, fresh	0	0	0	74[57]	0	0
0807	Melons, incl. watermelons, and papaws (papayas), fresh	0	0	0	917	5,042	6,478
0805	Citrus fruit, fresh or dried	0	0	0	34	220	888
0809	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	0	0	0	0	0	0
0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	0	0	0	655	4,372	7,960
0812	Fruit and nuts, provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water . . .[58]	0	0	0	5	0	0
0803	Bananas, incl. plantains, fresh or dried	0	20	0	34,804	54,759	197,814
0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not . . .[59]	0	0	0			
0813	Dried apricots, prunes, apples, peaches, pears, papaws 'papayas', tamarinds and other edible . . .[60]	0	0	0	26	156	343

[56] other edible fruits (excluding nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens, papaws "papayas", citrus fruit, grapes, melons, apples, pears, quinces, apricots, cherries, peaches, plums and sloes)

[57] Data not collected by Trademap but based on the partner reported data (Mirror data) are shown in orange

[58] or in other preservative solutions, but unsuitable in that state for immediate consumption

[59] containing added sugar or other sweetening matter

[60] edible fruits, and mixtures of edible and dried fruits or of edible nuts (excluding nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens, citrus fruit and grapes, unmixed)

0814	Peel of citrus fruit or melons, incl. watermelons, fresh, frozen, dried or provisionally preserved …[61]	0	0	0		1	
0802	Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts and cashew nuts)	0	0	0	11,178	14,464	243
0810	Fresh strawberries, raspberries, blackberries, black, white or red currants, gooseberries and …[62]	0	0	0	2,952	12,140	7,320
0801	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	0	0	0	446	217	112
0806	Grapes, fresh or dried	0	0	0	0	0	6,160

IV) Viet Nam's fresh fruit exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Viet Nam			Viet Nam's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
0810	Fresh strawberries, raspberries, blackberries, black, white or red currants, gooseberries and …[63]	639,554	820,590	555,656	324,710	570,458	669,434[64]
0801	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	79,677	61,287	35,998	2,049,641	2,404,161	2,314,433
0807	Melons, incl. watermelons, and papaws (papayas), fresh	40,046	37,345	32,088	1,876	15,646	32,590
0803	Bananas, incl. plantains, fresh or dried	2,976	3,805	13,117	11,312	14,422	17,116
0802	Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts and cashew nuts)	0	714	764	21,317	31,131	10,819

[61] provisionally preserved in brine, or in water with other additives

[62] other edible fruits (excluding nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens, papaws "papayas", citrus fruit, grapes, melons, apples, pears, quinces, apricots, cherries, peaches, plums and sloes)

[63] other edible fruits (excluding nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens,

[64] Data not collected by Trademap but based on the partner reported data (Mirror data) are shown in orange

0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not …[65]	693	579	607	38,973	39,301	63,596
0813	Dried apricots, prunes, apples, peaches, pears, papaws 'papayas', tamarinds and other edible …[66]	135	56	152	7,673	96,332	5,782
0806	Grapes, fresh or dried	5	13	28	2,080	912	129
0805	Citrus fruit, fresh or dried	0	0	0	10,667	23,967	30,194
0809	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	0	0	0	1	22	21
0814	Peel of citrus fruit or melons, incl. watermelons, fresh, frozen, dried or provisionally preserved …[67]	0	0	0	2	10	99
0808	Apples, pears and quinces, fresh	0	0	0	212	175	306
0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	1	0	0	100,695	75,637	6,799
0812	Fruit and nuts, provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water …[68]	0	0	0	10	54	114

[65] containing added sugar or other sweetening matter

[66] fruits, and mixtures of edible and dried fruits or of edible nuts (excluding nuts, bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens, citrus fruit and grapes, unmixed)

[67] in brine, or in water with other additives

[68] in other preservative solutions, but unsuitable in that state for immediate consumption

8.2.2.3 Oilseeds

I) Total oilseeds imported by China

Unit: USD thousand

Code	Product label	Imported value in 2012	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016
1201	Soybeans, whether or not broken	34,976,644	38,009,435	40,265,687	34,895,183	33,958,260
1205	Rape or colza seeds, whether or not broken	1,958,939	2,424,311	2,802,410	2,043,171	1,490,443
1207	Other oil seeds and oleaginous fruits, whether or not broken (excluding edible nuts, olives, ...[69]	653,169	848,873	1,207,373	1,166,468	1,022,767
1202	Groundnuts, whether or not shelled or broken (excluding roasted or otherwise cooked)	25,637	17,093	28,965	118,551	315,309
1209	Seeds, fruits and spores, for sowing (excluding leguminous vegetables and sweetcorn, coffee, ...	235,792	254,990	308,302	346,647	282,861
1204	Linseed, whether or not broken	91,858	118,756	179,404	204,794	206,274
1206	Sunflower seeds, whether or not broken	36,019	19,772	35,753	38,941	33,421
1210	Hop cones, fresh or dried, whether or not ground, powdered or in the form of pellets; lupulin	11,875	19,994	31,929	20,607	31,074
1208	Flours and meals of oil seeds or oleaginous fruits (excluding mustard)	710	231	98	370	228
1203	Copra	56	1	0	1	18

[69]soya beans, groundnuts, copra, linseed, rape or colza seeds and sunflower seeds)

II) Cambodia's oilseed exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Cambodia			Cambodia's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
1207	Other oil seeds and oleaginous fruits, whether or not broken (excluding edible nuts, olives, …[70]	103	0	0	413	274	365[71]
1201	Soybeans, whether or not broken	0	0	0	112	0	1
1210	Hop cones, fresh or dried, whether or not ground, powdered or in the form of pellets; lupulin	0	0	0	0	0	
1202	Groundnuts, whether or not shelled or broken (excluding roasted or otherwise cooked)	0	0	0	769	583	559
1209	Seeds, fruits and spores, for sowing (excluding leguminous vegetables and sweetcorn, coffee, …[72]	0	0	0	0	0	91
1204	Linseed, whether or not broken	0	0	0	0	0	0
1206	Sunflower seeds, whether or not broken	0	0	0	0	0	
1203	Copra	0	0	0	0	0	
1205	Rape or colza seeds, whether or not broken	0	0	0			
1208	Flours and meals of oil seeds or oleaginous fruits (excluding mustard)	0	0	0	0	0	

[70] soya beans, groundnuts, copra, linseed, rape or colza seeds and sunflower seeds)

[71] Data not collected in Trademap but based on the partner reported data (Mirror data) are shown in orange

[72] tea, maté and spices, cereals, oil seeds and oleaginous fruits, and seeds and fruit used primarily in perfumery, medicaments or for insecticidal, fungicidal or similar purposes)

III) Lao PDR's oilseed exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Lao PDR			Lao PDR's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
1207	Other oil seeds and oleaginous fruits, whether or not broken (excluding edible nuts, olives, . . .	644	1,907	1,347	910[73]	878	1,025
1203	Copra	0	0	0			
1205	Rape or colza seeds, whether or not broken	0	0	0			
1210	Hop cones, fresh or dried, whether or not ground, powdered or in the form of pellets; lupulin	0	0	0			
1204	Linseed, whether or not broken	0	0	0			
1206	Sunflower seeds, whether or not broken	0	0	0			
1202	Groundnuts, whether or not shelled or broken (excluding roasted or otherwise cooked)	0	0	0	5,853	1,235	14,788
1209	Seeds, fruits and spores, for sowing (excluding leguminous vegetables and sweetcorn, coffee, . . .[74]	0	0	0	32	425	14
1208	Flours and meals of oil seeds or oleaginous fruits (excluding mustard)	0	0	0			
1201	Soybeans, whether or not broken	0	0	0	28	21	55

[73] Data not collected in Trademap but based on the partner reported data (Mirror data) are shown in orange

[74] tea, maté and spices, cereals, oil seeds and oleaginous fruits, and seeds and fruit used primarily in perfumery, medicaments or for insecticidal, fungicidal or similar purposes)

IV) Viet Nam's oilseed exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Viet Nam			Viet Nam's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
1209	Seeds, fruits and spores, for sowing (excluding leguminous vegetables and sweetcorn, coffee, . . .	1,479	875	586	9,218	6,935	21,969[75]
1207	Other oil seeds and oleaginous fruits, whether or not broken (excluding edible nuts, olives, . . .[76]	72	1,416	63	2,725	7,544	3,039
1202	Groundnuts, whether or not shelled or broken (excluding roasted or otherwise cooked)	0	0	35	6,150	6,016	5,286
1208	Flours and meals of oil seeds or oleaginous fruits (excluding mustard)	0	0	0	33	50	14
1210	Hop cones, fresh or dried, whether or not ground, powdered or in the form of pellets; lupulin	0	0	0	0	0	
1201	Soybeans, whether or not broken	0	0	0	381	496	83
1204	Linseed, whether or not broken	0	0	0	0	0	
1206	Sunflower seeds, whether or not broken	0	0	0	9	28	18
1203	Copra	0	0	0	13,056	10,510	22

8.2.2.4 Rice and corn

I) Total rice and corn imported by China

Unit: USD thousand

Code	Product label	Imported value in 2012	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016
1006	Rice	1,125,598	1,051,994	1,228,944	1,472,411	1,585,832
1005	Maize or corn	1,688,683	936,532	729,024	1,107,806	637,732

[75] Data not collected in Trademap but based on the partner reported data (Mirror data) are shown in orange

[76] soya beans, groundnuts, copra, linseed, rape or colza seeds and sunflower seeds)

II) Cambodia's rice and corn exports to China in relation to overall exports

Unit: USD thousand

Prod-uct code	Product label	China's imports from Cambodia			Cambodia's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
1006	Rice	31,690	68,946	74,076	231,485	284,905	346,898
1005	Maize/Corn	0	0	0	675	609	483

III) Lao PDR's rice and corn exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Lao PDR			Lao PDR's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
1005	Maize or corn	35,848	39,301	40,798	46,126	53,932	29,515
1006	Rice	6,830	22,993	28,240	8,628	23,588	33,702

IV) Viet Nam's rice and corn exports to China in relation to overall exports

Unit: USD thousand

Product code	Product label	China's imports from Viet Nam			Viet Nam's exports to world		
		Value in 2014	Value in 2015	Value in 2016	Value in 2014	Value in 2015	Value in 2016
1006	Rice	626,112	732,330	733,874	2,936,931	2,807,904	1,640,891[77]
1005	Maize or corn	0	0	0	30,753	11,720	9,042

[77] Data not collected in Trademap but based on the partner reported data (Mirror data) are shown in orange

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GIZ Programme "Support for Economic Cooperation in Sub-Regional Initiatives in Asia (SCSI)"

Background

Initiatives in support of regional cooperation and integration have increasingly come to be understood as key to Asia's future development as they enhance the region's division of labour, its capabilities to attract investments, as well as its access to global markets. Moreover, sub-regional initiatives improve the connectivity between interior lands and peripheral areas, whereby they not only contribute to the reduction of regional disparities and thus poverty, but also facilitate the development of regional competitive advantages.

Our Approach

Commissioned by

German Federal Ministry for Economic Cooperation and Development (BMZ)

Focus Countries

Cambodia, Lao People's Democratic Republic, Viet Nam, Mongolia

Overall Term

2015-2019

Volume

4.5 mio EUR

Sub-regional initiatives foster regional economic cooperation and integration and play an important role for economic as well as social development in Asia. Apart from dismantling trade barriers, the initiatives promote cross-border investment and improve the capacity of regions to connect to the global market, thus, establishing new economic corridors. By boosting less developed areas in border regions they contribute to economic development and job creation. The GIZ Programme "Support for Economic Cooperation in Sub-Regional Initiatives in Asia (SCSI)" works with regional economic communities (RECs) like the Greater Tumen Initiative (GTI) and Pan Beibu Gulf Economic Cooperation (PBG) to strengthen selected core processes of regional integration between Cambodia, Lao PDR, Viet Nam, and Mongolia with the PR China. The goal is to contribute to sustainable and inclusive development in the region.

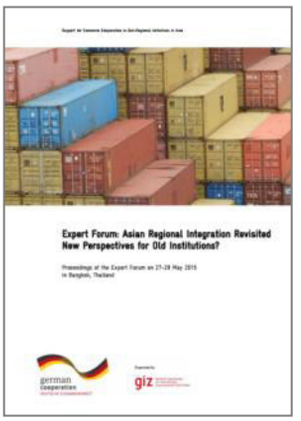
Focus Areas

- Strengthening the organisational structure of sub-regional initiatives by provision of international expertise, setting up knowledge sharing platforms and technical trainings regarding internal institutional processes.
- Strengthening the implementation capacity development of actors involved in sub-regional initiatives regarding project planning, implementation and monitoring within the frame of RECs.
- Improving the private sector's utilisation rate of the ASEAN-China Free Trade Agreement (ACFTA) in cooperation with export oriented business associations and chambers to overcome barriers to trade

Other publications by SCSI

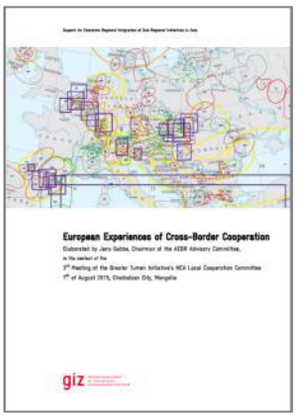
The GIZ SCSI Programme publishes regular updates on its activities to offer insights and disseminate regional knowledge on integration processes in Asia. To download please refer to http://connecting-asia.org/scsi-in-asia-phase-2-2015-2019/

Inputs and Materials



Regional Integration Revisited: New Perspectives for Old institutions

Regional Infrastructure Investment Initiatives: Zero-Sum Game or Win-Win Collaboration?



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