POTENTIAL EXPORTS AND NONTARIFF BARRIERS TO TRADE

MALDIVES NATIONAL STUDY

MARCH 2019

SASEC
South Asia Subregional Economic Cooperation

ADB

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Abbreviations

ADB	Asian Development Bank
AGO	Attorney General's Office
EPA	Environment Protection Agency
EU	European Union
HS	harmonized system (codes)
ISO	International Organization for Standardization
ITC	International Trade Center
MCS	Maldives Customs Services
MED	Ministry of Economic Development
MFDA	Maldives Food and Drug Authority
MOEE	Ministry of Environment and Energy
MOFA	Ministry of Fisheries and Agriculture
MOD	Ministry of Defense
MSPEA	Maldives Seafood Processing and Exporters Association
NTFC	National Trade Facilitation Committee
NTM	nontariff measure
NVM	National Validation Meeting
PRC	People's Republic of China
SAARC	South Asian Association for Regional Cooperation
SAFTA	South Asian Free Trade Agreement
SARSO	South Asian Regional Standards Organization
SASEC	South Asia Subregional Economic Cooperation
SMTQ	Standards, Metrology, Testing, and Quality (Project)
SPS	sanitary and phytosanitary
TAM	Transport Authority of Maldives
TBT	technical barriers to trade
UNIDO	United Nations Industrial Development Organization
VIA	Velana International Airport
WTO	World Trade Organization

Executive Summary

Maldives' national diagnostic study, *Potential Exports Facing Sanitary and Phytosanitary (SPS) Measures and Technical Barriers to Trade (TBT),* was commissioned by six members of the South Asia Subregional Economic Cooperation (SASEC) Program, with the objective of identifying potential export products from Maldives that could be traded more within the SASEC subregion, yet which remain subject to SPS and TBT measures applied by the importing SASEC countries that negatively affect intraregional trade. The rationale for the diagnostic study is that a better understanding of what such measures comprise and how they are applied would help inform some of the possible reasons for consistent low levels of intraregional trade within South Asia compared to trade with other countries. Over the past 3 decades, tariffs have generally decreased worldwide, including in the SASEC region, yet the use of nontariff measures (NTMs) has increased significantly and most notably in the areas of SPS and TBT.

The SASEC partnership brings together Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka to promote regional prosperity by deepening regional integration, enhancing cross-border connectivity, and stimulating trade. National diagnostic studies in SPS and TBT measures were launched during 2016 in Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka, applying the same methodology to all studies to ensure comparable and consistent results. These national diagnostic studies are complemented by a regional diagnostic study that draws on the findings and recommendations of the national studies to identify common challenges in South Asia and propose solutions that could be implemented at a regional level through the SASEC platform, and others. The SPS–TBT diagnostic initiative was designed jointly by the Trade and Investment Division of the United Nations Economic and Social Commission for Asia and the Pacific, and the Asian Development Bank (ADB), and is supported through SASEC by ADB, which also serves as the SASEC Secretariat.

Given the specific geographic situation of Maldives as a low-lying small island state of about 1,190 islands grouped into 26 natural atolls with very little contiguous land to develop industrial facilities, the primary national export is fishery-related products. The potential for additional export products in other sectors is highly limited and unlikely, and opportunities for realistic export diversification remains linked to the fishery industry. In light of these constraints, the focus of Maldives' national diagnostic study was expanded from export to exports and imports.

Chapter 1, provides the background to the study and explains the regional dimensions of this diagnostic process, presenting the specific case of Maldives vis-à-vis the additional examination of SPS-TBT-related NTMs applied to imported goods. The pattern of Maldives import–export trade with other SASEC countries during the period 2006–2016 is laid out in Chapter 2, which also identifies top export products and destinations.

Chapter 3 attempts to identify potential products from Maldives that could be exported to other SASEC countries, applying as possible the methodology defined in the terms of reference for the study. To identify potential exports, an algorithmic approach was applied: lists of potential export products were culled using criteria such as total imports to SASEC for market availability, and export market share—this served to identify products already significantly exported to SASEC. Further analysis on the culled list of potential products revealed that remaining products were generally also strong export products of other SASEC countries. Any existing intra-SASEC trade linkages for these products showed very modest volumes of trade, with the unit value prices of these products strongly competitive compared to Maldives' exports. Generally, the SASEC region was not seen as a competitive option for the identified potential export products from Maldives. However, three products were identified with limited potential of increasing exports to Sri Lanka.

Recognizing the limited scope for additional potential export products from Maldives, opportunities for export product diversification are also explored in this report. It analyzes a broader list of exports and includes inputs from both government agencies and fishery exporters on export diversification. Fishery exporters who responded to the ground level surveys for this report were generally supportive of the idea of export product diversification, but indicated a lack of confidence in implementation in the short or medium future. Broadly, developed markets fetching a higher price for potential additional fishery product exports would be more attractive to Maldives' exporters than focusing on export to the SASEC region.

A detailed study of the SPS and TBT ecosystem in Maldives is presented in Chapter 4, examining legal structures, institutional frameworks, and SPS–TBT-related infrastructure. Significant gaps in legislation and regulatory frameworks are highlighted for both import and export processes, together with the need to strengthen regulatory institutional coordination mechanisms. Gaps in necessary SPS–TBT-related infrastructure include cold storage facilities at major entry points to Maldives, quarantine facilities, and testing laboratories. The Government of Maldives is working toward filling some of these gaps, but much remains to be done. A full inventory of NTMs is included in this chapter.

Chapter 5 attempts to identify the trade-hindering NTMs applied to the limited number of potential export products identified in Chapter 3. It is noteworthy that neither public nor private sectors involved in fishery product export were able to cite issues or challenges experienced while exporting to the SASEC region. Exporters stated that where NTM requirements exist, these are not a significant factor and the exporters are confident of meeting all requirements—especially given that Maldives' exporters export fishery products to the same developed markets as other SASEC exporters and, therefore, apply the same or similar quality standards.

The primary challenge identified by exporters was in pricing and demand, leading to a weak business case when exporting to SASEC countries. Despite the stated lack of SPS–TBT and NTM-related issues described by the Ministry of Fisheries and Agriculture or exporters, this does not mean that trade-hindering NTMs do not exist. To investigate further, this diagnostic study conducted an independent comparative evaluation of NTMs applied by Germany to those applied by India and by Sri Lanka. Findings of this evaluation present

a clear disparity in the number of NTMs and their types, uniqueness, and repetitiveness, strongly indicating there is ample opportunity to further reduce the existing NTMs in SASEC countries.

Despite a relatively modest total number of NTMs applied in Maldives (23), the study notes that import of construction material, electrical goods, fruits, and vegetables are subject to no import control measures or NTMs, raising a risk of substandard imports, also discussed in this chapter.

Based on the findings of the report, recommendations for future actions are included in Chapter 6, divided into priority and general sections. The priority section comprises recommendations that impact a greater number of traders, a significant volume of trade, or a great number of NTMs, and on a more immediate basis than those included in the general list.

Chapter 1
Introduction

1.1 Background

Given the general worldwide reduction in tariffs over the last 30 years due to multilateral and bilateral obligations as well as autonomous economic liberalization, the important remaining barriers to global trade are nontariff measures (NTMs). NTMs occur frequently in the form of standards and technical regulations, especially sanitary and phytosanitary and technical barriers to trade (SPS–TBT). Since the establishment of the World Trade Organization (WTO), reliance on using SPS–TBT and other NTMs has increased:[1] member countries of the South Asia Subregional Economic Cooperation (SASEC) Program,[2] including Maldives, since 2014, have shown no exception to this general trend. Given the notably low levels of intraregional trade among the countries of South Asia, the question is pertinent of whether SPS-TBT measures create barriers restrictive to trade. For example, statistics show that while Maldives continues to export to developed markets in significant volumes,[3] exports to SASEC countries are generally low and do not show a positive trend.

The South Asian Free Trade Agreement (SAFTA),[4] which came into effect in 2006, was established by the eight members of the South Asian Association for Regional Cooperation (SAARC).[5] While the primary objective of SAFTA was to enhance trade facilitation among member countries through mechanisms such as an agreed tariff reduction schedule, the process has been slow with member countries developing and maintaining "sensitive lists" of products to which no concession is given by the member country.[6]

The South Asian Regional Standards Organization (SARSO) was established in 2011 as a specialized body of SAARC, with the goal of enhancing cooperation among member countries and collaboration in product standardization and conformity assessment.[7] SARSO works to develop harmonized standards among member countries to facilitate

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1 World Trade Organization. 2012. *World Trade Report 2012: Trade and Public Policies: A Closer Look at Non-Tariff Measures in the 21st Century*. Geneva.

2 The SASEC Program brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka in a project-based partnership that aims to promote regional prosperity, improve economic opportunities, and build a better quality of life for the people of the subregion. SASEC countries share a common vision of boosting intraregional trade and cooperation in South Asia, while also developing connectivity and trade with Southeast Asia through Myanmar, to the People's Republic of China, and the global market. www.sasec.asia.

3 Maldives Customs Services. https://www.customs.gov.mv/Statistics.

4 SAFTA on SAARC website: http://www.saarc-sec.org/areas_of_cooperation/area_detail/ economic-trade-and-finance/click-for-details_7.

5 Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.

6 Each member country may maintain two sensitive lists of products (least developed countries and non-least developed countries) to which the member country gives no tariff concession.

7 SARSO: http://www.sarso.org.bd.

subregional trade as well as global trade. As of 2017, six Sectoral Technical Committees of SARSO focus on harmonization of product standards, of which three product standards have been published to date: for biscuits, refined sugar, and a code of hygienic practice for the dairy industry.[8]

Given the prolonged state of low intraregional trade in South Asia, there is reason to examine the degree to which NTMs—and specifically SPS–TBT NTMs—hinder trade in South Asia and contribute to the slow growth seen in intraregional trade over the past 3 decades. If SPS-TBT NTMs are found to pose significant barriers to cross-border trade, the development of mutual cooperation processes could work positively to promote subregional integration and trade in the SASEC region.

In 2013, the SASEC member countries initiated regional dialogue through the SASEC platform on SPS and TBT NTMs and, in 2014, endorsed the formal inclusion of this agenda in the SASEC Trade Facilitation Strategic Framework 2014–2018.[9] In 2016, national consultations were held in six member countries—Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka—to launch a diagnostic study process, led by core groups of public and private sector stakeholders and supported by ADB. The diagnostic studies sought to better understand and analyze primarily export-related SPS–TBT issues, by identifying potential export items that could contribute more to intraregional trade, yet which remain subject to SPS–TBT measures, including measures that restrict trade. The SASEC countries agreed on a shared base terms of reference for the six studies that accommodated minor adjustments to reflect national priorities and preferences. It was further agreed that a regional diagnostic study on SPS–TBT measures be developed, based on the findings of the national studies, to identify what collaborative action can be taken at the regional level.

Adjustments in the case of Maldives were essential to reflect its limited export product potential and diversification. Unlike other SASEC countries with large land masses, Maldives is a low-lying small island state of about 1,190 islands grouped into 26 natural atolls in a north–south orientation dispersed over a very large ocean area. There is very little contiguous land to develop industrial facilities and since over 99% of Maldives' area is water, there are significant transport and logistics issues.[10] Consequently, the primary natural resource available to Maldives has always been the sea, and the primary export of Maldives has remained fishery-related products since Maldives began exporting. With no local production base, other than for fishery products, Maldives relies enormously on imports for all other products and has an approximately 15:1 import to export ratio in terms of trade value.[11]

Given these parameters, the SPS–TBT national diagnostic study for Maldives was adjusted to maintain, to the extent possible, the original terms of reference, but to include detailed examination of imports and the import process as well.

[8] SARSO standards: http://www.sarso.org.bd/site/page/b1aeda98-85fd-4ca9-ae26-e8be7b4e86 9a.
[9] ADB. 2014. *SASEC Trade Facilitation Strategic Framework 2014–2018*. Manila.
[10] Maldives' total land area is about 300 square kilometers with an average elevation of about 1.5 meters.
[11] Statistics from Maldives Customs Services. https://www.customs.gov.mv/Statistics.

1.2 Objectives of This Study

As defined in the original terms of reference, the primary objectives of the national diagnostic studies conducted in the participating SASEC countries include

(i) identifying specific items which have the potential for export from the SASEC country and are subject to SPS–TBT measures of the importing countries;
(ii) carrying out a national diagnostic audit by (a) examining trade data trends; (b) conducting a gap analysis that examines and compares current national legislation, local practices, and international best practice; and (c) carrying out practical field studies in identification of standards or regulations in the SASEC countries that are impeding trade on the above identified items;
(iii) identifying current infrastructure capacity constraints; and
(iv) identifying priority national capacity-building activities in standards and regulations.

This study seeks to better understand the status of SPS–TBT and other measures restricting trade in Maldives from the perspective of the importer and/or exporter, and does not examine in depth internal agency requirements. It attempts to identify viable export products from a business perspective with the potential for export to other SASEC countries, as well as examining measures restricting trade of other SASEC countries that affect these potential products. Additionally, the report explores potential export diversification, by attempting to expand the list of potential export products and by noting the government's plans to establish local production facilities.

As noted, Maldives depends heavily on imports, and the lack of local production to compete with imports has resulted in a lack of anticompetitive pressure among local businesses. While regulators have introduced and enforce some measures on key products imported to Maldives that affect public safety, such as food and pharmaceuticals, a general lack of measures to regulate imports translates to a higher risk of substandard imports that could potentially negatively affect public health and safety. This report will also identify key imports for which immediate new regulatory measures are required to prevent the import of substandard goods.

1.3 Literature Review

An overall review was conducted of relevant reports, databases, websites, and other sources and is summarized below.

The National Single Window Project, Business Process Analysis, Detailed Recommendations Report (BPA-Report)[12] was key in analyzing and understanding the import regulatory framework of Maldives. The BPA-Report was commissioned by the

[12] The BPA-Report was the product of a study conducted under the National Single Window Project, which analyzed the business processes of both regulators and service providers such as seaports and airports. It provides detailed recommendations on process changes to make it more efficient for the traders, as well as the regulators and service providers.

Ministry of Economic Development (MED) in preparation for development of a national single window system in Maldives, to review and recommend changes to all regulatory processes and requirements applied by all regulators during export and import, and was concluded in February 2017. The BPA-Report made recommendations to change current regulatory processes, and to develop simpler and more efficient processes, including institution-level recommendations on operational and staffing issues.[13] Since the BPA-Report information was finished less than 1 year before this report was launched, many findings and conclusions of the two reports are very similar.

Since only a few months passed after the BPA-Report and the initiation of this study, significant changes to the current processes were not expected, as described in the BPA-Report. This was found to be true in subsequent interviews with regulators.

A recent book, *NTMs in South Asia: Assessment and Analysis* by S. Raihan, M. A. Khan, and S. Quoreshi (2014), was reviewed to better understand subregional trade and the NTMs that affect such trade. Importantly, the book provided country perspectives in terms of trade and the country's regulatory framework. However, there was an observable lack of NTM information about Maldives. The Independent Evaluation Report that came out of UNIDO's 2012 Standards, Metrology, Testing, and Quality (SMTQ) Project was reviewed as part of understanding the current state of technical standards development in Maldives.[14] This project spanned 10 years with notable achievements, such as drafting a National Standards Bill, establishment of a center as the body for standards development, quality standards awareness, reduction of risk in fishery exports, International Organization for Standardization (ISO) 22000 certification of many exporting companies, equipment for laboratories, as well as training for relevant staff.

Additionally, the websites of regulators[15] and the Maldives Customs Services (MCS)[16] were reviewed to better understand regulatory processes in Maldives. Information on issues relating to exports or potential exports to other countries were not available from regulators' websites.

1.4 Methodology

The methodology applied in this national diagnostic study is detailed in the shared base terms of reference for all six national studies, thereby ensuring consistent and comparable data and information from all participating countries—essential for development of a regional diagnostic study for SASEC. The terms of reference define two primary functions: (i) identifying potential export products, and (ii) identifying SPS–TBT constraints. Initially, data analysis was carried out using the International Trade Center (ITC) TradeMap

[13] MED has not published the BPA-Report, yet made it available to ADB to be used as a resource for the SASEC diagnostic study.

[14] Evaluation Report. www.unido.org/fileadmin/user_media_upgrade/Resources/Evaluation/E-Book_SAARC_II-2012.pdf.

[15] Maldives Food and Drugs Authority. www.mfda.gov.mv; Ministry of Fisheries and Agriculture. http://www.fishagri.gov.mv/index.php/en/; Ministry of Economic Development. http://www.trade. gov.mv; and Ministry of Defense. http://www.defence.gov.mv.

[16] Maldives Customs Services. https://www.customs.gov.mv/.

database to identify potential export products.[17] Applicable SPS–TBT measures from other SASEC countries were analyzed using the ITC MacMap database and referred to primary research interviews with exporters.[18]

Parallel to these data collection efforts, data analysis and work on identifying potential exports were initiated. Recalling again Maldives' geographic limitations, it was fully expected that the number of potential export products would be modest and skewed toward fishery products.

The first list of potential export products, without taking into consideration SPS–TBT constraints, was developed using the steps in Figure 1.

Figure 1: Steps to Identify Potential Export Products

SASEC = South Asia Regional Economic Cooperation.
Source: SASEC Secretariat.

Step 1 generated a candidate list of all export products above a minimum volume. Step 2 removed products from the candidate list that were already widely exported to SASEC countries, the rationale being that if a large percentage of products were already exported to SASEC countries, then exporters were adept and capable at understanding and meeting any NTMs applied. Step 3 removed products from the candidate list that were either not imported or minimally imported to SASEC countries because there is no SASEC market for these products. Step 4 produces a candidate list of potential exports to SASEC countries. However, this candidate list has not considered SPS–TBT issues yet.

A more detailed data-based application of the above steps in the case of Maldives is given in Appendix 1. Further analysis is carried out based on stakeholder inputs and the study of NTMs declared by SASEC countries as available on the Market Access Map[19] of the International Trade Center, with the aim of identifying potential exports to SASEC countries.

[17] ITC TradeMap. https://www.trademap.org/Index.aspx.
[18] ITC MacMap. https://www.macmap.org/.
[19] Market Access Map. https://www.macmap.org/.

It is critically important to stress that the shared base terms of reference for the six SASEC national diagnostic studies does not easily fit the case of Maldives for the following reasons:

(i) Broadly, the only export commodity of Maldives is fishery products, even though these products fall into different harmonized system (HS)-code categories. This significantly narrows the viable opportunity to identify potential export products and SPS–TBT constraints.
(ii) The number of total exports of Maldives analyzed is 20 where the 20th export value is approximately $300,000 and the top five export products account for over 84% of total export value. Such a small number of products dominating total exports significantly narrows the number of products that could be identified as potential export products to SASEC countries.

As a result, the focus of this study was expanded to include the import regulatory frameworks and processes of Maldives in more detail.[20]

In support of the standard methodology detailed above and followed in all participating SASEC countries, national focal points and core groups were formed in each country to lead the process and work with the national consultant responsible for preparing the study. Core groups comprised public and private stakeholders and reflected respective government regulatory requirements and the interests of exporters. Maldives identified MED as the focal point, and the core group included:

(i) Ministry of Economic Development
(ii) Ministry of Fisheries and Agriculture
(iii) Maldives Food and Drugs Authority
(iv) Maldives Customs Services
(v) Ministry of Islamic Affairs

In February 2017, the core group agreed on the terms of reference for the Maldives national SPS–TBT diagnostic study during a National Consultation Meeting,[21] and in December 2017, public and private sector stakeholders gathered at a National Validation Meeting (NVM) to provide feedback on the draft final report prepared by the national consultant.[22]

Data Collection from Stakeholders

Data and information were gathered from a wide range of private sector stakeholders for this report. The focal point for exporters was the Maldives Seafood Processing and Exporters Association (MSPEA). However, given MSPEA's lack of information regarding difficulties and NTMs faced by exporters, meetings were held with major exporting

[20] The Government of Maldives requested inclusion of import scenarios at the National Consultation Meeting in February 2018.
[21] SASEC National Consultation Meeting for the Maldives: www.sasec.asia/index.php?page =event&eid=238&url=mdv-national-consultation-on-sasec-sps-tbt-diagnostic-study.
[22] SASEC National Validation Meeting for the Maldives: www.sasec.asia/index.php?page= event&eid=266&url=sps-mld-dec2017.

companies to better understand the issues. Details and consolidated outcomes of interviews held with exporters are in Appendix 2. Interviews were conducted with the following:

(i) Ministry of Fisheries and Agriculture
(ii) Horizon Fisheries (private company)
(iii) Ensis Fisheries (private company)
(iv) Maldives Industrial Fisheries Company (state-owned enterprise)
(v) Atoll Tuna Company (private company)
(vi) Maldives Seafood Processing and Exporters Association

In the case of importers, this report drew from the rich interviews conducted by the BPA-Report with private and state importers, customs brokers, multi-stakeholder groups, and process walkthroughs, and no additional interviews were conducted with importing bodies or individuals.

1.5 Overview of the Report

Chapter 1, the introduction, provides a background to the study, explaining the wider context of the SASEC Program and the regional dimensions of this diagnostic process. A brief review of the main literary sources is included, together with the methodological approach. Chapter 2 sums up patterns of export and import trade between Maldives and, primarily, the other SASEC countries, with reference to global trade trends as well. Chapter 3 attempts to identify potential products from Maldives that could be exported to other SASEC countries, applying as possible the methodology defined in the terms of reference for the study. Opportunities for export diversification are also explored in this chapter, recognizing the limited scope for additional potential export products. An overview of SPS and TBT measures in Maldives is presented in Chapter 4, focusing on (i) legal structures, (ii) institutional frameworks, and (iii) existing infrastructure facilities in Maldives. Gaps in these three areas are identified in comparison with international best practice. In the absence of a centralized list of instituted SPS, TBT, and other measures restricting trade, Chapter 4 also includes an inventory of all nontariff measures applied by the various agencies of the Government of Maldives. Chapter 5 discusses SPS-TBT measures that may restrict Maldives' trade with other SASEC countries, based on the potential products identified in Chapter 3. As the Maldives study includes examination of imported products to Maldives, Chapter 5 also touches on the current associated risks of substandard imported goods from SASEC countries. Finally, Chapter 6 presents prioritized recommendations coming out of the findings and analysis of the diagnostic study, for both exported and imported commodities. Conclusions of the report are in Chapter 7.

Chapter 2
Pattern of Trade with Other SASEC Countries

In its export trade, Maldives faces significant challenges due to a limited number of export products and land, logistics, and transport issues that negatively affect the economics of operating production facilities. This has resulted in heavy economic dependency on the sea and fishery products. Since Maldives began exporting, the primary export commodity has remained fishery-related products with many fish processing and canning facilities operating in the country, some of which are specifically geared toward export.

Of Maldives' current top 20 export products, 18 are fishery-related products. Table 1 shows an abbreviated product description and the top destinations of Maldives exports for 2016.

(i) If European Union (EU) countries are considered together, the number one export destination is the EU.
(ii) This is followed by Thailand, Sri Lanka, and the United States.
(iii) Among SASEC countries, Sri Lanka is the top export destination for five fishery products, and India is the top destination for two scrap metal products. Sri Lanka features in the top three destinations for an additional seven products.

Although currently not exporting significantly to the People's Republic of China (PRC), Maldives signed a Free Trade Agreement with the PRC in December 2017.[23] While it is too soon to gauge the impact of this agreement, it is expected that exports to the PRC will increase.

Table 2 shows global imports for the potential export products from Maldives to five SASEC countries in 2016. This product-based breakdown of global import shows that Bhutan had virtually no imports and Nepal totaled just over $1 million in imports for the eight potential exports from Maldives.

Moreover, Maldives exports have increased to Bangladesh during 2016–2017, although the volume remains very low. This export comprises two products "flours, meals and pellets; of fish or of crustaceans" (230120) and "fish; flours, meals and pellets, fit for human consumption" (030510) both of which are almost exclusively exported to SASEC countries.

[23] Maldives–People's Republic of China Free Trade Agreement. https://foreign.gov.mv/index.php/en/mediacentre/news/4289-key-agreements-signed-between-the-maldives-and-china.

Table 1: Top Products and Destinations of Maldives Exports, 2016

Product (HS-Code)	Product Description (Shortened)	Top Destinations
030119	Fish; live, ornamental, other than freshwater	UK, Sri Lanka, US
030199	Fish; live, n.e.c. in heading 0301	Hong Kong, China; Sri Lanka; PRC
030232	Fish; fresh or chilled, yellowfin tunas (*Thunnus albacares*)	US, Sri Lanka, France
030233	Fish; fresh or chilled, skipjack or stripe-bellied bonito, excluding fillets	Thailand, Sri Lanka, Germany
030234	Fish; fresh or chilled, bigeye tunas (*Thunnus obesus*), excluding fillets	US, Japan, Sri Lanka
030247	Fish; fresh or chilled, swordfish (Xiphias gladius), excluding fillets	US, Japan, Sri Lanka
030289	Fish; fresh or chilled, n.e.c. in heading 0302	Taipei,China; Hong Kong, China; Japan
030342	Fish; frozen, yellowfin tunas (*Thunnus albacares*)	Thailand, Spain, Viet Nam
030343	Fish; frozen, skipjack or stripe-bellied bonito	Thailand, Spain, Indonesia
030389	Fish; frozen, n.e.c. in heading 0303	Sri Lanka; Viet Nam; Hong Kong, China
030449	Fish fillets; fresh or chilled, other than fish of heading 0304.4	France, Italy, Germany
030487	Fish fillets; frozen, tunas (of the genus *Thunnus*), skipjack or stripe-bellied bonito (Euthynnus [Katsuwonus] pelamis)	The Netherlands, Germany, US
030510	Fish; flours, meals and pellets, fit for human consumption	Sri Lanka, Bangladesh
030549	Fish; smoked, whether or not cooked before or during smoking, n.e.c. in item no. 0305.4, includes fillets, but excludes edible fish offal	Sri Lanka, Japan
030559	Fish; dried, whether or not salted but not smoked, other than edible fish offal, n.e.c. in item no. 0305.5	Sri Lanka, US
030819	Aquatic invertebrates; sea cucumbers (Stichopus japonicus, Holothuroidea), dried, salted or in brine, smoked, whether or not cooked before or during the smoking process	Hong Kong, China; Sri Lanka; Singapore
160414	Fish preparations; tunas, skipjack, and Atlantic bonito	Ireland, Germany, UK
230120	Flours, meals and pellets; of fish or of crustaceans, mollusks, or other aquatic invertebrates	Sri Lanka, Bangladesh
720429	Ferrous waste and scrap; of alloy steel, excluding stainless	India, United Arab Emirates
740400	Copper; waste, and scrap	India

HS = harmonized system, n.e.c. = not elsewhere classified, PRC = People's Republic of China, UK = United Kingdom, US = United States.

Source: International Trade Center.www.trademap.org.

Table 2: Net Global Imports for Potential Maldives Exports, 2016
($ '000)

Product HS-Code	Product Description	Bangladesh	Bhutan	Nepal	India	Sri Lanka
030119	Fish; live, ornamental, other than freshwater	32	0	7	133	1,161
030199	Fish; live, n.e.c. in heading 0301	83	0	95	237	239
030232	Fish; fresh, or chilled, yellowfin tunas (*Thunnus albacares*)	0	0	0	0	8,745
030289	Fish; fresh, or chilled, n.e.c. in heading 0302	1,050	0	839	9,502	0
030342	Fish; frozen, yellowfin tunas (*Thunnus albacares*)	0	0	0	0	8,110
030343	Fish; frozen, skipjack or stripe-bellied bonito	0	0	0	0	4,597
030389	Fish; frozen, n.e.c. in heading 0303	6,938	0	2	5,530	12,268
160414	Fish preparations; tunas, skipjack and Atlantic bonito	153	1	155	278	2532
Total		**8,256**	**1**	**1,098**	**15,680**	**37,652**

HS = harmonized system, n.e.c. = not elsewhere classified.

Source: International Trade Center. www.trademap.org.

2.1 Maldives–SASEC Export Scenario

The neighboring SASEC trading partners of Maldives are all much larger coastal countries and, like Maldives, natural exporters of fishery-related products. Hence, there is considerable overlap of fishery exports from Maldives with the fishery export products from these SASEC countries, as well as the destination markets. This almost certainly contributes to decreased space for trade in these products among SASEC countries.

Table 3 shows Maldives' exports to other SASEC countries during the period 2006–2016. Bhutan and Nepal record no imports from Maldives—unsurprisingly, as the total market is very modest in these countries for these products.

Overall, for the period 2006–2016, total export to SASEC countries decreased by about 2.5% of total exports, while total world export increased marginally by about 2.9%. Both of these figures indicate volatility, with repeated increases and decreases in growth. World export amounts show significantly low values for both 2008 and 2009, while SASEC export values remained comparatively steady. The net world

demand declined for these 2 years, coinciding with the 2008 global financial crisis—the likely reason behind the observed decline in world demand.[24]

Table 3: Exports from Maldives to Other SASEC Countries
($ million)

Country	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bangladesh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.28
Bhutan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
India	1.26	1.98	1.96	1.73	2.51	2.47	2.84	2.30	2.89	3.00	1.55
Nepal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sri Lanka	17.41	16.17	12.03	13.11	14.53	13.17	11.61	8.48	8.72	17.23	14.18
Total export to SASEC	**18.67**	**18.15**	**13.98**	**14.84**	**17.04**	**15.64**	**14.45**	**10.78**	**11.61**	**20.35**	**16.01**
Total export to World	**135.60**	**108.17**	**126.36**	**76.67**	**74.20**	**121.86**	**161.03**	**140.96**	**144.47**	**143.67**	**139.13**
% share of SASEC/ World	**13.77**	**16.78**	**11.07**	**19.35**	**22.96**	**12.84**	**8.97**	**7.65**	**8.04**	**14.16**	**11.51**

SASEC = South Asia Subregional Economic Cooperation.

Note: Maldives did not export to Bhutan or Nepal during 2006–2016.

Source: Maldives Customs Service. www.customs.gov.mv/statistics.

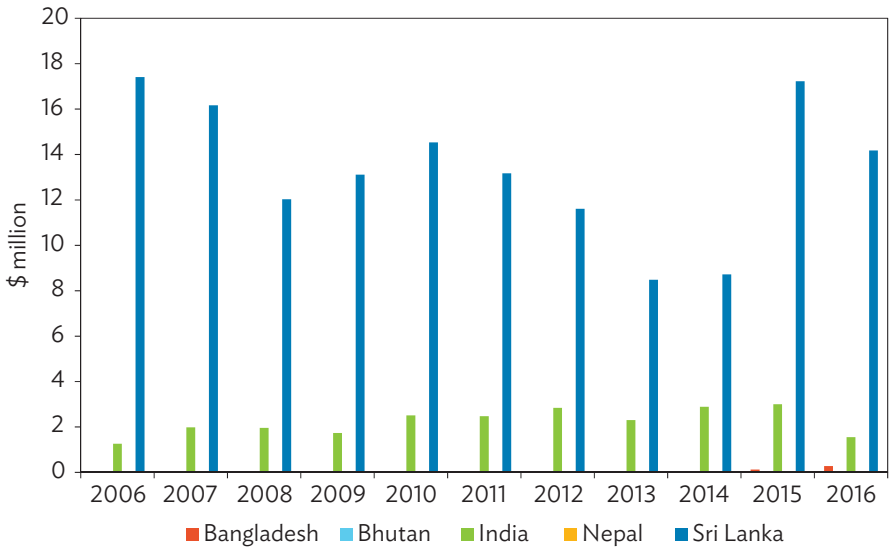
Maldives' exports to India have been generally consistent with a dip in 2016 (Figure 2). During this period, the top exports to India were used scrap metal—mostly iron or steel, copper, and aluminum, which are almost exclusively exported to SASEC countries. Fishery exports to India have been modest and inconsistent. Hence, exports to India are primarily dependent on the availability of scrap metal. Moreover, as a fishery export market, India imported a total of about $16 million for the selected eight potential exports of Maldives, whereas Maldives exported about $95 million for the same export products.

In terms of total SASEC share of Maldives' exports, there does not appear to be a trend in the data. Rather, the share percentage has continued to fluctuate, including the volume of exports.

Over the last 5 years, Maldives exported to Bangladesh only in 2015 and 2016. In 2016, Maldives exported two products "flours, meals and pellets; of fish or of crustaceans" (230120) and "fish; flours, meals and pellets, fit for human consumption" (030510) to Bangladesh, both fishery-related products. The value of both these exports to Bangladesh was very small, with a total sum for all exports

[24] World Bank response to 2008 financial crisis. http://siteresources.worldbank.org/EXTCFPDONFOR/Resources/1168942-1242407439480/WB_Response-Kyle_Peters.pdf.

Figure 2: Maldives' Exports to SASEC



Source: International Trade Center. http://www.trademap.org.

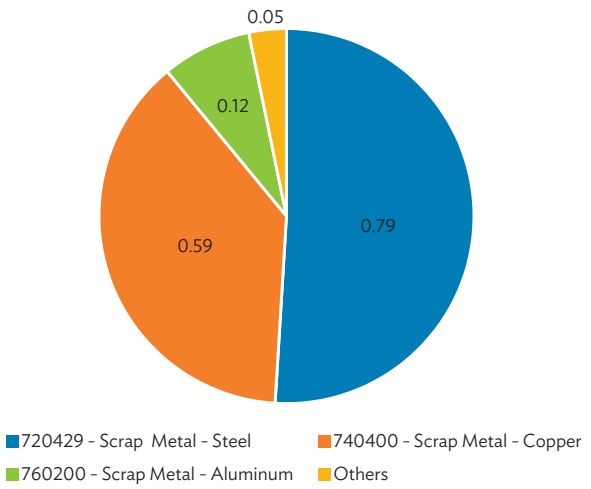
of less than $300,000. Both of these products were exclusively exported to SASEC countries.

In 2016 and in recent years, Maldives did not export any product to Bhutan. Additionally, Bhutan did not import any product in the top 20 export products of Maldives.

In 2016, Maldives exported six different products to India with a total value of $1.55 million. Out of these, the top three export products ("ferrous waste and scrap; of alloy steel" [720429], "copper; waste, and scrap" [740400], "aluminum; waste, and scrap" [760200]) accounted for $1.50 million, and all three were scrap metal exports. The dominance of these three products in overall exports to India can be seen in Figure 3. Notably, there are no fishery exports to India in 2016, and such exports to India in recent years have been small and inconsistent. For the eight shortlisted general potential export products, India is a net exporter in seven of these products with a strong export to import ratio. The eighth product, "fish; live, ornamental, other than freshwater" (030199), has low volume in terms of Maldives' exports as well as India's imports and exports.

In 2016, Maldives did not export any product to Nepal. Of the eight shortlisted general potential export products, Nepal imported only one item whose net import value was more than $300,000. Maldives already has considerably larger export volume for this item than the imported value to Nepal and all of Nepal's imports were from neighboring India, which is by far the largest exporter of this product within SASEC.

Figure 3: Maldives' Export Share to India ($ million)



Source: International Trade Center. http://www.trademap.org.

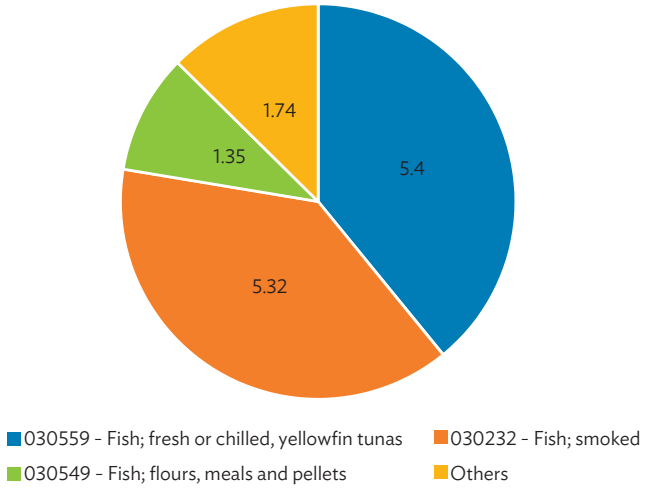
In 2016 and recent years, Sri Lanka was Maldives' largest trading partner. Notably, Sri Lanka is the only SASEC country to which Maldives exported more than 10 products. The top 10 exports to Sri Lanka were all fishery-related exports ("fish; dried, whether or not salted but not smoked" [030559]; "fish; fresh or chilled, yellowfin tunas" [030232]; "fish; smoked, whether or not cooked before or during smoking" [030549]; fish; flours, meals and pellets, fit for human consumption" [030510]; "flours, meals, and pellets; of fish or of crustaceans, mollusks or other aquatic invertebrates" [230120]; "fish; frozen, n.e.c. in heading 0303" [030389]; "fish; fresh or chilled, bigeye tunas" [030234]; "aquatic invertebrates; sea cucumbers, dried, salted or in brine, smoked" [030819]; "fish; live, ornamental, other than freshwater" [030119]; "fish; frozen, yellowfin tunas" [030342]).

These 10 exports accounted for over 97% of total exports to Sri Lanka, while the top three exports accounted for over 85% exports (Figure 4), indicating that only a few products are strongly exported while the rest are in small amounts. Maldives is already exporting four products to Sri Lanka that are net exports of Sri Lanka. While the exports of three of these products are quite low, 60% of imports for the fourth product ("fish; fresh or chilled, yellowfin tunas" [030232]) was from Maldives. Of the eight shortlisted potential exports to SASEC, Sri Lanka is a net importer of three products ("fish; frozen, yellowfin tunas" [030342]; "fish; frozen, skipjack or stripe-bellied bonito" [030343]; "fish preparations; tunas, skipjack and Atlantic bonito" [160414]) with a total import market size of about $15 million in 2016. Comparatively, Maldives exported more than $60 million globally for the same products.

Net exports to Sri Lanka from Maldives have been more varied with dips and rises occurring a few times during the data period (Figure 2). The period 2010–2014

shows a general decline in exports, but a more detailed analysis of the data shows that the export product range did not decrease, but that the quantity of exports declined. Moreover, during 2011–2012, the number of export products increased. The significant increase in exports for the year 2015 is attributed to almost a doubling of two key export products: "fish dried, whether or not salted" (030559); and "fish; fresh or chilled, yellowfin tunas" (030232) to Sri Lanka. The export volume of these two products has since retreated slightly as indicated in the dip in exports for the year 2016. Both of these products are exported primarily to the SASEC region.

Figure 4: Maldives' Top 10 Exports to Sri Lanka ($ million)



International Trade Center. http://www.trademap.org.

2.2 Maldives–SASEC Import Scenario

As Maldives has such a small production base (excluding fishery products), it depends enormously on imports. This is evident in the national import and export statistics: in 2016, the value of imports was 15 times (Table 2, and Table 3) more than the value of exports.

Generally, SASEC imports to Maldives have been consistently larger than Maldives' exports to SASEC. Statistics show the import share to be consistently between 15%–20% in recent years (Table 3), while the export share only recently breached 10% (Table 2).

Table 4 shows imports to Maldives from other SASEC countries from 2006 to 2016. Both Bhutan and Nepal had no imports to Maldives. Both India and Sri Lanka, in addition to being the closest neighbors, have seaports along a major shipping route,

enabling these countries to be significant gateways of trade to Maldives, as clearly reflected in Figure 5.

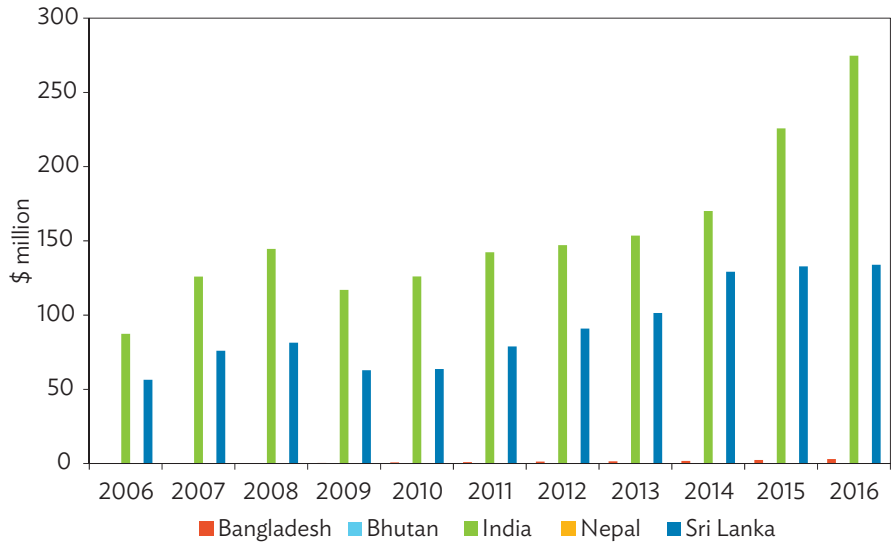
Table 4: Imports from Other SASEC Countries to Maldives
($ million)

Country	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bangladesh	0.03	0.07	0.13	0.41	0.81	0.92	1.35	1.52	1.81	2.40	3.12
Bhutan	0.00	0.00	0.11	0.08	0.00	0.00	0.00	0.01	0.00	0.00	0.00
India	87.36	125.89	144.57	116.96	126.04	142.40	147.16	153.50	170.14	225.82	274.74
Nepal	0.01	0.00	0.01	0.03	0.01	0.01	0.02	0.34	0.02	0.03	0.03
Sri Lanka	56.42	75.97	81.43	62.84	63.71	78.83	90.98	101.44	129.25	132.82	133.95
Total import from SASEC	**143.83**	**201.94**	**226.25**	**180.32**	**190.56**	**222.16**	**239.51**	**256.81**	**301.22**	**361.06**	**411.84**
Total import from World	**926.53**	**1,096.29**	**1,387.51**	**966.29**	**1,095.12**	**1,644.05**	**1,548.94**	**1,727.29**	**1,987.63**	**1,890.26**	**2,120.85**
% share of SASEC/ World	**15.52**	**18.42**	**16.31**	**18.66**	**17.40**	**13.51**	**15.46**	**14.87**	**15.15**	**19.10**	**19.42**

SASEC = South Asia Subregional Economic Cooperation.

Source: Maldives Customs Service. https://www.customs.gov.mv/.

Figure 5: Imports to Maldives from SASEC Countries



Source: International Trade Center. http://www.trademap.org.

Overall, for the period 2006–2016, total imports from SASEC countries increased by about 186% while the total world imports increased by about 129%. Both of these imports show steady increases, except for dips in both 2008 and 2009, with 2009 showing a slight recovery. Net demand was much lower than the normal trend for these 2 years, and this decline coincided with the 2008 financial crisis. It is believed that the 2008 financial crisis contributed to the observed decline in world demand.

Maldives' imports from Bangladesh show a consistently increasing trend, even though the volume is still very small (Table 5). Recent import increases from Bangladesh were driven by increased import of aerated drinks, tobacco, fruit juices, and bovine meat.

Maldives has had no imports from Bhutan in the recent years. This is not surprising, given the relative proximity to Maldives of coastal SASEC countries that lie on major trade sea routes.

Table 5: Imports from Bangladesh to Maldives
($ '000)

Product	Product Label	2014	2015	2016
220210	Waters, including mineral and aerated, with added sugar, sweetener or flavor, for direct consumption	470	549	718
240210	Cigars, cheroots, and cigarillos containing tobacco	103	162	229
200989	Juice of fruit or vegetables, unfermented, whether or not containing added sugar or other sweetening	108	126	172
020220	Frozen bovine cuts, with bone in (excluding carcasses and half-carcasses)	34	126	139
090422	Fruits of the genus Capsicum or of the genus Pimenta, crushed or ground	78	80	121
020120	Fresh or chilled bovine cuts, with bone in (excluding carcasses and 1/2 carcasses)	24	28	118
850710	Lead-acid accumulators of a kind used for starting piston engine "starter batteries"	0	0	110
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes	43	146	103
030389	Frozen fish, n.e.s.	58	106	94
030289	Fresh or chilled fish, n.e.s.	82	79	93
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	10	16	89

n.e.s. = not elsewhere specified.

Source: International Trade Center. https://www.trademap.org/.

Imports from India have been increasing, with relatively large increases in the last 2 years (Figure 5). A product breakdown of the imports shows that this recent import increase was largely driven by the construction sector with significant import increases in cement, granite, basalt, stones, and gravel (Table 6). Other significant imports from India include staple food, fruits and vegetables, car parts, and bovine meat.

Table 6: Imports from India to Maldives
($ '000)

Product	Product Label	2014	2015	2016
251612	Granite, merely cut, by sawing or otherwise, into blocks or slabs of a square or rectangle	9,430	13,110	23,245
251710	Pebbles, gravel, broken or crushed stone, for concrete aggregates, for road metaling	9,967	19,367	18,917
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	13,119	14,723	18,207
880330	Parts of airplanes or helicopters, n.e.s. (excluding those for gliders)	371	145	15,531
252329	Portland cement (excluding white, whether or not artificially colored)	3,265	8,304	10,702
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes	7,696	8,037	8,959
250590	Natural sands of all kinds, whether or not colored (excluding silica sands, quartz sands	5,519	7,248	8,346
040721	Fresh eggs of domestic fowls, in shell (excluding fertilized for incubation)	6,328	6,315	7,836
251690	Porphyry, basalt, and other monumental or building stone, whether or not roughly trimmed	3,216	5,466	6,147
170112	Raw beet sugar (excluding added flavoring or coloring)	3,089	5,488	5,065
251612	Granite, merely cut by sawing or otherwise, into blocks or slabs of a square or rectangular	9,430	13,110	23,245

n.e.s. = not elsewhere specified.

Source: International Trade Center. https://www.trademap.org/.

Maldives imports very little (less than $30,000) from Nepal and in the last 2 years, this has been mostly kitchenware and contact lenses. As with Bhutan, this low level of imports is expected.

Imports from Sri Lanka have been increasing consistently, but plateaued in the last 2 years (Figure 2). A product breakdown of the imports does not appear to show any particular driver for the last 2 years, but rather appears to show that there have been positive or negative variations in the imported individual products themselves (Table 7).

Table 7: Imports from Sri Lanka to Maldives
($ '000)

Product	Product Label	2014	2015	2016
220290	Non-alcoholic beverages (excluding water, fruit, or vegetable juices and milk)	5,241	4,976	5,962
854449	Electric conductors, for a voltage <= 1.000 volts, insulated, not fitted with connectors, n.e.s.	3,458	2,929	3,241
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes,	3,635	5,207	3,204
080430	Fresh or dried pineapples	2,492	2,373	2,608
854420	Coaxial cable and other coaxial electric conductors, insulated	2,174	590	2,293
271112	Propane, liquefied	1	0	1,943
320890	Paints and varnishes-based, including enamels and lacquers, on synthetic polymers or chemically	1,431	1,412	1,710
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel	1,435	1,652	1,694
271020	Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations	9,215	479	1,690
190531	Sweet biscuits	1,696	1,386	1,605
220290	Non-alcoholic beverages (excluding water, fruit, or vegetable juices and milk)	5,241	4,976	5,962

n.e.s. = not elsewhere specified.

Source: International Trade Center. https://www.trademap.org/.

Chapter 3
Potential Exports Subject to Nontariff Barriers

This chapter follows and builds on the analysis in Appendix 1, which describes the methodology used to develop the final list of eight potential export products to SASEC countries, as well as Appendix 2, which details exporter views and input on exports to SASEC countries. As noted in Chapter 1 and Appendix 1, the list of potential export products was developed by creating a list of all exports from Maldives above a baseline volume and then culling the list by removing products already extensively exported to SASEC countries, and products barely imported by SASEC countries (Figure 1).

During interviews conducted for this diagnostic study, exporters communicated a consistent message indicating that NTMs are not a significant issue, but rather product pricing and demand leading to a weak business case as the primary issue.[25] And it is worth recalling the difficulties Maldives faced when exporting a product to significant exporting countries of the same product, as most SASEC countries are coastal countries exporting fishery-related products.

Generally, developed markets (in no particular order) such as the US; Canada; countries of the EU; the PRC; Hong Kong, China; and Japan are some of the markets to which Maldives currently exports these eight products. Moreover, other SASEC countries trading in these products also export to these same markets (Table 8). This indicates that the production quality for fishery products within SASEC countries is on par with multiple developed market requirements.

The observation intra-SASEC trade exists for the eight products in recent years, strengthens the argument that product quality and technical capability are not significant issues. While these trade linkages exist (Table 9), the trade volume is low. This is generally expected, as these countries are exporters of fishery-related products, with considerable overlap of fishery product range.

This general backdrop, with the commonality of developed export markets, the existing trade linkages (albeit in small volume) within SASEC countries, is supportive of the confidence that exporters exhibited in stating that NTMs are not a significant issue or else can be met.

[25] For more information on referred exporters, please refer to Appendix 6.

Table 8: Select Export Markets, 2012–2016

Product HS-Code	Product Description	Maldives	India	Sri Lanka
030119	Fish; live, ornamental, other than freshwater	EU; Hong Kong, China; Japan; PRC; US	Canada; EU; Hong Kong, China; Japan; PRC; US	Canada; EU; Hong Kong, China; Japan; PRC; US
030199	Fish; live, n.e.c. in heading 0301	EU; Hong Kong, China; PRC	EU; Hong Kong, China; Japan; PRC; US	Canada; EU; Hong Kong, China; Japan; PRC; US
030232	Fish; fresh or chilled, yellowfin tunas (*Thunnus albacares*)	Canada; EU; Hong Kong, China; Japan; PRC; US	EU; Hong Kong, China; PRC; US	Canada; EU; Hong Kong, China; Japan; PRC; US
030289	Fish; fresh or chilled, n.e.c. in heading 0302	Canada; EU; Hong Kong, China; Japan; PRC; US	Canada; EU; Hong Kong, China; PRC; US	Canada, EU
030342	Fish; frozen, yellowfin tunas (*Thunnus albacares*)	EU; Hong Kong, China; Japan; PRC; US	EU; Hong Kong, China; PRC; US	Canada; EU; Hong Kong, China; Japan; PRC; US
030343	Fish; frozen, skipjack or stripe-bellied bonito	EU; Japan; Hong Kong, China; PRC	EU; Hong Kong, China; PRC	EU; Hong Kong, China; PRC; US
030389	Fish; frozen, n.e.c. in heading 0303	EU; Hong Kong, China; Japan; PRC; US	Canada; EU; Hong Kong, China; PRC; US	EU; Hong Kong, China; PRC; US
160414	Fish preparations; tunas, skipjack and Atlantic bonito	EU; Hong Kong, China; PRC; US	EU, US	EU; Hong Kong, China; Japan; PRC; US

EU = European Union, HS = harmonized system, n.e.c. = not elsewhere classified, PRC = People's Republic of China, US = United States.

Source: International Trade Center. https://www.trademap.org/.

Table 9: Intra-SASEC Export Linkages, 2012–2016

Product HS-Code	Product Description	Maldives	India	Sri Lanka
030119	Fish; live, ornamental, other than freshwater	Sri Lanka	Bangladesh, Nepal, Sri Lanka	Bangladesh, India, Maldives
030199	Fish; live, n.e.c. in heading 0301	Sri Lanka	Nepal	India, Maldives
030232	Fish; fresh or chilled, yellowfin tunas (*Thunnus albacares*)	Sri Lanka	Sri Lanka	Maldives
030289	Fish; fresh or chilled, n.e.c. in heading 0302	Sri Lanka	Bangladesh, Nepal, Sri Lanka	Maldives
030342	Fish; frozen, yellowfin tunas (*Thunnus albacares*)	India, Sri Lanka	Sri Lanka	
030343	Fish; frozen, skipjack or stripe-bellied bonito	India	Maldives, Sri Lanka	
030389	Fish; frozen, n.e.c. in heading 0303	Sri Lanka	Bangladesh, Maldives, Sri Lanka	
160414	Fish preparations; tunas, skipjack and Atlantic bonito	Sri Lanka		

n.e.c. = not elsewhere classified.

Source: International Trade Center. https://www.trademap.org/.

3.1 Potential Exports to SASEC Countries

To emphasize the single band of exports (fishery-related) with the few export products that Maldives currently has, Appendix 3's tables of potential exports to SASEC countries has been filled with an expanded scope. That is, the new scope includes products if any SASEC country imports any of the eight potential exports of Maldives, while disregarding any limitations due to NTMs. Even with this expansion, it can be observed that the large disparity between the unit values of the export to import probably negates the chances of export of some of these products. Consequently, very few products remain even under this expanded scope. Table 10 summarizes the data in Appendix 4 in terms of unit value (UV). That is, while Maldives has exported some amount to these SASEC countries, the general unit value price differences makes it likely these markets will remain niche markets only.

Table 10: Unit Price Indicators for Maldives Exports, 2016

Product	Product Description	Bangladesh	India	Nepal	Sri Lanka
030119	Fish; live, ornamental, other than freshwater				UV?
030199	Fish; live, n.e.c. in heading 0301				
030232	Fish; fresh or chilled, yellowfin tunas (*Thunnus albacares*)				Y
030289	Fish; fresh or chilled, n.e.c. in heading 0302	UV?	UV?	UV?	
030342	Fish; frozen, yellowfin tunas (*Thunnus albacares*)				Y
030343	Fish; frozen, skipjack or stripe-bellied bonito				UV?
030389	Fish; frozen, n.e.c. in heading 0303	Y	Y		Y
160414	Fish preparations; tunas, skipjack and Atlantic bonito				Y

n.e.c. = not elsewhere classified, UV = unit value, UV? = unit price is prohibitively high to export, Y = yes.

Note: Bhutan does not import any of these products.

Source: International Trade Center. https://www.trademap.org/.

Product "fish; frozen" (030389), noticeable in Table 10 as a potential export to three countries, is in fact a low-volume export from Maldives. In 2016, Maldives exported under $0.5 million in value, but, in contrast, the same product was exported by India (valued at over $409 million) and Bangladesh (valued at $15 million).

Moreover, potential export products to Sri Lanka, as indicated in Table 10, are already exported to Sri Lanka, except product "fish preparations; tunas, skipjack and Atlantic bonito" (160414), which was imported to Sri Lanka to the amount of $2.5 million in 2016, mainly from the PRC and Thailand.

The following products show potential as exports to Sri Lanka. Even so, Sri Lanka's total import market for these three products is about $15 million, of which Maldives already contributes about $1 million of exports.

(i) Fish; frozen, yellowfin tunas (*Thunnus albacares*) (030342)
(ii) Fish; frozen, skipjack or stripe-bellied bonito (030343)
(iii) Fish preparations; tunas, skipjack and Atlantic bonito (160414)

This finding of some potential export products, which are limited in volume due to the low-import volume of other SASEC countries, makes the task of expanding regional exports difficult for Maldives. Therefore, the focus of this study was adjusted to include exploration of product diversification with a view to growing the potential export products to the SASEC region.

3.2 Export Diversification

Because of the limited number of potential export products analyzed, an additional analysis was carried out by expanding the number of products.

The data showed that the 31st product at the 6-digit HS code had an export value of less than $10,000. All 30 products can be broadly classified into fishery-related products and (the re-export of) used products, such as scrap metal, batteries, waste oil, and even paper. Hence, there were no existing products that could be further analyzed as potential products for export diversification even at the extremely low export volume level.

For further analysis, an interview was conducted with the Small and Medium Enterprise (SME) Unit, which is part of MED, tasked with developing small and medium-sized enterprises. The SME Unit is also involved in the development of viable new products to assist SME business development efforts. When queried on export product diversification, the SME Unit stated that while some products were being prepared for production, the products were targeted for the local market only. There are further plans to market these products to foreigners and tourists at a later stage, but this would be in-country, at duty-free shops, and airports. However, there were no plans for the export of these products to other countries.

Hence, there were no manufactured (non-fishery-related) products (as developed with assistance from the government) that were conceived locally and planned as potential export products.

Subsequently, at the National Validation Meeting in December 2017, the Government of Maldives strongly advocated for product diversification, with a view to encouraging the private sector to diversify their products. Options discussed included aquaculture and mariculture products, which was supported by private sector fishery exporters. However, exporters also indicated a lack of confidence that such products were likely to be exportable to regional SASEC countries, in lieu of a weak business case for exporting to SASEC countries.

One ongoing initiative that focuses on potential export diversification is the Mariculture Enterprise Development Project (MEDEP),[26] undertaken by the Ministry of Fisheries and Agriculture (MOFA) with assistance from the International Fund for Agriculture Development (IFAD). Mariculture is the farming of fish or other sea-based life forms in an enclosed or controlled environment. Initial studies indicated that two species (grouper and sea cucumber) could be suitable for mariculture based farming.[27] Currently, there is one facility farming sea cucumbers in a mariculture-based setting.

While mariculture production is a boost for exports, it is noted that the identified species are both already being caught from the wild and sea cucumbers are already being exported from Maldives. In this instance, mariculture base production is the industrial production of an existing product for exports as opposed to product diversification and is more akin to a diversification in the method of production. For this reason, this study does not view this instance of mariculture production as product diversification.

Another option for product diversification, advocated by the Government of Maldives, would be the value addition of fishery-based products such as fish meals. However, following consultation and discussions with exporters, the private sector response indicated that such value-added export products would only be viable in the long-term future. Even then, exporters felt that the first markets for such products would be developed markets and SASEC countries would possibly come into active trade after the developed markets. However, MED noted that under SAARC, there is provision for concessions to imports from India which could be used in the production of these value-added products, at a cheaper cost. Currently, these concessions are not being applied or exercised.

Interviews with exporters revealed that some exporters are active in value addition to fishery products, but for the local market only. However, they and other fishery exporters consistently state that they do not foresee a business case for exporting to regional countries in the current market. Generally, exporters envisage developed markets as a possible first step of such exports and regional SASEC countries thereafter, if the business case situation for regional countries improves.

Hence, while this study could not find potential export products in the expanded scope of product diversification and value-addition, these options remain open and likely avenues to expand Maldives exports. The fact that the Government of Maldives has strongly indicated a desire to explore such options and opportunities, and that the private sector is already active in product value addition in the local market, are strong indicators these avenues must be continuously and further explored to find potential export products.

[26] Mariculture Enterprise Development Project. www.ifad.org/web/operations/project/id/1624/ country/maldives.
[27] Deputy Direction General, Ministry of Fisheries and Agriculture.

Chapter 4
Overview of Sanitary and Phytosanitary Technical Barriers to Trade, and Other Nontariff Measures in Maldives

This section describes and analyzes the SPS, TBT, and other NTM measures implemented in Maldives. The analysis examines the empowering legal framework of acts and regulations governing these measures, as well as existing institutional frameworks to implement the necessary processes.[28]

Moreover, it is again important to recall the unique situation of Maldives as a heavily import dependent state, typically lacking anticompetitive pressure to institute NTMs on imports. Consequently, relatively few NTMs have been implemented in Maldives. However, the lack of focus on SPS and TBT NTMs in Maldives has led to a higher risk of substandard imports where, for example, health certificates are not required to be submitted for imported basic food items, such as fruits and vegetables.

4.1 The Sanitary and Phytosanitary Scenario

4.1.1 The Legal Structure

Parent Act (2008)

The Parent Act (2008)[29] is the legal instrument that empowers the Regulation on the Import of Livestock.[30] The Parent Act is an act created when the new Constitution of Maldives came into being in 2008. The objective of this act is to give legal power to a number of regulations active at the time, without empowering laws. The Parent Act does not contain any clauses specific to any of the regulations it empowers which, in 2008, numbered 83 individual regulations. It was envisioned that appropriate bills would be gradually passed by Parliament to empower these orphan regulations. However, this has not come to pass. The Parent Act twice received time extensions from Parliament. The Regulation on the Import of Livestock has been active since before 2008 and the Agriculture Department still considers it adequate. The regulation caters to a variety of livestock (such as chickens, goats, and cows) with specific health requirements for each type. A health certificate is mandatory for any type of livestock. Inspectors have the right to quarantine suspected imports and the authorities have power to issue fines for violations.

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[28] The 2017 BPA-Report carried out an extensive study of the processes and institutions involved in SPS and TBT trade, and the SASEC diagnostic study uses relevant analyses of the processes, regulatory institutions, and infrastructural issues.

[29] Parent Act. http://www.mvlaw.gov.mv/pdf/ganoon/chapterI/6-2008.pdf.

[30] Regulation on Import of Livestock. http://www.mvlaw.gov.mv/pdf/gavaid/minFisheries/1.pdf.

As of March 2018, no steps have been taken toward drafting an independent act regarding the import of livestock.

Empowered under the Parent Act, the Regulation on Import, Produce, and Sale of Breast Milk Substitutes in Maldives requires preregistration of all products as described in the regulation before import. It is noted that the current regulation requires amendments to fully empower the control measures carried out by the Maldives Food and Drug Authority (MFDA) during the import process.[31]

Plant Protection Act (2011)

The Plant Protection Act (2011)[32] was hailed as a modern law catering to today's requirements, including SPS requirements for the import of plants and plant parts. This Act entails liaison with international plant protection agencies and specifically empowers SPS requirements, such as phytosanitary inspections, the duties and powers of inspectors, certifications, and more. However, there is no regulation that details procedures of the SPS requirements based on this act. Procedures in place since before this act continue to be applied, including forms, import permits, inspections, quarantine measures, and others.

A draft regulation was prepared and submitted to the Attorney General's Office (AGO) for review. Regulations are implemented after the AGO has reviewed and accepted the draft regulation.

Fisheries Act (1987)

The Fisheries Act (1987)33 regulates all matters related to the fishery industry within Maldives. Under this Act, the Regulation on Fishery Export Licensing (2009)[34] regulates the procedures related to catch, vessels, and other related issues to fishery exports. The Catch Certificate—which is a required export document—is under this regulation. The Catch Certificate ensures the fishery product being exported is of legal catch with traceability requirements. This regulation also issues "export licenses" to fishery exporters, but its relevance to the export process has not been determined. MCS has confirmed that it only accepts the Catch Certificate as a required document for the export process.

The current regulatory processes related to the import and export of endangered species, regulated by the Ministry of Environment and Energy (MOEE), currently lack governing legislation. However, a bill for this has been drafted and is currently being reviewed by the AGO. The enactment of this bill would provide necessary legislation to regulate the current import and export processes of endangered species as well as complying with related international conventions. It is noted that the trade volume of endangered species is very small: in 2015, there were only three transactions.

31 Maldives' laws. http://www.mvlaw.gov.mv/pdf/gavaid/minFamily/3.pdf.
32 Plant Protection Act: www.mvlaw.gov.mv/pdf/ganoon/chapterIV/12-2011.pdf.
33 Fisheries Act. http://www.mvlaw.gov.mv/pdf/ganoon/chapterIV/12-2011.pdf.
34 Regulation on Fishery Export Licensing. http://www.mvlaw.gov.mv/pdf/gavaid/minFisheries/ 5.pdf.

Public Health Act (2011)

The Public Health Act (2011)[35] is concerned with issues affecting the health of the public and it does not specifically discuss SPS or import requirements. Even so, it has been used to enact the Regulation on Port Health36 which does declare SPS requirements. Specifically, this regulation requires health certificates for raw meat which is considered a high-risk import. Notably, MFDA also requires health and other documents for poultry and eggs which are also considered high-risk imports, yet it is unclear which regulation empowers this SPS requirement.

Leveraging the Public Health Act (2011), which is aimed at the general health of the public, MFDA has applied food labeling requirements to imported food products. There is no regulation that empowers this requirement.

Food Safety Bill (In Process)

MFDA drafted a Food Safety Bill to replace the Public Health Act with a more appropriate act. This bill has been submitted to AGO for review. After the AGO reviews and accepts the bills, the AGO submits them to Parliament. Notably, this bill has been with the AGO for several years now. No work has been carried out to date to draft a regulation that would collate and include all SPS requirements relating to food. However, a draft regulation for high-risk imports has been created, and is currently with MFDA for internal review.

Regulations, Standards, and Practices Requiring Legal Grounding

Before the new Constitution came into being in 2018, an existing requirement, legally enforced via public announcement, stipulated that all imported meat and poultry must be halal. Due to the new Constitution in 2018, public announcement ceased to be a form of legal enforcement. Analysis and interviews[37] for this diagnostic study have not been able to confirm whether there is either an official act or a regulation that stipulates imported meat and poultry must be halal: and yet this SPS requirement continues to be applied.

It should be noted that in 2013, a halal standard and regulation was developed for certification of fishery exports to Islamic markets as a collaboration between MED, MFDA, MOFA, and Ministry of Islamic Affairs (MIA). The second phase of this work was the application of halal standards for imports, although this has yet to commence.

The Health Protection Agency (HPA), Ministry of Health, regulates the import controlling measure related to labeling of tobacco products under the Tobacco Control Act, although to date, there is no governing regulation for this measure. Compliance is checked through inspections carried out by MCS during the import process. Importers are given the option to re-export products if the products are found to be noncompliant.

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35 Public Health Act. http://www.mvlaw.gov.mv/pdf/ganoon/chapterII/7-2012.pdf.
36 Port Health Regulation. http://www.mvlaw.gov.mv/pdf/gavaid/minFamily/6.pdf.
37 Staff interviews at both MED and MFDA, including the former DG of MED.

MFDA also issues a health certificate for fishery exports for the health and hygiene standard of exports. MFDA is the designated competent authority for the EU in Maldives. However, there is no act or regulation yet that empowers this process, although a draft regulation has been created and is currently being shared with stakeholders for comments before going forward. Currently, process guidance is taken from the destination country's requirements in this area. MFDA awaits the passage of the Food Safety Bill to develop a proper regulation for this SPS requirement.

In terms of legal mandate, discussions with the Agriculture Department and MFDA reveal a lack of clarity in their mandates as demonstrated, for example, by the import of live chickens (administered by the Agriculture Department) and live crabs (administered by the MFDA). In this case, it appears that the measure applied depends on whether the end usage of the imported live organisms is for farming or food. As farming and food are not mutually exclusive, the mandate itself is not exclusive. Implementing institutions should recognize and amend their processes accordingly.

The government has made efforts to create awareness and spur action in areas related to these SPS measures. In agriculture-related efforts, the Food and Agriculture Organization of the United Nations (FAO) Good Agricultural Practice (GAP) scheme for fruits and vegetables has been initiated. The National Plant Protection Organization has also been established. In food safety-related efforts, the government has also enhanced the food testing capability of the National Health Laboratory of MFDA through procurement of equipment and staff training. MFDA has adopted regulations based on Codex (or food code) standards. MFDA has also been working on quality standards for local food products.

4.1.2 The Institutional Framework

Three institutions are mandated to oversee matters related to plants, animals, and food: The Agriculture Department of the Ministry of Fisheries and Agriculture (MOFA) regulates the import of plants and livestock; the Maldives Food and Drugs Authority (MFDA) of the Ministry of Health regulates the import and export of foodstuff; and the Ministry of Environment and Energy (MOEE) regulates the import and export of endangered species.

Agriculture Department

The Agriculture Department operates as a separate body from the Fisheries Department under MOFA and is broadly responsible for issues related to, and the regulation of plants, plant parts, and livestock. As such, the Agriculture Department is the implementing agency for the Regulation on the Import of Livestock, as well as procedures and processes in place to regulate the import of plants and plant parts.

It performs the following functions for SPS measures in place for the import of plants, plant parts, and livestock.

(i) Providing application forms for import permits.
(ii) Issuing import permits.
(iii) Maintaining an office presence and inspection staff at import points.

(iv) Carrying out inspections.
(v) Maintaining a laboratory for testing purposes.
(vi) Maintaining a quarantine facility for plants and plant parts.
(vii) Confiscating and destroying products in violation of regulations.
(viii) Reviewing veterinary or health certificates from the country of origin.

Of all eight[38] international entry points to Maldives, the Agriculture Department has a physical presence only at the Velana International Airport (VIA). It maintains a laboratory and/or quarantine facility at VIA, staffed by one person. In terms of workload, this single staff oversees all Agriculture Department-related regulatory works at the primary airports and seaports of Maldives.

In procedures and processing, the Agriculture Department operates completely manually and, because of this, expressed concerns about staffing, technical training for inspectors, laboratory and equipment upgrades, and workspaces. The BPA-Report has already conducted a comprehensive study on these issues and presented a number of recommendations to address the same, including recommendations to change the processes themselves to increase transparency and efficiency. Further discussions with the Agriculture Department have generally verified the identified issues. Consequently, this report agrees with the relevant recommendations made in the BPA-Report.

As noted earlier, the Agriculture Department maintains a plant testing laboratory at VIA. Exporters and regulators requested the establishment of a general mariculture diagnostic service facility. Such a facility would be immediately useful for the pet fish importing sector, as well as future business development, when mariculture may be established as a means of export production. The only current method of ascertaining the health of such imported fish was a health certification supplied by the importer. Further subsequent analysis revealed that the Mariculture Enterprise Development Project (MEDEP), a currently active project implemented by MOFA and IFAD, aims to establish a mariculture diagnostic service as an expansion of the current plant laboratory located at VIA. To date, the testing and diagnostic parameters have not been established as the mariculture production project itself is at an early stage. As there is an existing project (MEDEP) with the objective of establishing such a facility, working with the local line ministry with international donors and organizations active in this field, and with the possibility that the technical scope requirement will require a time period since mariculture is gradually established as a means of viable production, this report does not include a recommendation to establish such a facility.

One development since the BPA-Report are efforts to computerize processes. The Agriculture Department has been exploring ways to automate processes and has requested a budget allocation for this work for the year 2019.

[38] For more information on international entry points, please refer to Appendix 6.

Maldives Food and Drug Authority

The MFDA operates as a semi-independent authority under the Ministry of Health and is broadly responsible for issues related to, and regulation of food and medicine. As such, the MFDA is the implementing agency for the procedures and processes in place to regulate the import of high-risk food items, the import halal meat, the labeling of imported food items, import of breast milk substitutes, and the issuance of health certificates for fishery exports. Note that there are no regulations proper for all four of these functions.

As such, the MFDA performs the following functions for SPS measures in place for the SPS requirements in the preceding paragraph:

(i) Providing application forms for import permits.
(ii) Issuing import permits.
(iii) Maintaining an office presence and inspection staff at import points.
(iv) Carrying out inspections.
(v) Confiscating and destroying products in violation of regulations.
(vi) Reviewing health and other related certificates from the country of origin.
(vii) Issuing health certificates for fishery exports.

Of all eight[39] international entry points, the MFDA has a physical presence at three locations: the VIA, Malé, and Hulhumalé ports. At the remaining locations, MFDA cooperates with the Port Health Authorities (a department at the same ministry) to keep watch for applicable imports. However, as highlighted by MFDA, this cooperation does not rise to the level of regulatory checks. Imports to these ports have been steadily increasing.

In procedures and processing, the MFDA food section operates completely manually and, because of this, has expressed concerns about staffing, technical training to inspectors, and workspaces. As in the case of the Agriculture Department, this report agrees with the findings and recommendations of the BPA-Report.

The MFDA also manages the measure related to the import of breast milk substitutes. Applicable products must be registered at MFDA prior to import, if not currently registered. Inspections are carried out by MFDA staff during the import process. Non-registered products are confiscated. At this point, importers have the option to submit the required documentation and products are released if registration compliance is successful.

It is also noted that the government has recognized shortcomings that should be addressed urgently. Consequently, MFDA has published The Food Safety Policy[40] which details the current situation in legislation, functions, services, risks, and analysis, as well as what needs to be achieved in the immediate future for these parameters. This document was last updated in 2017 and envisions a 10-year implementation period. It is noted that much of

[39] For more information on international entry points, please refer to Appendix 6.
[40] Food Safety Policy. http://www.health.gov.mv/Uploads/Downloads//Informations/Informations (69).pdf.

the legislative agenda highlighted in this policy document hinges on the passing of the Food Safety Bill, which has been with the AGO for some years now.

One development since the BPA-Report are efforts to computerize processes. With assistance from MED, the MFDA has already engaged the services a software programmer to automate its processes, including both the food and medicine sections of MFDA. This effort includes encompassing BPA-Report recommended changes to processes. However, due to funding constraints, the contract is limited and not all services can be automated during this period.

As the ministry mandated with economic development, and the authority representing Maldives in international trade-related organizations and negotiations, the WTO SPS Enquiry Point was located within MED. Operationally, MED acts as a central inquiry point coordinating with other regulating agencies when queries or the need arises. However, there is no formal group or committee of relevant technical staff from the regulators that supports queries to the inquiry point.

Ministry of Environment and Energy

The MOEE regulates the import and export of endangered species as per CITES[41] requirements. Prior permits must be obtained from MOEE before importing or exporting. MOEE has delegated the work of control checks at the border to MCS under a memorandum of understanding signed between the two parties. It is noted that the trade volume of endangered species is very small. In 2015, there were only three transactions.

4.1.3 Infrastructural Facilities

There is no computerized system to manage SPS measures implemented by the Agriculture Department, MFDA, or the MOEE. All processes relating to the application of pre-import permits, payments for the submission of permits or documents are manual. The BPA-Report has recommendations for both the Agriculture Department and MFDA on computerization of these services.

Table 11 shows the international entry points to Maldives and the presence and operational functions of regulators at those locations. This table must be viewed in the context that most entry points attract very little international traffic and it is reasonable to assume that a permanent office and staff presence are not economically viable.

Table 11 also shows how these entry points have been classified in terms of traffic, where the lowest tier is the busiest. MFDA maintains a presence and conducts inspections on all tier 1 entry points. However, the Agriculture Department does not maintain a presence at two tier 1 sea ports. One reason for this is that plant and plant parts are primarily imported by air. Although animals are imported primarily via seaports, these imports are infrequent.

[41] The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international agreement between governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival.

Table 11: Regulator Presence at International Entry Points

International Entry Point	Agriculture Ministry of Fisheries and Agriculture	Food Safety, Maldives Food and Drug Authority
Velana Airport (tier 1)	Plant laboratory and quarantine, office presence, inspections	Cold storage facility, office presence, inspections
Gan Airport (tier 2)	None	Limited**
Hanimaadhoo Airport (tier 3)	None	Limited**
Villa Airport (tier 3)	None	Limited**
Malé Port (tier 1)	Inspections*	Office presence, inspections
Hulhumalé Port (tier 1)	Inspections*	Office presence, inspections
Hithadhoo Port (tier 2)	None	Limited**
Kulhudhufushi Port (tier 2)	None	Limited**

* Staff from Velana airport travels to Malé or Hulhumalé ports when needed.

** Port health staff conduct basic inspections on behalf of MFDA.

Sources: BPA-Report and regulator interviews.

As conveyed by regulators and noted in the BPA-Report, the lack of cold storage facilities at the tier 1 entry points is very notable, as is the lack of any animal quarantine facility. The BPA-Report has made specific recommendations on these issues.

Additionally, MFDA provides onsite inspectors to packing facilities who check the health requirements of the products during the packing process. This alleviates the need for inspectors to open the cold packed cases at the exit points as MFDA already has verifiable traceability of the applied control checks. Usually, the time taken from packing to export exit will be less than a day.

4.1.4 Gaps Comparing Current National Sanitary and Phytosanitary Legislation, Local Practices, and International Best Practices

The legal aspect of these measures were discussed above and the starred (*)issue or gap in Table 12, Table 13, and Table 14 were analyzed in the BPA-Report, and recommendations were made.

Both regulators, the Agriculture Department and MFDA highlighted the need for technical trainings – for inspectors as well as laboratory staff.

Except for high-risk import related SPS measure, there is no defined health/other certificate format. Moreover, no due diligence is carried to verify the authenticity of the submitted import health/other certificate. Action is taken only for visibly obvious counterfeit certificates.

Table 12: Gap Analysis, Sanitary and Phytosanitary, Ministry of Fisheries and Agriculture

Issue or Gap	Livestock	Plants	Fishery Export
Act	Parent Act (no drafts)	OK	OK
Regulation	OK	None (draft at AGO review)	OK
Staffing*	Issues	Issues	Issues
Technical Training	Issues	Issues	
Inspection*	100%	100%	100%
Facility – Quarantine*	None	Needs upgrade	Not applicable
Website Information*	Limited	Limited	Limited
Processes*	Manual	Manual	Manual

* BPA-Report analysis and recommendations.

Sources: BPA-Report; interviews with regulators.

Table 13: Gap Analysis, Sanitary and Phytosanitary, Maldives Food and Drug Authority

Issue or Gap	High-Risk Imports	Halal Imports	Export Health Certification	Food Import Labeling	Breast Milk Substitutes
Act	Public Health Act (Food Bill [AGO review])	None (no drafts)	Public Health Act (Food Bill [AGO review])	Public Health Act (Food Bill [AGO review])	None (no drafts)
Regulation	None (internal draft)	None (no drafts)	None (internal draft)	None (no draft)	OK
Staffing*	Issues	OK	Issues	OK	Issues
Technical training	Issues	OK	Issues	OK	Issues
Inspection*	100%	100%	100%	100%	100%
Certificate standard	Codex format	None	varies	Not applicable	Not applicable
Due diligence	None	None	Not applicable	Not applicable	Not applicable
Facility – Cold storage*	Insufficient at VIA None in Malé and other ports	Insufficient at VIA None in Malé and other ports	Insufficient at VIA None in Malé and other ports	Insufficient at VIA None in Malé and other ports	Insufficient at VIA None in Malé and other ports
Website information*	None	None	Limited	None	Limited
Processes *	Manual	Manual	Manual	N/A	Manual

AGO = Attorney General's Office, VIA = Valena International Airport.

* BPA-Report analysis and recommendations.

Sources: BPA-Report; interviews with regulators.

Table 14: Gap Analysis, Sanitary and Phytosanitary

Issue or Gap	CITES (Import and Export)	Tobacco Products Labeling
Act	None [Draft Bill (AGO review)]	OK
Regulation	None (no draft)	None
Staffing	–	Not applicable
Technical training	–	Not applicable
Inspection	100%	100%
Certificate standard	CITES	Not applicable
Due diligence	–	Not applicable
Facility—quarantine*	Needs upgrade	Not applicable
Website information	Limited	Limited
Processes*	Manual	Manual

CITES = Convention on International Trade in Endangered Species of Wild Fauna and Flora.

* BPA-Report analysis and recommendations.

Sources: BPA-Report; interviews with regulators.

4.2 The Technical Barriers to Trade Scenario

4.2.1 The Legal Structure

Prohibited Import Items Act (1975)

The Prohibited Import Items Act (1975)[42] was enacted to regulate import items that are dangerous or prohibited in Islam. This act declares the categories of products regulated, confiscation and destruction of goods, issuing fines to violators, and so forth. MED has used this act to empower the Regulation on the Import of Liquor and Pork,[43] which describes the import licensing and control mechanisms for these products. Both of these products are restricted items under this act.

The BPA-Report has a specific recommendation on this process: it recommends re-engineering this process away from an import regulatory requirement to a sales control requirement, with a smaller import control mechanism. Currently, MED is reviewing the current licensing process and is considering this recommendation.

Parent Act (2008)

Instituted under the Parent Act (2008), which was enacted to empower orphan regulations (regulations without an empowering act), the **Regulation on Medicine**[44] (2014) regulates the import permits for prescription drugs, inspections, confiscation and destruction, storage

[42] Import of Prohibited Items Act. http://www.mvlaw.gov.mv/pdf/ganoon/chapterVIII/4-75.pdf.
[43] Regulation on Import of Liquor and Pork. http://www.mvlaw.gov.mv/pdf/gavaid/minEconDev/ 10.pdf.
[44] Regulation on Medicine. http://www.mvlaw.gov.mv/pdf/gavaid/minFamily/R46-2014.pdf.

and care of medicines, issuing fines for violations, and other processes related to medicine. MFDA considers this recently renewed regulation as adequate for current purposes. Note that this regulation was active before the new Constitution, was put under the Parent Act when the new Constitutions came into being, and was revised again in 2014 under the Parent Act.

To institute an act proper on medicine, the MFDA already drafted a Bill on Medicine and submitted it to the AGO for review. After this review, and its acceptance by the AGO, the bill will be presented to Parliament.

The import of controlled drugs follows a similar process to the import of medicine and is also governed by the Regulation on Medicine (referred to above), empowered by the Parent Act. Notably, the regulation does not have an open import permit process for controlled drugs. Import permits for controlled drugs are given at the discretion of MFDA and, currently, only two hospitals have been issued such a permit.

The Prohibited Import Items Act (1975) gives broad mandate to regulate items deemed dangerous. Currently, there is no regulation, but the MOD has leveraged this mandate to put in place procedures and measures to regulate such items as a necessary measure. The procedures require items such as import permits, inspections, confiscation, and the list of applicable items are controlled by the MOD.

The MOD already noted the lack of a regulation, and it has been drafted. Following internal review by MOD, it will be reviewed by the AGO before publication.

Environment Protection Act (1993)

The Environment Protection Agency (EPA) has a broad mandate to regulate issues relating to the environment, its conservation, and the regulation of products harmful to the environment. The EPA administers the Environment Protection Act (1993) which gives the mandate to create regulations toward ensuring protection of the environment and seas. Under this Act, the **Waste Management Regulation**[45] was implemented to regulate waste management. This regulation also covers the export of dangerous items to the environment, such as used batteries. The regulation requires a pre-export permit be obtained from the EPA before exporting such goods.

Telecommunication Act (Pending)

The Communication Authority of Maldives (CAM) is the regulator for the telecommunications and postal sectors. CAM regulates frequency allocations as well as communication equipment using those frequencies. CAM administers the **Regulation on the Import and Licensing of Communication Equipment** to manage issues relating to frequency allocations. This regulation was initially empowered by the Parent Act, but a new

[45] Waste Management Regulation. http://www.mvlaw.gov.mv/pdf/ganoon/chapterIV/4-93.pdf.

Telecommunication Act[46] (43/2015) was created in 2015. However, it is noted that changes to the regulation to bring it under the new act have not been completed yet.

4.2.2 The Institutional Framework

There are currently six institutions mandated to oversee TBT-related issues. The Ministry of Economic Development (MED) and the Ministry of Defense (MOD) both regulate the import of prohibited items, while the MFDA of the Ministry of Health regulates the import of medicine. In addition to the MOD, the EPA is also involved where environmentally dangerous goods are exported. The Communications Authority of Maldives regulates the import of communication equipment. The Maldives Customs Service participates as the implementer of some of these import control measures.

Ministry of Economic Development

MED is the implementing agency for the Regulation on the Import of Liquor and Pork, including the TBT measure described therein. As such, MED performs the following functions related to this TBT measure.

(i) Processing application forms for import permits.
(ii) Issuing import permits.

For the procedures and processing of the TBT measure defined in the Regulation on the Import of Liquor and Pork, MED already has an internal computerized database in operation. Currently, work is being carried out to bring this service online.

Maldives Customs Service

For the same TBT measure, the Maldives Customs Service (MCS) is responsible for processes after import, and performs the following functions.

(i) Carrying out inspections.
(ii) Confiscating and destroying products in violation of regulations.
(iii) Performing due diligence on the controlled distribution to permitted businesses.

In terms of the work MCS carries out toward this TBT measure, the BPA-Report already conducted a comprehensive study on these issues and presented a number of recommendations to address the same, including on Customs inspections and rationalizing the handling of liquor and pork. This report supports the BPA-Report's recommendations.

Maldives Food and Drug Authority

MFDA operates as a semi-independent authority under the Ministry of Health and is broadly responsible for issues related to, and the regulation of food and medicine. As such, it is the implementing agency for the Regulation on Medicine, including the TBT measures

[46] Telecommunication Act. http://www.gazette.gov.mv/v3/gazette/download/3856.

described therein. The MFDA performs the following functions related to these TBT measures.

(i) Processing application forms for import permits.
(ii) Issuing import permits.
(iii) Maintaining an office presence and inspection staff at import points.
(iv) Carrying out inspections.
(v) Confiscating and destroying products in violation of regulations.
(vi) Reviewing certificates and other related documents from the country of origin.

As with the SPS scenario, a lack of physical presence at import entry points is an issue for MFDA. The medicine section of MFDA operates in a similar manner to the food section of MFDA at locations where MFDA does not have a presence.

In procedures and processing, the medicine section of the MFDA generally experiences the same issues as the food section. The MFDA's medicine section operates completely manually and, because of this, expressed concerns about staffing, technical training to inspectors, and workspaces. The BPA-Report (2017) already carried out a comprehensive study on these issues and presented a number of recommendations to address the same, including recommendations to change the processes themselves to increase transparency and efficiency. Further discussions with the MFDA have generally verified the identified issues.

As in other areas, following completion of the BPA-Report, efforts have been made to commence computerization processes for these agencies as well.

Ministry of Defense

The MOD is broadly responsible for control and monitoring dangerous items and, hence, regulates and implements the procedures and processes in place via the TBT measure Import Permit for Dangerous Items. As such, the MOD performs the following functions related to this TBT measure.

(i) Providing application forms for import permits.
(ii) Issuing import permits.
(iii) Maintaining an office presence and inspection staff at import points.
(iv) Carrying out inspections.
(v) Confiscating and destroying products in violation of regulations.

These procedures and processing are currently being computerized.

Environmental Protection Agency

The EPA, which reports to the Ministry of Environment and Energy, regulates waste disposal under the broad mandate of environmental protection. This includes the export of environmentally harmful goods. Exporters must obtain a pre-export permit before exporting.

Communications Authority of Maldives

The Communications Authority of Maldives (CAM) under its mandate regulates the import of general communication equipment. CAM publishes a list of allowed communication equipment within the country, and requests must be made to CAM to import new telecommunication equipment. Before passing an internal review of the new equipment at CAM, the new equipment is included in the aforementioned list of allowed communication equipment.

During import of communication equipment, after Customs has completed its due diligence checks, Customs hands over to CAM all communication-related equipment. CAM further vets the imported equipment per the requirements and releases it to the importer. Once released, there are further notification and licensing requirements for sellers and buyers.

World Trade Organization Technical Barriers to Trade Inquiry Point

There is no declared WTO TBT Inquiry Point. However, operationally, it is understood that the SPS inquiry point at the MED functions as a central inquiry point which liaises with other line agencies, including for TBT-related inquiries.

Proposed Certification Body

Though not established yet, the establishment of a Certification Body was already discussed within MED when the Standards Bill was revised in 2014. This is as opposed to the establishment of an Accreditation Body which would take much longer due to the status of Maldives' quality infrastructure. However, the Standards Bill is still at the internal draft stage in MED. Due to the critical importance of establishing a basic quality infrastructure framework in Maldives, the establishment of a Certification Body is a recommendation of this study.

4.2.3 Infrastructural Facilities

The MDA has not implemented a computerized system to manage TBT measures. All processes relating to the application of pre-import permits, payments, and up to the submission of permits or documents are manual.

The MOD is in the testing phase to launch a computerized system to manage the TBT measures it implements. The BPA-Report also notes progress of the MOD software, and specifically recommends computerization as well as reengineering of the current process to align better with international best practices.

Table 15 shows the international entry points to Maldives and the presence and operational functions of regulators at those locations. This table must be viewed in the context that most entry points attract very little international traffic, and it is reasonable to assume that a permanent office and staff presence are not economically viable in the long term.

Table 15: Regulator Presence at International Entry Points

International Entry Point	Ministry of Defense	Medicine, Maldives Food and Drug Authority
Velana Airport (tier 1)	Office presence, inspections	Cold storage facility, office presence, inspections
Gan Airport (tier 2)	Office presence, inspections	Limited*
Hanimaadhoo Airport (tier 3)	Office presence, inspections	Limited*
Villa Airport (tier 3)	Office presence, inspections	Limited*
Malé Port (tier 1)	Office presence, inspections	Office presence, inspections
Hulhumalé Port (tier 1)	Office presence, inspections	Office presence, inspections
Hithadhoo Port (tier 2)	Office presence, inspections	Limited*
Kulhudhufushi Port (tier 2)	Office presence, inspections	Limited*

* Port health staff conducts basic inspections on behalf of MFDA.

Sources: BPA-Report; interviews with regulators.

Similar to Table 11, Table 15 shows how these entry points have been classified[47] in terms of traffic, where the lowest tier is the busiest. MFDA maintains a presence and conducts inspections on all tier 1 entry points as does MOD. The lack of a cold storage facility is discussed in section 4.1.3, Infrastructural Facilities.

4.2.4 Gaps Comparing Current National TBT Legislation, Local Practices, and International Best Practices

Table 16, Table 17, and Table 18 detail the most pressing gaps in the overall TBT environment in Maldives.

Table 16: Gap Analysis, Technical Barriers to Trade, Maldives Food and Drug Authority

Issue or Gap	Prescription Medicine	Controlled Drugs
Act	Parent Act (Medicine Bill [AGO review])	Parent Act (Medicine Bill [AGO review])
Regulation	OK	OK
Staffing*	Issues	Issues
Technical training	Issues	Issues
Inspection*	100%	100%
Facility – cold storage*	Insufficient at VIA None in Malé and other ports	Insufficient at VIA None in Malé and other ports
Website information*	Limited	Limited
Processes*	Manual	Manual

* BPA-Report analysis and recommendations.

Sources: BPA-Report; interviews with regulators.

[47] Please refer to Appendix 6 for information on airports and how they are classified.

Table 17: Gap Analysis, Technical Barriers to Trade (Import of Restricted Items)

Issue or Gap	Liquor or Pork	Dangerous Goods
Act	OK	OK
Regulation	OK	None (internal draft)
Staffing*	OK	Issues
Technical Training	OK	OK
Inspection*	100%	100%
Website Information*	Limited	Limited
Processes*	Computerized	Computerizing

* BPA-Report analysis and recommendations.

Sources: BPA-Report; interviews with regulators.

Table 18: Gap Analysis, Technical Barriers to Trade

Issue or Gap	Environmentally Dangerous Export	Communication Equipment Import
Act	OK	OK
Regulation	OK	OK
Staffing*	Not applicable	OK
Technical training	Not applicable	
Inspection*	100%	100%
Website information*	Limited	Limited
Processes*	Manual	Manual

* BPA-Report analysis and recommendations.

Source: BPA-Report; interviews with regulators.

The legal aspect of these measures are discussed in the preceding paragraphs and the starred (*) issue or gap in Table 16 and Table 17 are analyzed in the BPA-Report, with recommendations made.

4.3 Other Nontariff Measures

4.3.1 Regulation on the Export and Import of Goods

The Export Import Act (1979),[48] amended several times, broadly empowers the regulation of all exports from and imports to Maldives. Under this Act, MED published the Regulation on the Export and Import of Goods, which requires a general export or import permit to

[48] Export Import Act. http://www.mvlaw.gov.mv/pdf/ganoon/chapterV/31-79.pdf/.

export or import anything into Maldives. The regulation describes the application and permit process, and fees and charges applicable.

The BPA-Report viewed this measure in today's context solely as a revenue generating measure with no functional purpose and recommended that this process be repealed fully. It is noteworthy that the BPA-Report recommends that both the import and export licenses be repealed completely, with no alternative replacement.

The Registrar of Companies from MED conveyed their commitment to the complete repeal of this measure and is currently working internally on the legal issues to repeal this measure. The regulation is currently being studied internally, for legal linkages to other regulations and other uses of the license document in government. For example, Customs uses the import license as an importer identifying document. Such usages should be resolved before the current regulation can be repealed.

When MED resolves the identified issues, the request to repeal the regulation will be submitted to the Attorney General's Office (AGO), and following the AGO's review and acceptance, it will be repealed. The registrar estimated that the internal review and resolve process could take 1 year, after which the process will continue at the AGO.

4.3.2 Prohibited Import Items Act (1975) – No Regulation

The Prohibited Import Items Act (1975)[49] was enacted to regulate import items that are dangerous or prohibited in Islam. In particular, the act declares three categories of products; (i) items that can only be imported by the government, which include weapons of war, such as gun powder, explosives, and others; (ii) items that are can only be imported with inspections, such as books, videos, magazines that include content that contravenes Islam; and (iii) items completely prohibited from being imported, which include items of worship, live pigs, and pornography. It is noted that there is no regulation that empowers these import control measures. MCS carries out inspections for such items with assistance from line agencies, if required. As non-SPS/TBT NTM measures, these measures are added to section 4.5, Inventory of Nontariff Measures, as general NTMs.

4.3.3 Regulation on the Control of Ozone Depleting Gases (2010)

MOEE also adopted the Regulation on the Control of Ozone Depleting Gases (2010) under the Environment Protection Act. This regulation was implemented subsequent to Maldives signing the Montreal Protocol on Substances that Deplete the Ozone Layer. The regulation stipulates that all such gases will be banned by the year 2020, while a managed quota-based import system will be used to gradually phase out current imports. As a non-SPS–TBT NTM measure, this measure is added to section 4.5, Inventory of Nontariff Measures, as a general NTM.

NTMs identified as non-SPS–TBT have not been studied in detail as this study specifically focuses on SPS–TBT measures. As such, no further analysis was done on these measures.

[49] Import of Prohibited Items Act. http://www.mvlaw.gov.mv/pdf/ganoon/chapterVIII/4-75.pdf.

It is noted that except for general export and import licenses identified in this section, which are currently being repealed, other measures have a very small footprint in Maldives' volume of trade.

4.4 General Findings on the Export and Import Regulatory Framework

4.4.1 The National Trade Facilitation Committee

In 2015, the Government of Maldives created the National Trade Facilitation Committee (NTFC) with a view to rationalizing trade facilitation across the various ministries and agencies of the government. The NTFC is chaired by the Minister of Economic Development and comprises members from all regulatory agencies as well as actors with roles in the import and export of goods, such as port and airport operators. The NTFC has worked toward greater trade facilitation since its formation: it now vets new regulations and requirements to be placed on any imported product. The NTFC commissioned the BPA-Report.

While the NTFC as a policy level body has initiated many reforms, there is no national level technical body or framework for discussing and defining regulatory requirements. Individual agencies still design or update regulatory requirements based on their mandate, the applicable laws, and the resources available. Although the NTFC now procedurally vets such changes for conformance and compliance to national objectives, it is mostly the individual agencies that drive the need for such regulatory requirements. For example, it was observed that concerned regulators did not discuss the ambiguity on the bounds and overlap of mandates. A technical level body would have been efficient for triggering such discussion and resolution at the technical level.

4.4.2 Relating Nontariff Measure Regulations to Products

Existing import and export regulations or requirements are not linked to the applicable products by HS codes, but by the general description of the product. This leads to implementation inefficiencies when product descriptions do not align with the regulatory descriptions.

4.4.3 The Maldives Standards and Metrology Center

This center was briefly reviewed in section 1.3, Literature Review. This center for national standards and metrology was set up under phase 1 of the SMTQ project.

When the center was set up, it was located in a separate office space as a distinct unit operating under the MED. A metrology laboratory was also established in the center with basic equipment to measure length, mass, and volume. Staff members were given training at regional metrology offices. During this time, a technical working group, consisting of technical staff from MED, MFDA, and MOFA, was working on many local standards for

local fishery products. At the time, one of the issues the center faced was that there was no empowering act to create national standards.

Under the same project, with the assistance of an international consultant, India's acts pertaining to national standards and metrology were reviewed and customized for Maldives' context. Consequently, these revised English versions for Maldives were translated to Dhivehi and a single draft Bill on Maldives Standards and Metrology was drafted and reviewed at an internal technical level. This draft was also put on the MED website for public comments. This draft currently remains internal to MED.

The center itself was brought in-house to MED in 2009 after cost-cutting measures were instituted in 2008. The metrology laboratory continued to operate within MED until the laboratory was transferred in 2013 to the Faculty of Engineering and Technology under the Maldives National University,[50] in lieu of the available technical staff (which were not available at MED) and, hence, more suited management. The national standards function of the center continues to function within the Maldives Standards and Consumer Protection Section of MED. However, the new section with the wider scope operates with just three staff members.

4.5 Inventory of Nontariff Measures

This section identifies all nontariff measures the relevant regulatory authority of Maldives applies during import and export processes. Generally, NTMs are driven by regulators and are applied at a basic level. Maldives—being a heavily import-dependent country with a lack of local production of goods—has almost no anticompetitive pressure from local businesses to apply NTMs on imports. Existing NTMs can be categorized as:

(i) Food and medicine safety-related which directly affects human health. Medicine can only be imported with a pre-import permit and both food and medicine have mandatory inspections.
(ii) Measures on the import of plants and animals. These require pre-import permits and other health certificates, including import inspections.
(iii) Regulation of the import of dangerous goods, such as chemicals.
(iv) Compliance requirements of importing countries for fishery exports.
(v) Food labeling requirements.

There are 23 NTMs to be applied by Maldives: eight SPS, seven TBT, and two non SPS–TBT measures:

(i) Sanitary and Phytosanitary Measures:
  (a) fish catch certificate,
  (b) health certificate,
  (c) export permit for endangered species,
  (d) import permit for endangered species,

[50] Maldives National University. http://www.mnu.edu.mv.

(e) import of livestock,
(f) import of plants or plant parts,
(g) import of edible high-risk products,
(h) halal certificate,
(i) import of breast milk substitutes,
(j) food labeling, and
(k) labeling of tobacco imports.

(ii) Technical Barriers to Trade Measures:
(a) export permit for environmentally dangerous items,
(b) special import license for liquor and pork,
(c) import license for pharmaceutical drugs,
(d) import license for controlled drugs,
(e) import permit for dangerous items, and
(f) import permit for communication equipment.

(iii) Non-Sanitary and Phytosanitary or Technical Barriers to Trade Measures:
(a) general export license,
(b) general import license,
(c) import permit for ozone depleting gases,
(d) import of items containing un-Islamic literature or illustrations,
(e) import ban on weapons of war, and
(f) absolute import banned products.

Table 19 details the scope of the measure, the United Nations Conference on Trade and Development (UNCTAD) Classification of Non-Tariff Measures code,[51] the regulatory agency responsible, and additional information.

Table 19: Inventory of Nontariff Measures Applied in Maldives

No.	Measure	SPS–TBT or General	UNCTAD Code	Scope and/or Rationale of the Measure	Regulatory Agency Responsible
1	Fish catch certificate	SPS	A85	This measure pertains to ensuring the fish content being exported has been caught legally and contains support metrics such as when, where, and how much fish was caught. Catch certificate is issued at the exit point based on fish catch traceability submitted to the ministry as an ongoing process from fishing vessels.	Ministry of Fisheries and Agriculture

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[51] UNCTAD Classification of Non-Tariff Measures. http://www.unctad.org/en/Pages/DITC/Trade-Analysis/Non-Tariff-Measures/NTMs-Classification.aspx.

Table 19 continued

No.	Measure	SPS-TBT or General	UNCTAD Code	Scope and/or Rationale of the Measure	Regulatory Agency Responsible
2	Health certificate	SPS	B83	This measure pertains to the health and hygiene status of the fishery export products, certified by the competent authority in Maldives.	Maldives Food and Drugs Authority, Ministry of Health
3	Export permit for endangered species	SPS		This measure pertains to the export of endangered species. Pre-export permits and procedures compliant to the CITES convention are required. Additionally, health certificates and such related to the species are also required.	Ministry of Environment and Energy
4	Import permit for endangered species	SPS		This measure pertains to the import of endangered species. Pre-import permits and procedures compliant to the CITES[a] convention are required. Additionally, health certificates and such related to the species are also required.	Ministry of Environment and Energy
5	Import of livestock	SPS	A15/A83/A84	This measure pertains to the import of living animals into Maldives. Pre-import permits are required before importing. Additionally, health certificates pertaining to the imported stock is required.	Agriculture Department, Ministry of Fisheries and Agriculture
6	Import of plants or plant parts	SPS	A15/A83/A84	This measure pertains to the import of plants or plant parts (used to grow plants). Pre-import permits are required before importing. Additionally, health certificates pertaining to the imported stock is also required.	Agriculture Department, Ministry of Fisheries and Agriculture
7	Import of edible high-risk products (e.g., raw meat, eggs)	SPS	A83/A84	This measure pertains to the import of raw food products which are of a high- risk nature as classified by the regulator. Pre-import permits are not required, but health certificates pertaining to the imported stock are required. Some of these products may be subject to additional control checks by inspectors, such as stock temperature by the regulator.	Maldives Food and Drugs Authority, Ministry of Health

continued on next page

Table 19 continued

No.	Measure	SPS–TBT or General	UNCTAD Code	Scope and/or Rationale of the Measure	Regulatory Agency Responsible
8	Halal certification for import of meat and poultry	SPS	A83/A84	This measure pertains to the import of meat and poultry which required that such stock be halal-certified. This is a documentary check.	Maldives Food and Drugs Authority, Ministry of Health
9	Regulation on import, produce, and sale of breast milk substitutes	SPS		This measure pertains to the import breast milk substitutes, baby food, and other related items as prescribed in the regulation. Pre-registration is required if the good is not currently not registered. Inspections are carried out during the import process.	Maldives Food and Drugs Authority, Ministry of Health
10	Food labeling	SBS	A31/A84	This measure pertains to the labeling requirements of imported general food items.	Maldives Food and Drugs Authority, Ministry of Health
11	Labeling of tobacco imports	SBS	A31/A84	This measure pertains to the labeling of imported tobacco products. Inspections are carried out by MCS and noncompliant imports are confiscated with the option to re-export given to the importer. The last resort is the destruction of such products.	Health Protection Agency (regulator), Ministry of Health Maldives Customs Services (implementer)
12	Export permit for environmentally dangerous items	TBT	B14	This measure pertains to the export of environmentally dangerous items, such as used batteries. Pre-export permits are required. Inspections are carried out during the export process.	Environment Protection Agency, Ministry of Environment and Energy
13	Special import license for liquor and pork	TBT	B15	This measure pertains to the import of liquor and pork strictly for purposes of foreigner use and consumption only. Pre-import permits are required as well as specific requirements, such as bonded warehousing or endorsements from the Ministry of Tourism, depending on the importer.	Ministry of Economic Development
14	Import license for pharmaceutical drugs	TBT	B15	This measure pertains to the import of medicine and prescription drugs for medicinal purposes. Pre-import permits are required, as well as documentary checks and inspections during the import process.	Maldives Food and Drugs Authority, Ministry of Health

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Table 19 continued

No.	Measure	SPS–TBT or General	UNCTAD Code	Scope and/or Rationale of the Measure	Regulatory Agency Responsible
15	Import license for controlled drugs	TBT	B15	This measure pertains to the import of controlled drugs, such as narcotics for medicinal purposes. Pre-import permits are required, as well as documentary checks and thorough inspections during the import process.	Maldives Food and Drugs Authority, Ministry of Health
16	Import permit for dangerous items	TBT	B15	This measure pertains to the import of potentially dangerous items (e.g., chemicals, fireworks) as published by the regulator. Pre-import permits are required, while other specific requirements, such as warehousing, are also applied, depending on the imported product.	Regulated by Ministry of Defense, and supported by other agencies depending on imported product (fertilizers are also approved by the Ministry of Fisheries and Agriculture during the permit issuing phase)
17	Import permit for communication equipment	TBT	B15	This measure pertains to the import of communication equipment. Pre-approval of the equipment is required if such equipment is not already approved. Pre-import permits are required. Additionally, Customs hands such imported equipment to the Communications Authority of Maldives (CAM), after Customs' due diligence checks. The imported equipment is released to the importer by CAM after its own inspection procedures.	Communications Authority of Maldives, Ministry of Home Affairs
18	General export license	General	E129	This measure pertains to the export of any item and is not related to the type of the exported item. The ministry confirmed that this measure will be wholly repealed.	Ministry of Economic Development
19	General Import License	General	E129	This measure pertains to the import of any item and is not related to the type of the imported item. The ministry confirmed[b] that this measure will be wholly repealed.	Ministry of Economic Development

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Table 19 continued

No.	Measure	SPS–TBT or General	UNCTAD Code	Scope and/or Rationale of the Measure	Regulatory Agency Responsible
20	Import permit for ozone depleting gases	General	E211	This measure pertains to the ban of the use of ozone depleting gases. The ban is scheduled to take effect from year 2020, with a gradual reduction of the import of such gases through a managed import quota-based system.	Ministry of Environment and Energy.
21	Import of items containing un-Islamic literature or illustrations	General	E321	This measure pertains to the import of items that are constrained or restricted in Islam. For example: books, magazines, audio, and video. Pre-import permits are not required, but inspections are carried out during import process and suspect materials may be confiscated. Such material may be released after further processing or returned to the person during exit if such situation exists. Confiscated material could also be destroyed.	Maldives Customs Service
22	Import ban on weapons of war	General	E311	This measure pertains to the import of weapons of war, such as guns and explosives. Only government authorities can import such products. There is an absolute ban for private importers.	Ministry of Defense Maldives Customs Service
23	Absolute ban on the import of live pigs, pornography, and	General	E311	This measure pertains to the absolute ban on the import of live pigs, pornography, and idols of worship.	Maldives Customs Service

SPS = sanitary and phytosanitary, TBT = technical barriers to trade, UNCTAD = United Nations Conference on Trade and Development.

[a] Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). https://www.cites.org/eng.

[b] The Registrar of Business Registrations confirmed that the General Import and Export Licenses will be repealed wholly with no replacement.

Sources: Ministry of Economic Development, http://www.trade.gov.mv; Ministry of Energy and Environment, http://www.environment.gov.mv; Ministry of Fisheries and Agriculture, http://www.fishagri.gov.mv; Maldives Customs Services, https://www.customs.gov.mv/; Ministry of Defense, http://www.defence.gov.mv/; Maldives Food and Drugs Authority, Ministry of Health, http://www.mfda.gov.mv; and Communications Authority of Maldives, Ministry of Home Affairs, http://www.cam.gov.mv/.

4.6 Bilateral and Multilateral Initiatives

Maldives continues to receive assistance from international agencies in areas related to quality assurance through standards development, training of staff, and in the purchase or upgrading of laboratory equipment.

The MFDA has been supported by the World Health Organization in capacity strengthening of laboratory staff. Refresher courses[52] are scheduled to be conducted for the analysts and technicians of the National Health Laboratory, working in the Microbiology Laboratory with an expert in microbiology.

Training for yellowfin tuna hand-line fishing was conducted with the assistance of the Food and Agriculture Organization and Infofish,[53] in partnership with the Fisheries Department of the MOFA during 2013–2014.[54]

MED has been supported by the United Nations Industrial Development Organization (UNIDO) under the Standards, Metrology, Testing, and Quality (SMTQ) project through phase 1 (2002–2007) and phase 2 (2007–2012).[55] The Norwegian Agency for Development Cooperation (NORAD) funded this project. It is noted that while MED was the principal client for this project, MFDA also participated and received significant training in the use of laboratory equipment from this project. Moreover, the Fisheries Department of MOFA also participated in this project.

Some notable achievements for SMTQ phase 1 include:

(i) The Maldives Standards Bill was drafted.
(ii) The establishment of Maldives Standards and Metrology Centre as the body responsible for national standards and metrology.

Some notable achievements for SMTQ phase 2 include:

(i) Quality risks in fishery exports were reduced.
(ii) A plan was developed to strengthen import quality control procedures.
(iii) Improved awareness of ISO 22000 and Occupational Health and Safety Assessment Series (OHSAS) 18000 standards among industrial managers.
(iv) Five exporting companies were certified for ISO 22000.

The Mariculture Enterprise Development Project (1624-MEDEP[56]) was initiated by the International Fund for Agriculture Development (IFAD) together with MOFA to develop a controlled fishery production base. Initiated in 2013, this project currently has one operating mariculture facility producing sea cucumbers. It has brought an alternative

[52] Interview with Maldives Food and Drugs Authority.
[53] Infofish is an intergovernmental organization providing marketing and technical advisory services for the fishery industry. http://www.infofish.org.
[54] Deputy Directory General, Ministry of Fisheries and Agriculture.
[55] UNIDO. http://www.open.unido.org/projects/MV/projects/.
[56] Mariculture Enterprise Development Project. https://www.ifad.org/web/operations/project/id/ 1624/country/maldives.

method of production to the export industry, where formerly all produce was caught from the wild. Additionally, one of the objectives of this project is the establishment a mariculture diagnostic laboratory service and it is envisaged that this laboratory service will become an extension of the existing Plant Quarantine and Laboratory Facility operating at the VIA.

Chapter 5
Standards, Regulations, and Procedural Obstacles in the SASEC Countries that Impede Import and Export Trade

5.1 Impediments to Export Trade from Maldives to SASEC Countries

This section attempts to identify obstacles faced by Maldives' exports in other SASEC countries.

To identify possible issues, MOFA was interviewed about issues relating to NTMs applied by South Asian countries against fishery exports from Maldives. MOFA[57] stated that it had not received any complaints or issues related to NTMs by South Asian countries related to fishery exports from Maldives, either from exporters or from the Maldives Seafood Processers and Exporters Association (MSPEA). The lack of recorded issues supports the exporters' perspective, noted above, that they either do not face stringent NTMs or are confident of meeting applied NTMs.

However, exporters having the capacity to meet NTM requirements, does not mean there are no NTMs that unreasonably hinder trade. To further analyze, a subset of Table 5 was used to examine requirements that must be complied with. This subset (shown in Table 19) contains three of the top five exports of Maldives, with identical NTM requirements from three countries; i.e., NTM requirements of two neighboring SASEC countries are compared with those of Germany (which numerically has the highest number of requirements in a developed market).

Table 20: Country Nontariff Measure Requirements

Product HS-Code	Product Description	India	Sri Lanka	Germany
030232	Fish; fresh or chilled, yellowfin tunas (*Thunnus albacares*)	20/47	14/37	1/12
030342	Fish; frozen, yellowfin tunas (*Thunnus albacares*)	20/47	14/37	1/12
030343	Fish; frozen, skipjack or stripe-bellied bonito	20/47	14/37	1/12

HS = harmonized system.

Note: The number indicates number of regulations/number of requirements.

Source: International Trade Center. https://www.macmap.org/.

[57] Deputy Director General, Ministry of Fisheries and Agriculture.

The following comparison was carried out to show the differences in the NTMs applied which may be a contributing factor in restricting trade. This comparison does not imply that any country's NTM is less important or unnecessary.

Table 21 shows the tabulation of requirements listed in Table 20, grouped per the NTM coding standard used on the Market Access Map website of ITC.[58]

Table 21: Nontariff Measure Categorization by Country

Nontariff Measure		Number of Requirements		
Code	Description	Germany	Sri Lanka	India
A04	Hygienic requirements (NTM code – A4)	1	1	0
A12	Geographical restrictions on eligibility (NTM code – A12)	1	0	0
A14	Special authorization requirement for SPS reasons (NTM code – A14)	0	3	2
A15	Registration requirements for importers (NTM code – A15)	0	1	2
A21	Tolerance limits for residues of or contamination by certain (nonmicrobiological) substances (NTM code – A21)	1	1	5
A22	Restricted use of certain substances in foods and feeds and their contact materials (NTM code – A22)	0	6	3
A31	Labeling requirements (NTM code – A31)	1	7	6
A33	Packaging requirements (NTM code – A33)	1	0	4
A41	Microbiological criteria of the final product (NTM code – A41)	1	0	3
A42	Hygienic practices during production (NTM code – A42)	0	0	1
A49	Hygienic requirements not elsewhere specified. (NTM code – A49)	0	1	0
A52	Irradiation (NTM code – A52)	0	0	3
A64	Storage and transport conditions (NTM code – A64)	0	0	2
A69	Other requirements on production or post-production processes, not elsewhere specified (NTM code – A69)	0	0	1
A82	Testing requirement (NTM code – A82)	1	0	2
A83	Certification requirement (NTM code – A83)	1	3	2
A84	Inspection requirement (NTM code – A84)	1	1	1
A853	Distribution and location of products after delivery (NTM code – A853)	0	0	1
A859	Traceability requirements, not elsewhere specified. (NTM code – A859)	0	0	1
B04	Production or post-production requirements (NTM code – B4)	0	1	0
B06	Product identity requirement (NTM code – B6)	0	0	1
B14	Authorization requirement for TBT reasons (NTM code – B14)	1	1	0
B15	Registration requirement for importers for TBT reasons (NTM code – B15)	0	2	0
B31	Labeling requirements (NTM code – B31)	0	5	1
B32	Marking requirements (NTM code – B32)	0	0	1
B33	Packaging requirements (NTM code – B33)	1	0	2

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[58] Market Access Map. https://www.macmap.org/.

Table 21 continued

Nontariff Measure		Number of Requirements		
Code	Description	Germany	Sri Lanka	India
B83	Certification requirement (NTM code – B83)	1	1	0
B84	Inspection requirement (NTM code – B84)	0	1	0
C09	Other formalities, not elsewhere specified (NTM code – C9)	0	1	0
F61	Custom inspection, processing, and servicing fees (NTM code – F61)	0	0	1
F65	Import license fee (NTM code – F65)	0	1	0
F69	Additional charges not elsewhere specified (NTM code – F69)	0	0	1
Total Requirements		**12**	**37**	**46**
Total Requirements (counting each type as once only)		**12**	**17**	**22**
NTM types unique to country		**1**	**6**	**10**
NTM requirements unique to country		**1**	**7**	**13**

NTM = nontariff measurement, TBT = technical barriers to trade.

Source: International Trade Center. https://www.macmap.org/.

It is important to note that an in-depth technical analysis of the measures themselves should be carried out to follow-on to this diagnostic study. Such an analysis is required to determine how one country's requirement maps to another country's requirement or requirements. The comparisons made for this study are mostly on the quantity and type of the requirements. The following observations can be made;

(i) While the total number of requirements as declared by these countries are varied (Germany, 12; Sri Lanka, 37; and India, 46), if we group the requirements by the NTM code, the variation is less than half. This results from having multiple separate regulations declaring separate requirements of the same type. For example, for type A31, Germany has one separate requirement, Sri Lanka has seven, and India has six separate requirements. It is noted that these numbers may not represent a proportionate indication; for example, while Germany has listed one requirement, in theory, it may encompass three or so requirements listed by India.

(ii) Germany has 1, Sri Lanka has 6, and India has 10 types of NTMs unique to each country. These requirements total 1 for Germany, 7 for Sri Lanka, and 13 for India.

(iii) There were four types of NTMs which both Sri Lanka and India required, but Germany did not require. Hence, there were more types of NTMs unique to both Sri Lanka and India, than were common to both countries and not required by Germany.

(iv) While Germany's NTMs were all listed as either SPS or TBT, both Sri Lanka and India had other types of NTMs in their list of requirements.

(v) Both Sri Lanka and India had fee payments in their list of requirements while Germany had no such requirements.

(vi) Both Sri Lanka and India had multiple authorizations and registrations for importers in their list of requirements that Germany did not have.

Taken together, these observations indicate there is ample opportunity to further reduce the existing NTMs in (these) SASEC countries, specifically in the import of fishery products.

5.1.1 Regulatory Risks to Maldives Exports

The Maldives study revealed that Sri Lanka, the largest regional trading partner of Maldives, and the largest importer of fishery products from Maldives in the SASEC region, had declared a significantly higher number of NTMs for fishery products than the EU. However, the fishery exporters refuted this finding in their experience in exporting to Sri Lanka. They clarified that it is much easier to export to Sri Lanka than to the EU in terms of technical requirements. One theory to address this anomaly is that Sri Lanka may not be currently applying the declared measures (for whatever reason), and there may be a potential risk to Maldives' exporters if Sri Lanka starts applying their declared NTMs. However, exporters were not overly concerned about this possibility, and remained confident in meeting such NTM requirements (if they come to pass) as their facilities were already ISO-certified to export to EU and other developed markets.

To further substantiate the exporters' experience, additional exporters were interviewed to include the experience and inputs of smaller exporters. Most of the exporters initially interviewed were larger companies that comprise the bulk of the exporters.

Four additional interviewed exporters concurred with existing findings. They all described the experience of exporting to Sri Lanka as much simpler and easier compared to the EU. When informed that compared to EU, Sri Lanka has declared more technical requirements against fishery imports, exporters again reaffirmed that their experience does not reflect stringent control checks against fishery exports to Sri Lanka.

Relatively High Cost of Production in Maldives

The country study revealed that as a percentage of total exports, only a relatively small percentage of Maldives' primary export, fishery products, is exported to SASEC countries. When queried how exports could be increased to SASEC countries, fishery exporters clarified that the primary issue was the lack of a business case. One aspect of this discussion centered around exporting different grades of product: certain grades with lower production costs could be exported to regional countries. Exporters clarified that this method is already applied to exports to Sri Lanka, the largest regional export market of Maldives. One exporter further clarified that, generally, orders from the subregion were reducing in number and most potential order negotiations are abandoned with a lack of agreement on the price. Another exporter explained that it manages to export to Sri Lanka seasonally—when fish catch is plenty and the fish acquisition cost low.

5.2 Impediments to Import Trade to Maldives from SASEC Countries

In line with this report's expanded terms of reference to explore the SPS–TBT environment of not only export products but also import products, this section briefly details cases of goods imported into Maldives that face impediments and/or challenges.

5.2.1 Risk of Substandard Imports from South Asia Subregional Economic Cooperation Countries

As noted previously, the importation of substandard quality products can result in immediate risk to the public, especially in the case of food products. The import of substandard fresh fruits and vegetables from India has been an issue for many years now. The issue lies with seasonal imports from India carried to Maldives on wooden boats. The cargo is often packed in large (gunny) bags and kept in the hold of the ship, with no proper storage facilities and bags of all types stacked together. Moreover, when animals are transported, there have been cases of animals and food being transported in close proximity. Such wooden boats often have insufficient cover, allowing salt water or rainwater to reach the food storage area.

While this specific problem may be primarily a transport issue, Maldives also lacks SPS measures on the standard of fresh fruits and vegetables that can be imported. To counteract this lack of standards and measures, MFDA conducts visual inspections of all such imports, and products that are found unsuitable for consumption are confiscated. However, there are no SPS requirements for these imports such as a health certificate from the exporting country.

Regulators have raised this problem with other government authorities and the government has made efforts[59] to address the problem through discussion. However, this issue remains unresolved as yet. However, MFDA convinced transport ships to keep animals and food completely separate, if animals are transported on the same boat. MFDA plans to develop an appropriate SPS measure, but currently there is no timeline for possible implementation. The Agriculture Department also advocated for an SPS measure[60] on fruits and vegetables to ensure the quality of such imports.

As an overwhelmingly import-based country where almost all food is imported and with almost no import quality standards or control measures, the risk of substandard food being imported is relatively high. As the products in question are fresh fruits and vegetables, substandard import could be critical to human health. It is imperative that such issues are identified and addressed urgently.

TBT issues also arise for imported products. The Transport Authority of Maldives (TAM) had a TBT measure that required pre-import permits for the import of four-wheeled vehicles. The purpose of this permit was to regulate the import of four-wheeled vehicles as Maldives is a small island-based country. However, in a recent court case filed by an importer against TAM, the court ruled in favor of the complainant and struck down this measure (pre-import permit for four-wheeled vehicles) as illegal.[61] Since then, authorities have not applied this NTM. TAM is still working to reestablish this measure. However, TAM concedes that per the court ruling, the empowering act should be amended to derive the necessary powers to establish this measure.

[59] Interview with Maldives Food and Drugs Authority, Ministry of Health.
[60] Interview with the Agriculture Department, Ministry of Fisheries and Agriculture.
[61] Interview with Transport Authority of Maldives.

Moreover, an additional TBT measure that controlled the import of used vehicles was also voided after the same court ruling. Hence, there are no longer control measures on the import of used vehicles. TAM continues to apply the same criteria in the registration of imported vehicles, refusing to register vehicles that do not meet the criteria. Again, the empowering act should be amended to reestablish this measure.

Other possible TBT issues analyzed include the import of electrical goods and construction materials. The MCS confirmed that neither the Maldives Energy Authority (MEA) nor the Ministry of Housing participates in any import inspection or verification process. Moreover, MCS does not conduct any control checks related to the standards of products related to electrical goods or construction materials. MCS confirmed that there were no applied regulatory control checks for both of these areas during the import process. Additionally, both the respective organizations verified this. The MEA confirmed that it does not require border-level control checks on the standard of the imported goods. What MEA regulations require is that MEA-defined energy-related standards be maintained at all locations (buildings, houses, and other structures) and, thus, are checked (controlled) at the consumer level. The Ministry of Housing also confirmed that there are currently no regulations or standards applied to any building materials during the import process, hence, the control checks are at the consumer level and apply to all locations through their standards, such as the housing code.

Chapter 6
Recommendations for Future Actions

This chapter proposes specific actions that begin to address the SPS–TBT-related impediments noted not only in export, but also import processes in Maldives. Maldives' geographic constraints mean that (i) the primary national export has always been fishery-related products; and (ii) with no local production base, due to lack of contiguous land mass, Maldives relies enormously on imports for all products other than fishery-based products and has an approximately 15:1 import-to-export ratio in terms of trade value (Chapter 1). Given these parameters, the SPS–TBT national diagnostic study for Maldives maintains, to the extent possible, a focus on potential export products, but also includes detailed examination of imports and the import process as well.

Recommendations are divided into two sections: priority and general. Priority comprises recommendations that impact a greater number of traders, a significant volume of trade, or a great number of NTMs, and on a more immediate basis than those included in the general list.

6.1 Priority Recommendations

Enactment of the Food Safety Bill. This bill affects (i) several currently active NTMs for both export and import; and (ii) a significant volume of trade, in both export and imports. It also gives greater clarity of mandate and greater enforcement powers which, to date, have been a challenge in the absence of direct, enabling legislation.

Enactment of the Standards Bill. Quality infrastructure in Maldives requires significant improvement, as confirmed by multiple regulators. There is neither an accreditation body nor a certification body. No legislation exists to develop standards at the national level, which results in various government entities developing ad hoc standards. Establishment of a national standards body would align standards development with wider national objectives and serve as a first step in quality assurance, both for the general population as consumers of imports, and for other countries and standards bodies abroad.

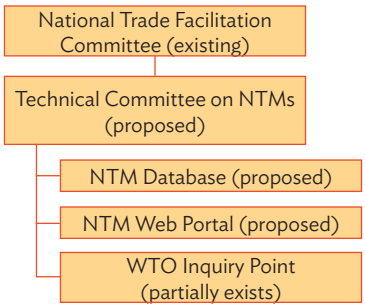
Complete Repeal of the General Import and Export Licenses. This measure is administered by the Ministry of Economic Development (MED) and affects all exporters and importers (of any product). The BPA-Report has already identified it as redundant and MED has confirmed that these measures will be repealed. This recommendation is made specifically to repeat the BPA-Report proposal because of the enormous positive impact repeal of the measures will have on trade and traders.

Upgrading of the National Health Laboratory at Maldives Food and Drugs Authority. This laboratory conducts all testing for all food products in Maldives, including exports and imports. MFDA is the designated competent authority of the EU in Maldives, providing health certification through testing done in this laboratory. Moreover, this laboratory is the agent for MFDA in providing tests and testing results for all exports and imports, and testing required for general consumer health issues. In general, this laboratory (through MFDA) has the broad role of ensuring that all food safety requirements are met, and must perform to the requirements of multiple importing country testing regimes. To this end, MFDA has already identified equipment that should be replaced and/or procured, additional tests that should be implemented, and the necessary expansion of its accreditation scope (Appendix 6).

Automation of Regulatory Services. The BPA-Report recommended the automation of regulatory services for both export and import, and automation work at MFDA has already commenced. In addition to the mostly impactful regulatory processes studies under the BPA-Report, this diagnostic report examined all regulatory processes and found that even newer processes are all manual or significantly manual. As a result, this recommendation is included in the priority list to emphasize the need for automation of other NTM regulatory processes as well, for both export and import-related processes.

Creation of a Technical Committee on Nontariff Measures. Maldives does not have a crosscutting technical body mandated to oversee the life cycle processes of export or import NTMs. This created an environment where regulators implement measures independent of each other in an uncoordinated manner, resulting in process or service inconsistencies. Establishment of a crosscutting technical oversight body would help align regulatory processes and services consistently and ensure they are in line with broader national objectives. Such a body would be mandated to manage all NTM-related matters, including maintaining a database of national NTMs, managing the WTO Inquiry Points, providing policy support on NTM matters, and information dissemination. Most of these areas are currently minimally maintained. The National Trade Facilitation Committee could serve as the parent body of this committee, and the NTM Committee should be based within MED (Figure 6).

Figure 6: Proposed Structure Nontariff Measure Management



NTM = nontariff measures, WTO = World Trade Organization.

Source: Author's design.

Establishing Adequate Cold Storage Facilities at Major Ports. Currently, there is only one operating cold storage facility, which is located at Velana International Airport (VIA). However, both regulators, and users and traders describe this facility as inadequate. Moreover, the largest cargo import port in Maldives, the Malé Port; and its associated facility, the Hulhumalé Port, both lack cold storage facilities, which poses critical problems for imports, such as medicine. Development of appropriate cold storage facilities warrants inclusion of this recommendation in the priority list.

6.2 General Recommendations for Future Actions

This section details specific recommendations related to the export and import regulatory framework and regulatory institutions, divided into four categories.

6.2.1 Recommendations on Legal and Regulatory Frameworks

Fully Empower Sanitary and Phytosanitary and Technical Barriers to Trade Legislation and Regulations. The following measures lack empowering laws or appropriate[62] acts to empower the regulation and/or procedures, and some of them may be covered under the same empowering legislation. It is recommended that urgent action[63] be taken to enact the necessary full complement of legislation as soon as possible:

(i) law on national standards;
(ii) law on national metrology;
(iii) law on importation of livestock;
(iv) law on importation of high-risk products, such as eggs and raw meat;
(v) law on importation of halal-certified products;
(vi) law on import food labeling; and
(vii) law on importation of pharmaceuticals and controlled drugs.

The following measures lack regulations that define the processes governing their implementation. It is recommended that urgent action be taken to enact the necessary regulations as soon as possible:

(i) regulation on importation of plants and plant parts;
(ii) regulation on importation of high-risk products, such as eggs and raw meat;
(iii) regulation on importation of halal-certified products;
(iv) regulation on import food labeling;
(v) regulation on the export and import of endangered species; and
(vi) regulation on importation of dangerous goods.

[62] An "inappropriate act" is referred to the Parent Act or such other act which has been used in broad terms and does not contain required specificity relating the regulation and/or procedures.
[63] An "action" here could also be an amendment to an existing act.

Use the Harmonized System (HS) Code System to Identify Regulations that Affect Specific Products. Regulations that apply NTMs refer to products in broad descriptive terms. For the clarity of all parties (importers, exporters, and regulators), there should be consistent understanding of what products are affected under which regulation. A simple means to do this would be to declare product HS codes applicable to a particular regulation. Regulations should include or be amended to clearly identify which HS code-based products are affected.

Improve Management of World Trade Organization (WTO) Inquiry Points for Nontariff Measures. As a member of the WTO, Maldives is obliged to declare and manage its inquiry points for NTMs. While the inquiry-point web page was previously available on the MED website;[64] it is currently no longer available. Action should be taken to be compliant to WTO obligations, including (i) notifying WTO on all NTMs in a timely manner, and (ii) completing comprehensive declaration of inquiry Points to WTO (to date, only the SPS Inquiry Point has been declared).

6.2.2 Recommendations on Institutional Frameworks and Capacity Building

Expedite Accreditation of National Metrology Laboratory, Associated Legislation. The Government of Maldives has been working toward accreditation of the national metrology laboratory, but it has been a slow process. This study strongly recommends that the process is expedited, together with a clear and time-bound action plan to complete the necessary legislation on national standards and metrology. The action plan should include a time-bound plan for the next phase of accreditation, i.e., accreditation of wider parameters than the most basic three.

Review and Clarify Institutional Mandates. Institutional mandates of SPS–TBT-related agencies in Maldives are found to overlap, which causes confusion and results in inconsistent application of regulatory measures. For example, the report found distinct overlap in administrative areas of the Agriculture Department and MFDA.

Establish Provisional National Standards Body in Maldives. A provisional National Standards Body should be created through available existing mechanisms until suitable legislation is in place that formally establishes the national standards creation mechanism. Standards adoption, creation, regional and international negotiations related to standards could be facilitated under this temporary body with appropriate technical staff.

Establish Provisional Certification Body in Maldives. In the absence of a standards setting body, a provisional certification body should be established pending approval of necessary legislation. MED has strongly advocated for such a certification body, and the proposal is included in MED's draft Standards Bill.

Enhance Engagement with South Asian Regional Standards Organization. Greater engagement with SARSO could bring benefits through technical knowledge sharing and

[64] MED. http://www.trade.gov.mv.

assistance. SARSO could also serve as the platform to establish standards for special Maldives fishery exports. This is of particular interest when considering potential export diversification through development of value addition fishery products. It is recommended that Maldives continue to engage with SARSO and expand this engagement to include the private sector. It is noted that the Ministry of Fisheries and Agriculture (MOFA) advocated for establishment of a dried fish standard (a Maldives fishery product commonly called Maldive Fish) through SARSO.

Implement Recommendations of the 2017 BPA-Report. This report supports implementation of recommendations made in the BPA-Report section on "Detailed Change Proposals," and, specifically, functions related to regulatory requirements, such as reducing the number of import permits, payments, automation, and regulatory process reengineering to bring processes into alignment with international best practice. The following BPA-Report recommendations are considered the most important (numbers before the recommendations are the actual numbers in the BPA-Report):

(i) (1.1) Information submission formats.
(ii) (1.2) Transform all processes to computerized service.
(iii) (1.3) Publish information dissemination portals.
(iv) (1.4) Establish online payment mechanisms.
(v) (2.1) Repeal trade licensing processes at MED.
(vi) (2.2) Collate all import and export-related service costs.
(vii) (2.4) Rationalize and automate the border inspection approval process.
(viii) (2.6) Implement risk-based inspections.
(ix) (3.14) Re-engineer MOFA fertilizer and pesticide import approval.
(x) (3.15) Re-engineer MOFA plant and plant parts and livestock and animal import permits.

Conduct Review of Regulator Coverage of Entry Points to Maldives. While there are eight official international air and sea ports of entry to Maldives, several have no regulator presence at all. The lack of traffic through some locations renders them not viable for permanent regulator presence, although a review of other entry points should consider whether a rotational presence could be justified.

Develop Comprehensive Technical Skills Training Program. Regulators have consistently highlighted a lack of general staff and a serious lack of trained staff as inspectors during the import process. Specialist training for inspector level in the fields of food and medicine for MFDA, and plants and livestock for the Agriculture Department is urgently recommended. Moreover, training for the Agriculture Department and MFDA testing laboratory staff is also recommended. A comprehensive skills stocktaking should be conducted, a gap analysis carried out, and appropriate capacity-development programs designed and implemented, supported by secure budgetary allocation.

Develop Regional Network of Laboratories. Some laboratory testing will not be available in Maldives—or example, due to lack of regular demand—and arrangements should be explored to create a regional network of testing laboratory facilities to ensure access to efficient and accurate testing processes. The MFDA National Health Laboratory and the

MOFA Plant and Parts Testing Laboratory should be tasked to explore and expand existing partnerships with regional testing laboratories, reaching out through regional platforms to other countries in South Asia.

6.2.3 Recommendations on Infrastructure and Facilities

Upgrade and Build New Sanitary and Phytosanitary and Technical Barriers to Trade-Related Infrastructure. Specific imports are affected by a lack of the facilities listed below and the Government of Maldives should take action to explore all options to close these infrastructure gaps, including public–private partnership arrangements, where possible and appropriate.

(i) Cold storage facilities at the main import entry point, the Malé Port, and its associated port, the Hulhumalé Port.
(ii) Lack of an animal quarantine facility.
(iii) Upgrading facility and purchasing new equipment for the Agriculture Department testing laboratory at the plant quarantine facility.

6.3 Other Recommendations

Develop One-Stop-Shop Portal for All Export and Import Regulatory Requirements. Currently, public domain access to SPS and TBT regulatory requirements is lacking or fragmented across individual regulator websites, resulting in inconsistent information provided to traders and businesses. Websites are usually not user-friendly—for example, there is often no search function. Development of a user-friendly one-stop-shop portal to disseminate all export and import regulatory requirements is recommended. Management of this portal could be assigned to the proposed Technical Committee on NTMs.

Create National Database of All Nontariff Measures. Creation and maintenance of a national database of all NTMs is recommended to ensure transparent provision of information to public and private sectors. This report began the task of gathering all NTMs in one place. This database would provide information to the WTO as well and could be housed on the proposed one-stop-shop portal to minimize additional maintenance time and cost.

Review Sanitary and Phytosanitary-Related Import Procedures to Prevent Import of Substandard Products. This report identified an instance of possible immediate risk through the import of substandard products (fresh fruits and vegetables) as a result of inadequate SPS measures. MFDA regulators should further analyze and address this issue within a wider discussion on the risk to the public posed by import of substandard goods. The proposed Technical Committee on NTMs would be an effective platform to conduct such discussions and make technical decisions.

Chapter 7
Conclusion

The analysis of Maldives' potential export products revealed little scope to expand regional trade because SASEC countries imported only small amounts of Maldives' potential export products globally. Neighboring SASEC countries are variously coastal countries and strong exporters of the same products. Three products were identified with potential export growth prospects, although even these products were limited by the small import amount of SASEC countries.

In identifying trade-hindering NTMs, this study chose not to highlight any specific NTM because (i) regulators indicated no complaints or issues with export to regional countries, and (ii) exporters consistently stated they do not face any obstacles in meeting regional NTMs for their exports. However, this does not imply that there are no trade-hindering NTMs. A separate study was carried out comparing the applied NTMs of a developed country and select SASEC countries, concluding that there is indeed ample space to reduce the NTMs applied within SASEC countries.

The study of the export and import regulatory framework showed that generally, Maldives has an import-friendly regulatory control mechanism, with relatively few regulatory requirements, most relating to health and safety. Maldives' natural geography makes Maldives enormously dependent on imports. The lack of local production facilities means there is no anticompetitive pressure from local businesses to institute NTMs.

However, the study of the export and import regulatory framework revealed significant gaps in legislative and institutional frameworks, even for existing NTMs. Moreover, it was also revealed that the lack of NTMs renders the country vulnerable to the import of substandard products, which could affect human health.

Appendix 1
Potential Exports to SASEC Countries

Initially, the statistics available from the International Trade Center website were analyzed and a list of export products identified by their 6-digit harmonized system (HS) code was generated. As Maldives is a small island country, it does not have many exports. The analysis showed that for 2016, the 11th and 21st export product at the 6-digit HS code had an annual export value of less than $1 million (11th product) and $300,000 (21st product). For the purposes of this study, $300,000 is taken as the minimum benchmark to define a potential export product. Consequently, we will continue to analyze these top 20 export products.

It was observed that there was very little diversity in terms of actual product for the 20 export products. They fit into just five chapters of the HS coding system, with one chapter making up 16 of the 20 products. Broadly, these 20 export products were either fishery-related or scrap metal-related. The small number of export products selected for analysis is a direct consequence of the special nature of Maldives being a small island nation with the limitations that such states usually face.

As a benchmark, if more than 80% of an export product was being imported by South Asia Subregional Economic Cooperation (SASEC) countries, then it was assumed that exporters are adept at exporting those products to SASEC countries. That is, exporters understand, are informed, and can well manage any technical barriers, if such technical barriers exist. The analysis showed that six of the 20 products met this criterion, including three products that were only exported to SASEC countries. This left 14 products for further analysis, comprising of only two chapters of the HS code standard. All 14 of these products were fishery-related exports (Appendix 1, Table A1.1).

As a benchmark, if the global SASEC world import value is less than $300,000, it is assumed that the SASEC marketplace has little or no demand for the import of these products. This also means that the individual SASEC country marketplace is even smaller than this benchmark. The analysis showed that six of the 14 products fall into this criterion including one product that has no import by any SASEC country. It was also observed that, generally, Maldives' export value of each of these six products was already higher than the SASEC world import value of the same product, necessitating seeking out non-SASEC markets to grow these exports.

Table A1.1: Maldives versus SASEC Countries
($ million)

Product (HS-Code)	Product Description (shortened)	Export		SASEC Import		SASEC Share of Export (%)
		SASEC	Maldives	Global	From Maldives	
030119	Fish; live, ornamental, other than freshwater	7.18	0.49	1.33	0.12	24.34
030199	Fish; live, n.e.c. in heading 0301	19.75	0.59	0.66	0.00	0.00
030232	Fish; fresh or chilled, yellowfin tunas (*Thunnus albacares*)	40.92	25.75	8.75	5.33	20.70
030233*	Fish; fresh or chilled, skipjack or stripe-bellied bonito, excluding fillets	1.53	1.17	0.00*	0.00	0.00
030234*	Fish; fresh or chilled, bigeye tunas (*Thunnus obesus*), excluding fillets	0.25	2.04	0.20*	0.20	9.79
030247*	Fish; fresh or chilled, swordfish (*Xiphias gladius*), excluding fillets	3.09	0.75	0.29*	0.03	3.98
030289	Fish; fresh or chilled, n.e.c. in heading 0302	47.30	2.99	11.39	0.01	0.33
030342	Fish; frozen, yellowfin tunas (*Thunnus albacares*)	19.60	10.29	8.11	0.05	0.49
030343	Fish; frozen, skipjack or stripe-bellied bonito	22.93	36.26	4.60	0.00	0.00
030389	Fish; frozen, n.e.c. in heading 0303	425.18	0.41	24.06	0.25	60.53
030449*	Fish fillets; fresh or chilled, other than fish of heading 0304.4	10.80	30.44	0.12*	0.02	0.07
030487*	Fish fillets; frozen, tunas (of the genus *Thunnus*), skipjack or stripe-bellied bonito (*Euthynnus [Katsuwonus] pelamis*)	1.97	0.67	0.10*	0.04	6.02
030510**	Fish; flours, meals and pellets, fit for human consumption	0.46	0.74	0.20	0.73	99.18
030549**	Fish; smoked, whether or not cooked before or during smoking, n.e.c. in item no. 0305.4, includes fillets, but excludes edible fish offal	0.36	1.60	0.16	1.37	85.89
030559**	Fish; dried, whether or not salted but not smoked, other than edible fish offal, n.e.c. in item no. 0305.5	21.61	6.64	102.64	5.55	83.61**
030819*	Aquatic invertebrates; sea cucumbers (*Stichopus japonicus, Holothuroidea*), dried, salted or in brine, smoked, whether or not cooked before or during the smoking process	2.24	0.36	0.08*	0.15	41.67
160414	Fish preparations; tunas, skipjack and Atlantic bonito	0.52	15.46	3.12	0.01	0.06

continued on next page

Table A1.1 continued

Product (HS-Code)	Product Description (shortened)	Export		SASEC Import		SASEC Share of Export (%)
		SASEC	Maldives	Global	From Maldives	
230120**	Flours, meals and pellets; of fish or of crustaceans, mollusks, or other aquatic invertebrates	35.10	0.57	64.32	0.57	100.00**
720429**	Ferrous waste and scrap; of alloy steel (excluding stainless)	0.65	0.82	80.39	0.80	98.16**
740400**	Copper; waste and scrap	39.81	0.59	675.55	0.59	100.00**

HS = harmonized system, n.e.c. = not elsewhere classified, SASEC = South Asia Subregional Economic Cooperation.

Notes: * < $300,000 imported to SASEC in total. ** > 80% of export product being imported by SASEC countries.

Source: International Trade Center. http://www.trademap.org.

This filtration of products left eight products for further analysis. These eight products were:

(i) 030119: fish; live, ornamental, other than freshwater
(ii) 030199: fish; live, n.e.c. in heading 0301
(iii) 030232: fish; fresh or chilled, yellowfin tunas (*Thunnus albacares*), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0302.91 to 0302.99
(iv) 030289: fish; fresh or chilled, n.e.c. in heading 0302, excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0302.91 to 0302.99
(v) 030342: fish; frozen, yellowfin tunas (*Thunnus albacares*), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0303.91 to 0303.99
(vi) 030343: fish; frozen, skipjack or stripe-bellied bonito
(vii) 030389: fish; frozen, n.e.c. in heading 0303, excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0303.91 to 0303.99
(viii) 160414: fish preparations; tunas, skipjack, and Atlantic bonito

Note that the coastal SASEC countries of Bangladesh, India, and Sri Lanka are also exporters of fishery products. For the eight potential export products, the import and export figures for SASEC, excluding Maldives is given in Table A1.2. Given this significant commonality between the potential exports of Maldives to the export of other SASEC countries and high export ratio of these products within SASEC in general, the business potential to export these same products to other SASEC countries is relatively low.

Of these eight products, there is only one product with low export to import ratio—fish preparations (product 160414). It was observed that for this product, the export volume or value from Maldives, at $15.46 million, is significantly higher than the net SASEC import value of $3.12 million. This means that Maldives must look at other markets for its exports.

If the data in Table A1.2 is plotted against countries, it shows that there are only six occurrences where the import is higher than export. Of these six occurrences, three cases involve import value of less than $300,000. This leaves three products that are net imports, all from Sri Lanka (fish; frozen, yellowfin tunas [product 030342] and fish; frozen, skipjack or stripe-bellied bonito [product 030343]). Of these three net imports into Sri Lanka,

Table A1.2: Imports and Exports from SASEC Countries, Excluding Maldives
($ million)

Product HS-Code	Product Description	SASEC Import	SASEC Export	Export Ratio
030119	Fish; live, ornamental, other than freshwater	1.33	7.18	5.40
030199	Fish; live, n.e.c. in heading 0301	0.66	19.75	29.92
030232	Fish; fresh or chilled, yellowfin tunas (*Thunnus albacares*)	8.75	40.92	4.68
030289	Fish; fresh or chilled, n.e.c. in heading 0302	11.39	47.30	4.15
030342	Fish; frozen, yellowfin tunas (*Thunnus albacares*)	8.11	19.60	2.42
030343	Fish; frozen, skipjack or stripe-bellied bonito	4.60	22.93	4.98
030389	Fish; frozen, n.e.c. in heading 0303	24.06	425.18	17.67
160414	Fish preparations; tunas, skipjack, and Atlantic bonito	3.12	0.52	0.17

HS = harmonized system, n.e.c. = not elsewhere classified, SASEC = South Asia Subregional Economic Cooperation.

Note: where 2016 figures were not available, 2015 figures were used.

Source: International Trade Center. http://www.trademap.org.

Table A1.3: Net Importer and Exporter, SASEC Countries

Product HS-Code	Product Description	Bangladesh	India	Sri Lanka
030119	Fish; live, ornamental, other than freshwater		Exporter	Exporter
030199	Fish; live, n.e.c. in heading 0301	Exporter	Importer*	Importer*
030232	Fish; fresh or chilled, yellowfin tunas (*Thunnus albacares*)		Exporter	Exporter
030289	Fish; fresh or chilled, n.e.c. in heading 0302	Exporter	Exporter	Exporter
030342	Fish; frozen, yellowfin tunas (*Thunnus albacares*)		Exporter	Importer
030343	Fish; frozen, skipjack, or stripe-bellied bonito		Exporter	Importer
030389**	Fish; frozen, n.e.c. in heading 0303	Exporter	Exporter	Importer
160414	Fish preparations; tunas, skipjack, and Atlantic bonito		Exporter	Importer

Notes: * import value is < $300,000.

** net Maldives export < $500,000.

Source: International Trade Center. http://www.trademap.org.

Maldives already exports two products to Sri Lanka, with an approximate share of imports at 9% and 2%, respectively. Note that Bhutan and Nepal have none to very small numbers for these products.

Currently, Maldives exports six of the shortlisted eight products to Sri Lanka.

Product 030232 is noteworthy because though Sri Lanka is a major exporter of this product, Maldives exports captured 60% of imports of the same product to Sri Lanka.

Appendix 2
Exporters Interviewed for This Report

The following exporters were interviewed as part of the process to determine the issues faced by exporters to South Asia Subregional Economic Cooperation (SASEC) countries. In total, the following exporters comprise about half the total number of fishery exporters registered at the Maldives Seafood Processing and Exporters Association (MSPEA).

(i) Horizon Fisheries:[65] A privately held company and one of the earliest large-scale investors in the fisheries sector. Operates one of the largest fish cannery plants in Maldives, located on Laamu Atoll Maandhoo, the Maandhoo Fisheries Complex.
(ii) Ensis Fisheries:[66] A privately held company and a leading exporter of fishery products. A major supplier of a variety of fresh chilled fishery products to multiple markets.
(iii) Maldives Industrial Fisheries Company[67] (MIFCO): MIFCO a state-owned enterprise formed when two former state-owned fishery companies (Kooddoo Fisheries and Felivaru Fisheries) were merged with the existing MIFCO company.
(iv) Atoll Tuna Company:[68] A privately held company, it exports fresh and chilled fishery products to developed markets and to Sri Lanka.
(v) Other exporters who attended the National Validation Meeting (NVM): (a) Maldives Marine Products,[69] and (b) Ocean Fresh[70] Pvt Ltd.
(vi) Exporters interviewed post-NVM: (a) Ocean Seafood[71] Pvt Ltd, (b) Ocean Hunters[72] Pvt Ltd, (c) Big Fish Maldives Pvt Ltd, and (d) Addu Fresh Pvt Ltd.

This discussion with exporters was broadly centered around issues related to the following questions:

(i) Do you export to countries of the South Asia? or Why do you not export to these countries? (specifically, Bangladesh, India, or Sri Lanka)

There was a variation in the responses received in that some companies exported to SASEC countries and some did not. Specifically, those companies that exported to SASEC countries mentioned Sri Lanka by name, but no other countries.

65 Horizon Fisheries. http://www.horizonfisheries.com/.
66 Ensis Fisheries. http://www.ensisfisheries.com.
67 MIFCO. web.facebook.com/mifcomv and http://www.mifco.com.mv.
68 Atoll Tuna. http://www.atolltuna.mv.
69 Maldives Marine Products. http://www.mmptuna.com.
70 Ocean Fresh. http://www.oceanfresh.com.mv.
71 Ocean Seafood. http://www.oceanseafoodmaldives.com.
72 Ocean Hunters. http://www.oceanhunter.com.mv.

Moreover, some companies that exported to Sri Lanka further elaborated that such exports are usually seasonal, that is, when the fish acquisition costs during the fishing season go down.

(ii) Are there issues meeting with the technical requirements as set by countries of South Asia? Has this affected decisions?
None of the exporters interviewed flagged any issues or difficulty in meeting technical requirements as set by other SASEC countries. Exporters to Sri Lanka specifically stated it was relatively easy compared to the European Union, in that a health certificate was the only document generally required.

(iii) Are there any other issues that have affected exports to South Asia?

All the exporters highlighted that the primary issue was not that of technical requirements, but rather the weak business case in exporting to SASEC countries, as the cost of production in Maldives was much higher than other larger countries. Some exporters highlighted this issue because regional exports were feasible only seasonally, when fish acquisition costs were down.

(iv) How often do you check out South Asian countries as export destinations? Have the issues or conditions changed since last reviewed?

Generally, exporters did not indicate significant interest in the SASEC region as primary export markets. While they welcomed export opportunities to SASEC countries, they also reiterated the business issues related to exporting to the SASEC region.

Exporters that attended the National Validation Meeting in December 2017 were generally in agreement with the presentation of their inputs, as well as the analysis and findings. It is noted that the NVM was attended by more exporters than were interviewed for this study. To further validate some findings that appeared inconsistent, the pool of exporters interviewed was expanded by four other exporters, including smaller-scale exporters, and even one exporter who was not a registered member of the MSPEA. However, information received from these newly interviewed exporters were found to be consistent from other exporters.

Appendix 3
Top 10 Products from Maldives to Other SASEC Countries in the Most Recent Year at the 6-digit Harmonized System

Table A3.1: Top 10 Exports to Bangladesh

Sl No.	HS Code (6=Digit)	Description	Export Value ($ million)
1	230120	Flours, meals and pellets; of fish or of crustaceans, mollusks, or other aquatic invertebrates	0.24
2	030510	Fish; flours, meals and pellets, fit for human consumption	0.04
	Total of top 10		0.28
	% share of top 10 in total exports to Bangladesh		100.00%

HS = harmonized system, SI = series number.

Source: Maldives Customs Service. http://www.customs.gov.mv/statistics.

Table A3.2: Top 10 Exports to Bhutan

Sl No.	HS Code (6-Digit)	Description	Export Value ($ million)
1	–	–	0
	Total of top 10		
	% share of top 10 in total export to Bhutan		

– = no data, HS = harmonized system.

Data source: Maldives Customs Service. http://www.customs.gov.mv/statistics.

Table A3.3: Top 10 Exports to India

Sl No.	HS Code (6-Digit)	Description	Export Value ($ million)
1	720429	Ferrous waste and scrap; of alloy steel (excluding stainless)	0.79
2	740400	Copper; waste and scrap	0.59
3	760200	Aluminium; waste and scrap	0.12
4	482390	Paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibers; articles n.e.c. in heading no. 4823	0.03
5	391590	Plastics n.e.c. in heading no. 3915; waste, parings and scrap	0.01
6	271099	Waste Oils; of petroleum or obtained from bituminous minerals, not crude and preparations n.e.c., weight 70% or preparations of the same, not containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	0.01
	Total of top 10		**1.55**
	% share of top 10 in total export to India		**100.00%**

HS = harmonized system, n.e.c. = not elsewhere classified, SI = series number.

Source: Maldives Customs Service. http://www.customs.gov.mv/statistics.

Table A3.4: Top 10 Exports to Nepal

Sl No.	HS Code (6-Digit)	Description	Export Value ($ million)
1	0	--	0
	Total of top 10		
	% share of top 10 in total export to Nepal		

HS = harmonized system, SI = series number.

Source: Maldives Customs Service. http://www.customs.gov.mv/statistics.

Table A3.5: Top 10 Exports to Sri Lanka

Sl No.	HS Code (6-Digit)	Description	Export Value ($ million)
1	030559	Fish; dried, whether or not salted. but not smoked, other than edible fish offal, n.e.c. in item no. 0305.5	5.40
2	030232	Fish; fresh or chilled, yellowfin tunas (*Thunnus albacares*), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0302.91 to 0302.99	5.32
3	030549	Fish; smoked, whether or not cooked before or during smoking, n.e.c. in item no. 0305.4, includes fillets, but excludes edible fish offal	1.35
4	030510	Fish; flours, meals and pellets, fit for human consumption	0.69
5	230120	Flours, meals and pellets; of fish or of crustaceans, mollusks, or other aquatic invertebrates	0.33
6	030389	Fish; frozen, n.e.c. in heading 0303, excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0303.91 to 0303.99	0.22
7	030234	Fish; fresh or chilled, bigeye tunas (*Thunnus obesus*), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0302.91 to 0302.99	0.19
8	030819	Aquatic invertebrates; sea cucumbers (*Stichopus japonicus, Holothuroidea*), dried, salted or in brine, smoked, whether or not cooked before or during the smoking process	0.15
9	030119	Fish; live, ornamental, other than freshwater	0.11
10	030342	Fish; frozen, yellowfin tunas (*Thunnus albacares*), excluding fillets, fish meat of 0304, and edible fish offal of subheadings 0303.91 to 0303.99	0.05
	Total of top 10		13.81
	% share of top 10 in total export to Sri Lanka		97.44%

HS = harmonized system, n.e.c. = not elsewhere classified, SI = series number.

Source: Maldives Customs Service. http://www.customs.gov.mv/statistics.

Appendix 4
Identification of Potential Exports

Important note: The list of potential exports has been changed by removing any consideration of sanitary and phytosanitary and technical barriers to trade (SPS–TBT) measures. The items listed below are based on the import volume of a potential export product. This perspective shows just how small the export window is to export to South Asia Subregional Economic Cooperation (SASEC) countries.

Please refer to Chapter 3 of this publication for more background information on this appendix.

Table A4.1: Potential Export Products in Bangladesh Market

Sl. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	030289	Fish; fresh or chilled	0	2.98	4,008	1.05	1,207	0
2	030389	Fish; frozen	0	0.41	1,183	6.26	1,240	0

HS = harmonized system, M = importing country (Bangladesh), SI = series number, UV = unit value, X = country of exports (Maldives).

Source: International Trade Center. http://www.trademap.org.

Table A4.2: Potential Export Products in Bhutan Market

Sl. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Bhutan does NOT import any product that Maldives could export.								

HS = harmonized system, M = importing country (Bhutan), SI = series number, UV = unit value, X = country of exports (Maldives).

Source: International Trade Center. http://www.trademap.org.

Table A4.3: Potential Export Products in India Market

Sl. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	030289	Fish; fresh or chilled	0	2.98	4,008	9.50	2,635	0
2	030389	Fish; frozen	0	0.41	1,183	5.53	4,297	0

HS = harmonized system, M = importing country (India), SI = series number, UV = unit value, X = country of exports (Maldives).

Source: International Trade Center. http://www.trademap.org.

Table A4.4: Potential Export Products in Nepal Market

Sl. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	030289	Fish; fresh or chilled	0	2.98	4,008	0.84	688	0

HS = harmonized system, M = importing country (Nepal), UV = unit value, X = country of exports (Maldives), SI = series number.

Source: International Trade Center. http://www.trademap.org.

Table A4.5: Potential Export Products in Sri Lanka Market

Sl. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M[a]	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	030119	Fish; live, ornamental, other than freshwater	0.11	0.49	22,409	1.16	8,536	9.48
2	030232	Fish; fresh or chilled, yellowfin tunas	5.32	25.66	4,567	8.75	4,603	60.80
3	030342	Fish; frozen, yellowfin tunas	0.05	10.25	1,499	8.11	1,844	0.62
4	030343	Fish; frozen, skipjack or stripe-bellied bonito	0.00	36.14	1,715	4.60	1,184	0.00
5	030389	Fish; frozen	0.25	0.41	1,183	12.27	2,201	2.04
6	160414	Fish preparations; tunas, skipjack, and Atlantic bonito	0.01	15.40	5,073	2.53	4,313	0.40

HS = harmonized system, M = importing country (Sri Lanka), SI = series number, UV = unit value, X = country of exports (Maldives).

[a] Latest available data for year 2015.

Source: International Trade Center. http://www.trademap.org.

Appendix 5
Import Entry Points in Maldives

This appendix summarizes all the import entry points in Maldives. Note that the bulk of import happens at the Malé Port (plus the closely located Hulhumalé Port) and the Velana International Airport. While the remaining locations function as international ports or airports, these attract significantly less traffic and cargo, compared to the primary air and sea ports. These entry points are categorized into tiers, where tier 1 are major hubs, tier 2 has significantly less traffic, and tier 3 barely receives traffic.

(i) (tier 1) Velana International Airport on the island of Hulhulé, close to the capital, Malé. This is the primary gateway (air) to Maldives and is served by international airlines on a daily basis.
(ii) (tier 2) Gan International Airport on Gan Island in Addu atoll and serves the second most populous region in the south of Maldives. Currently, served by international charter flights mostly.
(iii) (tier 3) Hanimaadhoo International Airport on the Hanimaadhoo Island in Haa Alif atoll, in the north of Maldives. Currently served by local airlines.
(iv) (tier 3) Villa International Airport on Maamigili Island in Alif Dhaalu atoll, relatively close to the capital, Malé. Currently served by local airlines only.
(v) (tier 1) Malé Port in the capital, Malé. Serves as the primary seaport of Maldives.
(vi) (tier 1) Hulhumalé Port on the island of Hulhumalé in the greater Malé region. Operated by the same operator as the Malé Port.
(vii) (tier 2) Kulhudhuffushi Port on the island of Kulhudhuffushi in Haa Dhaalu atoll.
(viii) (tier 2) Hithadhoo Port on the island of Hithadhoo in Addu atoll.

These entry points have been categorized into tiers based on the international traffic they receive and the size of the immediate population:

(i) tier 1 are major hubs,
(ii) tier 2 are ports that receive significantly less traffic, and
(iii) tier 3 are ports that receive very little traffic, if at all.

Appendix 6
Capacity Building, National Health Laboratory

Table A6: Capacity Building Requirements, National Health Laboratory

No.	Parameter	Required Equipment	Chemicals	Required Training, Consultancy. And/or Technical Assistance
Development of New Tests				
	Carbon monoxide in fish	Gas chromatography unit with TCD and double mass spectrometer (GC–TCD/ MS/MS), with installation and operational instructions, and training and other accessories	Required	Internal training after procurement of equipment for 5 staff x 10 days Consultancy on the development of method
	Pesticides in water and fish	Agilent 7890 GC system with 5977 MS system and TCD detector and other required accessories or Any suitable brand and model, latest technology available of the technique with necessary accessories Warranty: at least 3 years Installation and operational instructions	Required	External and internal training after procurement of equipment for 5 staff x 10 days Consultancy on the development of method
	Additives and preservatives in food	Micro balance Mettler Toledo model no. XPE26 Maximum Capacity: 22 g Readability: 1 µg Repeatability (test weight): 0.0015 mg (1 g) Linearity: ±0.006 mg Settling time: 3.5 sec Dimensions (DxHxW): 487 mm x 322 mm x 263 mm Weighing pan dimensions (DxW): 40 mm x 40 mm Warranty: at least 1 year	Required	
	Antibiotic residues in food	-	Required	External and internal training after procurement of equipment for 5 staff x 10 days Consultancy on the development of method

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Table A6 continued

No.	Parameter	Required Equipment	Chemicals	Required Training, Consultancy. And/or Technical Assistance
	Inorganic components in water: nitrate, nitrite, ammonia, phosphate, suphate, sulphite using ICP–MS	Inductively coupled plasma with double mass spectrometer (ICP–MS/MS) - with installation and operational instructions, and training and other accessories Model no. NexION 350D ICP-MS Spectrometer system by Perkin Elmer With necessary accessories Warranty: at least 3 years Installation and operational instructions	Required	External and internal training after procurement of equipment for 5 staff x 10 days Consultancy on the development of method
		ScienTech precision balance Zeta Series - 500g capacity product #:293710 Accuracy: 2:0.001 g Capacity: 500 g Communication capabilities: RS232 Electrical specifications:100–240V, 50/60 Hz Length: 286 mm Power: 115V Unit: 1 each Width US: 7.5 Website: http://www.hach.com/scientech-precision-balance-zeta-series-500g-capacity/product-details?id=7640243076 Warranty: at least 1 year		
Extending the Scope of Accreditation				
	Heavy metals: lead, cadmium, iron, zinc, copper in water and food	Acid digestion fume hood, with installation and operational instructions and training Ductless fume hood to handle pesticide and other organics at trace level with installation or equivalent Esco frontier PVC Acid Digestion Fume Hood Brand: Esco Model no.: EFQ-4UDCVW-8 Unplasticized polyvinylchloride (u-PVC) internal surfaces (including the work surface) and polycarbonate sash window With sink Full uPVC or PP interior protection against acids 5-degree sloped front Containment at 0.3 m/s Matching filters and spares Exhaust Fan: PP-025 Base cabinet: EBA-4UDG-8 Airflow alarm kit: SXL-EFA With necessary accessories Warranty: at least 1 year Installation and operational instructions	Required	Consultancy on the development of method
		Hotplate, Cimar Dimensions: 7.25 in x 7.25 in Digital stirring hotplates		
		Ultra-micro balance Mettler Toledo Model no. XPRU Maximum Capacity: 22 g Readability: 1 µg Repeatability (test weight): 0.0015 mg (1 g) Linearity: ±0.006 mg Settling Time: 3.5 s Dimensions (DxHxW): 487 mm x 322 mm x 263 mm Weighing Pan Dimensions (DxW): 40 mm x 40 mm		

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Table A6 continued

No.	Parameter	Required Equipment	Chemicals	Required Training, Consultancy. And/or Technical Assistance
	Histamine in fish by HPLC method	HPLC with double mass spectrometer (HPLC MS/MS) with installation and operational instructions, and training and other accessories Any suitable brand and model and Latest technology available of the technique With necessary accessories Warranty: at least 3 years Installation and operational instructions	Required	Consultancy on the development of method
	Protein	BuchiKjelMaster K-375 - with installation and operational instructions and training The automatic distillation unit KjelMaster K-375 is designed for convenient nitrogen and protein, non-protein nitrogen (NPN), casein (NCN), total volatile basic nitrogen (TVBN), alcohol, volatile acids, diacetyl ammonia, nitrate, nitrite (Devarda), total nitrogen, organic nitrogen, ammonia, urea, formaldehyde ammonia, total Kjeldahl mitrogen (TKN), phenol, formaldehyde, nitrate, nitrite (Devarda) Analysis. https://www.buchi.com/en/products/kjeldahl-dumas/kjelmaster-k-375 Warranty: at least 1 year	Required	-
	Total volatile nitrogenous base (TVB-N)	Perchloric acid fume hood, with installation, and operational instructions and training Esco Fontier Perchloric Fume Hood OR equivalent Brand: Esco Model No.: EFP-4UD4VW-8 Base Cabinet: EBA-4UDG-8 Exhaust Fan: PP-025 Airflow alarm kit: SXL-EFA With necessary accessories Warranty: at least 1 year Installation and operational instructions OR equivalent	Required	-
	Mercury	Muffle furnace Dimensions in (cm): overall width 19.25 (48.9); height 21 (53.3); depth 20 (50.8); with door open 29.5 (74.9); chamber width 12.75 (32.4); height 6.75 (17.1); depth 10 (25.4) http://cynmar.com/muffle-furnaces/23035-MUFFLE-FURNACE-PROGRAMABLE-100-to-1200C-240V-INDUSTRIAL.html or equivalent	Required	-

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Table A6 continued

No.	Parameter	Required Equipment	Chemicals	Required Training, Consultancy. And/or Technical Assistance
	Fat analysis	Extraction system B-811/B-811 LSV – Buchi, with installation, and operational instructions and training Speed extractor and accessories: SOXHLET method Number of positions: 6 positions Size of extraction cells:12 120 mL Dimensions: 670 mm x 725 mm x 500 mm Weight: 90 kg Connection voltage:100–240 VAC +/- 10% Frequency: 50/60 Hz Interface: USB 2.0 Temperature control range: 30°C–200°C Pressure range: 50–150 bar Primary pressure nitrogen connection: 6–10 bar Flow rate pump: 1–50 mL/min Extraction cell size:10 mL, 20 mL, 40 mL, 80 mL, 120 mL Ambient temperature: 5°C –40°C Maximum relative humidity: 80% for temperatures up to 31°C, and then linearly decreasing to 50% at 40°C Accessories: Extraction cells: 120 mL Expansion element: 120 mL Funnel: 40 mL–120 mL Carrier rack for extraction cells: with 6 spaces Flat bottom, narrow-necked vessels: 240 mL Installation and operational training to be provided Warranty: at least 1 year https://www.buchi.com/sites/default/files/downloads/B-811_B-811LSV_Product_Brochure_en_B_0.pdf?220cb816478686f39ee3ea05974470ddf57ec0f4	Required	-
	Aerobic bacteria	API reader	Required	-
		Autoclave Capacity: 20 L Exterior (WxDxH): 380 mm x490 mm x840 mm Chamber dimensions (diameter x depth): 240 mm x 450 mm Sterilization temperature:105°C –126°C, temperature gauge range digital display 80°C –141°C Material: stainless steel Pressure gauge range: 0–0.3 Mpa/0-45 psi Working temperature:121°C (+3/-0°C)		
		Air purifier Brand: IQAIR OR equivalent With necessary accessories Warranty: at least 1 year		
		Shell lab water bath Temperature: 25°C–100°C Volume: up to 20 L		

C = celsius or centigrade, cm = centimeter, g = gram, in = inch, L = liter, mm = millimeter, TCD = thermal conductivity detector.

Source: Asian Development Bank.

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Potential Exports and Nontariff Barriers to Trade
Maldives National Study

This publication explores how Maldives could boost its exports by addressing nontariff barriers to trade, focusing on sanitary and phytosanitary measures and technical barriers to trade. It examines trade patterns of Maldives within South Asia, particularly with Bangladesh, Bhutan, India, Nepal, and Sri Lanka, and gaps in legal structures, institutional frameworks, and infrastructure. Trade-hindering nontariff measures that affect potential export products are identified and recommendations to address them are proposed.

About the South Asia Subregional Economic Cooperation Program

The South Asia Subregional Economic Cooperation (SASEC) program brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka in a project-based partnership that aims to promote regional prosperity, improve economic opportunities, and build a better quality of life for the people of the subregion. SASEC countries share a common vision of boosting intraregional trade and cooperation in South Asia, while also developing connectivity and trade with Southeast Asia through Myanmar, to the People's Republic of China, and the global market.

About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members —49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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