

Papua New Guinea



Trade Facilitation Challenges for Women Traders and Freight Forwarders

Survey findings and recommendations



WORLD BANK GROUP

DISCLAIMER

This work is a product of the staff of The World Bank with external contributions. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of The World Bank, its Board of Executive Directors, or the governments they represent.

The World Bank does not guarantee the accuracy of the data included in this work. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

RIGHTS AND PERMISSIONS

The material in this work is subject to copyright. Because The World Bank encourages dissemination of its knowledge, this work may be reproduced, in whole or in part, for noncommercial purposes as long as full attribution to this work is given. Any queries on rights and licenses, including subsidiary rights, should be addressed to World Bank Publications, The World Bank Group, 1818 H Street NW, Washington, DC 20433, USA; fax: 202-522-2625; e-mail: pubrights@worldbank.org

PHOTO INFORMATION

All photos are credited throughout the publication.

Cover photos: A large number of women have senior management responsibilities in Papua New Guinea © Sarah Wiles / Positive Media (left), Women in Papua New Guinea are active in trading © Sarah Wiles / Positive Media (right).

Acknowledgements

This report presents the results of a survey undertaken in Papua New Guinea from February to March 2020 with the intention to identify specific challenges cross-border traders are facing related to trade facilitation at the firm level.

This survey work was led by the World Bank Group (WBG) and funded by the Trade Facilitation Support Program.¹ Tebbutt Research was selected through a competitive process to support the team with the implementation of the survey on the ground in Papua New Guinea.

The WBG team would like to recognize the Government of Papua New Guinea for its invaluable contribution to the project, including through the provision of trader data.

¹ The Trade Facilitation Support Program is funded by Australia, Canada, the European Union, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and the United States of America.

Papua New Guinea

Number of active cross-border trading firms (2018): 1,091²

Capital city: Port Moresby

Region: East Asia & Pacific

Income category: Lower-middle income³

Population (2018): 8,606,316

GDP (current US\$ millions, 2018): 23,497.61⁴

Est. GNI per capita women/men (2018 based on 2011 PPP\$):
\$3,248 / \$4,106⁵

Labor force participation rate (% ages 15 and older, 2018) women/men:
48.1 / 49.4

Merchandise exports and imports (% of GDP, 2018): 59.8

Main exports:

Natural gas (liquefied or in the gaseous state), base metals clad w/ silver and base metals (silver or gold clad w/ platinum), copper ores and concentrates, gold, crude palm oil, nickel mattes, precious metal ores and concentrates, green coffee, naphtha, frozen tunas, prepared dishes and meals based on fish, cocoa beans⁶

Main imports:

Mineral products, chemicals & allied products, machinery & mechanical & electrical appliances & parts thereof, vehicles/aircraft & associated transport equipment, base metals & articles thereof, vegetable products, prepared foodstuffs/beverages/sprits & tobacco⁷

WTO Trade Facilitation Agreement ratification date: March 7, 2018

² This number is based on a list of firms provided by the Customs Service and reflects initial efforts to exclude duplicates, government entities, etc. that would not be eligible for the survey. Some ineligible firms may still be included in this number, which further remediation work subsequently identified.

³ Based on WBG fiscal year 2020 (calendar year 2018) data calculation: lower-middle income is GNI per capita between \$1,026 and \$3,995.

⁴ World Development Indicators database.

⁵ Human Development Report, UNDP.

⁶ Latest available (2014) data from the PNG National Statistical Office.

⁷ Ibid.

Key recommendations based on survey findings:

Initial findings demonstrate an **opportunity for the Government of Papua New Guinea** to improve the design of trade facilitation interventions to better address traders' needs (women in particular), e.g. by:



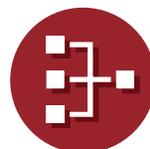
Automating paper-based systems and scaling up the use of electronic payments



Improving access to official border regulations and procedures, and strengthening communication efforts by using simple language that anyone can understand



Improving the visibility of and empower the National Trade Facilitation Committee



Expediting roll out of a National Single Window



Strengthening communication with traders around official grievance procedures



Improving consistency in the implementation of border processes and procedures through enhanced training of border officials



Conducting and publishing a Time Release Study to demonstrate average release times of goods and opportunities to address bottlenecks

Table of contents

1 Executive summary	_____	4
2 Description of the sample and methodology	_____	8
3 Survey findings	_____	12
General trader and freight forwarder findings	_____	13
Trade facilitation-specific findings	_____	19
4 Recommendations based on survey responses	_____	28
Annex 1 Profile of interviewees	_____	32
Annex 2 Methodology	_____	34



Women in Papua New Guinea
are active in trading
© Sarah Wiles / Positive Media

1 Executive summary

Trade is widely recognized to be an engine of growth that creates jobs, reduces poverty, and increases economic opportunity. Generally speaking, trade facilitation measures are non-discriminatory and apply to all traders in their design; however, these measures may not necessarily impact or benefit all traders in similar ways. There is a global lack of data on how trade facilitation interventions impact traders by gender at the firm level.^{8,9} There is also a global vacuum of knowledge of the exact proportion of cross-border traders that are women. Few countries, if any, can easily confirm the number of women that undertake cross-border trade in their respective countries.

Designing interventions that are inclusive—benefiting women as well as men—is difficult without accurate data on the gender of those who participate actively in cross-border trade. Without this knowledge and that of the exact challenges faced by both genders, it is also hard to tell how much any subset of the economy would be impacted by any intervention. This lack of data may also reinforce the bias against women in trade policy making.

To help fill the data gap with an aim to better inform future design and implementation of trade facilitation projects, the World Bank Group (WBG) has collected data – through a survey – on cross-border trade challenges faced by both women and men at the firm level in the Pacific Islands region.^{10,11}

Countries in the Pacific Islands region face unique development challenges: they are physically detached from major markets, have small populations spread across many islands and time zones, tend to have high levels of inequality in many areas, and confront the worst impacts of climate change, making them some of the most vulnerable countries to natural disasters in the world.¹² These challenges increase trade costs and make it difficult for the Pacific Island countries to trade

effectively and competitively. To overcome the challenges of size and isolation, trade capacity should be increased so that the countries can more effectively integrate into the global trading system and thus improve their economic opportunities.¹³ One way to do this is through the implementation of trade facilitation measures to lower time and costs to trade.

Survey respondents include:

- Firms that engage in cross-border trade of goods (disaggregated by the gender of the firms' owner or manager)
- Freight forwarders (not disaggregated by gender due to the small sample population)

This note presents findings of the survey work in Papua New Guinea (PNG). Papua New Guinea occupies the eastern half of the West Pacific island of New Guinea, together with the islands of New Britain, New Ireland, and the Autonomous Region of Bougainville, and another 600 smaller islands and atolls.¹⁴ There are 22 declared ports in Papua New Guinea. The Port of Lae is largest and busiest port in PNG. It serves all the Highlands provinces, which are the most densely populated areas of PNG. Port Moresby Port serves the Port Moresby region, which has less trade activity and is the second busiest port in PNG.

The survey in Papua New Guinea was launched prior to the outbreak of COVID-19 in the region. The pandemic has demonstrated that women are particularly vulnerable and disproportionately affected during a pandemic due to their multiple roles in society.¹⁵ Maintaining trade flows as much as possible during a pandemic is crucial as trade has a direct im-

⁸ Higgins, *Gender Dimensions of Trade Facilitation and Logistics: A Guidance Note*, 2012.

⁹ In this note, "traders" is used interchangeably with "firms" but should be understood to represent registered firms undertaking cross-border trade and not individual, private traders. Women-led versus men-led is used when a firm is either owned and/or managed by a woman or man. A firm is "woman owned" if (1a) $\geq 51\%$ of the shares are owned by a woman or (1b) $\geq 20\%$ is owned by a woman; (2) it has ≥ 1 woman as CEO/COO/President/Vice President; and, (3) has $\geq 30\%$ of the board of directors composed of women (where a board exists). "Managed" refers to the highest management individual in the firm. In addition, the World Bank Enterprise Survey's definition of firm sizes is used: micro (1-4 employees), small (5-19 employees), medium (20-99 employees), and large (100 employees and above).

¹⁰ Target countries for the project in the Pacific region are Fiji, Papua New Guinea, Samoa, Timor-Leste, and Vanuatu.

¹¹ The survey questionnaire focuses on main areas of the WTO Trade Facilitation Agreement. The WTO TFA came into force on February 22, 2017, and contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.

¹² World Bank, 2019.

¹³ Pacific Islands Forum Secretariat, *A strategy to support development in the Pacific*, 2013.

¹⁴ The World Bank In Papua New Guinea (Online: <https://www.worldbank.org/en/country/png/overview>).

¹⁵ WBG, *Policy Note: Gender dimensions of the COVID-19 pandemic, 2020*; Tralac, *Blog: COVID-19 and its implications for women, 2020*.

pact on public health through the finance, provision, and distribution of health-related goods, services, and people.¹⁶ Continued access to essential food and medical items through trade will limit the negative impacts of the pandemic both in the short term and in the recovery process. The pandemic has highlighted the urgent need for trade facilitation reforms, such as paperless and automated systems, to keep critical goods flowing through borders. The survey findings, though studied prior to the pandemic, should be viewed in this context and used to raise awareness around the importance of trade facilitation in expediting the movement, release, and clearance of goods.

Some key findings on the trade facilitation challenges that surveyed traders at the firm level face in PNG, regardless of the gender, include:

- Men and women-led firms experience relatively similar release times for their imported goods, with around one-third of traders' imported goods requiring 10 or more days for release.
- More than half the firms have their imported goods inspected every time.
- Awareness of the National Trade Facilitation Committee's (NTFC) is extremely low among all traders, though, slightly better among the freight forwarders¹⁷.

Women-led firms surveyed experience greater challenges in many cross-border trade activities compared to men-led counterparts, including for example:

- More women traders than men have difficulty finding information on official border processes and procedures, and slightly more women traders have difficulty understanding the information.
- The level of regular consultations with traders on changes to official trade processes and procedures is low, and women traders are not regularly consulted to an even greater degree.

- There is an information gap wherein fewer women traders are aware that import/export declarations can be submitted electronically, slightly fewer women traders are aware that Customs allows pre-declaration of shipments prior to arrival at the port, and fewer women traders are aware that official fees and charges can be paid electronically.

The survey has highlighted several areas that could be addressed by the Government of PNG to improve the trade facilitation environment in PNG. Specific emphasis in the recommendations has been made to address asymmetric gender barriers that occur in cross-border trade (see **section 4** of this report).

¹⁶ Smith R. D., *Trade and public health: facing the challenges of globalization*. *Journal of epidemiology and community health*, 2006.

¹⁷ In this note, a freight forwarder is a firm that arranges the imports and exports of goods for other companies.



Women-led firms often experience greater challenges than men in many cross-border trade activities
© Sarah Wiles / Positive Media



Women traders tend to
lead larger firms
© Sarah Wiles / Positive Media

2 Description of the sample and methodology



Efforts to identify the universe of traders in Papua New Guinea preceded the survey. Based on data from the ASYCUDA++ system provided by the PNG Customs Service and filtering of the list to remove duplicative entries, there were 1,091 active trading firms in Papua New Guinea in 2018.¹⁸ Remediation of the list reduced the number of firms eligible to participate because some of the entries were either (1) agents and not traders, (2) further duplicates, (3) missing valid contact, or (4) missing contact phone number and were unresponsive to email to obtain a contact phone number. Various directory tools were used to identify possible candidates for the survey, bringing the total number of eligible firms for the survey to 538.¹⁹

Using a survey questionnaire designed to collect data in the Pacific Islands region, all 538 active cross-border trading firms with valid contact information were contacted to participate in the survey. A total of 166 women and men traders²⁰ were interviewed by phone in Papua New Guinea from 20 February to 31 March 2020. Based on the total number of traders eligible to participate in the survey and with valid contact information, a 32 percent response rate was achieved.²¹ Of the 166 firms interviewed, 96 were men-led and 70 were women-led firms of different sizes and sectors in Papua New Guinea.²² Of the surveyed traders, 13 percent are only exporting goods,

70 percent are only importing goods, and 17 percent are both importing and exporting goods.

The list of freight forwarders in Papua New Guinea was composed using various online tools and local resources (see footnote 19), and a total of 112 freight forwarding firms were identified. A sample frame for freight forwarders was constructed using public online directories. Only 17 of these freight forwarders were responsive, hence, it is difficult to confirm the universe of freight forwarders in PNG. The 17 freight forwarders were surveyed during the same time frame as the traders, using a simplified version of the trader questionnaire. Given the small sample sizes for women and men freight forwarders, the gender analysis provided for freight forwarders in this report is limited, and freight forwarder responses are reported as-a-whole rather than disaggregated by gender.

Table 1 provides a breakdown of survey respondents by gender and size of firms of traders and freight forwarders.

The survey was limited to identifying constraints that existing traders face. Therefore, it may suffer from a selection bias in that it did not explore obstacles to engaging in trade among women firms who currently only trade domestically (possibly as a result of barriers to cross-border trade). Exploring the

Table 1. Breakdown of Trader and Freight Forwarders Survey Respondents by Gender and Size of Firms

	Traders			Freight forwarders		
	Women	Men	Total	Women	Men	Total
Micro (1-5 employees)	3	11	14	0	1	1
Small (6-19 employees)	15	18	33	4	1	5
Medium (20-99 employees)	24	32	56	1	3	4
Large (100 employees and above)	28	35	63	3	4	7
Total	70	96	166	8	9	17

¹⁸ Work to compile the population list for the sample frame began in 2019, and at that time, 2018 data was the latest available.

¹⁹ Tools used to identify additional trading and freight forwarding firms: PNG Telekom white/yellow pages search engine (www.yellowpages.com.pg); www.whitepages.com.pg; PNG Nationwide Business directory; www.businessadvantagepng.com/business-directory/; www.freightnet.com; www.cargoyellowpages.com; blanket email asking for contact details; hard copies of the current and a previous local telephone directories; door-to-door visits on the ground.

²⁰ Interviews were administered by phone and responses recorded via a Computer Assisted Telephone Interviewing (CATI) system in English.

²¹ The response rate excludes from the denominator phone numbers that

have been disconnected. Because the numbers are disconnected, it is not possible to determine whether these firms are still an operation; and thus, whether they were eligible to participate in the survey.

²² The eligibility criteria for the survey included firms of any size engaged in cross-border trade (import and/or export), as well as whether the respondent owns/manages the firm. State-owned enterprises were excluded. In addition to gender, business activity by sector was captured using the Harmonized Schedule as such: HS Sections 1-4 (animal, vegetable products, beverages, tobacco), HS sections 5-10 (minerals, chemicals, rubber, leather, wood, paper products), HS sections 11-12 (textile, footwear), HS sections 13-15 (stone, glass, precious stones, metals), HS sections 16-19 (machinery, transport equipment, medical instruments, ammunitions), and HS Sections 20-21 (artwork/collectors' pieces/antiques and miscellaneous manufactured articles). **Annex 2** provides additional details on the survey methodology and roll out.

reasons of non-engagement in cross-border trade would require a deeper assessment of why non-trading women firms do not trade, which goes beyond the scope of this survey and likely also the WTO Trade Facilitation Agreement (additional details of the sampling strategy and survey methodology are provided in **Annex 2**).

Given that 70 percent of survey respondents exclusively import, the survey findings in Papua New Guinea do not distinguish between importers and exporters unless otherwise specified. This, however, may be possible in other countries and could provide additional insights once the survey is rolled out in other regions.²³

²³ The survey results have been analysed and synthesized to identify key takeaways. Survey participants are not identified in the report in order to preserve confidentiality.



Men and women-led firms experience relatively similar release times for their imported goods in PNG
© Sarah Wiles / Positive Media



Fifty-one percent of women traders have been engaged in cross-border trade for over 15 years
© Sarah Wiles / Positive Media

3 Survey findings

General trader and freight forwarder findings

■ **Almost half of the surveyed trading firms and freight forwarding firms are led by women.** Forty-two percent of the firms surveyed are led by women, indicating that a large number of women have senior management responsibilities in Papua New Guinea. Of the freight forwarders surveyed in Papua New Guinea, 47 percent (8 out of 17) are led by women.

■ **Women traders tend to lead larger firms.** Women traders in the sample tend to lead large firms more than smaller sized firms. Of the women traders, 40 percent lead large firms, 34 percent lead medium firms, 21 percent lead small firms, and 4 percent lead micro firms. In comparison, of the men traders, 37 percent lead large firms, 33 percent lead medium firms, 19 percent lead small firms, and 12 percent lead micro firms.

■ **Half of the traders have been engaged in cross-border trade for over 15 years.** Fifty-one percent of women traders have been engaged in cross-border trade for over 15 years while 47 percent of men have engaged in cross-border trade for just as long. The majority of traders that have engaged in cross-border trade for more than 15 years are also those that work with medium and large firms.

Imports and Exports

■ **Surveyed trading firms in PNG are concentrated in the import of goods.** Seventy percent of women and men traders report that they only **import** goods. About 13 percent of traders surveyed export only. Breaking it down, 4 percent of women traders **only export** while a slightly higher percentage (9 percent) of men respondents export only. About 17 percent of all firms surveyed **both** import and export. The tendency to export increases with firm size – 7 percent of micro firms, 15 percent of small firms, 36 percent of medium firms, and 38 percent of large firms export goods. This trends with PNG's balance of trade between 2005 and 2014 (latest data available) wherein PNG had a trade deficit on average.²⁴

²⁴ PNG National Statistical Office: Trade Statistics – Balance of Trade (Online: <https://www.nso.gov.pg/statistics/economy/international-merchandise-and-trade/>).

²⁵ See HS Nomenclature 2017 edition for details on the types of products that fall into each HS category (Online: <http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2017-edition/hs-nomenclature-2017-edition.aspx>).

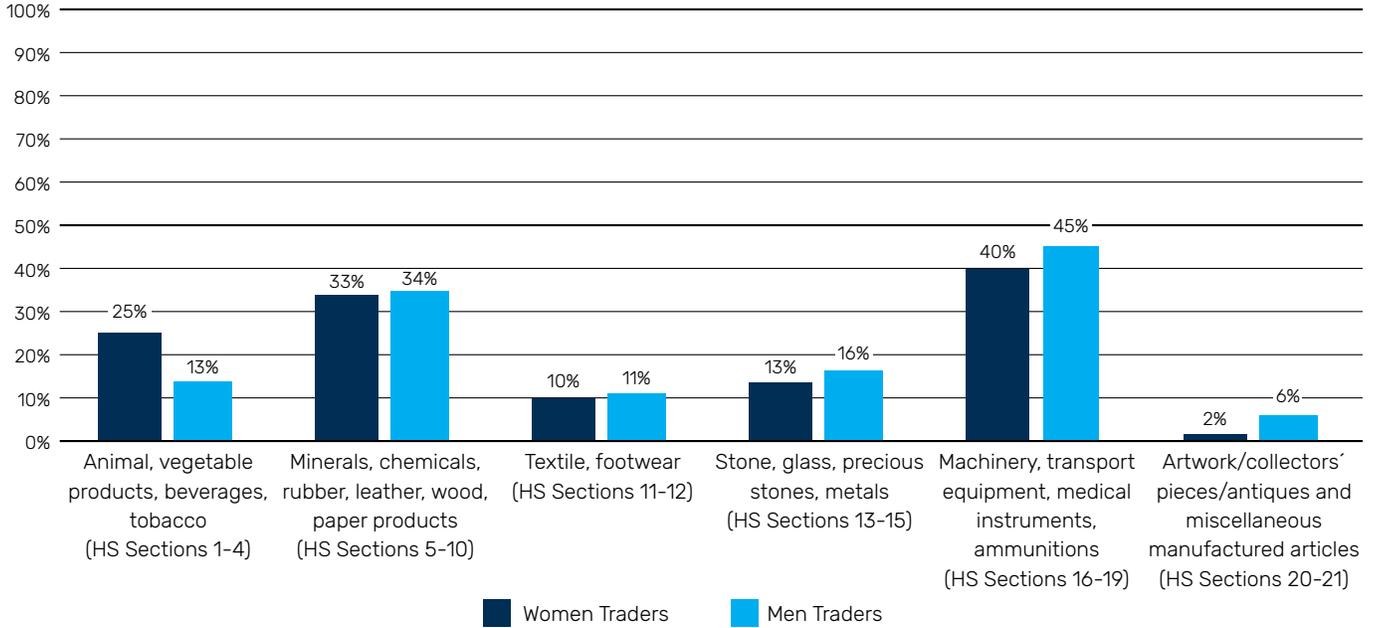
■ More women-led firms import agriculture products than men-led firms. One in 4 women traders import animal, vegetable, and beverage products (HS Sections 1-4) compared to only 13 percent of men importing in that category.²⁵ On the other hand, the dominant import categories for both women and men importers are in HS Sections 16-19 (namely imports of electrical machinery/equipment as well as cars/trucks/etc.) followed by minerals, plastic, and rubber products. This aligns with national statistics wherein top import products are mineral products, chemicals and allied products, machinery/mechanical/electrical appliances, and vehicles/aircrafts/associated transport equipment.²⁶

■ The main export product category for both women and men is within HS Sections 1-4 (animal and vegetable products, beverages). 48 percent of men and 52 percent of women export in that category. This aligns with national statistics wherein principal exports include agriculture products such coffee, fish products, and cocoa beans.²⁷

²⁶ See footnote 7.

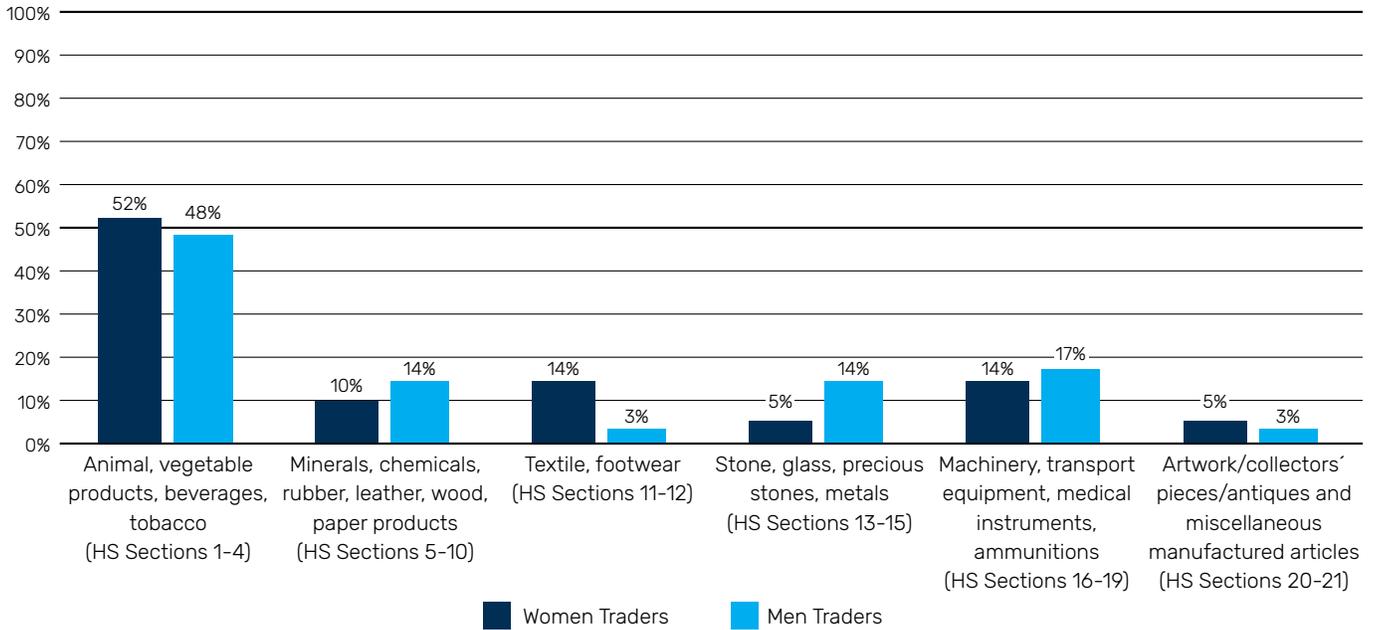
²⁷ See footnote 6.

Figure 1. Main Products Imported by Gender



Note: Traders can nominate more than one import category, so totals add to more than 100 percent.

Figure 2. Main Products Exported by Gender



Note: Traders can nominate more than one import category, so totals add to more than 100 percent.

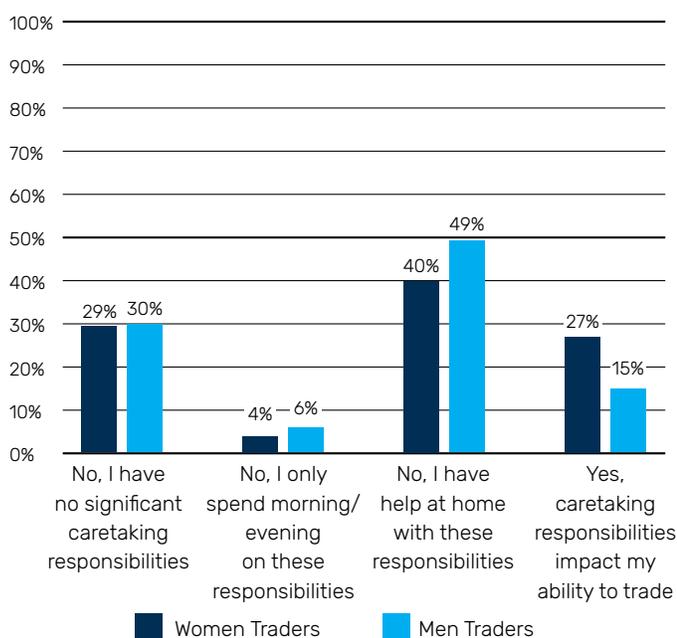
Frequency of Trade

■ **Men and women trade with similar frequency in Papua New Guinea.** Forty percent of women trade more than once a month compared to 44 percent for men. Thirty percent of women trade once every month compared to 28 percent of men. Thirty percent of women trade once every three months or less compared to 28 percent of men.

■ **The frequency of trading differs by firm size, with micro and small firms trading less frequently.** Fifty-seven percent and 46 percent of micro and small traders respectively reported trading once every three months or less while only 10 percent of large firms trade with such infrequency. In comparison, 56 percent of large firms reported that they trade more than once a month while only 14 percent of micro trade with such frequency.

Caretaking

Figure 3. Family Care Obligation's Impact on Ability to Do Business



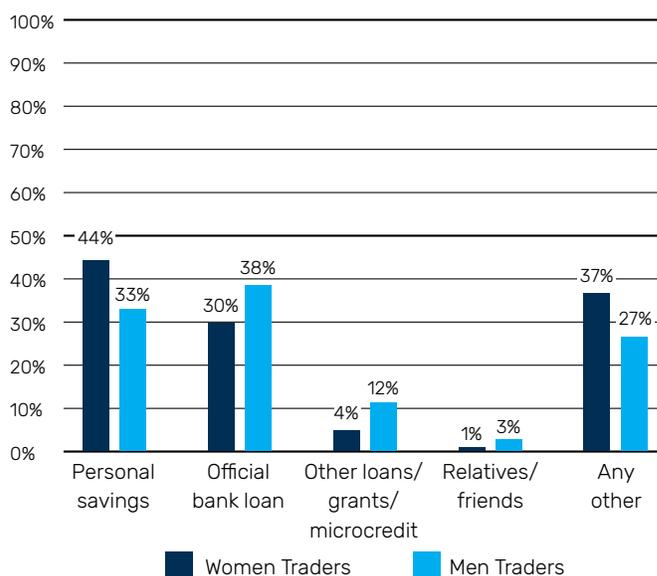
■ **Women traders carry the burden of double duty as many spend more time than their men counterparts in taking care of children and elderly in their family while also juggling their professional work.** Twenty-seven percent of women traders stated they have caretaking responsibilities that affect their ability to trade across borders compared to 15 percent of men. Thirty percent of men and 29 percent of women traders indicate they have no caretaking responsi-

ties. Large traders (22 percent) reported a higher incidence of caretaking responsibilities affecting their ability to trade than micro traders (14 percent).

Financing

■ **Women traders are more inclined to use personal savings to finance their businesses.** Forty-four percent of women traders surveyed use personal savings compared to men traders (33 percent) to finance their businesses. Around 57 percent of traders of micro-sized firms draw on personal savings while large firms draw from personal savings and official bank loans more often. Women appear to take out official bank loans somewhat less often than men (30 percent compared to 38 percent of men traders).

Figure 4. Sources of Finance



Use of Intermediaries

(Note: In the island country context, "border" also refers to the seaport or the airport in addition to any land borders.)

■ **Women traders go to the border less frequently than their men counterparts.** Only 17 percent of women traders visit the border regularly to undertake trade processes and procedures compared to 31 percent for men.

■ **Use of freight forwarders and customs brokers/agents is widespread.** Ninety-three percent of the traders surveyed use freight forwarders or customs brokers and agents. Over 80 percent of traders use freight forwarders to handle shipping, transport, and/or paperwork, respectively. Almost two-thirds

of traders also use freight forwarders to handle warehousing. A majority of men and women traders (77 percent and 81 percent) find the use of freight forwarders and customs brokers to be beneficial because they speed up the process.

■ **Thirty-one percent of women traders report that a benefit of using a freight forwarder is avoiding safety issues at the border.**²⁸ This is higher than the 23 percent of men traders stating they use freight forwarders to avoid safety issues.

■ **Freight forwarders are primarily providing customs declarations and transport services.** Specifically, 82 percent provide transport services, 77 percent provide customs documentation services, 47 percent provide warehousing, 24 percent provide payment services, and 6 percent provide insurance services.

■ The 7 percent (11 out of 166) of traders that do not use freight forwarders or customs brokers stated they have in-house expertise that can perform the same tasks. Three large firms, six medium firms, and two small firms do not use freight forwarders while all micro firms surveyed use freight forwarders or customs brokers/agents.

■ **More than half the traders (69 percent), and more women traders, use transport operators.** Breaking it down, more women traders use transport operators (73 percent) than men (66 percent).

²⁸ See finding **xii** for more on safety and security at the border.



Forty-two percent of the firms surveyed are led by women
© Sarah Wiles / Positive Media



Fish is a principle export product
© Tom Perry / World Bank

Trade facilitation-specific findings

i. Port Opening Hours

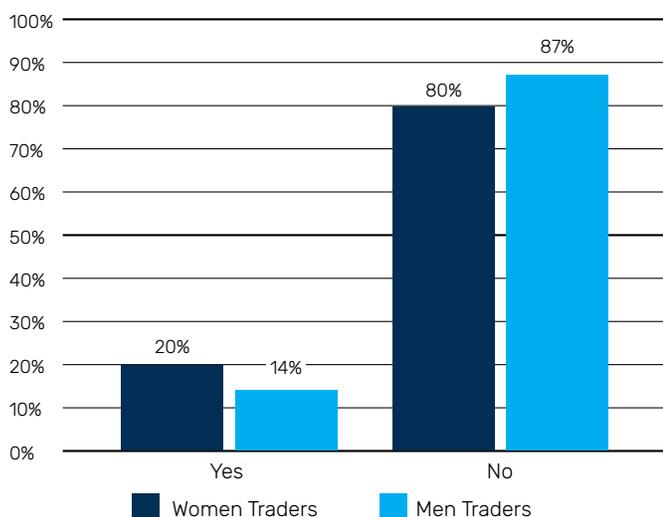
Restrictive port opening hours can have a negative impact on international trade and on supply chains. If goods are delayed at ports awaiting physical inspection and clearance, the increased time to clear goods at ports could adversely affect the cost of doing business and increase trade costs. Longer clearance times, as a result of restrictive hours or inefficient border processes, have been found to significantly increase the cost of trading, and therefore, reduce international trade. Global supply chains can be affected when restrictive port opening hours delay the intermediate goods required as inputs for production. Additionally, there can be an increased risk of theft and spoilage if goods are not adequately secured or stored while waiting for border clearance.

Related survey finding(s):

- **Port business hours are thought to be adequate for conducting cross-border trade for the majority of traders.** However, 20 percent of women traders and 14 percent of men traders reported that they find opening hours restricting their ability to trade.

- Out of the freight forwarders surveyed, 24 percent (4 out of 17) stated they find opening hours restricting their ability to trade.

Figure 5. Perception of Whether Air/Port Opening Hours are Restrictive to Trade



ii. Consistency in Implementation of Border Procedures

The consistent application of border procedures provides predictability and certainty for businesses engaging in cross-border trade. If border procedures are inconsistently implemented, traders may face additional costs of complying with regulation and thereby contributing to increase the time and costs of international trade.

Related survey finding(s):

- **Fewer women than men exporters believe border procedures are consistently implemented all the time.** Of traders that interact with border officials, men that export goods are more likely to state that official regulations and procedures are consistently implemented by border officials (71 percent) than women traders that exported (50 percent). The belief that border procedures are consistently implemented is more or less the same among women and men that import goods (57 percent for men and 61 percent for women).

- **Overall, slightly more than half of the freight forwarders believe official regulations and procedures are consistently implemented all the time.** Though the respective sample sizes are small, there is a stark contrast between women and men freight forwarders. Only 25 percent of women (2 out of 8) compared to 78 percent of men (7 out of 9) freight forwarders reported that official regulations and procedures are consistently implemented by border officials all the time.

iii. Time to Release Goods

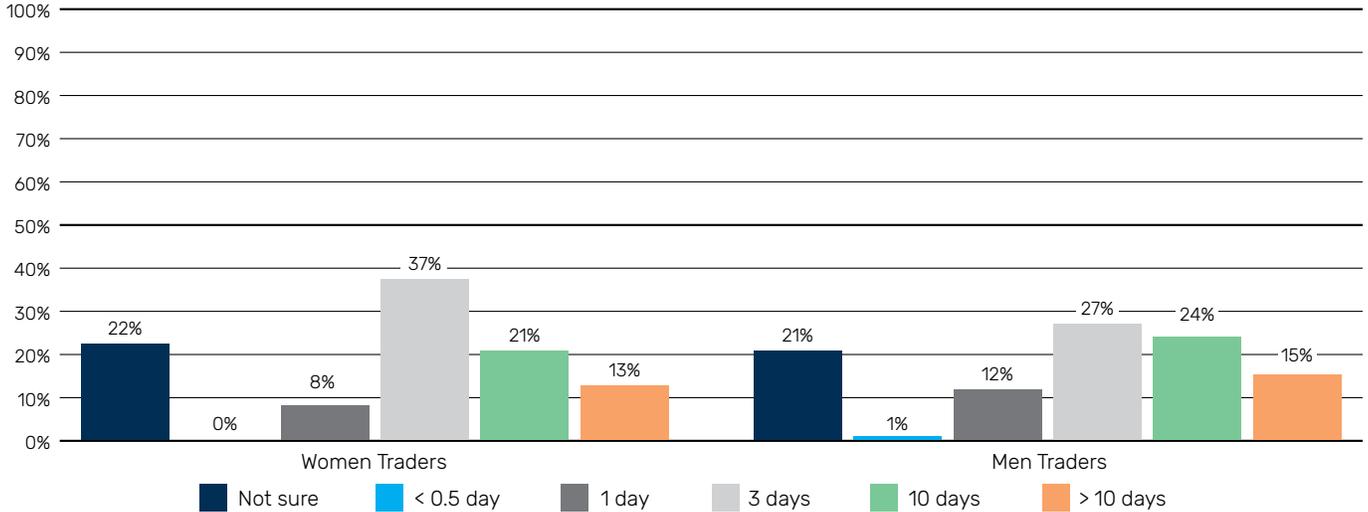
Unnecessary delays at borders – including long wait times to release goods by border officials – increase trade costs and can also erode the competitiveness of traders.²⁹ Transparent, efficient, and predictable trade can lead to significant reduction in trade costs, particularly allowing traders the benefit of just-in-time services and reduced inventory costs.³⁰ Knowing the average time it takes to clear goods at the border helps businesses make important decisions such as planning stock levels.

The publication of the average time to release goods is a useful tool for traders and is currently in the planning stage for PNG.

²⁹ World Customs Organization, *World Customs Organization and Management System Handbook: strategic and practical information*, 2007.

³⁰ International Trade Centre, *Faster customs, faster trade: Using technology for trade facilitation*, 2018; World Bank Group, *Contribution and Effectiveness of Trade Facilitation Measures*, 2018.

Figure 6. Time Taken to Release Imported Goods



Related survey finding(s):

- **The time taken to release imported goods is similar among men and women traders, though release times trend longer for large firms.** Forty-four percent of women traders compared to 40 percent of men traders report that goods are released in three days or less. About 33 percent of women traders and 39 percent of men traders report needing 10 days or more for their imported goods to be released. The duration for releasing imported goods tend to be longer for large firms (47 percent of large firms report requiring 10 days or more compared to 23 percent of micro firms that report the same). Imported goods that took longer to release are within HS sections 5-10 (mineral, plastic and rubber products and HS sections 16-19 (machinery, vehicles, arms).

- All the freight forwarders report that import goods are released in three days. No freight forwarders report needing 10 days or more for imported goods to be released.³¹

- **More than half of the traders see their imported goods undergo inspection every time.** Sixty-seven percent of women and 60 percent of men traders that import reported that their goods are inspected 100 percent of time. For all importers, only 15 percent stated their goods are never inspected. The regularity of inspections is more frequent among traders that import animal, vegetable products and beverages and textiles.

³¹ Freight forwarders that only transship goods are excluded from the results on average release times because transshipped goods are generally not released from customs.

iv. Access to and Understanding of Official Border Regulations and Procedures

Accessing and understanding official regulations and procedures is important for transparency, compliance, and predictability of the trading environment. The publication and dissemination of changes to relevant laws and regulations must be done with sufficient advance notice and in easy-to-understand language. If traders are unaware of new customs rules and regulations, or if they cannot understand them, they may face additional compliance burdens and costs, or even face penalties for not properly meeting requirements.

Related survey finding(s):

- **Slightly more women traders have difficulty in finding information.** Eighty-six percent of traders surveyed report that information on official regulations and procedures is easy to find, with 88 percent of men traders reporting that finding information on official border regulations and procedures is easy compared to women traders (83 percent). Only 12 percent of men traders and 17 percent of women traders that need to find information on official border regulations and procedures stated it is difficult to find. Seventy-seven percent of all freight forwarders surveyed reported that information is easy to find.

■ **Significantly, 57 percent of women and 41 percent of men of the overall sample of traders reported they do not need to find information.** This is because the majority of these traders do not visit the border (84 percent) and use an agent for their trading activities (96 percent).

■ **The key sources to obtain information varies for women and men traders.** Of the traders that need to find information, women traders (40 percent) report a greater reliance on government offices compared to men traders (10 percent). Men traders (67 percent) state that border officials are a main source of information on border regulations and procedures compared to women traders (48 percent). In contrast, online resources are a significant source of information for freight forwarders (77 percent).

■ **Most traders and freight forwarders, regardless of gender, can understand official border regulations and procedures.** Ninety percent of men and 83 percent of women traders that need to find information say that the information is easy to understand. Sixty-seven percent of women and 66 percent of men traders generally have to go to more than one source to find changes on official regulations and procedures related to their cross-border trade activities. Eighty-eight percent of freight forwarders reported that official regulations and processes are easy to understand. Forty-one percent of freight forwarders state they generally must go to more than one source to find information on changes to official border regulations and procedures.

■ **Traders look to official government sources for information on changes to regulations and procedures.** For the traders that need to look for information, the most popular sources to find information on changes to official regulations and procedures related to traders' cross-border trade activities are official government offices (e.g. gazette/email) (66 percent), government officials at the border/enquiry points (42 percent), internet (35 percent), and freight forwarders/agents (25 percent). For freight forwarders, the most popular sources are government officials at the border/enquiry points (77 percent) and government officials not at the border/enquiry points (e.g. gazette/email) (53 percent). For traders and freight forwarders, these findings were consistent across gender.

Figure 7. Sources of Information on Official Border Regulations and Procedures

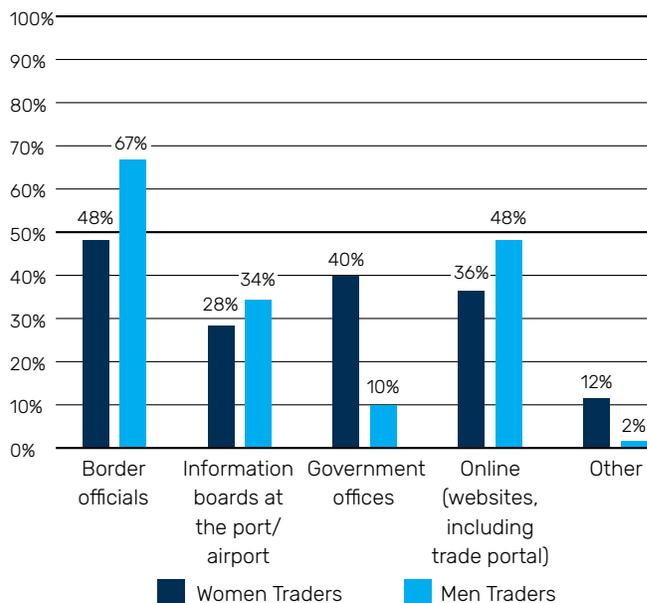
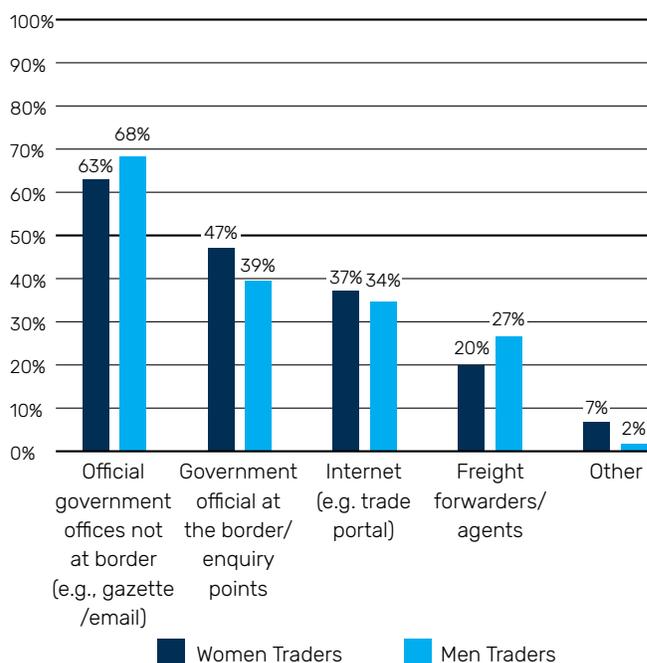


Figure 8. Top 4 Sources of Information on Changes to Official Border Regulations and Procedures



v. The National Trade Facilitation Committee (NTFC) and membership in trade/industry associations

As a WTO member, PNG established an NTFC in 2014 as part of its obligations under the WTO Trade Facilitation Agreement. The NTFC’s role is to streamline procedures and implement trade facilitation measures at the national level. It is also an important mechanism for domestic coordination and public and private stakeholder engagement.

Related survey finding(s):

■ **Awareness of the Papua New Guinea NTFC among surveyed traders is extremely low.** Ninety percent of men traders and 80 percent of women traders do not know of the NTFC’s existence. For freight forwarders, 53 percent stated they are aware of the NTFC. Regardless of gender, 30 percent of traders that are aware of the existence of NTFC know the committee has women members. This percentage increased to 78 percent for freight forwarders.

■ **Less than half of the firms (42 percent of men and 36 percent of women traders) reported that they are a member of business or trade/industry associations.** Regardless of gender, larger firms are more likely to be a member of business or trade/industry associations. In contrast, 77 percent of freight forwarders are members of industry associations.

Figure 9. Membership in Industry/Trade Association



vi. Consultation Mechanisms

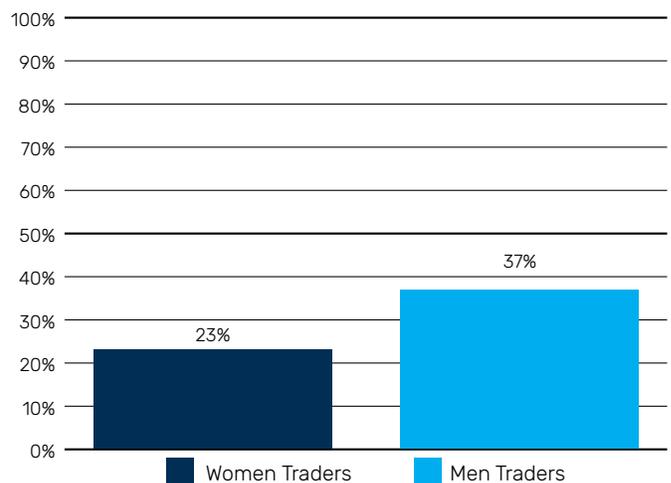
A mechanism whereby stakeholders are consulted on any changes to official border processes and procedures can alleviate misinformation regarding planned changes related to their cross-border trade activities and can improve com-

pliance. Equally important is a consultation mechanism that takes into consideration the feedback provided by stakeholders before any changes are implemented.

Related survey finding(s):

■ **Regular consultations are low among traders, and women traders are less regularly consulted than their men counterparts.** Around 77 percent of women and 64 percent of men traders say they are not or do not know if their business is regularly consulted on changes to official trade processes and procedures. Thirty-five percent of freight forwarders are not or do not know if they are regularly consulted. While the sample sizes are small, 89 percent of men (8 out of 9) compared to 38 percent of women (3 out of 8) freight forwarders reported that they are regularly consulted on changes to official trade process and procedures.

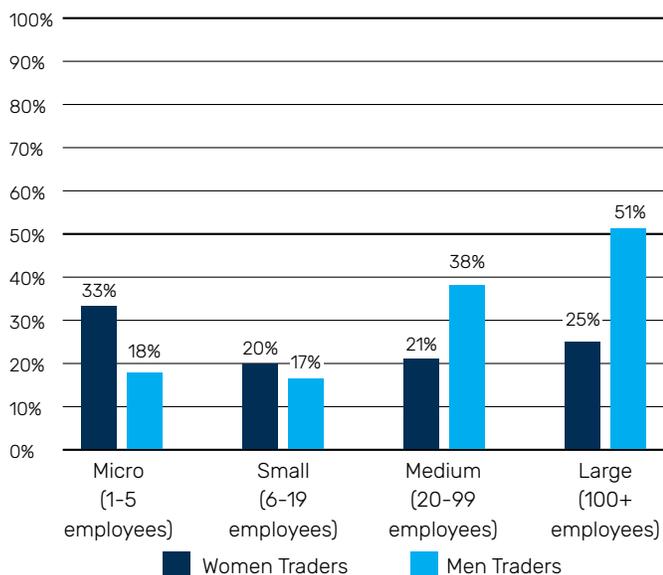
Figure 10. Regular Consultation



■ **Across larger firm sizes, women are less regularly consulted than men.** More men traders operating large businesses (51 percent) stated they are regularly consulted than women traders operating large size businesses (25 percent). This difference is similar for men and women traders operating medium-sized firms. Albeit small in sample size, a higher percentage of women traders operating micro firms stated they are regularly consulted compared to men.

■ **Of traders that are regularly consulted, government entities are identified as the main source (55 percent), followed by trade facilitation committees (35 percent).** More women traders (44 percent) stated they are regularly consulted by trade/industry associations than men traders (29 percent). Of the freight forwarders that feel they are regularly consulted, government entities (73 percent) are identified as the main source of consultation.

Figure 11. Regular Consultation by Firm Size



■ **Of traders that reported they are regularly consulted on changes to official trade process and procedures, 69 percent of women and 60 percent of men believe their feedback is taken into consideration.** Regardless of gender, a larger proportion of medium-sized businesses (77 percent) indicate their feedback is taken into consideration compared to the other firm sizes that believe their feedback is considered. Of freight forwarders consulted, 91 percent of those that are consulted (10 out of 11) believe feedback is taken into consideration; though, of the smaller sub-samples, 100 percent of men (8 out of 8) and 67 percent of women (2 out of 3) stated that their feedback is taken into consideration when consulted.

vii. Electronic Import/Export Declarations

Aimed at facilitating and reducing the cost of trade, the ability to submit import and export declarations through a Single Window, or other electronic system, reduces time to comply with documentary requirements by functioning as a single point of entry/exit for all regulatory documentation for internationally traded goods. Benefits to traders include faster clearance times, transparent and predictable processes, and less bureaucracy. Studies have shown that in the presence of Single Windows, bilateral trade increases by about 37 percent.³²

³² Martinez-Zarzoso and Chelala, *The impact of single windows on trade*, 2020 (Online: <https://onlinelibrary.wiley.com/doi/abs/10.1111/twec.12945>).

PNG is currently migrating all ports towards an ASYCUDA Single Window system to replace the need for physically lodging paper documents. At present, Port Moresby³³ is the only port which is fully electronic.

Related survey finding(s):

■ **There are gender differences in traders' awareness of the possibility to submit import/export declarations electronically (i.e., through electronic Single Window systems or other electronic systems) in PNG.** Thirty-six percent of women and 50 percent of men traders reported it is possible to submit declarations electronically. There was no difference in responses from firms of different size to this question. A key gender difference is that 56 percent of women traders do not know whether they can submit declarations electronically, which is significantly higher than the 37 percent of men traders who stated that they do not know whether it is possible to submit declarations electronically.

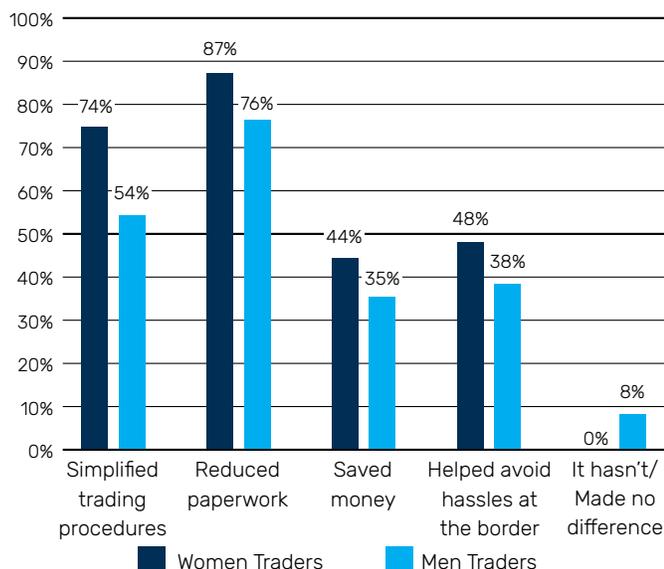
■ **Electronic declaration is infrequent among traders.** Thirty-three percent of women and 39 percent of men traders reported that they use the electronic declaration system, with 21 percent of women and 28 percent of men traders using it 100 percent of the time. Reportedly, 88 percent of freight forwarders use electronic system to varying degrees.

Figure 12. Usage of Electronic Import/Export Declarations System



³³ Based on 2012 data (the latest available), Port Moresby is the second largest port in PNG and handles about 24% of trade cargo. Port Lae, the largest port in PNG, handles about 51% of trade cargo. (PNG Ports Corporation, *Annual Report: 2012, 2012*).

Figure 13. Benefits of Submitting Declarations Electronically



■ **Those that submit electronic declarations see a variety of benefits.** Women traders that use the electronic declaration system reported that it assists their business by reducing paperwork (87 percent), simplifying trading procedures (74 percent), avoiding hassles at the border (48 percent), and saving money (44 percent).

■ **The majority of freight forwarders know that electronic submissions is possible.** Over 90 percent of freight forwarders surveyed reported that it is possible to submit import/export declarations electronically (i.e., through electronic Single Window systems or other electronic systems), with around half of them (9 out of 17) submitting declarations electronically 100 percent of the time.

viii. Pre-Declaration of Goods

Pre-declaration of goods allows traders to notify border authorities of future arrival of goods and enables traders to save time if done correctly.

Related survey finding(s):

■ **Fifty-one percent of traders stated that Papua New Guinea Customs allows pre-declaration of shipments prior to arrival at the seaport or airport,** with a further 41 percent stating they do not know whether customs allows pre-declaration. Awareness of whether pre-declaration of shipments is available is higher among men (55 percent) than women traders (46 percent). Regardless of gender, awareness of pre-declaration is higher among traders that export

only, or have a mix of exports and imports, compared to traders that only import.

■ **50 percent of men and 44 percent of women traders stated their business pre-declare shipments to customs prior to arrival at the seaport or airport.** Eighty-seven percent of women traders that pre-declare stated they pre-declare 100 percent of the time compared to 75 percent of men traders that pre-declare 100 percent of the time.

■ Close to 90 percent of freight forwarders reported that Papua New Guinea Customs allows pre-declaration of shipments prior to arrival at the seaport or airport. Of the freight forwarders that know this, 53 percent (8 out of 15) make pre-declarations 100 percent of the time.

ix. Electronic Payments and Other Payments

PNG introduced an e-payment platform in 2018 for electronic payments of customs fees and charges.³⁴ The system is fully automated and generates receipts for all electronic payments. While the survey found that most official fees are paid electronically for imports and exports, there are still some traders and freight forwarders who use checks or money orders and cash.

Using cash for payment may carry risks such as theft and threats to personal safety and may increase the likelihood of corruption and the payment of “speed money”. In addition, clearance times for checks and money orders may tie up working capital, which can pose constraints on smaller firms.

Related survey finding(s):

■ **Less than half of all traders reported that all official fees can be paid electronically.** Thirty-six percent of women and 52 percent of men traders reported that all official fees associated with cross-border trade can be paid electronically. A further 21 percent of women and 16 percent of men traders stated some official fees associated with cross-border trade can be paid electronically.

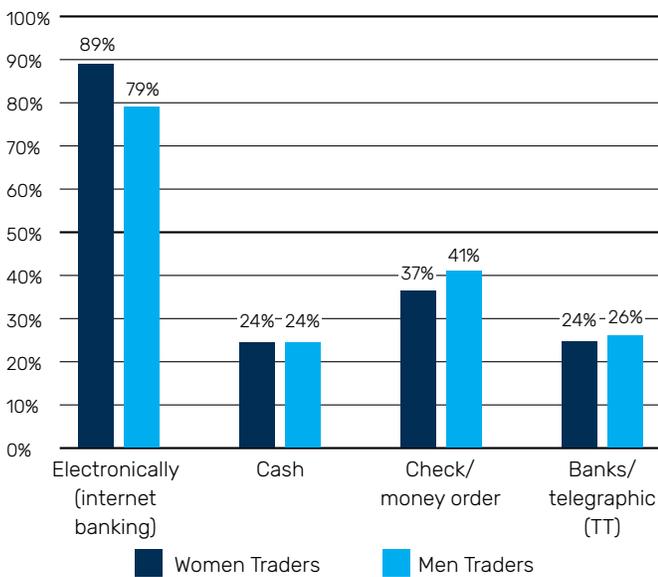
■ **Online payment methods are popular among traders and freight forwarders.** The most frequently used methods of payment for official fees and charges relating to the importation and exportation of goods are internet banking (83 percent) and check/money order (39 percent). Internet banking is generally used more by women (89 percent) than men traders (79 percent), while use of cash is identical for both

³⁴ Papua New Guinea Customs (Online: <http://customs.gov.pg/revenue-collection/e-payment/>).

men and women (24 percent), with medium-sized firms more likely to use cash than micro, small, or large businesses.

■ **Of the freight forwarders surveyed, around three-quarters of freight forwarders reported that all official fees associated with cross-border trade can be paid electronically, with the remainder indicating some official fees can be paid electronically.** Freight forwarders' most frequently used methods of payment for official fees and charges relating to importation and exportation of goods are internet banking (82 percent) and bank/telegraphic transfer (24 percent).

Figure 14. Methods of Payment for Official Fees and Charges



■ **Almost 100 percent of all traders reported they receive receipts for all fees and charges that are paid.** In comparison, 88 percent of freight forwarders stated they receive receipts 100 percent of the time, with the remainder receiving receipts 50 percent of the time.

■ **Few traders have paid unofficial fees.** Five percent of the traders surveyed reported that they paid speed money or unofficial fees to facilitate the processing of shipments in the last year. Eight percent of the respondents declined to answer the question. For freight forwarders, 18 percent reported they paid speed money or unofficial fees to facilitate the processing of shipments in the last year.

x. Detention of Goods

Customs has the power to search imports and exports and exclude, detain and/or seize, and destroy counterfeit and infringing products. To avoid time and financial loss to traders, best practice is for customs to promptly inform traders that goods have been detained for inspection.

Related survey finding(s):

■ **Thirteen percent of traders in Papua New Guinea reported they have had their goods detained without being promptly informed (15 percent of men and 10 percent of women).** Comparatively, 14 percent of micro firms, 6 percent of small firms, 11 percent of medium firms, and 18 percent of large firms surveyed have had their goods detained without being promptly informed. Overall, 2 percent of traders stated they had their goods detained every time and a further 10 percent of traders reported that they had goods retained up to 25 percent of the time. Traders importing and exporting animal and vegetable products were more likely to have their goods detained, which is related to biosecurity processes. Three of the 17 (18 percent) freight forwarders surveyed stated they have had their goods detained without being promptly informed. The freight forwarders operate firms that are medium to large in size, and they indicated it occurred up to 25 percent of the time.

■ **Women traders that have had goods detained are more likely to have problems with quarantine (43 percent) compared to men traders (21 percent),** which is likely a consequence of women having a higher incidence in the importing of agricultural goods, such as cereals, meat, animal/vegetable oils, vegetables and dairy products. Women (43 percent) and men (36 percent) also stated issues relating to customs declaration/valuation/ classification, while notably 29 percent of men traders reported that no reason is given as to why the goods are detained. This is not the case for women traders who all stated a reason was provided.

xi. Official Grievance Procedures

An official grievances mechanism is important to enable traders to contest and appeal against border agencies' decisions regarding a detained shipment or non-compliance.

Related survey finding(s):

■ **Less than a quarter of traders are aware that formal complaint/grievance procedures are in place if consignments are withheld.** Fifty percent of women and 62 percent men traders reported there are no formal grievance procedures in place if consignments are withheld, with a further 29 percent of women and 19 percent of men traders not knowing whether a formal grievance system exists. For both women and men traders, about 21 percent reported that formal grievance procedures exist, and of those traders, 56 percent stated it leads to reform and changes. Women traders reported to be more positive towards the outcomes of formal grievance procedures, with 80 percent of women traders who are aware that grievance procedures exist stating it leads to reform and changes compared to 37 percent of men traders.

■ **Slightly more freight forwarders than traders believe grievance procedures lead to reforms.** Seventy-six percent (13 out of 17) freight forwarders know that complaint procedures exist, and of those, 62 percent (8 out of 13) stated that it leads to change.

xii. Safety and Security at the Border

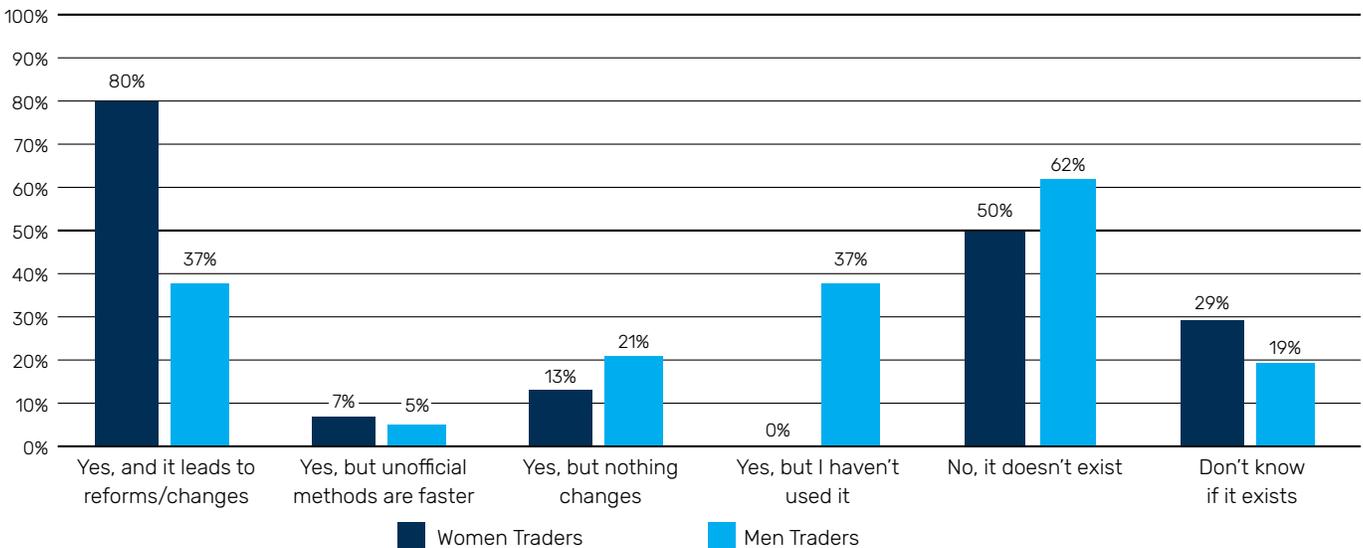
Safety and security issues at the border can arise from unwelcome attention, requests for favors, and other verbal or physical conduct by both officials and non-officials. These behaviors create and foster hostile or offensive environments that may impact a trader's ability or desire to undertake trade.

Related survey finding(s):

■ **23 percent of women and 11 percent of men traders that physically go to borders (e.g. airport or seaport) have felt, at times, unsafe.** Traders that feel unsafe provided harassment by officials or police as their main reason. The majority of freight forwarders that visit borders (e.g. airport or seaport) reported that they feel safe.

■ **Around 90 percent of women and men traders that undertake processes at airports or seaports reported they experience no harassment at the border.** Eight percent of traders that have felt unsafe report having experienced verbal harassment or threats, intimidation, or theft. Men traders report experiencing it from port/airport officials and police, while women traders report experiencing it from money changers and other actors. This type of behavior reportedly does not occur every time the trader goes to the border.

Figure 15. Traders' Awareness of the Existence of Official Grievance Procedures



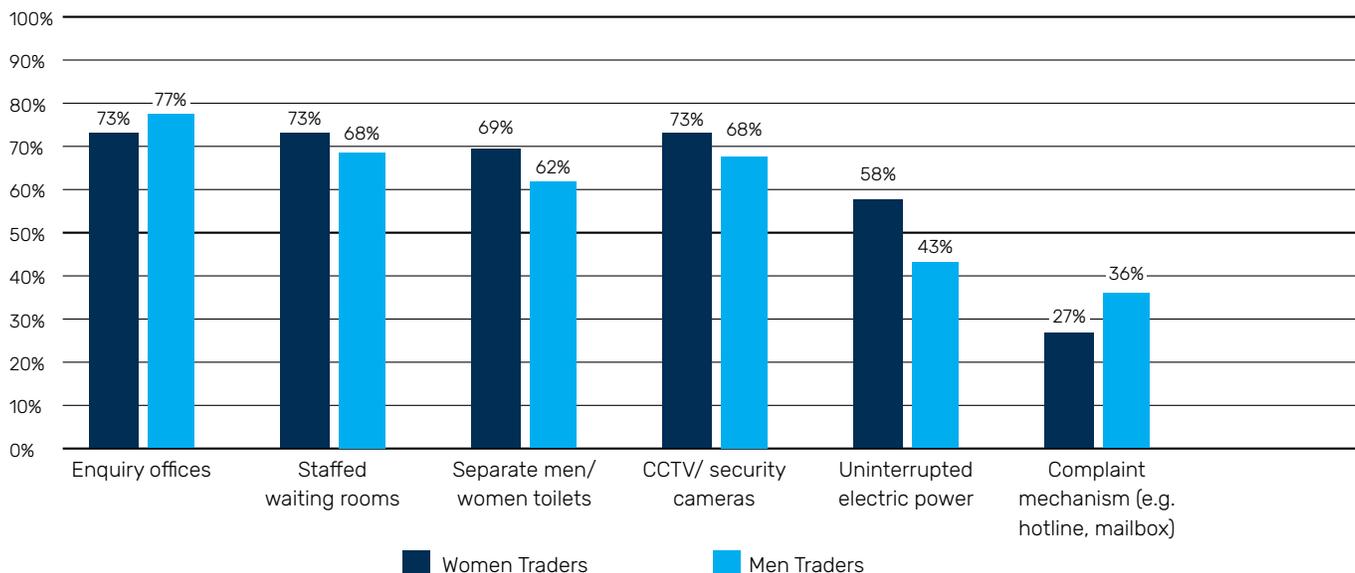
Note: The percentages for the first four categories are based on the sample population subset that responded "yes, there are formal complaint/grievance procedures in place" (i.e. N=19 for men traders and N=15 for women traders). The percentages for the remaining two categories are based on the overall sample population (i.e. N=96 for men traders and N=70 for women traders) as a proportion of all traders that either believe the procedures do not exist or do not know whether they exist.

■ **One-third of traders that visit the borders reported that it is not always clear who is an official employee.** In comparison, only one freight forwarder reported that it is not always clear who is an official, and over 90 percent of freight forwarders reported officials are generally identifiable as they wear uniforms.

■ **The majority of traders and freight forwarders reported that the seaport/airport they most frequently used has enquiry offices, separate men/women toilets, CCTV/security cameras, and staff waiting rooms.** For traders, 51 percent and 29 percent stated the facilities had complaint mechanism (e.g. hotline, mailbox) and uninterrupted power respectively. In comparison for freight forwarders, 43 percent and 64 percent stated the facilities had complaint mechanism (e.g. hotline, mailbox) and uninterrupted power.

■ **Both traders and freight forwarders support an improvement in the range of facilities at seaport/airports to make them feel safer and more comfortable.** Improvements in enquiry offices, staff waiting rooms, CCTV security/cameras, separate men/women toilets, and uninterrupted electric power were reported as ways to make them feel safer and more comfortable. Among the traders, more women than men traders responded that having uninterrupted electric power at the seaport/airport they visit most would make them feel safer. While the sub-sample size is small, there is also a difference reported by gender among the freight forwarders, where 67 percent of women compared to 38 percent of men nominated CCTV/security camera would make them feel safer. In contrast, 50 percent of men freight forwarders nominated improvements in complaint mechanisms compared to 17 percent of women.

Figure 16. Traders and Freight Forwarders Feel Safer/More Comfortable if the Seaport/Airport Had More





A large number of women have senior management responsibilities in Papua New Guinea
© Sarah Wiles / Positive Media

4 Recommendations based on survey responses

The survey has highlighted several areas that could be addressed by the Government of Papua New Guinea to improve the trade facilitation environment in PNG. The following recommendations relate to the trade facilitation quality and experience of traders and freight forwarders when importing or exporting goods. Specific emphasis in the recommendations has been made to address some asymmetric gender barriers that occur in cross-border trade.³⁵

1. Reduce the time taken to release goods (including automating paper-based systems and scaling up the use of electronic payments as well as conducting and publishing a Time Release Study to demonstrate average release times of goods and opportunities to address bottlenecks).³⁶

The time to release imported goods at the border for around one-third of traders was found to be more than 10 days, with not much difference observed between men and women importers. Clearing goods at customs efficiently and expediting the release of goods at the border reduces time and trade costs for businesses.

Recommendations for reducing the time required to release goods include:

- Remove import/export paper declarations and rely fully on electronic declarations. This is especially critical to implement at PNG's busiest Port Lae.
- Expedite the roll-out of customs automation and a national Single Window.
- Introduce universal pre-declarations where goods can be risk assessed and released immediately upon arrival, and any inspections can be planned for ahead of arrival. This is a preferred method of risk management as opposed to ad hoc inspections wherein up to 63 percent of imported goods are inspected about 100 percent of the time.
- Ensure that opening hours of customs and other border authorities meet the needs of traders and freight forwarders.

³⁵ The survey results indicate that women traders are more likely to be trading in goods with high tariffs (e.g., food and agricultural products). There is an opportunity to reduce tariffs to increase women's income (see WBG and WTO, *Women and Trade: The Role of Trade in Promoting Women's Equality*, 2020), but specific recommendations related tariffs are not included in this report because tariffs fall outside the scope of the WTO TFA.

³⁶ See <http://tfig.unece.org/contents/release-time.htm> for guidelines on time to release goods including fast release of small value items.

- Ensure a coordinated intervention of any physical inspection of goods between customs, health, agriculture, trade, and environment authorities.

- Use Time Release Studies to measure actual time from arrival to the physical release of goods, which can assist in identifying the bottlenecks and inefficiencies in the border processes; and resultantly, where reforms can be made to address bottlenecks.³⁷

- Provide training to border officials on expediting the release of certain small and low value consignments using Immediate Release Guidelines and applying de minimis regimes.³⁸

- Provide regular training and capacity building workshops and licensing of border officials to ensure border agents are operating efficiently and adhering to new and existing guidelines.

2. Improve access to official border regulations and procedures and strengthen communication efforts in layperson's terms.

For some traders and freight forwarders, information on official border regulations and procedures is not easy to find or understand, with some differences observed between men and women. Across both groups of respondents, men generally had slightly more ease with finding information and also found information easier to understand than women. Initiatives should focus on the best way to communicate any changes to existing processes and regulations and paying particular attention to the dissemination of regulations and procedures among women traders and freight forwarders.

Recommendations include:

- Facilitate dissemination of proposed changes to border processes and procedures to representatives of industry associations, and trader groups through the NTFC for distribution to members.
- Conduct information sessions, workshops, and

³⁷ WCO, *Guide to Measure the Time Required for the Release of Goods Version 3*, 2018, (Online: http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/time-release-study/time_release_-_study.pdf?db=web).

³⁸ See WCO *Immediate Release Guidelines* (Online: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/immediate-release-guidelines/immediate-release-guidelines.pdf?db=web>).

training sessions on any changes and on using any new electronic systems such as Single Window. Trade associations and private sector networks could help strengthen these efforts.

- Run pilot programs, for both men and women traders, to assess how any proposed changes will be received and if there are any adjustments to be made before rolling out the full reforms more broadly.
- Establish a minimum lead time between the proposal and the implementation of any changes to procedures and introducing changes gradually with transition periods before changes taking full effect.
- Ensure the NTFC has a communication strategy in place to communicate proposals and changes to trade facilitation procedures and processes, as well as to communicate the results of these changes and how they may impact stakeholders' businesses. A communication strategy could involve communicating reforms to industry representatives on the NTFC and by publicizing reforms via electronic media, border agency websites, television/radio, and print media.
- Engage a communications specialist to ensure that materials disseminated is written in layperson's terms.

3. Improve the visibility of and strengthen the NTFC and promote membership in trade/industry associations, while ensuring that women are equally targeted and represented.

Generally, the survey results revealed that awareness of the NTFC is low among traders in PNG, while freight forwarders are slightly more aware of its existence. Given the importance of the NTFC for planning and implementing trade facilitation reforms, as well as for public-private consultations, awareness of the body among private sector stakeholders should be improved. Similarly, membership in trade or industry associations is low among traders. In contrast, a large majority of freight forwarders are members of these associations. For both traders and freight forwarders, women are less likely to be aware of the NTFC and less likely to be members of industry/trade associations.

Recommendations include:

- Support trade/industry associations and local chamber of commerce to organize marketing drives in order to incentivize and increase membership of trade/industry associations and access to the associations' resources, networks, and expertise, which should increase awareness of the NTFC.
- Encourage more women representation on trade/industry associations and in the NTFC in an effort to close the information gap between men and women.
- Encourage industry associations and trade organizations to promote the existence of the NTFC to its members, which would increase awareness of the NTFC and its role in trade facilitation.
- Ensure that trade/industry associations are represented in the NTFC to reflect commitment to addressing the needs of traders' and freight forwarders' trade facilitation when reforms are proposed and implemented.
- Promote women's trade organizations and encourage networking groups and workshops for women traders and freight forwarders.

4. Expedite roll out of a National Single Window.

PNG has not implemented a National Single Window, but notified Article 10.4 of the WTO TFA on Single Window as Category C with a definitive date of implementation of December 31, 2030.³⁹ In its notification to the WTO, Papua New Guinea specified that it will require technical assistance and capacity building to implement the Single Window, including conducting the feasibility study, replacing the manual processing systems with automated ones, expediting the effective implementation of ASYCUDA World that integrates all border clearance agencies, facilitating the joint establishment of a common strategy for phased implementation of the Single Window among all border clearance agencies, and deciding which Single Window model to implement.⁴⁰ It is recommended to continue pursuing assistance to expedite the rollout of a National Single Window.

³⁹ Notification of Category Commitments Under the Agreement on Trade Facilitation: Communication from Papua New Guinea (G/TFA/N/PNG/1/Add.1), 2019.

⁴⁰ Notification of Category Commitments Under the Agreement on Trade Facilitation: communication from Papua New Guinea (G/TFA/N/PNG/1), 2019.

5. Strengthen communication with traders around official grievance procedures.

PNG has a mechanism in place for contesting and appealing against border agencies' decisions regarding penalties and the detention of goods.⁴¹ The survey found that more than half of traders and around a quarter of freight forwarders either believe formal grievance procedures do not exist or do not know if they exist. It is recommended that customs and other border agencies publicize more broadly the official mechanisms for appeal. The NTFC also has a role to play in communicating appeal procedures to private stakeholder members.

6. Improve consistency in the implementation of border processes and procedures through enhanced training of border officials.

The survey results highlight that while traders generally find that border procedures are consistently implemented, there is some room for improvement. Regular training and capacity building for Customs and other border agency staff is important for the implementation of standards, procedures, and regulations. This can mitigate any inconsistencies in implementation and significantly increase traders' border and documentary compliance and reduce average times to clear customs.

⁴¹ Papua New Guinea Customs (Online: <http://customs.gov.pg/trade-facilitation/penalty-notice-system/>).



Principal exports include agriculture
products Papua New Guinea
© Sarah Wiles / Positive Media

Annex 1

Profile of interviewees

■ **The majority of traders and freight forwarders in PNG, regardless of gender, are highly educated.** All surveyed traders have undertaken secondary school level education or higher. There are similar levels of men and women traders reporting that they have university-level education and above (about 75 percent and 76 percent respectively). The percentage of traders with at least university-level education is highest among medium to large size firms. However, more than half of traders operating micro and small firms also have university-level education and above.

■ The majority of the traders surveyed (87 percent) are between 26 and 55 years old, with the highest proportion of both men (42 percent) and women (51 percent) between 36 and 45 years old. The women traders surveyed are younger, with 76 percent under the age of 46 years compared to 55 percent of men traders.

■ 50 percent (4 out of 8) of women freight forwarders surveyed in Papua New Guinea are between 36-45 years, while 44 percent (4 out of 9) of men are in that same age group. Both men and women freight forwarders have similar levels of university education (78 percent of men and 75 percent of women are university educated).



The most dominant method
to move goods is by sea
© Peacefoo/Shutterstock

Annex 2

Methodology

Questionnaire

Feedback from Focus Group Discussions in Malawi, Zambia, Fiji, and Vietnam with women and men traders, and meetings with government stakeholders, civil society organizations and private sectors representatives helped the team in developing the survey questionnaire. The trader survey rolled out in the Pacific Island region contains 52 questions, is divided into eight sections, and is largely focused on areas related to the WTO Trade Facilitation Agreement, including, but not limited to access to information, electronic payments, seizure of goods, pre-declaration, and the National Trade Facilitation Committee. Some questions outside the scope of the WTO TFA – such as on safety at border posts – are included in the survey to better understand the cross-border trading environment in each of the countries. A simplified questionnaire (with 46 questions) is used for freight forwarders.

Master List

A master list of trading firms was created for the survey based on the complete list of active traders in 2018 that was provided by the Government of Papua New Guinea. Any individuals importing/exporting (i.e., not businesses), NGOs, and diplomats were removed from the list. The list provided included company names and descriptions of products traded along with their respective HS product codes. Not included were the names of owners, ownership shares, or the gender of owners. The list did not include telephone contact numbers.

The master list of traders contained a total of 1,091 firms. Remediation work was undertaken to verify firm information and identify valid telephone details.

Where possible, contact telephone numbers were identified using the online search engines PNG Telekom white/yellow pages and PNG Nationwide Business directory. As the list contained email addresses for all contacts, emails were sent to businesses outlining the details of the study and inviting their participation by providing a return email with a contact telephone number. Finally, the list was supplemented by Tebbutt Research field team members on the ground in Papua New Guinea who used hard copies of telephone directories and conducted door-to-door visits.

From the master list, 650 contacts were removed through the remediation work, leaving a balance of 441 listings for the survey. The reasons for the removing contacts from the master list are shown in the table 2, with a large component removed as no contact number could be identified. The addition of 97 traders identified by the local field team provided a final field list of 538 traders to contact for participation in the survey.

Table 2. Usable Listings for Survey

Initial list supplied	1,091
Less removals	
Agents / not traders	42
Duplicates	35
No valid contact (no email)	66
No contact number (Emailed – no response)	507
Total removals through remediation work	650
Usable listings for field survey	441
Supplemental list exercise	97
Final field list	538

A list of freight forwarders was constructed by Tebbutt Research using the online sources www.freightnet.com and www.cargoyellowpages.com. One hundred and twelve freight forwarders were listed across these directories, and this formed the sample frame for the survey.

Sampling Strategy

All active cross-border traders with valid contact information were contacted to participate in the survey in Papua New Guinea. Interviews were undertaken using computerized aided telephone interviewing (CATI), where traders are selected on a random basis by enumerators. The enumerators used a call schedule protocol that enabled a wide range of times of day and days of week to call firms, maximizing the chances of reaching respondents. Each phone number was attempted three times a day for the period of the survey before treating the number as “not available”. These protocols are automated by the CATI software.

A total of 538 firms were contacted by phone for interviews with 166 firms successfully interviewed (96 men and 70 women led firms). Interviews were conducted in English by telephone. There were 31 interview refusals and 341 wrong phone numbers, no call answers, or transfers that were unsuccessful. **Table 1** provides a breakdown of trader interviewees by gender and size.

All 112 freight forwarders contained on the list were contacted and 17 interviewed. There were 7 interview refusals and 88 wrong phone numbers, no call answers, or duplicate respondent that were unsuccessful. **Table 1** presents the breakdown of the freight forwarders by gender and firm size.

Supported by:



Ministry of Foreign Affairs of the Netherlands



Norwegian Ministry of Foreign Affairs



 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO



USAID
FROM THE AMERICAN PEOPLE

