

HOW TO EXPORT TO EUROPE

A general understanding of the European market

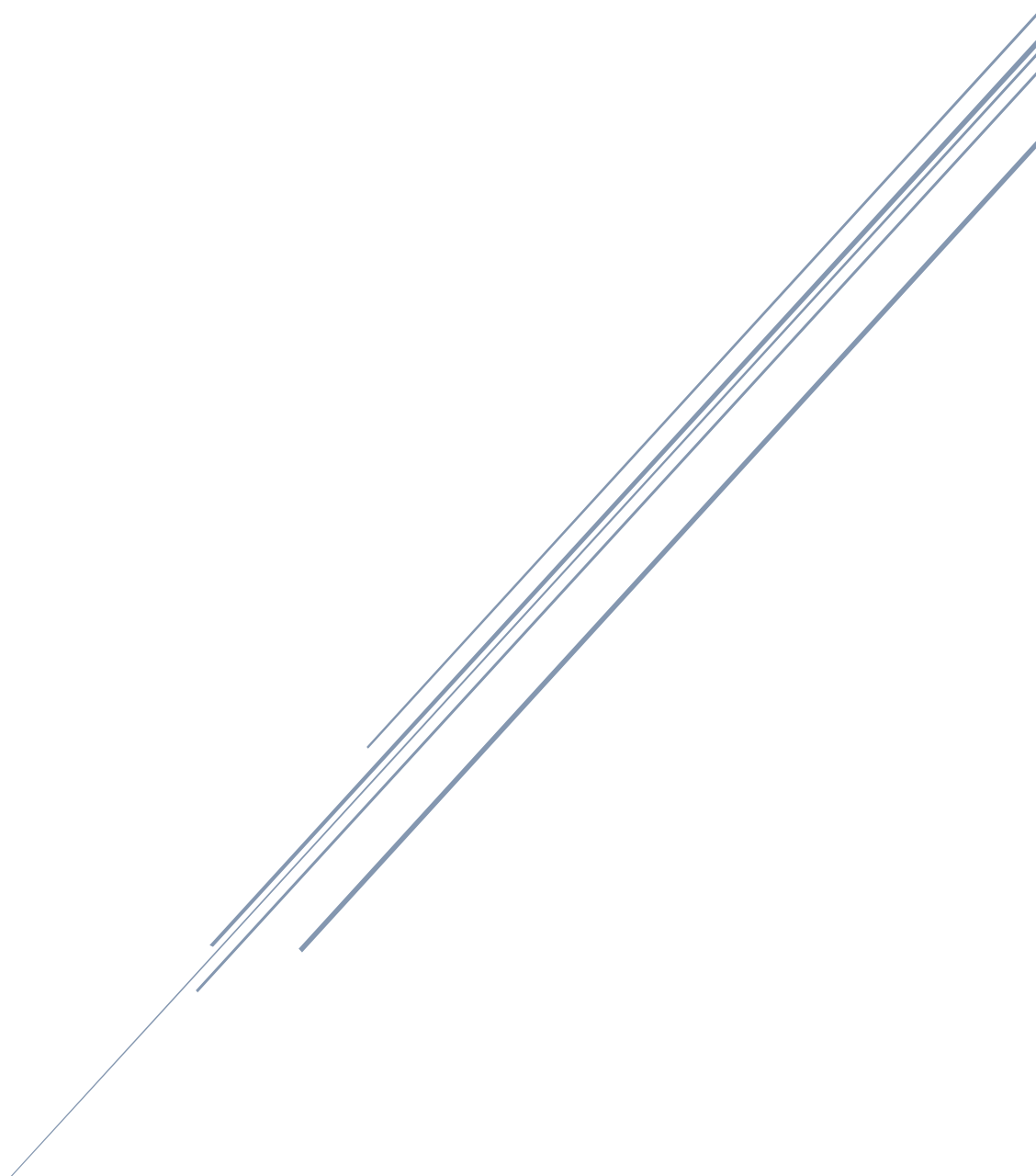
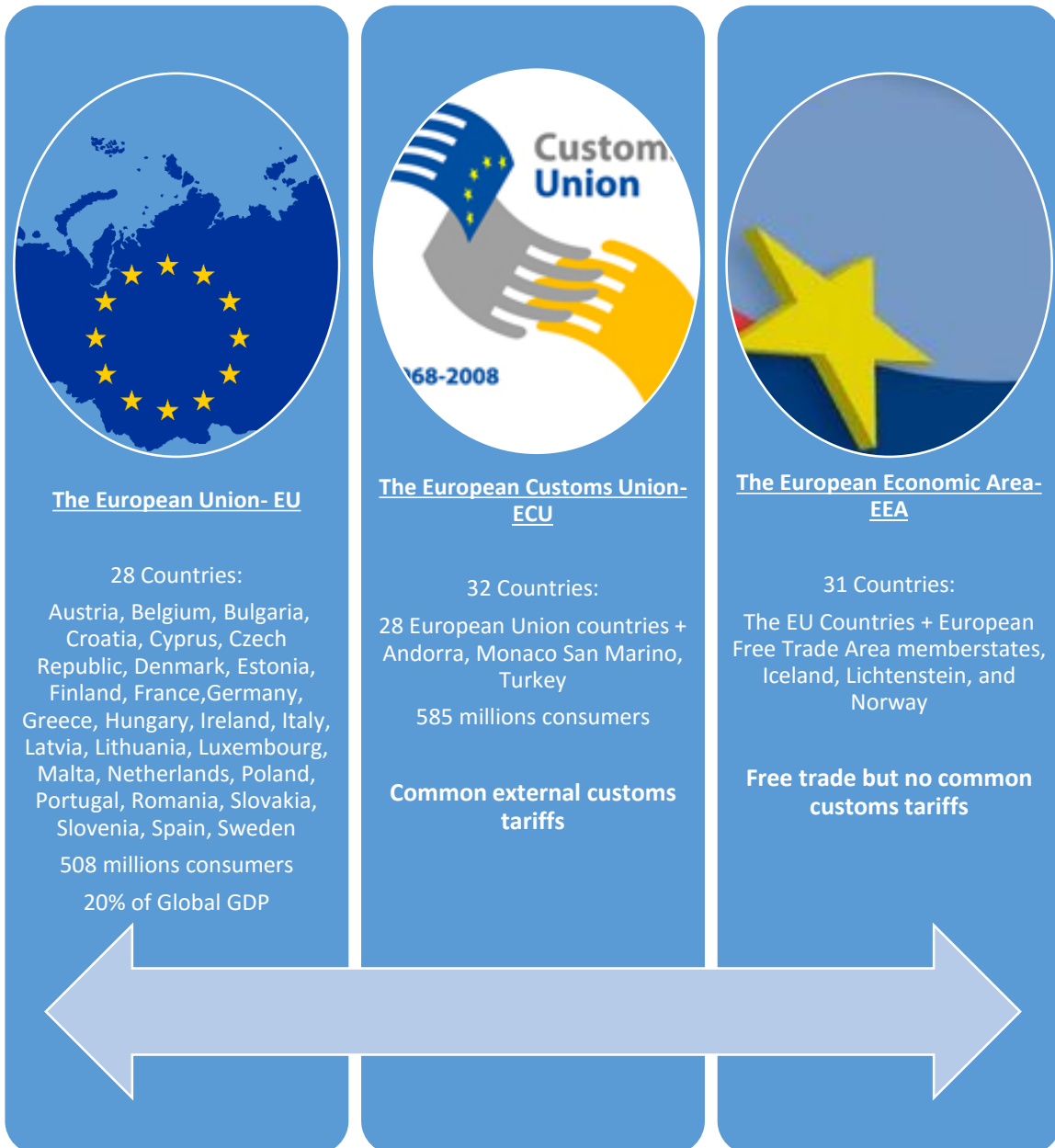


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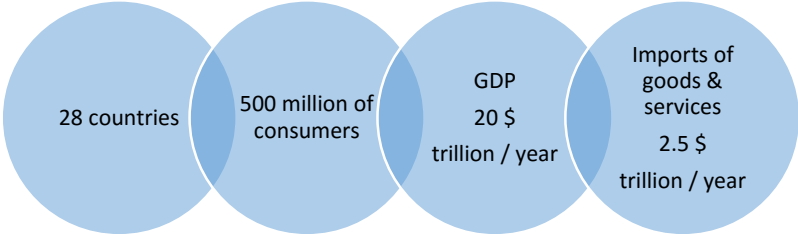
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What is the European Market ?

The European Market usually refers to the European Union. However the European Union which includes 28 member states is not the only European organisation. Other European organisations such as the European Customs Union or the European Economic Zone include a larger number of countries as member.

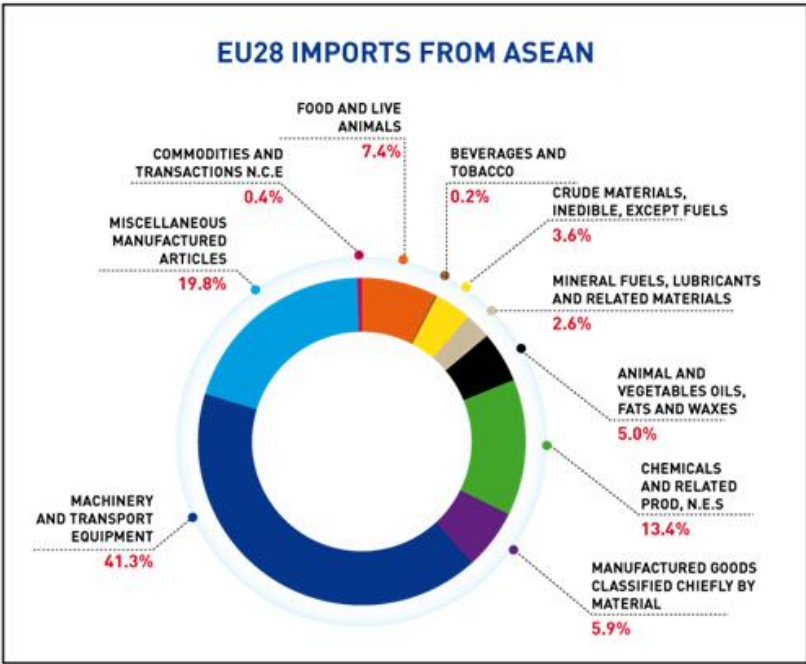


The EU Market

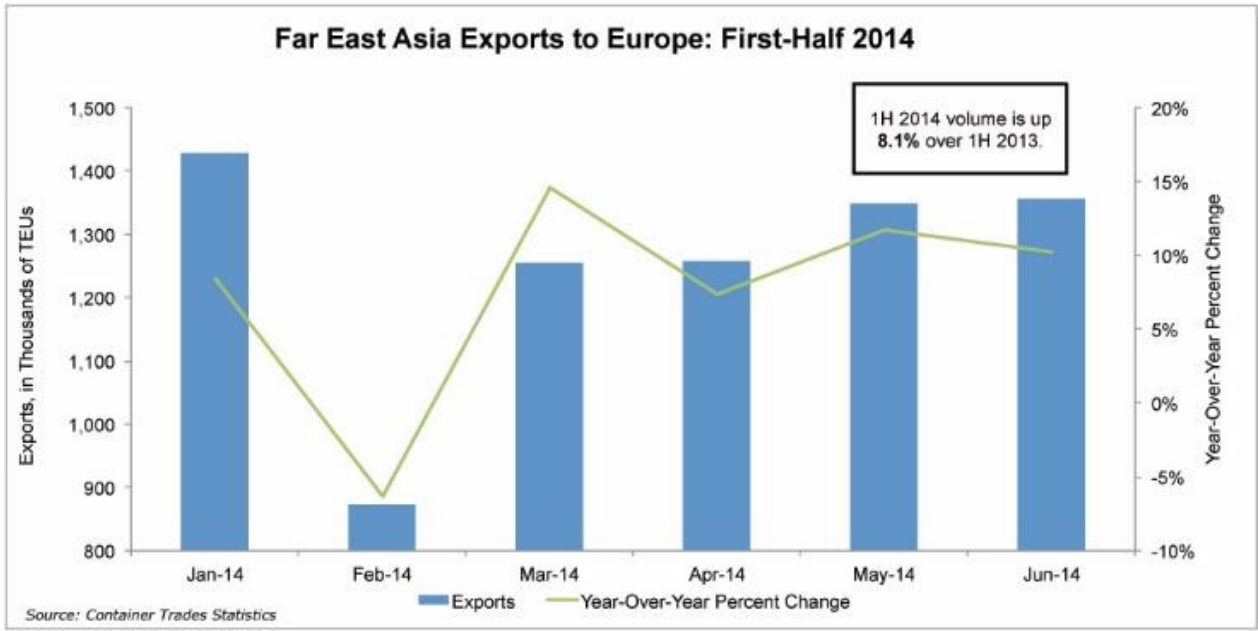


The EU foreign trade

- 70 % of agricultural imports of the EU come from developing countries.
- 30% of rice imports of the EU come from countries under Generalized System of Preference such as Cambodia or Myanmar.



Source: EU Trade, 2015 - <http://madb.europa.eu/madb/indexPubli.htm>

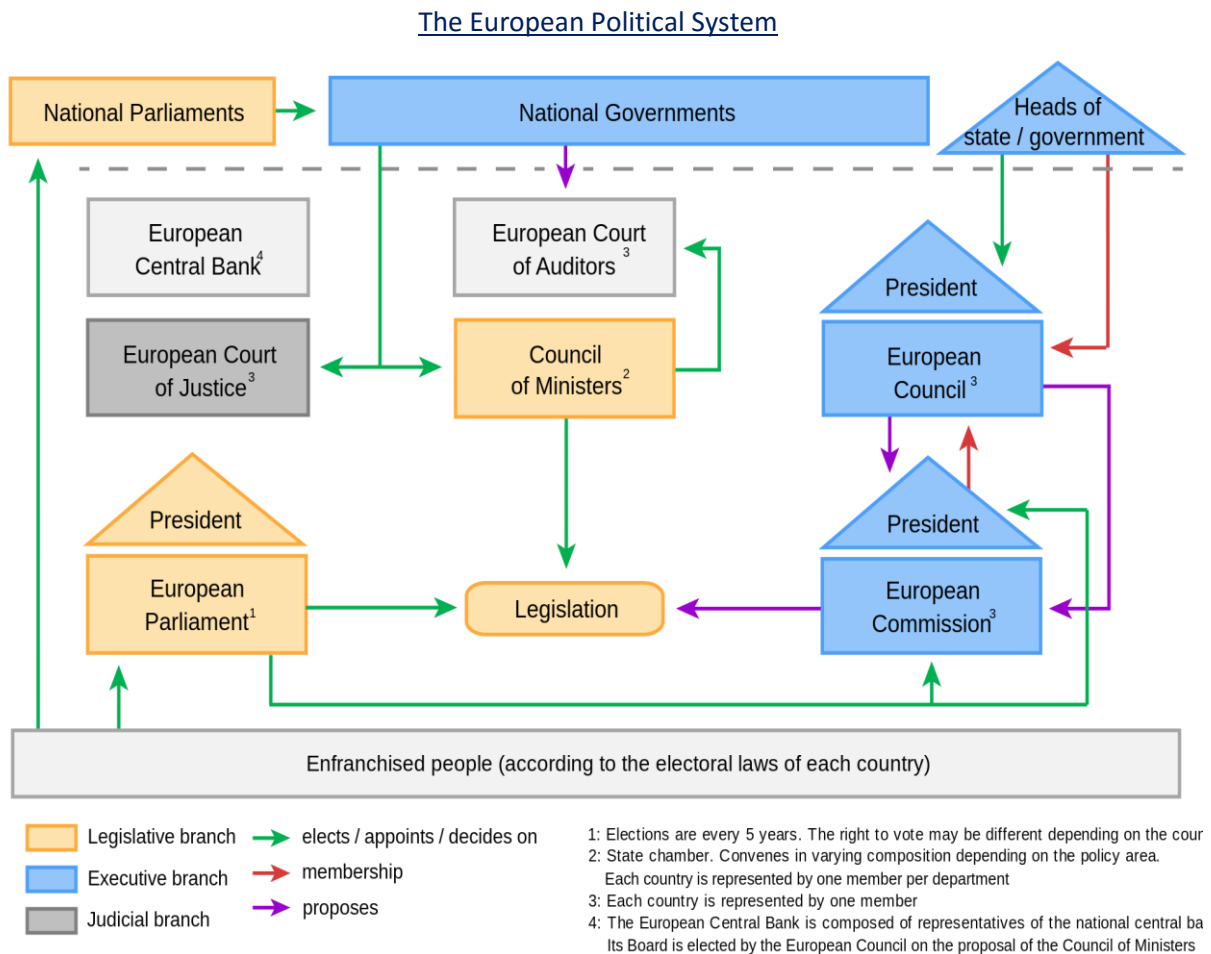


Source: Container Trades Statistics - <https://www.containerstatistics.com/tradedata>



Source: Eu Trade - <http://ec.europa.eu/trade/policy/countries-and-regions/countries/myanmar/>

The Key Players in export procedure ?



Source: europa - http://europa.eu/about-eu/institutions-bodies/index_en.htm

In France and in Myanmar, a large range of key players can help you to import your products into France. They can also give you better advice on how to approach the European and French markets.

In Myanmar

- The French-Myanmar Chamber of Commerce and Industry
- The economic service of the French Embassy
- The European Helpdesk in Yangon
- Eurocham-Myanmar

In France

- National Customs
- Coface
- The network of regional CCIs
- The French regional and local authorities

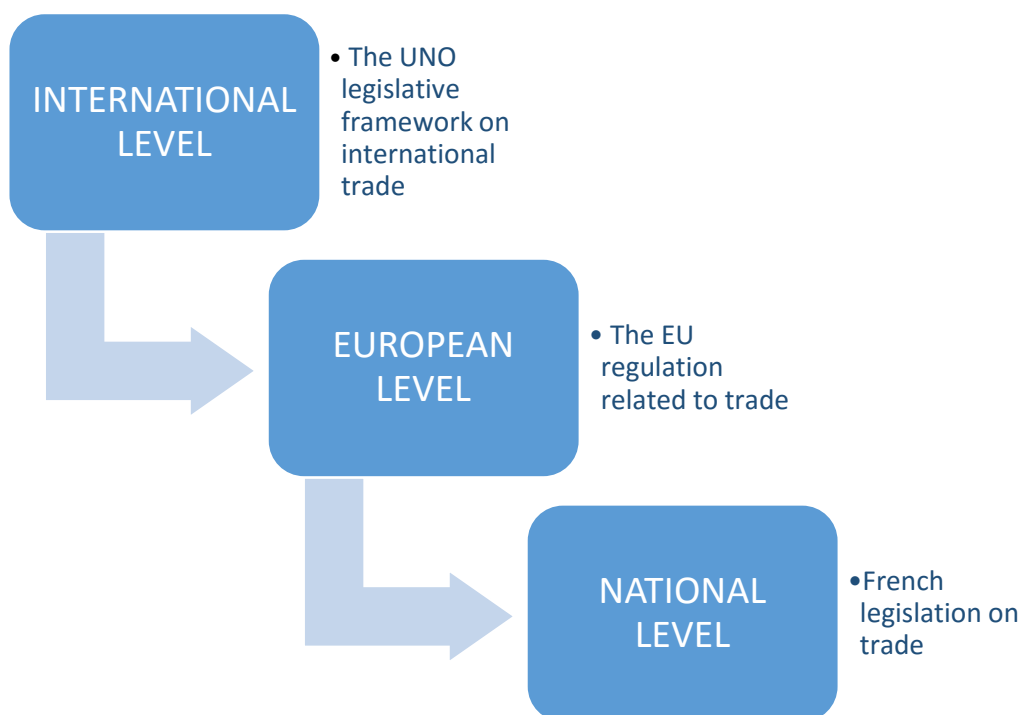
In the EU

- The regional european office in Marseille
- The national european office in Paris

What are European regulations regarding Myanmar ?

When exporting to Europe and to France, Myanmar companies must comply with international regulations on trade. The international regulation applies to every country and regional organisation. As a regional organisation, the EU has implemented international regulation. European regulation and international regulations implemented by the EU have to be implemented by the EU member states.

The chart below illustrates this system:



The rules related to international trade are composed in 3 categories:

- The rules related to the classification of the products
- The rules related to the origin of the products
- The rules related to the packaging and marketing of the products

The rules related to the classification of the products¹

- The international level has implemented the HS Code System which is used by 138 countries worldwide.
- The HS Code (Harmonised Commodity Description and Coding System) includes 5 000 commodity groups. This system was elaborated by the World Customs Organization.
- The EU has enforced its own classification system which is a very detailed version of the HS Code. It is so called the European CN Code (Combined Nomenclature Code). It determines the rate of common tariffs and customs duty that should be applied to the product and also how it would be treated for statistical purposes into the Community.

The rules related to the origin of the products²

When exporting products to Europe, the origin of products does matter a lot in customs procedure. The origin of the product helps to determine which rate and tariff apply to the product.

Some countries exporting to Europe will benefit from the System of Generalized Preferences (SPG). This is the case of Myanmar since 2012. But, in order to benefit from this SGP, exporters from one beneficiary country must provide the proof that their products are originated from their country.

The System of Generalized Preferences:³

This system aims at providing to less developed countries in the world a free access to the market thanks to the absence of quota and tariffs.

In the EU, there are several kinds of SPG. Their application depends on the country's agreement with the EU.

- The overall GSP scheme is applied to 176 countries through 6300 tariff lines
- The GSP + for the respect of core human and labour rights, environmental and good governance standards
- The « Everything But Arms » (EBA) scheme applied to the least developed countries. This scheme implies no quota regulation to access the European market and no custom duty on every product except rice & sugar. Myanmar is currently affected by this scheme.

¹http://exporthelp.europa.eu/thdapp/display.htm?page=rt/rt_EUProductClassificationSystem.html&docType=main&languageId=EN

²http://exporthelp.europa.eu/thdapp/display.htm?page=cd%2fcd_RulesOfOrigin.html&docType=main&languageId=en

³http://exporthelp.europa.eu/thdapp/display.htm?page=cd%2fcd_GeneralisedSchemeOfPreferences.html&docType=main&languageId=en

The Preferential rules of Origins: ⁴

In order to benefit from the GSP scheme, importers must comply with the preferential origin rule. This rule is different from one country that has signed a preferential agreement with the UE to an other. However some basic principles are common and are ever applied in this case:

- The whole process of production of the merchandise must have been realized in the country beneficiary of the preferential agreement. Some goods such as plants, minerals, live animals and fishery need additional requirements.
- If the product is not originated from the beneficiary country but only transformed in this country: in this case, to benefit from the GSP scheme, goods must have been sufficiently transformed in partner country. This qualification is different for each kind of goods. And it is defined by a long-list available on the EU website.
 - If your product is considered as sufficiently transformed then you can benefit from the cumulation rules.
 - *Tolerance or de minis rules*

These rules applies if the goods have not succeed the fulfillment of the basic rules. In this case, if the value of the non originating materials used for the production of the goods is under the amount specified in the rules of origin applied to your country (normally 10% or 15% of the ex work price of your good), the good can be considered as originating.

- Minimal operation rule
It implies that a number of production process operations must have been realized in the beneficiary country.
- Even if your good is finally considered as originating, you have to ensure the direct transport or non-manipulation of your product. To respect this rule you must fill in several documents.
- Once your good fullfills these requirements, you will need to get a proof of origin of your good before it enters the Customs office. You can prove the origin of the good in two ways :
 - With a Certificate issued by the customs administration or public authority of a beneficiary country or partner country.
 - By an Invoice declarations issued by the exporter in the beneficiary country or partner country.

⁴http://exporthelp.europa.eu/thdapp/display.htm?page=cd%2fcd_RulesOfOriginGSP.html&docType=main&languageId=en
http://exporthelp.europa.eu/thdapp/display.htm?page=cd%2fcd_ProofsOfOriginGSP.html&docType=main&languageId=en

Technical requirements ⁵

Goods imported into the EU must meet specific standards concerning quality. Importers have to trigger customers' confidence in their products. European standards contribute to ensure the safety, the quality and reliability of business.

If a European standard exists for the type of product you want to export to Europe, your product must comply with this regulation. If no specific European standard exists, national regulation of the country where you want to export your product is applied.

It is possible to check which regulation is applying to the product you want to export at: [My export](#)

Thousands of standards are ruled by the 3 following organizations

European Committee for Standardisation (CEN)
<https://www.cen.eu>

**European Committee for Electro technical
Standardisation (CENELEC)**
<http://www.cencenelec.eu/>

European Telecommunications Standards Institute (ETSI)
<http://www.etsi.org/>

⁵http://exporthelp.europa.eu/thdapp/display.htm?page=rt%2frt_TechnicalRequirements.html&docType=main&languageId=en

Products are classified by sectors and categories. Different standards can apply to different sectors.

It can be a technical issue which determines which legislation do apply to your product.

The following products: coffee, cotton t-shirts, rum, fruit juice and shrimps meet different requirements from the original sector they are included into.

EU regulation related to quality:

It concerns the Sanitary and Phytosanitary regulation on food and feed, human health, animal health, plant health.

EU regulation related to the environment:

It covers chemicals , ozone-depleting substances (ODS) , fluorinated greenhouse gases , endangered species and waste.

EU technical standardization:

Council Resolution 85/C 136/01 of 7 May 1985, on a new approach to technical harmonization and standards , established common rules within the EU regarding technical requirements in the following sectors: products safety, packaging and labelling.

Product Safety requirements:

Directive 2001/95/EC of the European Parliament and the Council of 3 December 2001 on general product safety.

Packaging:

EU rules do apply to packaging size (Council Directive 2007/45/EC from the 5 September 2007), packaging waste (Council Directive 94/62/EC of 20 December 1994), packaging made of wood (Council Directive 2000/29/EC 8 May 2000) and packaging for special articles such as food stuff (Council Directive No 1935/2004 27 October 2004). The packaging of the products must meet special environmental and safety requirements.

Labelling:

Products need special requirements to protect the consumer health and interest and to detail the product (composition, safe use, precaution...)

Eco label can we awarded to the products that have a limited impact on environment if a complete guidance study on their environmental impact is set.

(Regulation (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU Ecolabel).

CE Marking:

Getting this label means that the product does comply every European regulation it is subjected to. To obtain CE marking, the product has to pass series of checking in order to prove its compliance with the EU regulation. This is a unique marking. A conformity assessment, which states that the product complies with every single rule, must be filled in by the producer or its representative. A technical file that details the project of the company and the product must be joined to this conformity assessment.

Once these files are completed, the product can be marketed. The rule (CE) n° 765/2008 from the 9th July 2008 describes the general principles of CE Marking.

Marketing requirements:⁶

Some special requirements are needed for the following products in order to specify and ensure the quality of these products (freshness, size, origin, weight, packing, presentation...). Different regulation can apply to these products:

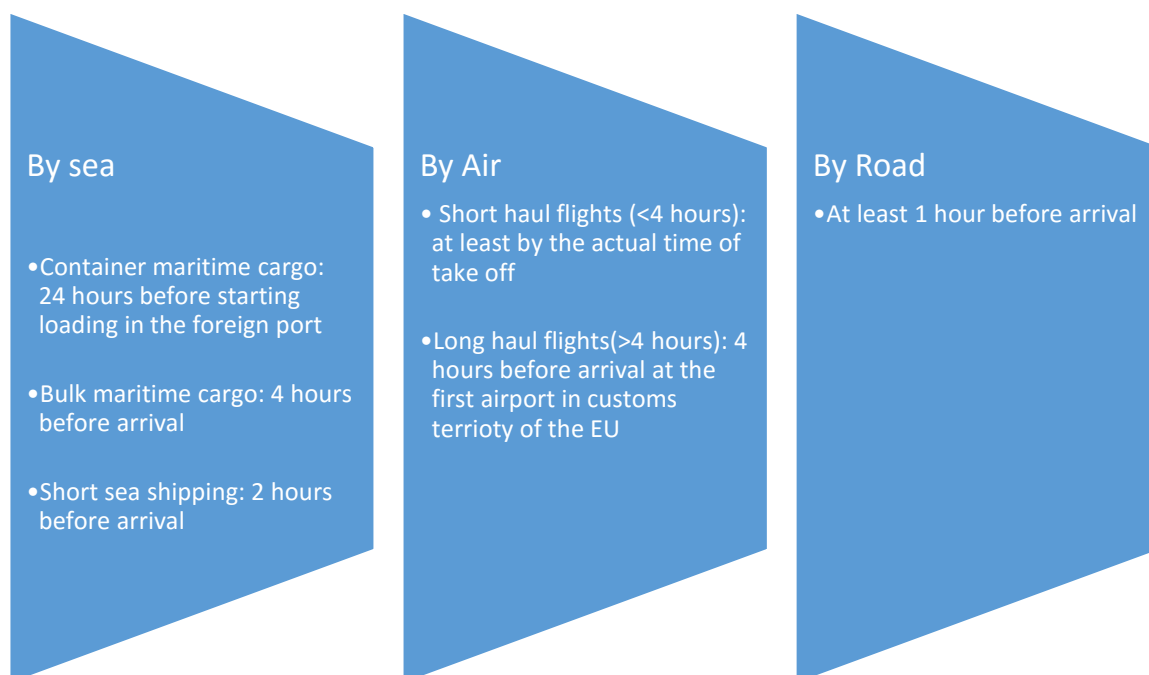
- Organic products: Council Regulation (EC) No 834/2007 – organic production and labeling of organic products.
- Agricultural products: Regulation (EU) No 1308/2013 of the European parliament of the council of 17 December 2013, Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007.
- Fishery products: Council Regulation (EC) No 104/2000 of 17 December 1999 on the common organisation of the markets in fishery and aquaculture products.

⁶http://exporthelp.europa.eu/thdapp/display.htm?page=rt%2frt_MarketingStandards.html&docType=main&languageId=en

How to export ? The Basic procedures of import into European Economic Area and the European Customs Union:⁷

- **EORI number (Economic Operator Registration Number)** is a unique number used by all the countries within the Customs Union for trade operations. All entities which are doing business and whom business field is covered by the EU regulation must apply for the EORI number.
- **Entry Summary Declaration (ENS):** The entry summary declaration contains advance cargo information about goods which enter the EU. It must be lodged at the first customs office of entry to the EU by the carrier of the goods (by the carrier of the goods, although in some cases it can be done by the importer-consignee, or a representative of the carrier or importer) - even if the goods are not going to be imported to the EU.

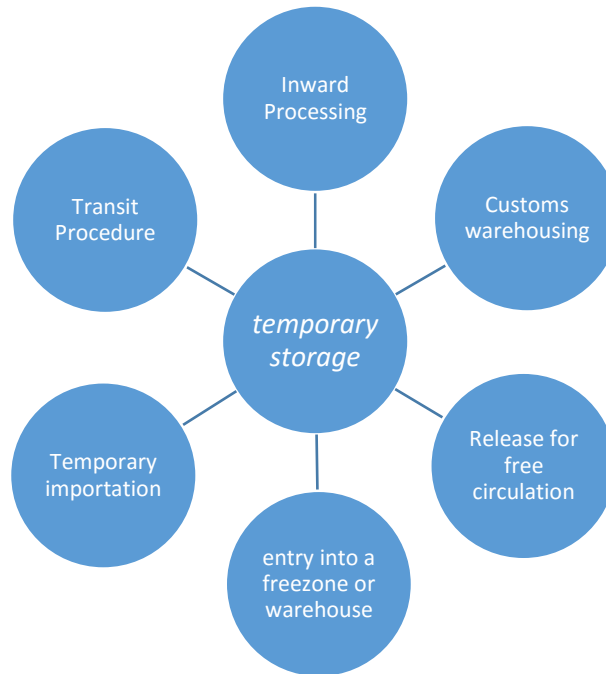
The deadline for lodging the ENS depends on the mode of transport carrying the goods:



⁷http://exporthelp.europa.eu/thdapp/display.htm?page=rt%2frt_EUImportProcedures.html&docType=main&languageId=en

- Customs approved Treatment :

When goods arrive at the customs office of entry to the EU, they are placed into temporary storage under customs supervision (no longer than 45 days in the case of goods carried by sea, or 20 days in other cases) until they are assigned one of the following customs approved treatments or uses:



- Custom Declaration- Single Administrative Document (SAD)

Goods are placed under a customs approved treatment or use using the Single Administrative Document (SAD). The SAD can be presented to the customs authorities by the importer or a representative, either electronically (each EU country has its own system) or by delivery directly to the premises of the customs office.

The SAD covers the placement of any goods under any customs procedure (export, import, transit where the new computerised transit system (NCTS) is not yet used, warehouses, temporary import, inward and outward processing, etc.) whatever the mode of transport used. The SAD aims at ensuring openness in national administrative requirements, rationalizing and reducing administrative documentation, reducing the amount of requested information, and standardizing and harmonizing data.

Documents needed for the customs clearance are the following:

- Commercial Invoice
- Customs Value Declaration
- Freight Documents
- FIATA bill of Lading
- Airway/Railway/ Roadway bill
- ATA Carnet
- TIR Carnet
- Freight Insurance
- Packing List
- Single Administrative Document & associated Documents

Taxes and customs duties into the Customs Union

The Customs Union implies common tariffs barriers towards the rest of the world. However Myanmar is still under the Generalized System of Preferences and has a free quota and a duty free access to the European Market. The taxes below are paid by the final consumer:

- **Value Added Tax**

This Tax is paid by the final Consumer.


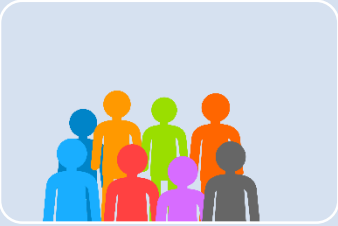

Most customs duties and VAT are expressed as a percentage of the value of the goods being imported. Customs authorities define the value of merchandise for customs purposes based on its commercial value at the point of entry into the EU: purchase price plus delivery costs, up to the point where the goods enter the customs territory. This value does not always correspond to the price stated on the sales contract and may be subject to specific adjustments. The amount of this tax also depends on the kind of product. Generally the rate is equal to 20%. However for specific products such as food products, it is equal to 5,5%.

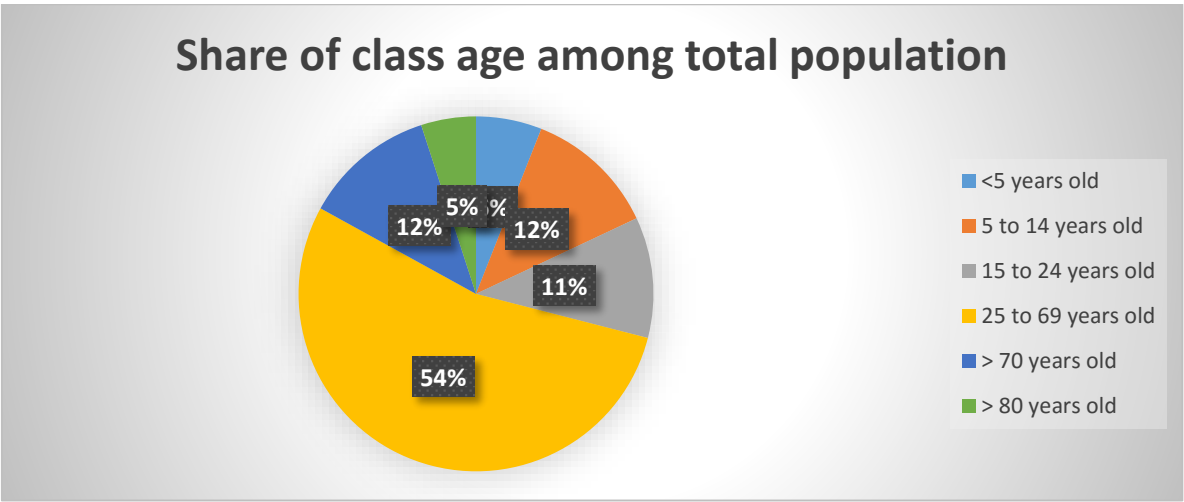
- **Excise Duties**

Excise duties are indirect taxes imposed on goods that damage consumer health or pollute the environment. The duties increase the price paid by the consumer, thereby discouraging the consumption or waste of the products concerned.

Overview on French market

The French Population⁸

		
<p>Inhabitants: 66.206.930</p> <p>Population located in urban areas: 79,3%</p> <p>Population located in rural areas: 20,7%</p> <p>Density of population: 121 hab./km²</p>	<p>Male percentage among the whole population: 48,7%</p> <p>Female percentage among the whole population: 51,3%</p> <p>Natural rate of growth: 0,43%</p> <p>Medium age: 39,0</p>	<p>Main cities</p> <p>Paris: 11.862.466 inhabitants</p> <p>Lyon: 1.927.448 inhabitants</p> <p>Marseille: 1.747.515 inhabitants</p>



⁸ <http://www.insee.fr/en/bases-de-donnees/default.asp?page=recensements.htm>

The French Economy



GDP: \$ 2,829 billion
 GDP/inhabitants: \$ 42 732,6 GDP growth rate: +1,1%

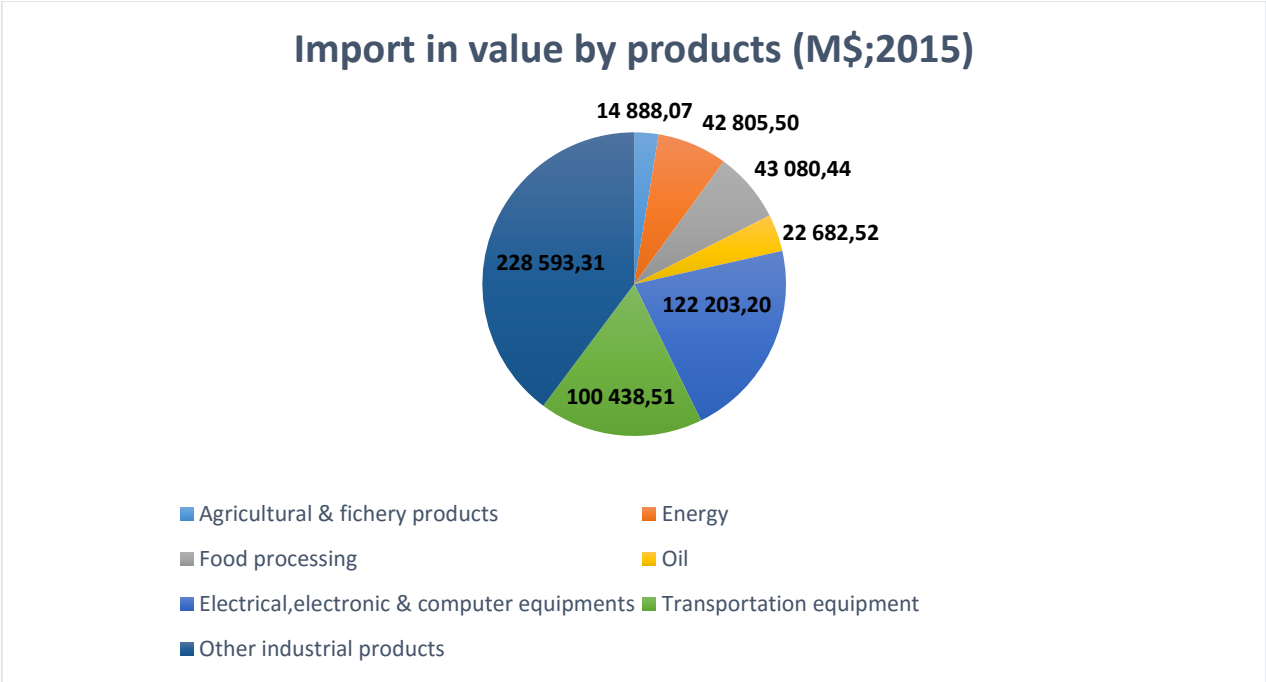


€ 568 666,43 Million of imports
 € 516 804,99 Million of exports
 + 9,4% growth in French imports from Asia



Labour force: 30 million
 Unemployment rate: 10,4%
 Average gross salary: \$ 3,295 monthly

Source: Insee - http://www.insee.fr/en/themes/theme.asp?theme=8&sous_theme=1



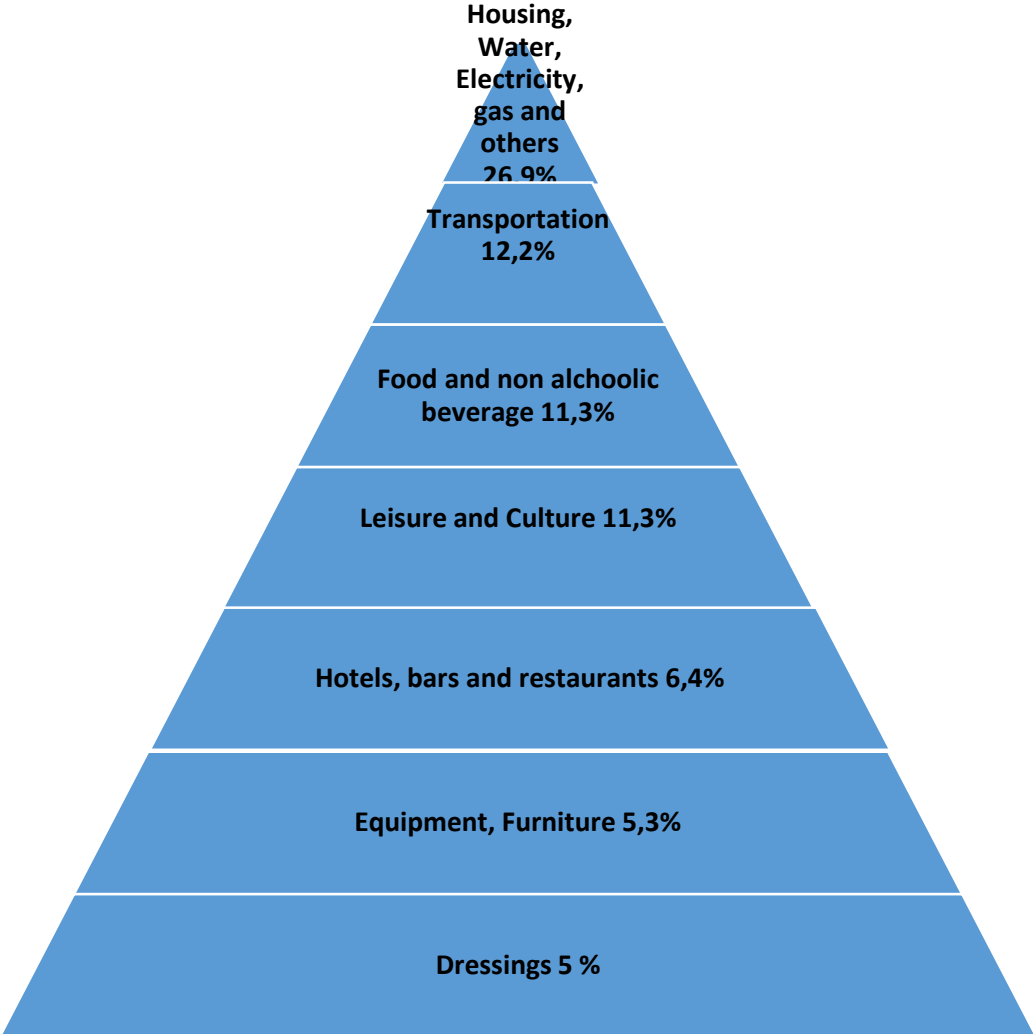
Source: Insee - <http://www.insee.fr/en/themes/indicateur.asp?id=87>

France-Myanmar trade relations⁹

The France-Myanmar trade relations are not balanced. France exports to Myanmar are more important than its imports from Myanmar. France imports from Myanmar reached 105 million euros in 2015. Jewelry made 42% of French purchases in Myanmar, manufacturing 37% of French imports and agricultural goods only 14% of Myanmar exports to France. However agriculture (beans, rice, tea) and Seafood tends to increase during the coming year. In 2013 food and beverage exportations from Myanmar to France reached 1,3 billion euros. Among food and beverage exportations from Myanmar to Europe, pulses (620 million euros in 2013) were the main product exported, just before fishery products (210 million euros in 2013) and rice (2 million euros). Imports from France to Myanmar reached 3,5 billion euros. Main products imported are processed food, dairy products, and wine.

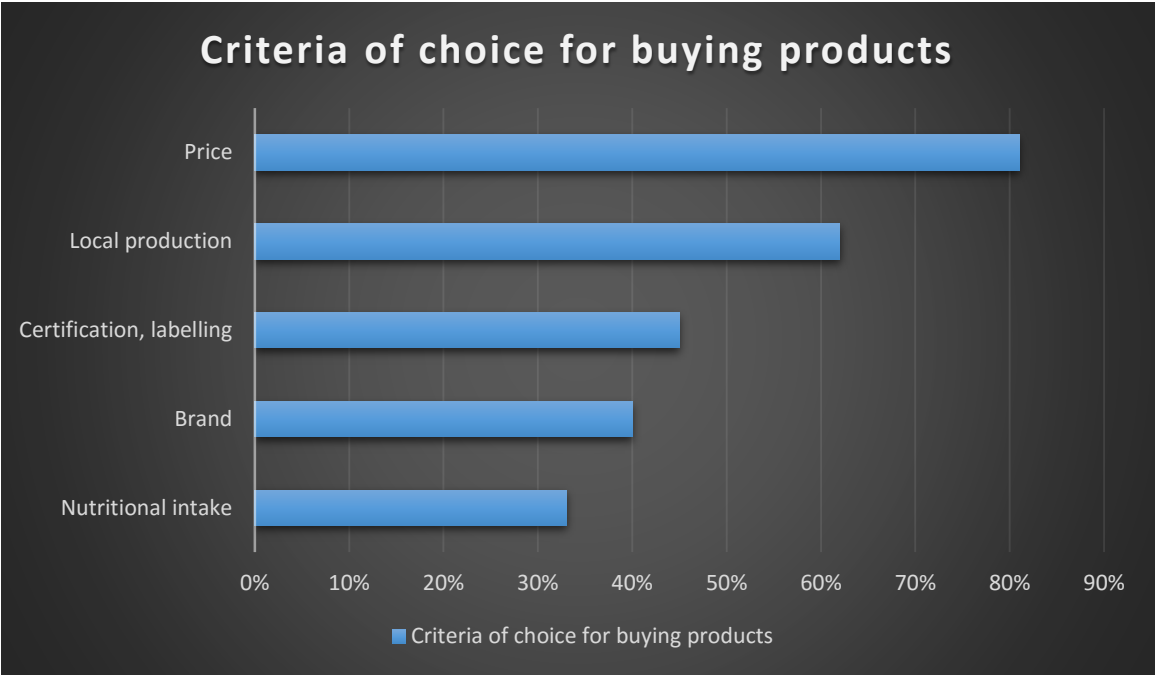
French Consumption

Generally, french people do spend their budget in the following way:



⁹ The French Direction du Trésor, French Ministry of Economy - <http://www.tresor.economie.gouv.fr/Pays/birmaniemyanmar/echanges-et-investissements> (french version available only)

The Chart below illustrates the main criteria of choice of French people when going shopping



Source: Euromonitor - <http://www.euromonitor.com/consumer-lifestyles-in-france/report>

Appendix

Contacts

French-Myanmar Chamber of Commerce and Industry:

French-Myanmar Chamber of Commerce and Industry

Parkside One, 271/273 Bagayar Street,
Sanchaung Township, Yangon, Myanmar.

+95-(0) 1 523 700

guillaume.rebiere@ccifrance-myanmar.org

Myanmar – Eurocham:

European Chamber of Commerce in Myanmar

Parkside One

271-273 Bagayar Street Sanchaung
Township, Yangon, Myanmar.

+95 9 45058 2335

info@eurocham-myanmar.org

European Association for Business and Commerce:

European Association for Business and
Commerce

1 Empire Tower 25th Floor Sathorn Road
Yannawa, Sathorn, Bangkok, 10120 Thailand.

+662670 0624

info@eabc-thailand.eu

Customs office in France:

Direction générale des douanes et droits indirects
Bureau E/1

11 rue des Deux-Communes
93558 Montreuil Cedex, France.

+33 157534374 /+33 157534278

Dg.e1@douane.finances.gouv.fr

Myanmar-European Helpdesk

Myanmar European Helpdesk
N°.228-240, Strand Road, Yangon
Myanmar

+95 1 391 547/ +95 1 385 327
Steffen.grammling@giz.de

Sites

- <http://www.wcoomd.org/fr.aspx> (World Customs Organization)
- http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp (European Regulation related to commerce, agriculture & customs tariffs)
- <http://eur-lex.europa.eu/homepage.html?locale=fr> (European Regulation)
- <http://exporthelp.europa.eu/thdapp/index.htm> (European export Helpdesk)
- <http://eurocham-myanmar.org/> (EuroCham - Myanmar)
- <http://www.ccifrance-myanmar.org/> (French-Myanmar Chamber of Commerce and Industry)
- <http://www.coface.com/> (National French Company for Trade Insurance)
- <https://www.service-public.fr> (French Institutions)
- <https://www.legifrance.gouv.fr/> (French legislation)
- <http://www.douane.gouv.fr/> (French Customs)
- <http://www.afnor.org/en> (AFNOR global association for certification)