

WTO Agreement on Trade Facilitation Implications for the LLDCs

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Bali Ministerial Conference

Ministerial Decision of 7 December 2013

- WTO Trade Facilitation Agreement was concluded in December at the Bali Ministerial Conference
- The WTO TFA was established on the basis of
 - Article V (Freedom of transit)
 - Article VIII (Fees and formalities)
 - Article X (Publication and administration of trade regulations) of the General Agreement on Tariffs and Trade (GATT) 1994
- The Agreement will enter into force once 2/3 of the WTO Members ratify it

Benefits to LLDCs

- Speed up customs procedures
- Make trade easier, faster and cheaper;
- Provide clarity, efficiency and transparency;
- Reduce bureaucracy and corruption;
- Promote use of technological advances;
- Improves movement of goods in transit.
- Technical assistance to update their infrastructure, train customs officials, or for any other cost associated with implementing the agreement

Article 11- Freedom of Transit

1. Any regulations and formalities shall not:
 - a. Be maintained if circumstances/objectives no longer exist.
 - b. Constitute a disguised restriction on trade
2. Traffic in transit shall not be conditioned on collection of fees (except cost based, transport and administrative expenses)
3. Prohibition on voluntary restraints on traffic in transit
4. Non-discrimination principle is strengthened with MFN and National Treatment to all transit goods

Article 11- Freedom of Transit

5. Separate infrastructure for traffic in transit encouraged
6. Formalities, documents and controls shall not be more cumbersome than necessary
7. No charges, delays or restrictions once goods cleared for transit
8. No application of TBT measures to transit goods
9. Advance filing and processing of transit documentation to be allowed and provided

Article 11- Freedom of Transit

10. Promptly terminate transit operation once exit point is reached
11. Guarantees:
 - a) Discharged without delay
 - b) Allow multiple transaction or renewal
 - c) Publish information used to set guarantees
 - d) Convoys or escorts only in high risk cases
12. Endeavour to cooperate to enhance transit

Fees and Formalities

Article 6

The aim of Article 6 is to limit the size of fees and charges to the approximate cost of the services rendered.

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Article 7

Article 7 aims to expedite the release and clearance of goods, specifies certain measures that Members will need to adopt.

(e.g. Pre-arrival processing, electronic payment, expedited shipments)

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Article 8

Article 8 promotes border cooperation in order to facilitate trade.

(e.g. One stop border post)

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Fees and Formalities

Article 10

Article 10 aims at harmonising and simplifying transit formalities and documentation. (e.g. Single window)

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Article 12

Article 12 aims to improve multilateral customs cooperation and exchange of relevant information.

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Transparency

Publication: publish a wide range of info related to procedures for clearing of goods for import/export

- Article 1: Publication and availability of information
- Article 2: Prior publication and consultation
- Article 5: Other measures to enhance impartiality, non-discrimination and transparency

General Principles

- Assistance and support for capacity building should be provided to help developing and LDC country members implement
- The extent and the timing of implementation will be related to the implementation capacities.
- Implementation will not be required until capacity has been acquired
- LDC Members will only be required to undertake commitments to the extent consistent with their individual development, financial and trade needs

Categories of Provisions

Cat. A

Implement upon entry into force (developing countries) or within one year after entry into force (LDCs)

Cat. B

Implementation after a **transitional** period of time

Cat. C

Provisions requiring the acquisition of implementation capacity through **TACB**

Implications for the LLDCs

1. Encourage ratification of the agreement by WTO members
2. LLDCs need to assess their technical assistance and capacity building support needs and priorities to implement the agreement
3. A decision on the work programme on small economies was taken in Bali in 2013 – this could be of relevance to some of the LLDCs.
4. It is important for the WTO to launch a dedicated Work Programme for the LLDCs - assist LLDCs address their special needs -Trade Facilitation, Aid for Trade, Services, Electronic Commerce and WTO accessions



Thank You

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