WTO Trade Facilitation Agreement and implications on LLDCs - Practical issues for transit trade and transport

High-Level International Workshop on “WTO Agreement on Trade Facilitation: Implications for LLDCs”

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Common interests of LLDCs / transit (developing) countries?
Issues for landlocked (developing) countries

- Clear rules and regulations for bringing goods to market
  - Transport and transit
  - Import/Export
  - Border procedures, including other than Customs

- Moving from “LLDC victim” status to partnership focus
  - Focus on Economies of scale for transit partners
    - LLDCs provides additional volume for sea ports
    - Infrastructure and services in transit countries – Share?
  - Land-linking opportunities

- Sensitivity to issues in transit countries
  - Public – e.g. smuggling, infrastructure costs
  - Private – e.g. competition
Issues for transit (developing) countries

- Securing public interests
  - Public revenue protection and public health/security
  - Protecting infrastructure

- Economies of scale reduce costs of country’s own trade
  - Port services
  - Logistics services
  - Infrastructure costs

- Transit traffic generates services and economic activities:
  - Public services
  - Repairs & workshops, gas stations,
  - Rest and parking places,
  - Small trade along transit corridors like restaurants
  - Warehouses
Relationship GATT and TFA

- Section I- Substantive Provisions;
  • Article V (Transit)  
    Art. 11
  • Article VIII (Fees & Formalities)  
    Art. 6-10
  • Article X (Transparency)  
    Art. 1-5
  • Other issues  
    Art. 12-13
Selected challenges and the TFA

Typical impacts on transit?

- Infrastructure
- Means of transport
- Goods
- Operation
- Services
Provisions in TFA?

Infrastructure

- TFA Art. 11.5: Physical separate infrastructure – Opportunity for donor assistance for infrastructure.
- TFA Art. 8: Border Agency Cooperation – Opportunity for joint border stations – TACB.
- TFA: Fixed infrastructure? What is the status?
Means of transport

- TFA Art. 11.3 and GATT V: Freedom of Transit
  Will 11.3 assist in resolving issue of quantitative restrictions?
  Can quotas be maintained? Relates to goods and operation.
  Does 11.3 clarify Gatt V?

- TFA Art. 11.8: WTO Agreement on Technical Barriers to Trade:
  Do issues such as environmental restrictions of means of transport, technical inspection etc. fall under this Article?

- TFA Art. 11.11.5: Customs Convoys/Escorts:
  Definition high risk cases (vehicle/goods/operator)
  Not always relating to financial risk.
Provisions in new TFA?

Goods

- TFA has multi-agency implications, incl. veterinary, SPS etc.
- TFA Art. 7–11 provides guidance for goods clearance
- TFA Art. 11 - Transit
  - 11.1-5 Freedom of Transit (Bilateral/Regional/International)
  - 11.6-11 Customs Transit provisions (e.g. WCO) including use of IT systems such as ASYCUDA
  - 11.12 General
  - 11.13 Transit coordinator
  - Opportunity for TACB, including transit countries.
Provisions in new TFA?

Operation

- TFA Art. 1-5 Provides information and transparency
- TFA Art. 8: Alignement of operational procedure
  - Opening hours,
  - Joing operations, Joint controls
  - Opportunity for TACB
- TFA Art. 11.8: Risk of technical barriers:
  - Issues linked to operators, drivers licences, visa?
- TFA Art. 7: Concept of authorized operator.
  - AO transit operator
Provisions in new TFA?

Services

- TFA Art. 11.2: Only addresses administrative fees and changes.
  - Transport charges are not covered by this article.

- Art. 13: National Trade Facilitation Committee
Some Individuals in LLDCs and transit countries stand to lose
- Licensed operators, Customs brokers and officials.

Both LLDCs and transit countries need TACB

Trade Facilitation goes beyond WTO TFA

Partnership Public/Private – National Trade Facilitation Committees

Consider carefully obligation nature, notification and TACB needs
  - Seek assistance e.g. from international organizations

Infrastructure

Attention of Spaghetthi bowl syndrom
Recommendations for post APA

- WTO LLDC and transit country focus
  - WTO TFA implementation assistance
  - LLDC and Transit Country collaboration focus

- Inclusion of TF in national development plans

- Framework for bilateral collaboration
  - E.g. Border cooperation re. WTO TFA

- Regional cooperation / integration
  - E.g. Regional Transit systems and guarantees

- International Standards implementation support
Recommendations for post APA

- Focus on transport corridor approach
  - Develop a conveyor belt approach for transit
- LLDC and Transit Country Technical Assistance and Capacity Building focus
- Support implementation of technology and IT systems
  - Facilitation and transparency
- Freedom of transit clarification?
  - Quota and fixed infrastructure issues.
Thank You

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