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5th session

17-21 June 2013

Geneva

Multilateral Negotiations on Trade Facilitation

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



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Item 5: Key trends in international transport
and implications for development

Multilateral negotiations on trade facilitation

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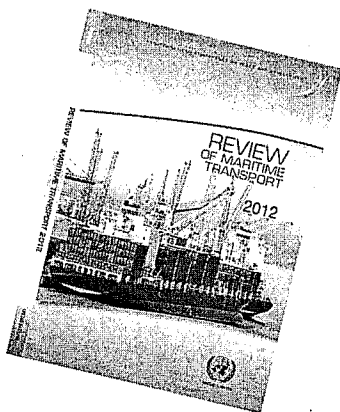
Multilateral negotiations on trade facilitation

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- A. Update on the Trade Facilitation (TF) negotiations in the World Trade Organization (WTO)
- B. Implementing TF: Lessons from the national TF implementation plans



Multilateral negotiations on trade facilitation



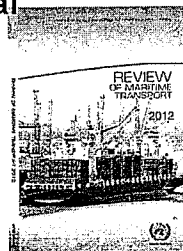
- A. Update on the Trade Facilitation (TF) negotiations in the World Trade Organization (WTO)
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A. Update on the WTO TF Negotiations

Key Issues

- I. TF as the early or only harvest of the WTO Doha Round
- II. Section I of the WTO draft consolidated negotiation text (DCNT): Codifying "best practices" in TF and proposing new institutional arrangements
- III. Section II of DCNT: Special and Differential Treatment for Developing Countries





A. Update on the WTO TF Negotiations

I. TF as the early or only harvest of the WTO Doha Round

- The challenge of the Doha Single Undertaking
- Benefits of a TF agreement vs.
 - ❖ Other Doha deliverables
 - ❖ Costs of the TF implementation
- Next deadline: The 9th Ministerial, Bali, December 2013



A. Update on the WTO TF Negotiations

II. Section I of DCNT: Codifying “best practices” in TF

- > Publication and Availability of Information
- > Prior Publication and Consultation
- > Advance Ruling
- > Appeal Procedures
- > Other Measures to Enhance Impartiality, Non-Discrimination and Transparency
- > Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation
- > Release and Clearance of Goods
- > Consularization
- > Border Agency Cooperation
- > Declaration of Transhipped or in Transit Goods]
- > Formalities Connected With Importation And Exportation
- > Freedom of Transit
- > Customs Cooperation

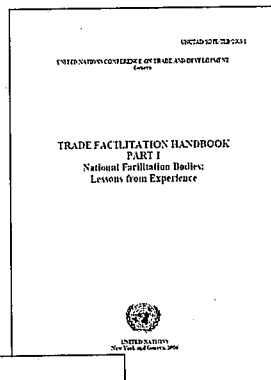
Part I - Detailed annexes currently included in the draft negotiating text	
If members currently included in the draft negotiating text	
1. Publication	21. International operations
2. Formulation in-force through internal	22. Expedited shipment
3. Entry points	23. Prioritization of consular inspection requirements
4. Legislation	24. Border Agency cooperation
5. Trade between production and entry and trade	25. Publication of trade charges or in-transit goods (non-advance)
6. Opportunity to comment on laws and national laws	26. Means of enforcement and documentation
7. Consularization	27. Appeal process
8. Prioritization of advance ruling	28. Publication of information on formalities and documentation requirements
9. Right of appeal	29. Availability of dispute
10. Appeal procedure for a custom entry point of a WTO member	30. Live of formalities standards
11. Appeal mechanism	31. Single window
12. Appeal mechanism	32. Publication of administrative procedures and cost information
13. Appeal mechanism	33. Fee of advance ruling
14. Appeal mechanism	34. Common border procedures (with requirements)
15. Appeal mechanism	35. Uniform terms and documentation requirements
16. Appeal mechanism	36. Copy to relevant national goods in the importer
17. Appeal mechanism	37. Temporary admission of goods
18. Appeal mechanism	38. Entry and transit processing
19. Appeal mechanism	39. Priority of transit
20. Appeal mechanism	40. Customs cooperation
21. Appeal mechanism	41. National committee on Trade Facilitation



A. Update on the WTO TF Negotiations

II. Section I of DCNT: the proposed WTO institutional arrangements

- A new WTO body: a WTO TF Committee
- Promoting another TF "best practice": a national TF Committee



ARTICLE 14: NATIONAL COMMITTEE ON TRADE FACILITATION

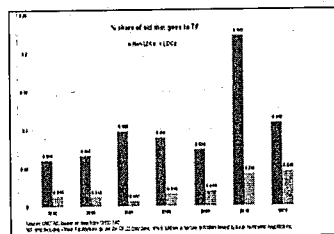
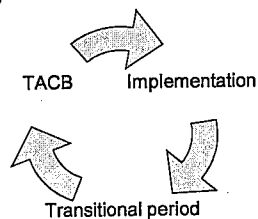
1. Each Member shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of provisions of this Agreement.




A. Update on the WTO TF Negotiations

III. Section II of DCNT: Special and Differential Treatment (SDT) for Developing Countries

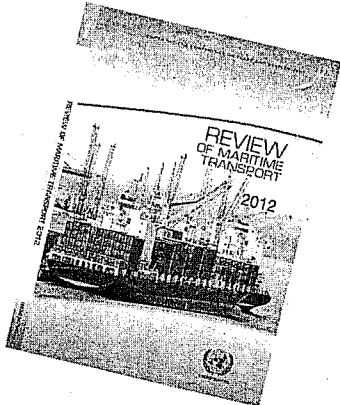
- Annex D Mandate: Search for an innovative SDT Solution
- Proposed categories A, B and C for the TF commitments of the developing countries
- International aid for TF reforms






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B. Implementing TF: Lessons from the national TF implementation plans



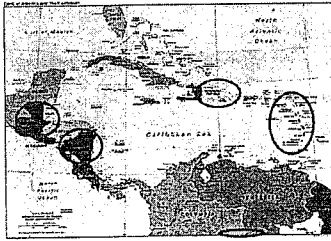
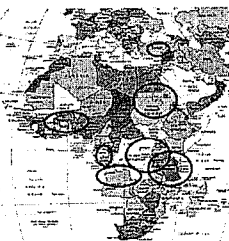
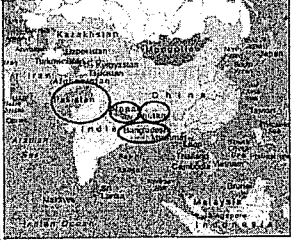
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B. Lessons from the national TF implementation plans*

Key Issues

- I. Current TF performance in developing countries
- II. Priorities, times and costs of TF reforms
- III. SDT Needs

Current status: activities completed in 26 countries, 3 more to be launched in 2013 with the additional funding from Sweden

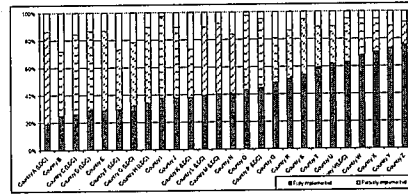
* Preliminary findings



B. Lessons from the national TF implementation plans

I. Current TF performance in developing countries

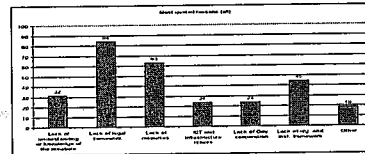
● **Link between TF performance and the level of development:** Less than 50% of the TF measures are currently implemented and even less in LDCs. At the same time, most TF measures are midway through the implementation process.



● **Non-compliance areas:** Many demanding, in terms of the required level of inter-agency cooperation and the sophistication of the existing institutional, legal and regulatory framework, measures remain yet to be implemented

Major non compliance areas
 Publication/Availability Of Information (Art. 1)
 Advance Ruling (Article 3),
 Border Agency Cooperation (Article 9)
 Prior Publication And Consultation (Article 2)
 Customs Cooperation (Article 12)

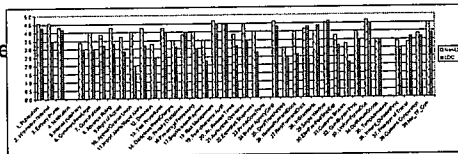
● **Reasons for the lack of implementation:** the lack of resources but also the legal issues



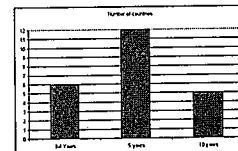
B. Lessons from the national TF implementation plans

II. Priorities, times and costs of TF reforms

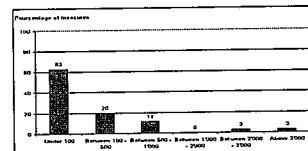
● Despite the level of implementation, TF is considered as a priority area for the national economic development



● 75 per cent of the countries considered that they could fully implement all the measures within a five year period.



● Costs of reaching full compliance are very much country dependent and range from USD 136'000 to USD 15'400'000 .



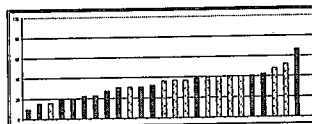
● The average cost of the large majority of the TF measures is less than USD 100'000.



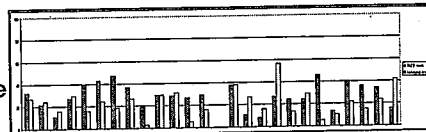
B. Lessons from the national TF implementation plans

III. SDT needs for the TF implementation

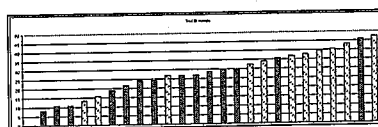
● For the majority of the countries and for most of the LDCs, measures requiring SDT (Categories B or C) constitute, at least, one third of the measures currently included in the draft WTO text.



● For the majority of the countries, including most of the LDCs, needs for TACB are higher than their need for just the additional implementation time.



● The percentage of the measures requiring TACB range from 8 to 48 per cent of the measures. As can be expected, the level of the request for TACB is much higher in LDCs.




Conclusions

● TF remains a major challenge but a also a priority area for the national development for developing countries and for LDCs in particular

● WTO negotiations offer a window of opportunity for a multilateral deal on TF

● UNCTAD's work on the national TF implementation plans (RMT 2013, forthcoming) identifies the major non-compliance areas, the range of the time and costs requirements and the needs for TACB for the developing countries, and LDCs, in particular.



Thank You

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