To what extent is the WTO Trade Facilitation Agreement an enabler of e-Commerce

by

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Two trends to be acknowledged...

**WTO Trade Facilitation Agreement**

WTO Trade Facilitation Agreement entered into force in February 2017
With it, WTO Member States have committed to implement a series of measures to facilitate import, export and transit

**Spread of e-Commerce**

→ the improvement of enabling technologies,
→ increasing demand from consumers

Cross-border B2C sales by value of merchandise exports amounted to an estimated $412 billion in 2017
Cross-border e-commerce is expecting to growth twice the rate of domestic e-Commerce
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Cross-border B2C cross-border value of merchandise exports amounted to an estimated $412 billion in 2017. Cross-border e-commerce is expecting to growth twice the rate of domestic e-Commerce.

Are the provisions of the Trade Facilitation Agreement are sufficiently tailored to support the increasing trade resulting from e-Commerce?
Statement n°1

If it is good for cross-border trade, it is good for cross-border e-Commerce
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E-Commerce users ❤️ Transparency and Predictability

Article 1 aims at increasing transparency in cross-border trade by urging countries to publish (also online) import, exports and transit procedures.

Article 7.6 encourages countries to measure and publish their average release time of goods periodically, thus helping traders to predict the time their goods may be retained at the border.
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E-Commerce users ♥ Simplification

Article 10, focuses on the streamlining of cross-border formalities and documentation.

Easy and accessible trade procedures are especially important for those small and medium sized enterprises that aim at selling their goods to neighboring markets.
Statement n° 2

Trade facilitation reformers need to put on the e-Commerce glasses
The Key Role that National Trade Facilitation Committees could be playing

Countries implementing trade facilitation reforms should be aware of the shifting needs and special requirements of cross border e-Commerce.

Policy makers who aim at fostering cross-border e-Commerce should keep in mind the key role trade facilitation in this endeavor.
However, recent UNCTAD research shows that NTFCs are not taken any decisions or actions related to cross-border e-commerce.
African NTFCs are the less probable to take a decision or action to facilitate cross-border e-commerce.
The Key Role that National Trade Facilitation Committees could be playing

There is a lack of awareness on the relationship of trade facilitation and e-commerce

Cross-border e-commerce is not considered in the mandate of the NTFC

Why did the NTFC not take any decisions or actions related to cross-border e-commerce taken?

- There is a lack of awareness on the relationship between cross-border e-commerce and trade facilitation: 28%
- Cross-border e-commerce is not considered in the mandate of the NTFC: 36%
- It was not considered a priority: 13%
- It was not considered relevant at this stage: 23%
The Key Role that National Trade Facilitation Committees could be playing

The national postal services are never a member of the NTFC

... and this need to change
Statement n° 3

There is a need to support cross-border trade beyond the WTO Trade Facilitation Agreement.
Further than the Agreement

Establishing *De Minimis* regimes and promoting their mutual recognition at regional and international levels:
- Limit lists of goods
- Annual transaction threshold per person

*Integration of customs taxes and duties through the major selling platforms*

*Collection of customs duties and taxes by logistics providers (such as the postal services)*
CONCLUSION

WTO Trade Facilitation Agreement is an enabler of cross border e-Commerce per se.

There is scope for further trade facilitation reforms, specifically focused on e-Commerce transactions.

Implementing the WTO Trade Facilitation Agreement is no doubt beneficial to e-Commerce, yet decision makers should not lose track of other possible measures to facilitate cross-border e-commerce.
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