Multilateral Negotiations on Trade Facilitation

By
Azhar Jaimurzina
Economic Affairs Officer, Trade Facilitation Section
Trade Logistics Branch
Division on Technology and Logistics
UNCTAD

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
Multilateral negotiations on trade facilitation

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)

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

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

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
- Consultarization
- Border Agency Cooperation
- Declaration of Transhipped or in Transit Goods
- Formalities Connected With Importation And Exportation
- Freedom of Transit
- Customs Cooperation
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 maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of provisions of this Agreement.

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
Multilateral negotiations on trade facilitation

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

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

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.

- Reasons for the lack of implementation: the lack of resources but also the legal issues.

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 154,000,000.

- 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

Trade Logistics Branch
Division on Technology and Logistics

www.unctad.org/TTL
www.unctad.org/RMT
www.unctad.org/TransportNews