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**Coordination and digitalization as a
means to accelerated and climate-smart
trade facilitation**

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**Trade facilitation agreement
– what next?**

Statement by

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Trade facilitation agreement – what next?

Good morning and, first of all, let me express my gratitude to UNCTAD for the kind invitation to talk in today's agenda item.

If you participated in the 2022 Multi-year Expert meeting, you might recognize me. I was the Vice-Chair of that meeting. I have been recently elected Chair of the WTO Committee on Trade Facilitation for the period 2023- 2024. I am happy to be part of a group of people that is very much involved in this topic, this is very motivating.

I must recognize that “what is next for the WTO Trade Facilitation Agreement” is a very interesting question.

To begin with, and as you may have heard in the last couple of days, trade facilitation is the “*simplification, modernization and harmonization of import and export processes*”. Nevertheless, we are aware that “*trade*” has evolved and continues evolving in order to adapt to new scenarios and new challenges.

If “*trade*” is evolving, my natural conclusion is that TFA has to evolve as well. Therefore, in today's world, trade has to be not only faster and easier, but sustainable and resilient too.

Allow me to share some of my views not only as Chair of the WTO Committee on TF, but also as the Ecuadorian delegate to that Committee for the past 4 years.

The TFA is a base line, and not a finish line in itself. Our task is not done with the implementation of the Agreement. Once we achieve that goal, we should keep a close eye on the evolution of trade and adapt to an ever-changing international scenario.

But before sharing my thoughts on what is next for the TFA, I think we should fully acknowledge “what's happening now” with the Agreement. The current global rate of implementation commitments at 76% is a welcome and encouraging situation. However, in order for us to build on that, it is important that the implementation challenges faced by developing and least developed and landlocked developing countries are addressed.

I know that there have been earlier sessions which discussed implementation challenges. Nevertheless, I would like to underline the issue of technical assistance gaps, closely related to the implementation of category C provisions. This is an issue the WTO Committee on Trade Facilitation is working on and in which I have a particular interest, given the fact that several WTO Members have requested – and are requesting - extensions to their implementation deadlines due to the lack of TA and capacity building.

We should pay close attention to this matter so we make sure that we do not unintentionally increase gaps and - most importantly - that “no one is left behind”.

I believe we can see that working in silos - focusing only on the TFA implementation challenges or only on future opportunities - has not been the best approach up to now. , We tend to follow a path where we focus our attention on one element and yet we have proven time and time

again that we cannot find long term solutions if we stare at one tree and forget about the forest. We need to keep all the relevant elements at sight.

Now, going back to “what’s next on TFA” I will divide my intervention in 2 parts: 1) what I see from the international point of view and, 2) the perception from the National perspective.

From the international standpoint, I believe that trade facilitation has a very good reputation, which was particularly enhanced during the pandemic COVID19. And this good name is the result of the hard work on many fronts: at the WTO, NTFCs, international organizations, private sector, academia, etc.

Because of this, it is not a surprise that trade facilitation is seen as a helpful resource to face several of our world crisis and common challenges. Among them, environmental issues such as climate change, [resilient] reliant value chains, disaster preparedness or women’s economic empowerment. Additionally, we see some opportunities and areas of further work, for example, digitalization, eTrade and support to MSMEs.

And with all these topics, it is very important to have a common understanding of what are the links with trade facilitation.

On environmental issues, there are 2 aspects to consider: how trade facilitation can support environmental goals, and also how environment related measures can affect trade and trade facilitation.

On one hand, TF can support the commercialization of environment friendly goods in a sustainable manner. On the other hand, the reduction of gas emissions and other related measures to transport, for example, can have an impact on how we facilitate trade. We will need to adapt and be creative if, as I mentioned before, we want to keep up with a trade that is faster and easier, as well as sustainable.

If COVID19 taught us anything it is that we need to be prepared. Trade facilitation has an important role to play in building resilient value chains and this is an assessment that is still going on.

In this regard, I remember last year we discussed about changing our mind sets from “just in time” to “just in case”, which is a very interesting inflection point. On the same note, trade facilitation has another important role to play in disaster preparedness since we are increasingly exposed to natural disasters, global health crisis, etc. [There have been discussions on the role of trade facilitation in disaster preparedness on the margins of TF Committee meetings this year.] Therefore, it is relevant to know what measures can be implemented to make sure that humanitarian aid and donations arrive in a timely manner under conditions of utmost stress.

Regarding women’s economic empowerment: TFA was designed as a gender-neutral agreement. Nevertheless, we know that women in trade are affected differently than men. Here, I would like to highlight the work UNCTAD has done about this issue. If we talk about smart choices, closing the gender gap is a smart decision. If our aim is to achieve our development goals (at national or international level), it makes sense to support a very significant segment of our economically active population.

Digitalization of processes, such as the e-bill of lading, has a huge potential as well as the interoperability and interconnectivity among countries, particularly, customs agencies. Here we face several challenges – in the realm of technical capacities and national resources - that need

to be addressed and discussed in more detail. I should also mention the digitalization of the economy itself and the increasing eTrade activity, where it is clear that TF is a key pillar in what is becoming one of the most common ways to trade. Nevertheless, specific particularities need further discussion.

And I would like to dedicate one more thought to MSMEs. According to some analysis, we have observed that big companies and firms are benefiting from TFA much more than MSMEs. How we can improve this situation is a matter for deeper consideration since all the previous issues (trade related environmental measures, resilient value chains, digitalization, eTrade, gender gap) have a different impact when we talk about MSMEs.

Now, I will briefly refer to the national perspectives, I have been part of very interesting conversations on what some people refer to “TFA plus” based on the work that their NTFCs are doing. There is a lot of experience and a lot of feedback that these Committees are accumulating. By working on the implementation of one provision, these NTFCs have identified ways to make this work better, but these outputs are not category A, B or C provisions. I think this is a very interesting area of future work for the TFA, and how the specific needs of a country can be supported. This is a clear example of why the TFA is a base line for facilitating trade.

And one last thought before concluding.

We know that many countries are facing infrastructure constraints related to trade facilitation, where further support is required, and which goes beyond the TACB that donors and development partners can provide.

More clearly, countries need investment to solve these constraints. Therefore, it might be possible to build some synergies between trade facilitation and the current momentum in investment facilitation. There is a call for investment related to trade facilitation and we should explore this issue more deeply.

Thank you very much, I will stop here and I will be happy to answer any questions.