

NON-TARIFF MEASURES WEEK
NTMs: The Good, the Bad, and the Ugly

14-15 October 2019

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

by

**Arántzazu Sánchez,
Economic Affairs Officer, Trade Facilitation, UNCTAD**

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

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

Arántzazu Sánchez, Arantzazu.Sanchez@un.org
Economic Affairs Officer, Trade Facilitation, UNCTAD



UNITED NATIONS
UNCTAD

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

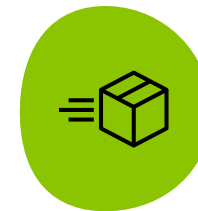
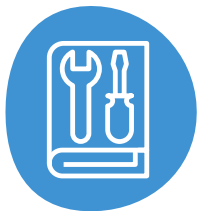
Spread of e-Commerce

→ 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 grow twice the rate of domestic e-Commerce



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

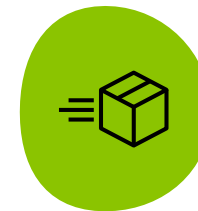
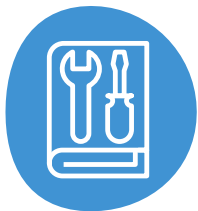
→ the improvement of enabling technologies,

→ increasing demand from consumers

Cross-border B2C e-commerce by value of merchandise exports amounted to an estimated \$412 billion in 2017

Cross-border e-commerce is expecting to grow twice the rate of domestic e-commerce

Are the provisions of the Trade Facilitation Agreement 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**



If it is good for cross-border trade, it is good for cross-border e-Commerce

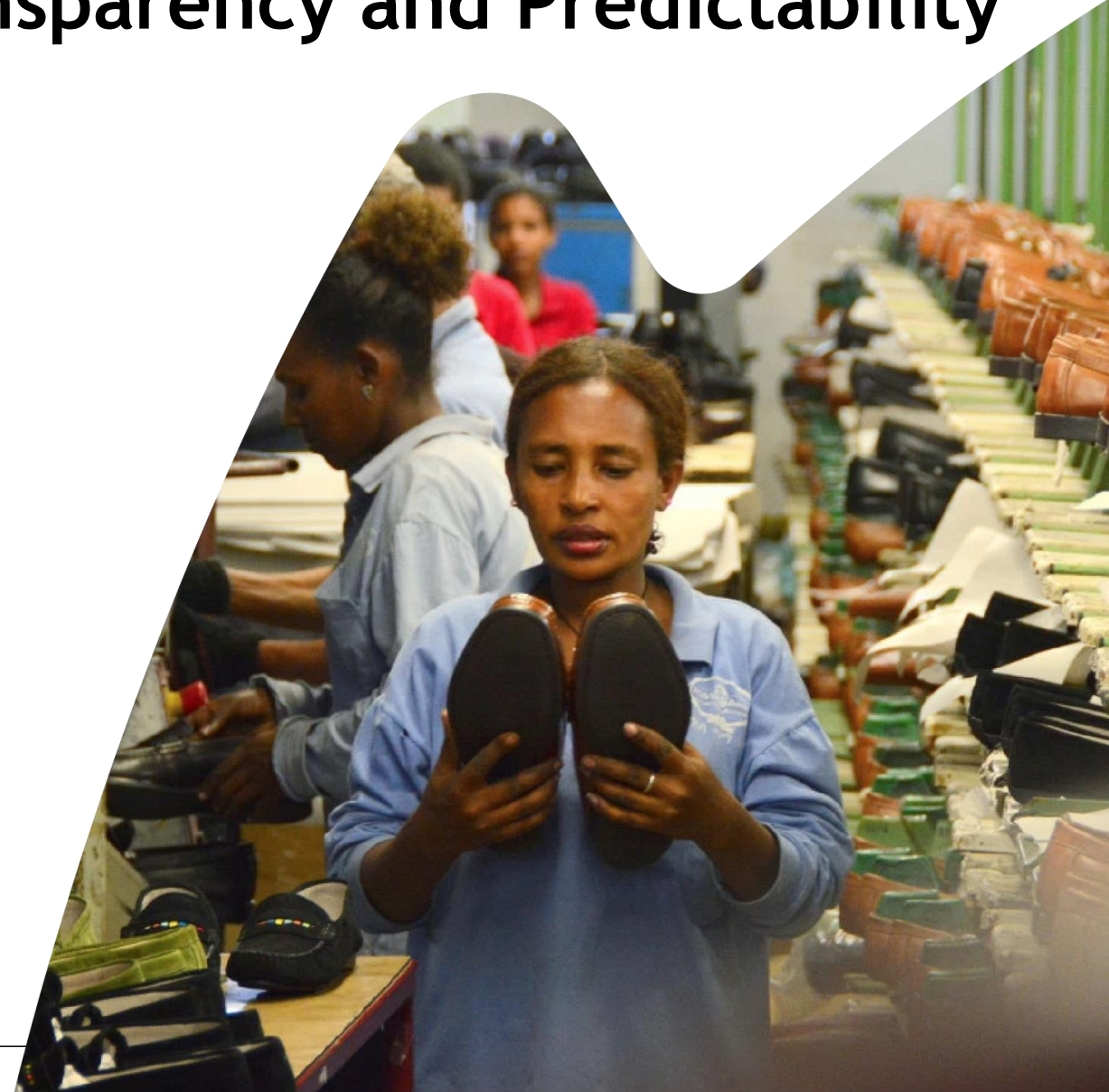
E-Commerce users



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





If it is good for cross-border trade, it is good for cross-border e-Commerce

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.

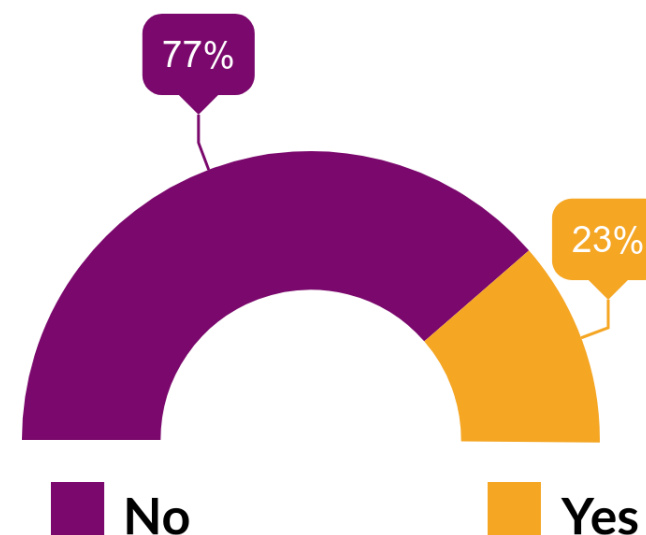
Policy makers who aim at fostering cross-border e-Commerce should keep in mind the key role trade facilitation in this endeavor



The Key Role that National Trade Facilitation Committees could be playing

However, recent UNCTAD research shows that NTFCs are not taken any decisions or actions related to cross-border e-commerce

Has the committee ever taken any decision or action to facilitate cross-border e-commerce?

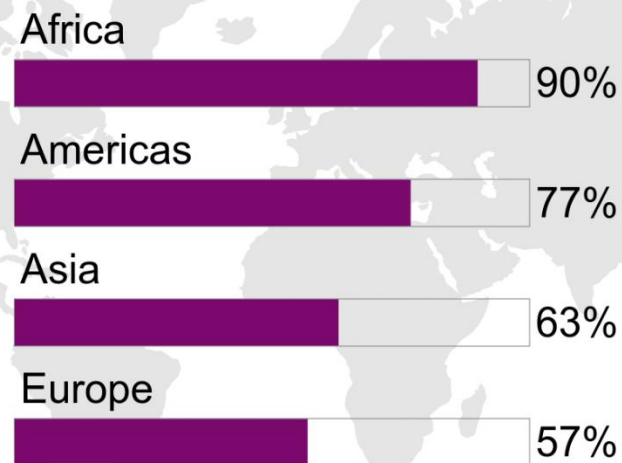


The Key Role that National Trade Facilitation Committees could be playing

African NTFCs are the less probable to take a decision or action to facilitate cross-border e-commerce

Has the committee ever taken any decision or action to facilitate cross-border e-commerce?

Countries that answered "no" by region

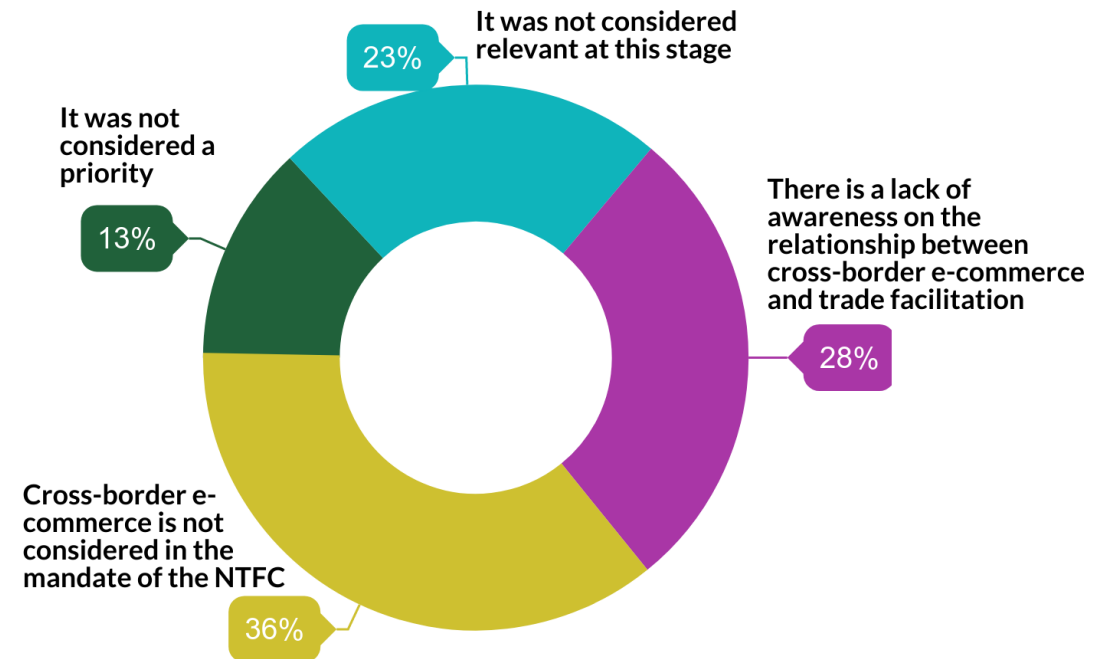


The Key Role that National Trade Facilitation Committees could be playing

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?



2 NTFCs 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



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

Do you want to know about Trade Facilitation?
Visit us: <https://unctad.org/tf>

Arántzazu Sánchez, Arantzazu.Sanchez@un.org
Economic Affairs Officer, Trade Facilitation, UNCTAD



UNITED NATIONS
UNCTAD