



# A public-private partnership for trade-led growth

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**WTO Trade Facilitation Agreement: Private sector expectations**

Borderless Alliance Conference | 11 May 2017

## PRESENTATION ROADMAP

1. **Overview:** What is the WTO Trade Facilitation Agreement (TFA)?
2. **Impact:** Why does the TFA matter?
3. **Business expectations:** where are the priorities for the private sector?
4. **Introduction** of the Global Alliance for Trade Facilitation

## OVERVIEW | WTO TRADE FACILITATION AGREEMENT

- The World Trade Organization's members agreed the landmark Trade Facilitation Agreement at the Ministerial Conference in Bali, Indonesia in December 2013.
- First agreement concluded by all WTO members since its inception in 1995.
- The TFA came into force in February 2017 following the national ratification by two-thirds of members.
- All ECOWAS countries are WTO members.



## OVERVIEW | TFA RATIFICATION IN WEST AFRICA

- **118 of 164** WTO member countries have ratified (72%)
- **In ECOWAS, 8 countries have ratified:** Cote d'Ivoire, Ghana, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo
- **While 7 countries have not yet ratified:** Benin, Burkina Faso, Cabo Verde, Gambia, Guinea, Guinea-Bissau, and Liberia
- Ratification by national parliaments is critical to ensure **political support for implementation**





## OVERVIEW | TFA PROVISIONS

The TFA contains 12 articles which include 36 provisions for **expediting the movement, release and clearance of goods**, including goods in transit



**ARTICLE 1**  
Publication and Availability of Information



**ARTICLE 5**  
Other measures to enhance impartiality, non-discrimination and transparency



**ARTICLE 9**  
Movement of goods intended for import under customs control



**ARTICLE 2**  
Opportunity to comment, information before entry into force and consultations



**ARTICLE 6**  
Disciplines on fees and charges imposed on or in connection with importation and exportation and penalties



**ARTICLE 10**  
Formalities connected with importation, exportation and transit



**ARTICLE 3**  
Advance Rulings



**ARTICLE 7**  
Release and Clearance of Goods



**ARTICLE 11**  
Freedom of transit



**ARTICLE 4**  
Procedures for appeal or review



**ARTICLE 8**  
Border Agency Cooperation



**ARTICLE 12**  
Customs Cooperation

## OVERVIEW | TFA NOTIFICATION

- Developing and LDC WTO members can benefit from more time and technical assistance for implementation of the TFA.
- To benefit, each member must **categorize each provision** and notify other WTO members of these categorizations:
  - **Category A:** Provisions that the Member will implement by the time the Agreement enters into force (one year later for LDCs).
  - **Category B:** Provisions that the Member will implement after a transitional period following the entry into force.
  - **Category C:** Provisions that the Member will implement on a date after a transitional period and requiring capacity building.
- Only 5 ECOWAS countries have submitted Cat A notifications, none have submitted B or C (Burkina Faso, Cote d'Ivoire, Ghana, Nigeria and Senegal).

## OVERVIEW | TFA NOTIFICATION FOR BURKINA FASO

- Burkina Faso has notified 6 provisions under Category A which it has committed to have in place by 22 February 2018:
  - Art 5.2 Detention
  - Art 7.3 Separation of release
  - Art 9 Movement of goods
  - Art 10.6 Use of customs brokers
  - Art 10.7 Common border procedures
  - Art 10.8 Rejected goods
  - \*Art 11 Transit (partially)





## THE WTO'S TRADE FACILITATION AGREEMENT (TFA)

### IN NUMBERS - THE TFA PRIZE

**20 MILLION  
NEW JOBS**  
the vast majority  
in developing and  
least-developed  
economies



Average  
**REDUCTION  
IN TRADE  
COSTS**  
for WTO members  
**OF 14.3%**



Potential  
**BOOST**  
to developing  
country exports of  
up to **USD\$730  
BILLION**  
per year

**GREATER  
IMPACT**  
on global GDP  
than the elimination  
of all tariffs







## THE GROWING IMPORTANCE OF TRADE FACILITATION

**7%** of the  
**GLOBAL VALUE  
OF TRADE**  
is **ABSORBED**  
by the **COSTS OF  
DOCUMENTS** alone

**90%** of the **TRANSIT  
TIME** for air cargo  
is **SPENT NOT  
MOVING, BUT  
WAITING  
TO MOVE**

In Africa, **REVENUE  
LOSSES** from  
**INEFFICIENT  
BORDER  
PROCEDURES**  
**EXCEED 5%** of GDP

### HOW EASY IS IT TO EXPORT AND ACCESS GLOBAL MARKETS?

Singapore:

12 hours, USD\$335

South Asia:

61 hours, USD\$376

Sub-Saharan Africa:

108 hours, USD\$542



## IMPLEMENTING THE TFA – THE ROLE OF BUSINESS

**TFA ARTICLE 23:**  
encourages  
multi-stakeholder  
approach to  
implementation  
through national committees  
on trade facilitation.

**EFFECTIVE TRADE  
FACILITATION REFORMS:**  
must understand  
how business models  
and supply chains operate  
in practice.

**BENEFIT FROM  
BUSINESS EXPERTISE:**  
identify challenges  
and cost-effective  
opportunities.

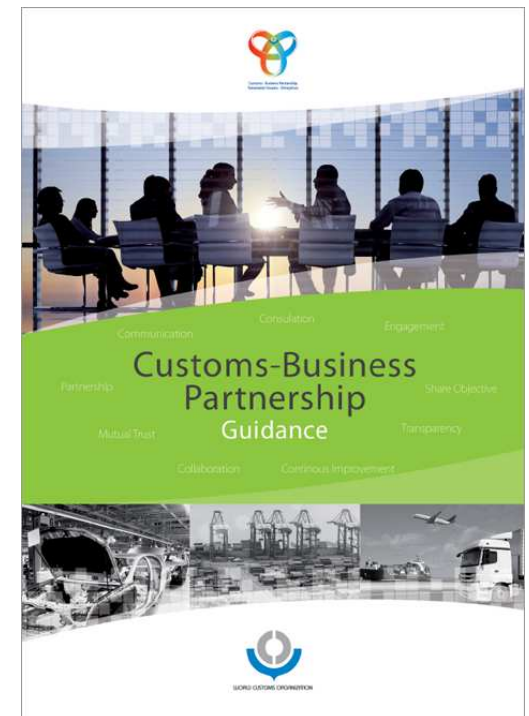
**A WIN-WIN SITUATION:**  
governments and business have the same objective  
to increase trade and economic growth.



## BUSINESS EXPECTATIONS | AMBITIOUS REFORM

1. **Going for gold** – moving beyond ‘best endeavor’ to the international frontier to ensure maximum benefits for businesses, large and small
2. **Coherent and coordinated implementation** across countries to support regional integration
3. No need to reinvent the wheel – **using international best practices and tools** to drive real results for business

([www.tradefacilitation.org/resource-portal](http://www.tradefacilitation.org/resource-portal))



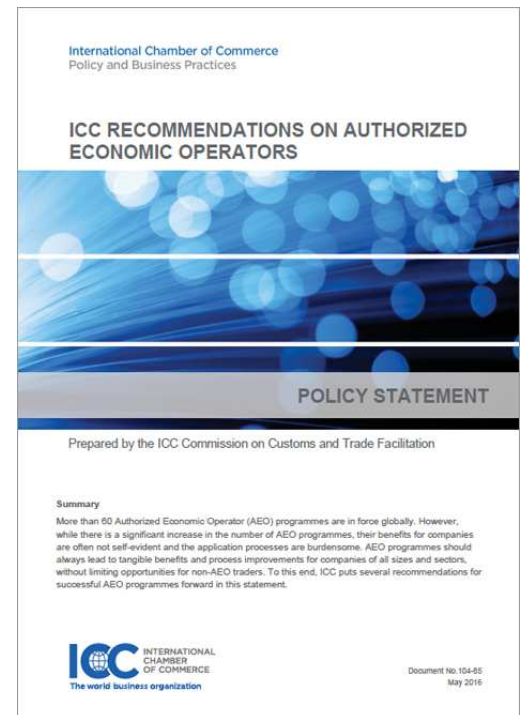
## BUSINESS EXPECTATIONS | MEANINGFUL ENGAGEMENT

4. More proactive government **engagement and education** of the private sector on the TFA reform process
5. The private sector NTFC representation should be used as a **platform for creating awareness** among the broader business constituencies
6. NTFC **technical sub-committees** can be an effective way to engage with **business expertise** on specific topics (e.g. pre-arrival processing or risk management)
7. Encourage **active and meaningful role** of both businesses and private sector organizations, especially those with relevant expertise
  - ❖ Nominate private sector as Co-Chairs (e.g. Kenya Private Sector Alliance)
  - ❖ Encourage observers
  - ❖ Be transparent in the NTFC selection process



## BUSINESS PRIORITIES | AEO PROGRAMS

- Moving from importer-only Authorized Operator (AO) to **more comprehensive Authorized Economic Operator program** based on common WCO SAFE framework
- Adoption of this framework would be key step towards **AEO mutual recognition**, a priority for business
- AEO status should be **acknowledged by all relevant border agencies**
- AEO programmes must **lead to tangible benefits and process improvements** to attract participation by companies of all sizes and sectors



## BUSINESS PRIORITIES | CUSTOMS VALUATION

- Valuation databases should **only be used for risk assessment** as per the WCO Technical Committee on Customs Valuation guidelines.
- Greater use of **advance rulings** and **post-entry audit** to prevent fraud and to ensure that the Customs value of imported goods is properly ascertained
- Promote use of **'green lane'** programs for formal traders
- Establish and strengthen **customs-business partnerships**

International Chamber of Commerce  
Policy and Business Practices

### THE MISUSE OF CUSTOMS VALUATION DATABASES

POLICY STATEMENT

Prepared by the ICC Commission on Customs and Trade Facilitation

#### Summary

ICC is concerned about the increasing number of countries that use Customs valuation databases in violation of the WTO regulations by setting reference or minimum prices for import declarations. Cross-border traders are confronted with increased delays, uncertainty and higher trade costs. This policy statement cites several examples and provides recommendations for a way forward.



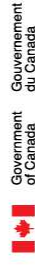
# GLOBAL ALLIANCE FOR TRADE FACILITATION

## A UNIQUE PLATFORM FOR PUBLIC-PRIVATE COOPERATION

### Host organizations



### Supported by



### Mission

Leverage private sector expertise and leadership to accelerate implementation of ambitious and commercially meaningful trade facilitation reforms to create broad-based opportunity, economic growth and development.





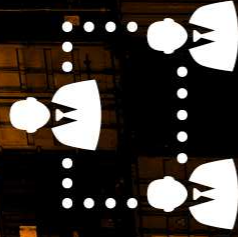
## WHAT WILL THE ALLIANCE DO?



**BUILD  
UNDERSTANDING OF  
THE BENEFITS OF  
TRADE FACILITATION  
WITHIN BOTH THE  
PUBLIC AND PRIVATE  
SECTORS**



**ESTABLISH  
SUSTAINABLE  
MULTI-STAKEHOLDER  
DIALOGUES ON  
TRADE FACILITATION**



**MOBILIZE  
PUBLIC-PRIVATE  
PARTNERSHIPS TO  
DRIVE CHANGE,  
ENGAGING LOCAL  
BUSINESSES  
AND ASSOCIATIONS**



**PROVIDE TECHNICAL  
ASSISTANCE IN  
SUPPORT OF  
CAPACITY BUILDING  
IN DEVELOPING  
COUNTRIES/  
EMERGING MARKETS**



**BENCHMARK AND  
EVALUATE TRADE  
FACILITATION  
REFORM BASED  
ON ESTABLISHED  
BUSINESS METRICS**





## HOW CAN COMPANIES SUPPORT THE ALLIANCE?



SERVE AS  
A SPOKESPERSON  
FOR TRADE  
FACILITATION AT THE  
INTERNATIONAL AND  
COUNTRY LEVEL



MAKE THE CASE  
FOR PUBLIC-PRIVATE  
COOPERATION TO  
ACHIEVE EFFECTIVE  
AND COMMERCIALY  
MEANINGFUL TRADE  
REFORMS



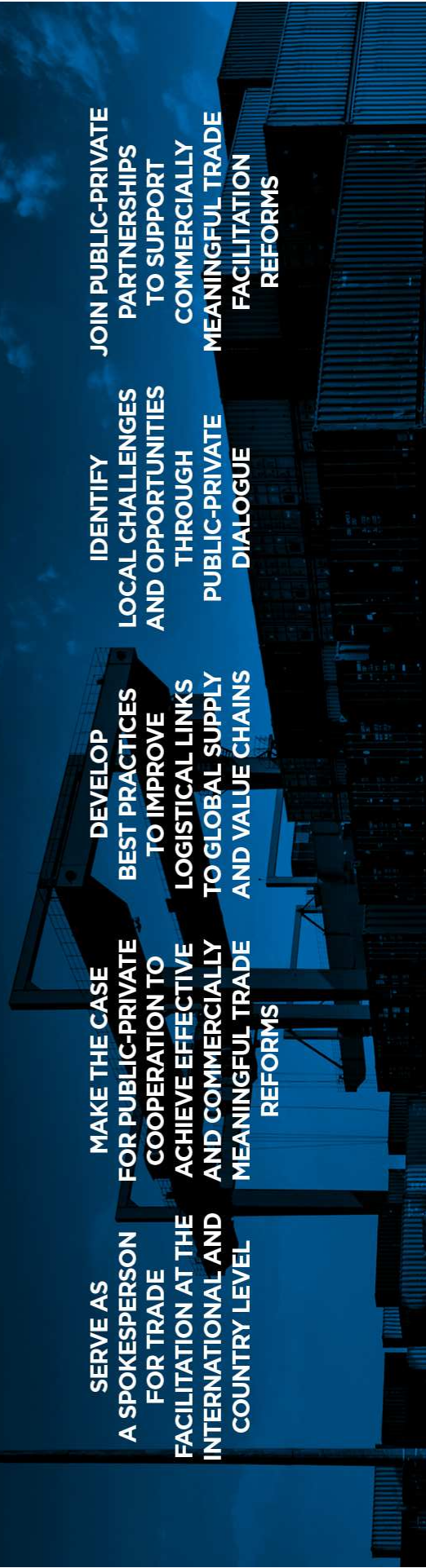
DEVELOP  
BEST PRACTICES  
TO IMPROVE  
LOGISTICAL LINKS  
TO GLOBAL SUPPLY  
AND VALUE CHAINS



IDENTIFY  
LOCAL CHALLENGES  
AND OPPORTUNITIES  
THROUGH  
PUBLIC-PRIVATE  
DIALOGUE



JOIN PUBLIC-PRIVATE  
PARTNERSHIPS  
TO SUPPORT  
COMMERCIALY  
MEANINGFUL TRADE  
FACILITATION  
REFORMS





**GLOBAL ALLIANCE  
FOR TRADE FACILITATION**

**FOR MORE INFORMATION**

**Website: [www.tradefacilitation.org](http://www.tradefacilitation.org)**

**Email: [info@tradefacilitation.org](mailto:info@tradefacilitation.org)**

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