Fifth Meeting of Trade Ministers of LLDCs

Implementing the Trade Facilitation Agreement: Current State and Road Ahead

Nora Neufeld, WTO
Geneva, 24/6/16
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Bali Ministerial

- Concluded negotiations
- Set out implementation map
- Mandated preparatory work
Establishment of Preparatory Committee

Tasks

Specific
- Conduct legal review
- Receive category A notifications
- Prepare protocol of amendment

Broad
- Ensure expeditious entry into force of the TFA and prepare for its efficient operation
Legal Review

☑ Completed in Apr/Jul 2014

- Minor adjustments to the Bali text
- Final text issued in WT/L/931
Adoption of Amendment Protocol (Nov. 2014)
opened door for ratification process to commence
Multi-step process towards entry into force
Ratification → Notification of acceptance → Entry into force
Ratification
Domestic process
Art. X:3 Marrakesh requires acceptance by 2/3 of all WTO Members for TFA to enter into force.
Notification of acceptance
INSTRUMENT OF ACCEPTANCE
OF THE PROTOCOL AMENDING THE MARRAKESH AGREEMENT ESTABLISHING
THE WORLD TRADE ORGANIZATION

Whereas the Protocol Amending the Marrakesh Agreement Establishing the World Trade Organization ("the Protocol") was done at Geneva on 27 November 2014 (WT/L/940);

And whereas, in accordance with its paragraph 4, the Protocol shall enter into force in accordance with Article X:3 of the Marrakesh Agreement Establishing the World Trade Organization;

Now therefore, I, [name of signatory], [where applicable: head of state, head of government or minister of foreign affairs] of [Member], do hereby formally declare that [Member] accepts the aforementioned Protocol and undertakes faithfully to perform and carry out the stipulations therein contained.

In witness whereof, I [name and title of signatory] have signed this Instrument of Acceptance, at [place] on this [day] of [month] in the year [year].

[Signature, title and seal]
83 Instruments of Acceptance deposited
Acceptances: Timeline

No. of Ratifications
Cumulative no.

Month: January 2015 to June 2016
Ratification by LLDCs

- Ratified: 64%
- Not Ratified: 36%
Ratifications by LLDCs

- Botswana
- Kazakhstan
- Lao PDR
- Lesotho
- FYR Macedonia
- Mali
- Niger
- Paraguay
- Zambia
Already over 75% received
How do we get the rest
No magic wand...
Great encouraging development!
Considerable number of notifications
Category A notifications

87
A, B, C notifications by LLCS

- 44% Notified
- 56% Not notified
Transit coverage in category A notifications

- Art. 11 covered: 79.3%
- Art. 11 not covered: 20.7%
Expected impact
New momentum
Common direction
Sustainability
New enforcement perspectives
Expected benefits
A few figures.....

Full implementation of the TFA has ability to:

- reduce trade costs by average of 14.3% (= more than the elimination of all remaining applied MFN tariffs)

Source: WTO, World Trade Report 20
Even higher reduction for landlocked countries: 15.4% (19.3 for manufactured goods and 11.7% for agricultural products)

Source: WTR 201
reduces time to import by over a day and a half (a 47% reduction over the current average) and to export by 2 days (a 91% reduction over current average)

Source: WTR 201
Particular benefits for SMEs

- Increased participation in trade
- Improved entry into export markets

Smaller firms are more likely to export and to increase their export shares than large firms when time spent to clear exports is reduced

Source: WTO WTR 2015
IV. Protocol of Amendment

WTO members adopted on 27 November 2014 a Protocol of Amendment to insert the new Agreement into Annex 1A of the WTO Agreement. The Trade Facilitation Agreement will enter into force once two-thirds of members have completed their domestic ratification process.

- How to accept the Protocol of Amendment to insert the WTO Trade Facilitation Agreement into Annex 1A of the WTO Agreement

Background information for Members on procedures.
Trade Facilitation Agreement Facility

The Trade Facilitation Agreement Facility (TFAF) is aimed at providing support to developing and LDC Members implementing and benefiting from the Trade Facilitation Agreement. The objective of this Agreement is to boost trade by expediting the movement, release and clearance of goods across borders.
IN ACCORDANCE WITH THE PROVISIONS OF THE TFA, MEMBERS ARE REQUIRED TO MAKE A SERIES OF NOTIFICATIONS TO THE WTO.