



## **World's vulnerable economies expected to boost trade as major global agreement comes into force**

### **Press Release**

New York, 23 February 2017 – Significant benefits in trade to and from vulnerable countries are anticipated after The World Trade Organisation's Trade Facilitation Agreement (TFA) came into force on 22 February 2017.

The TFA's entry into force was confirmed after securing four more ratifications culminating in the required two thirds acceptance of the agreement by its 164 members. It is expected that the agreement will bring about significant benefits in trade for developing countries, including the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, through measures to reduce trade costs and delays including expediting the passage of goods and the streamlining of border procedures. The WTO has estimated that the TFA could reduce trade costs between 9.6 and 23.1 per cent for its members worldwide. This translates to export gains of between \$750 billion and \$1 trillion.

Landlocked developing countries are expected to see an average estimated reduction in trade costs of 15.4 per cent. The world's 48 least developed countries now also anticipate an increase of 13-36 per cent in the export of traditionally exported products such as garments and agricultural products to existing markets.

The agreement is expected to improve export diversification by enhancing capacity to participate in global value chains, lower the entry barriers for small firms to join international markets and enhance customs cooperation. The TFA will also strengthen the delivery of technical assistance and capacity-building support for developing countries.

“The Trade Facilitation Agreement's coming into force presents important opportunities to use trade as an engine for development and ensure inclusive and sustainable economic growth in the world's vulnerable economies,” said Gyan Chandra Acharya, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. “This will also foster an enabling environment for strong public, private partnerships in these countries and allow the informal sector to join the formal sector in boosting economic activity at the national, regional and global level.”

It is expected that the TFA's entry into force will help strengthen efforts by vulnerable countries to effectively implement the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda which acknowledge that international trade contributes to the promotion of sustainable development and is vital for inclusive economic growth and poverty reduction. Similarly the TFA could complement the respective programmes of action for Least Developed Countries, Landlocked Developing countries and Small Island Developing States.

UN-OHRLLS has also advocated for the ratification of the TFA and other transit and transport agreements. Given the critical importance of enhancing the trade potential of vulnerable economies, the office has encouraged the coherence of UN system support together with international financial and trade institutions and built capacity to ensure the fuller integration of vulnerable economies in regional and world markets.

For more information: [www.unohrlls.org](http://www.unohrlls.org)

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