

**EVENT: ENHANCING COOPERATION ON INTERNATIONAL TRADE AND TRADE FACILITATION
MARCH 8, 2017, 9:00 – 10:45 AM, SHERATON HOTEL, HA NOI, VIET NAM**

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GROUP**

- Your Excellencies, ladies and gentlemen, it's an honor to be speaking on this panel on such an important topic.

- Trade facilitation is important because it can have a major effect on reducing trade transaction costs. The goal of trade facilitation is to have Fast, Fair, Predictable, and Transparent processing and clearance of imports and exports, at lowest transaction cost to the trading community – thus reducing time and cost and increasing predictability.

- A major milestone for the global trading system was reached only a few weeks ago (on February 22) when the first multilateral deal concluded in the 21-year history of the World Trade Organization – the Trade Facilitation Agreement – which entered into force by obtaining the two-thirds acceptance of the agreement (110 members), from WTO's 164 members.
 - The entry into force of the TFA is a remarkable achievement and the World Bank Group strongly supports the TFA as a global effort to reduce trade costs and help countries connect to the global economy. This is particularly relevant for low-income countries and LLDCs where trade costs are on average three times higher than those of advanced economies.

- The TFA is closely linked with the Bank's twin goals of eliminating extreme poverty and boosting shared prosperity. By boosting global trade and expediting the movement, release, and clearance of goods, including goods in transit, the TFA has huge potential to reduce trade costs and raise incomes.
- So how is the World Bank Group supporting LLDCs and transit countries in this area? We are supporting countries' efforts to reduce trade costs and improve connectivity of LLDCs to the global economy through main coastal trade gateways, facilitating the regional trade of LLDCs with neighbors. We are doing this with a focus on small-scale trade which is of particular importance to land boards, supporting the diversification agenda of the economies, and supporting improvements in logistics services and trade-facilitation-related issues.
- The central vehicle for the Bank Group's support has been the Trade Facilitation Support Program, which was launched in June 2014 and co-financed by Australia, Canada, the European Union, Norway, Switzerland, the United Kingdom, and the United States. Since its launch, over 60 countries have reached out for technical assistance and support to implement the TFA. To date, World Bank Group teams have met with several dozen interested countries and have begun working directly with 32 countries, including Vietnam and other countries in the East Asia and Pacific region.
 - A key feature of the TFSP has been its focus on assisting countries to design practical reform strategies, including the development of

detailed reform sequencing plans that are consistent with country priorities, available resources, and local implementation capacities.

- Early results achieved by the TFSP are promising. For example, Lao PDR has launched a trade information portal with the aim of increasing transparency and predictability and ultimately boosting trade, investments, and growth in its economy. The portals utilize a generic software platform developed by the World Bank Group that is populated with information in an easily searchable form and provides all regulatory information on cross-border trade, including laws, regulations, prohibitions, restrictions, technical standards, applicable tariffs, fees, procedures for license and permit application and clearance, copies of all forms, and plain language instructions.
 - The trade portals also enable traders to see, in response to a single query, all the obligations they need to comply with in order to import or export a specific product. The launch of the trade portal is a step towards further alignment with the WTO TFA that requires countries to publish trade-related information in an easily accessible and transparent manner. It will also assist traders and investors in complying with regulatory requirements associated with the importation and exportation of goods.
- The TFSP is also supporting the efforts of Timor Leste, Cambodia, and Mongolia to undertake Time Release Studies that help identify key bottlenecks that impact the time it takes for goods to move across borders. Hard data on trade facilitation performance matters. As a result of data

obtained through these studies, Timor Leste has reduced clearance times by 40 percent.

- Further to the TFSP, the World Bank Group is investing in LLDCs and their transit partners around the world. For example, we are enhancing cooperation in trade and trade facilitation in the Great Lakes region, and enhancing existing customs modernization activities in Lao PDR. We are also promoting deeper economic integration between the Western Balkans and EU through a reduction in cost and time to trade and transport, while building better predictability of the trade and transport regimes
- What we have learned from this experience is that it requires a great deal of coordination, not only by donors who will need to work very closely together, but also by developing countries themselves. Governments are tasked not only with careful planning and coordination between various agencies involved in trade facilitation, but also with the private sector. Success comes only when the public and private sectors work together.
- Further, while individual reforms such as these are very positive and deliver immediate benefits to the trading community, global experience suggests that realizing sustainable trade facilitation gains requires comprehensive “whole-of-border” reform initiatives and effective cooperation, information sharing, and genuine collaboration among all border management agencies.
- It is therefore important that all border management agencies work together to develop a common vision and a well-sequenced series of reform priorities and actions.

- Now that the TFA has entered into force, there will be a new momentum behind efforts to implement it fully and effectively – and the World Bank Group stands ready to be a central part of this effort.
- Thank you.