



HIGH-LEVEL MEETING FOR THE EURO-ASIA REGION ON IMPROVING COOPERATION ON TRANSIT, TRADE FACILITATION AND THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

SESSION 3: ENHANCING COOPERATION ON INTERNATIONAL TRADE AND TRADE FACILITATION

I would like to thank OHRLLS for inviting WTO to participate in this important high-level meeting; WTO is very honoured to be here.

Obviously one of the best ways to promote the speedy implementation of the TFA is through its ratification. The good news here of course is that the Agreement has entered into force on 22 February. This means that the agreement took effect for those members who ratified the protocol. So those developed members that have ratified will have to implement all of the obligations in the agreement while developing countries and LDCs have to implement those provision they have included in their Category A notifications.

So far a total of 113 members have deposited their instruments of acceptance, this is excellent progress if we considered that the agreement has only been open for ratification for just a couple of years. This includes ratifications from 16 LLDCs. However, I have to say that for LLDCs in the region there is some room for improvement as we have only received the ratifications from Afghanistan, Lao, Mongolia and Nepal to which we can add the Former Yugoslav Republic of Macedonia in Europe.

When it comes to transit countries we have received 21 instruments of acceptance. For the region the picture is also very good as we have received instruments from Bangladesh, Cambodia, China, India, Myanmar, Pakistan, Thailand and Vietnam.

It is also important to remember that as part of the process of implementation developing country members have been submitting notifications of their Category A commitments, which as I said are those measures that they are ready to implement or will implement once they have ratified it. To provide further answer the question of how can the LLDCs and transit countries work together to promote implementation TFA we can look at how 3 key commitments in the TFA are being treated in the

Category A notifications. Those 3 provisions are: Article 11 on Freedom of Transit; Article 8 on Border Agency Cooperation; and Article 12 on Customs Cooperation.

So far, WTO has received 93 notifications of Category A commitments, including 17 from LLDCs. Those 17 LLDC notifications tell us that only 3 would be ready to implement Article 8 on Border Agency Cooperation fully and 2 partially, and 7 would be ready to implement fully Article 12 on Customs Cooperation. And when it comes to the transit measures in Article 11, 6 LLDCs would be ready to fully implement them while 3 could do so partially.

It is also interesting to note that 30 notifications have been presented by transit countries where 7 of them inform that they are fully ready to implement Article 11 on Freedom of Transit, while another 8 are ready to partially implement it. When it comes to the 2 articles on cooperation 7 would be ready to fully implement Article 8 on Border Agency Cooperation, and 1 partially; while 9 report that they would be fully ready to implement Article 12 on Customs Cooperation and 1 will do so partially. These types of commitments should be of great benefit to the LLDCs and help accelerate implementation.

Members are also providing notifications of commitments in Categories B – those that will require a transition period - and C – those that will require technical assistance. So far we have received 9 Category B notifications and 8 Category C including 2 from LLDCs (Chad and Zambia) for both categories.

It is important for LLDCs and transit developing countries to indicate their capacity building needs, including by submitting notifications under category C, so they can take full advantage of the technical assistance and capacity building facilities available to implement the TFA.

This takes me to another important element in the work of WTO that will contribute to speed-up implementation of the TFA which is Aid for Trade. At the Tenth WTO Ministerial Conference held in Nairobi in December 2015, Ministers recognized the importance of and continuing need for the Aid-for-Trade Initiative. The biennial Aid-for-Trade Work Programme for 2016-2017 responds to this mandate, by centering its activities on the theme of "Promoting Connectivity". The Aft-WP continues the work on reducing trade costs for inclusive, sustainable growth, and builds on the insights that emerged from the 5th Global Review. By focusing on connectivity, the current Aft-WP addresses supply-side capacity and trade

related infrastructural constraints faced by LLDCs, particularly in e-commerce, services and in upgrading infrastructure.

WTO is now preparing for the 6th Global Review on AfT which will take place in WTO from 11 to 13 July of this year. As part of the monitoring and evaluation exercise conducted in conjunction with the OECD we have sent questionnaires to partner countries, donors and south-south partners, as well as, Regional Economic Communities and Transport Corridors.

The community's reaction to the questionnaires has been very positive and we have received 63 responses from partner countries, 37 from donors, 3 from south-south partners and 7 from RECs and transport corridors. 16 LLDCs have provided their responses to the questionnaire and the information they contain is quite interesting.

For example all LLDCs that replied said that trade was a part of their national development strategies. Most identify export diversification, trade facilitation and transport infrastructure as their AfT priorities. All responses also point out that trade facilitation is a priority in their national development policies.

Among the trade facilitation measures that were identified as needing more AfT support LLDC respondents identified border agency cooperation, publication of information, release and clearance of goods, and freedom of transit. Moreover, when it comes to assessing trade-related infrastructure needs the responding LLDCs identified energy distribution, telecommunications and road transport infrastructure as their priorities.

I think it is very interesting that LLDCs have identified border agency cooperation as the top priority for support. This is one of the areas where there is greater scope for benefits and it is also an area that has been overlooked by the donor community. I hope that today's event and the aid for trade review will help in making donors realize the importance of providing support for border agency and customs cooperation.

Turning now to the issue of LLDCs' trade and achievement of the SDGs. Trade is recognized in the Agenda 2030 as an engine for inclusive economic growth and poverty reduction that contributes to the promotion of sustainable. Trade is be an important source of finance to both the private sector and the public sector in developing countries. Trade growth enhances a country's income generating capacity, which is one of the essential prerequisites for achieving sustainable development. LLDCs also realize the importance of trade as evidenced in the AfT questionnaires

where all the responding LLDCs say that trade can make a contribution to the achievement of the SDGs in particular to the goals on industrialization, economic growth and decent work, reduction of inequalities and poverty elimination.

So, how can export performance of the LLDCs be boosted to ensure trade contributes to the achievement of the SDGs by the LLDCs? WTO would like to offer the following policy recommendations:

1. Continue reducing trade costs through trade facilitation.
2. Build supply side capacity and trade related infrastructure.
3. Focus on export diversification and value addition.
4. Enhance the services sector.
5. Apply flexible rules of origin to increase utilization of preference schemes.
6. Reduce the distortionary effects of non-tariff measures.
7. Make e-commerce a force for inclusion.
8. Address the shortfalls of micro small and medium enterprises (MSMEs).
9. Deepen the Multilateral Trading System.

The process has begun to identify potential deliverables for WTO's 11th Ministerial Conference which will take place in Buenos Aires in December. Some of the issues being discussed would be of benefit to LLDCs, for example, reductions on agriculture domestic support, how to help smaller companies to trade, and how to harness the power of e-commerce to support inclusiveness. Conversations at the WTO are at an early stage. LLDCs have to remain engaged in the discussions as any result in these areas is strictly dependent on where members want to take them.