

WTO AGREEMENT ON TRADE FACILITATION

IMPORTANCE OF TECHNICAL ASSISTANCE

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1 June 2015

CONTENT OF THE PRESENTATION

- Short overview of the WTO Agreement on Trade Facilitation
- Special and differential treatment of developing and least developed members
- Importance of technical assistance
- Recommendations

WTO STATUS OF CENTRAL ASIAN COUNTRIES

- **WTO Members:**

- Kirgizstan – 20 December 1998
- Tajikistan – 2 March 2013

- **In the process of accession:**

- Kazakhstan – completion of the accession process foreseen in 2015
- Uzbekistan – application in 1994, accession process in an early stage, no activities since 2005
- Turkmenistan – considering application for membership

BROADER REGION

- Pakistan – WTO member since 1 January 1995
- Afghanistan – completion of the accession process foreseen in 2015
- Iran – application in 2006, process at an early stage

WHAT IS TRADE FACILITATION?

- **Trade facilitation** is the simplification and harmonization of international trade procedures covering the activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade
- Includes activities pertaining to removal of illegitimate trade related measures, or those intended to streamline and facilitate application of legitimate ones
- Simply put, **trade facilitation would cut the red tape**, reduce bottlenecks, create transparency and reduce corruption, thereby enabling moving goods across borders more efficiently
- The purpose is **to reduce trade transaction costs** at the interface between business and government

WTO AGREEMENT ON TRADE FACILITATION

- Adopted at the WTO Ninth Ministerial Conference in Bali, Indonesia on 7 December 2013 as part of the ‘Bali Package’
- The first new fully multilateral trade agreement negotiated under the auspices of the WTO
- Open for acceptance since November 2014
- The Agreement will enter into force when accepted by 2/3 of all WTO members
- Tajikistan ratified the Agreement on 6 May 2015, only the 5th WTO member to do so

CONTENT OF THE AGREEMENT

- **PREAMBLE**

- **SECTION I – SUBSTANTIVE PROVISIONS**

Regulating trade facilitation measures, including detailed elaboration of GATT Articles V, VIII and X

- **SECTION II – SPECIAL AND DIFFERENTIAL TREATMENT**

For developing and least developed WTO Members, providing special rules for the implementation of the Agreement by those Members

- **SECTION III - INSTITUTIONAL ARRANGEMENTS AND FINAL PROVISIONS**

SUBSTANTIVE PROVISIONS

- **Transparency Articles (GATT Article X)**
 - Article 1 - Publication and availability of information
 - Article 2 - Prior publication and consultation
 - Article 3 - Advance Rulings
 - Article 4 - Appeal or Review Procedures
 - Article 5 - Other measures to enhance impartiality, non-discrimination and transparency
- **Fees and Formalities (GATT Article VIII)**
 - Article 6 - Disciplines on fees and charges imposed on or in connection with importation and exportation
 - Article 7 - Release and clearance of goods
 - Article 8 - Border agency co-operation
 - Article 9 - Movement of goods under customs control intended for export
 - Article 10 - Formalities connected with importation and exportation and transit
- **Other provisions**
 - Article 11 – Freedom of Transit (GATT Article V)
 - Article 12 – Customs Cooperation

SPECIAL AND DIFFERENTIAL TREATMENT

- Unique provisions for developing countries and LDCs
- The extent of obligations to be decided by the countries themselves individually
- The timing for implementation is also to be chosen by developing countries and LDCs
- The obligations are linked to implementation capacity
- No infrastructure development requirements
- LDCs only required to undertake commitments to the extent consistent with their individual development, financial and trade needs or their institutional capabilities

TIMING FOR IMPLEMENTATION AND EXTENT OF COMMITMENTS FOR DEVELOPING COUNTRIES AND LDCs

- **3 categories** of commitments: A, B & C
- **Category A:** Implementation as of TFA's entry in force
- **Category B:** Implementation (x) years after TFA's entry in force
- **Category C:** Implementation (x) years after TFA's entry in force, provided technical assistance has been provided by developed WTO Members

TAJKISTAN'S NOTIFICATION

Tajikistan will implement all provisions of the WTO Trade Facilitation Agreement as of the effective date, except the following (Category C):

- Article 1.3 - Enquiry Points
- Article 2 - Opportunity to Comment, Information Before Entry Into Force and Consultation
- Article 3 - Advance Rulings
- Article 5.1 - Notifications for Enhanced Controls or Inspections
- Article 7.2 - Electronic Payment
- Article 7.7 - Trade Facilitation Measures for Authorized Operators
- Article 8.2 - Border Agency Cooperation
- Article 10.4 – Single Window
- Article 12 - Customs Cooperation

TECHNICAL ASSISTANCE

- The key element in the process of implementation of the Agreement on Trade Facilitation
- It is the right of developing countries to receive it and the obligation of developed members to provide it
- Many countries went through the process already – there is enough experience to be shared
- It is always better to learn on the mistakes made other people, then on your own mistakes

RECCOMENDATIONS

- Use the technical assistance provided by donor countries and organizations to accelerate implementation of the Agreement on Trade Facilitation and the reform efforts in general
- Be active and request technical assistance, you are entitled to it
- Cooperate with neighbors and the region for the benefit of regional economies and population
- Countries in the process of accession to the WTO should intensify their efforts and complete their respective accession processes as soon as possible
- Countries, which are not in the accession process should initiate one and start working towards the WTO membership
- **Change mentality**

THANK YOU FOR YOUR ATTENTION

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