



WTO
Trade Facilitation
Agreement

14.3%

Full implementation of the WTO Trade Facilitation Agreement can reduce trade costs by an average 14.3% with African countries and least developed countries (LDCs) forecast to enjoy an even bigger reduction.

HOW DOES THE TFA CUT RED TAPE AT THE BORDER FOR EASIER TRADE?



Release and clearance of goods

Time is a valuable commodity. Several TFA provisions will facilitate more rapid movement of goods across borders such as through the release of products even before the final determination of customs duties, expediting shipments from certain air cargo, and prioritizing perishable goods.



Harmonized processes and standards

Traders find it helpful when rules and procedures are predictable and familiar across borders. They like it too when authorities coordinate with one another. The TFA contains articles on Border Agency Cooperation and Customs Cooperation and it states that WTO members establish a single window or entry point to participating authorities or agencies.



Availability of information on rules and procedures

Information is key, more so for traders that have to navigate foreign markets and regulations. The TFA states, that WTO members shall publish information online on import and export procedures while within available resources, establishing contact points to respond to enquiries.



Consultations and appeals

The TFA provides opportunities for traders and other interested parties to comment on proposed rules related to the movement of goods. It also states, that WTO members shall provide a right to appeal customs administrative decisions.



Automation and e-services

Going digital can help make trade easier. Under the TFA, there are provisions requiring WTO members to accept e-payments and electronic versions of certain documents where appropriate and possible.



Assistance for implementation

The TFA recognizes particular needs of developing countries and especially LDCs. It provides for special and differential treatment for these members as they seek to implement the agreement. A Trade Facilitation Agreement Facility (TFAF) was also created to help ensure they receive the assistance needed to reap the full benefits of the TFA and to support the ultimate goal of full implementation.

For specific TFA provisions, a copy of the agreement can be found on bit.ly/TFA_text



Disciplines for fees and penalties

Several TFA provisions address how fees and penalties are imposed on traders. For example, fees and charges for customs processing of imports and exports shall be limited to the approximate cost of the services rendered.

BY 2030, IMPLEMENTATION OF THE TFA COULD ADD UP TO

2.7%

a year in global export growth

0.5%

More than 0.5% to world GDP growth

AND EVEN LARGER

gains for developing countries and LDCs, where trade cost are equivalent to applying a 219% tariff on international trade.

FULL IMPLEMENTATION OF THE TFA COULD BOOST GROWTH FOR THESE COUNTRIES BY

3.5%

for exports yearly

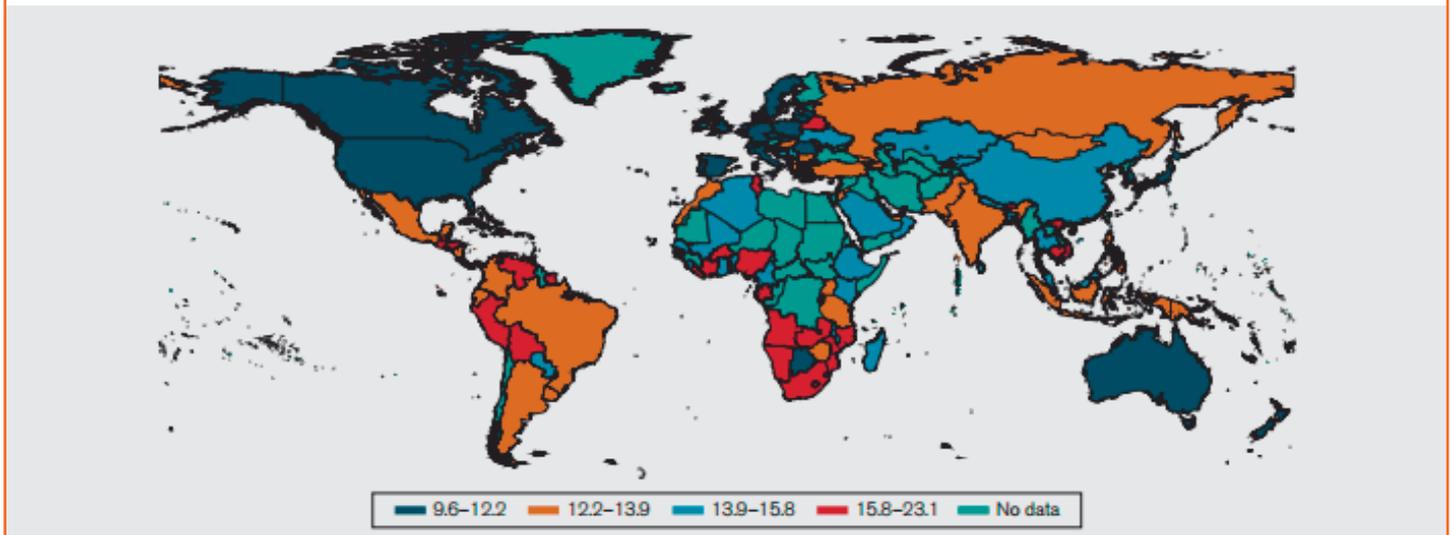
0.9%

for annual economic output

AND ALSO

increasing the diversity
of exported goods

ESTIMATED REDUCTION IN TRADE COSTS



WTO members shown above in red are forecast to enjoy the highest reduction in trade costs by a 15.8 - 23.1% drop as a result of the full implementation of the TFA. Many of these are developing countries and LDCs.

Time and help for implementation

Developed country members of the WTO have committed to immediately implement all the provisions of the TFA upon its entry into force while **developing countries and LDCs** are given more time and assistance. To benefit from this special treatment, a developing country or LDC must have listed the TFA provisions into three groups:

Category A

Provisions that the Member will implement by the time the Agreement enters into force (or in the case of a least-developed country Member within one year after entry into force)

Category B

Provisions that the Member will implement after a transitional period following the entry into force of the Agreement

Category C

Provisions that the Member will implement on a date after a transitional period following the entry into force of the Agreement and requiring the acquisition of assistance and support for capacity building. This support will be made available through a range of partners, working in cooperation with the WTO

To view members' lists, visit: bit.ly/TFAnotifications

The TFAF

The WTO Trade Facilitation Agreement Facility (TFAF) will support developing and LDC members to assess their specific needs for implementing the agreement and to identify possible development partners by providing:

- Help in preparing A, B, C, notifications
- Training and information materials to ensure that WTO members fully understand the Agreement
- Support to access the available implementation assistance from various donors and organizations
- And two types of grants (project preparation and project implementation) related to Category C notifications when no other funding source is available