

PRESENTATION TO THE PORTFOLIO COMMITTEE ON TRADE & INDUSTRY

WTO Trade Facilitation Agreement

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Introduction

- Raised for the first time at the Singapore MC in 1996
- The July 2004 mandate: to clarify and improve GATT: Article V (Freedom of Transit), Article VIII (Fees and Formalities connected with Importation and Exportation), and Article X (Publication and Administration of Trade Regulations)
- Also aimed at enhancing TA&CB in this area and to improve effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.

WTO Trade Facilitation Mandate

Objectives:

- Expedite movement, release & clearance of goods,
- Improve cooperation between customs/other authorities
- Enhance technical assistance and build capacity



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Provisions in TFA

GATT Art. X: Transparency and Appeals

- Art. 1: Publication & availability of info
- Art.2: Opportunity to comment b4 entry into force
- Art.3: Advance Rulings
- Art.4: Appeal/Review procedures
- Art.5: Other measures to enhance impartiality, non-discrimination & transparency

GATT Art. V: Transit

- Art.11: Freedom of goods in transit
- Art.12: Customs cooperation
- Art.13: Institutional arrangements-**a.** Committee on TF & **b.** National Committee on TF

GATT Art. VIII: Import/Export/Transit Fees & Formalities

- Art. 6: Disciplines on fees & charges
- Art.7: Release & clearance of goods
- Art.8: Border agency cooperation
- Art.9: Movements of goods under customs control intended for import
- Art.10: formalities connected with importation, exportation, & transit

Section II: S&DT

- 3 categories:
 - **Cat. A:** commitments that a Developing Country member or LDC member designates for implementation upon entry into force of the TFA, or in the case of a LDC within a 1 year after entry into force
 - **Cat. B:** commitments that a Developing Country member or LDC member designates for implementation on a date after transitional period of time after the entry into force of the TFA

S&DT continued

- **Cat.C:** commitments that a Developing Country member or LDC member designates for implementation on a date after a transitional period of time following the entry into force of the TFA and requiring the acquisition of implementation capacity through the provision of assistance and support for capacity building

Early warning mechanism

- If a Developing Country or LDC considers itself to experience difficulties to implement its commitments by the definitive dates it has notified, it should notify the TF committee
- Developing Countries: no later than 120 days before expiration date
- LDCs: not later than 90 days before such date



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Early warning mechanism cont.

- Indicate reasons for delay
- Notify new date (at most 18 months: dcs & 3yrs: LDCs)
- Automatic extension granted for 1st request
- If request for longer period or if subsequent extension is made, TF committee to give “sympathetic consideration”, taking into account “the specific circumstances of the requesting member.”

Category shifting

- Developing Countries and LDC Members can shift commitments between Cat. B & C.
- Obligation to provide information on assistance required to build capacity.

DSU Grace period

- Members cannot resort to DSU to settle dispute against Developing Countries & LDCs:
 - Developing Countries: Cat. A: 2 years
 - LDCs: Cat. A: 6 years
 - LDCs: Cat. B & C: 8 years

Timeframes leading to implementation of TFA

- TFA concluded in Bali in Dec. 2013
- Preparatory work from Jan. 2014
- Submission of proposals pertaining to the legal review of TFA: end of Mar. 2014
- Conclusion of legal review process: end of Apr. 2014
- Drafting of Protocol of Amendment
- Receipt of Cat. A notifications
- General Council adopted protocol in November 2014 & opened it for acceptance
- Internal ratification processes of countries
- TFA entry into force when 2/3 of all WTO members have ratified

Countries that have notified acceptance of the TF Protocol to date

- Hong Kong, China (8 December 2014)
- Singapore (8 January 2015)
- United States of America (23 January 2015)
- Mauritius (5 March 2015)
- Malaysia (26 May 2015)
- Japan (1 June 2015)
- Australia (8 June 2015)
- Botswana (18 June 2015)

State of play in SA

- SA emphasised that consideration must be given to the impact of the TFA on the regional integration processes in Africa and working on this in the AU
- We worked closely with other SACU member states in terms of co-ordinating our respective commitments,
- Inter departmental working group established to consider implementation of TFA

State of play in SA

- Inter- Departmental Working Group have:
 - Finalised list of SA category A commitments
 - Terms of Reference for establishment of National Trade Facilitation Committee
- Are awaiting legal advice from DoJ &CD on the classification of the Protocol of Amendment to incorporate the TFA into WTO Agreement

State of play in SA

- Cabinet memo being prepared to establish National Committee and to obtain approval for SA Cat A commitments



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THANK YOU

Questions?



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