



Global Facilitation Partnership for Transportation and Trade

The Role of Private the Sector in Supporting the
Implementation of the WTO TFA

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International Chamber of Commerce (ICC)



Mutual beneficial cooperation

- ICC: world business organization bringing together over 6 million companies and associations from over 120 countries.
- Increased understanding that:
 - Facilitation and compliance are two sides of the same coin
 - Governments and Business have the same objective: to increase trade and economic growth





Trade Facilitation Agreement

- *Job gains:* 21 million, with developing countries gaining over 18 million jobs
- *Reduced trade costs:* 14,5% for low income countries, 15,5% for lower middle income countries, and up to 13,2% for upper middle income countries
- *Economic boost:* potential to stimulate \$22 trillion world economy by around \$1 trillion



What does this actually mean?

- *Africa*: revenue losses from inefficient border procedures exceed 5% of GDP!
- *Export of a shipping container*:
 - Singapore: 4 documents, \$400, 5 days
 - Morocco: 4 documents, \$595, 10 days
 - Chad: 8 documents, \$5500, 100 days
- Sub-Saharan Africa: average of 30 days



What does this actually mean?

- *Indian companies*: 37% disadvantage in shipping clothing to US than shipments from Shanghai
- *Fiji*: locale textile manufacturers can compete with lower labor cost countries



What does this actually mean?

- ***Opportunities!***
 - ***Cameroon:*** electronic customs systems would increase trade with over \$670 million.
 - ***Bolivia:*** 24h customs processing could boost imports & exports by \$ 2 billion
 - ***Kenya:*** implemented a single window that cut clearance time from 8-10 to just 3 days.
 - ***Uganda:*** customs reforms helped improve customs revenue by 24%



What does this actually mean?

- ***Opportunities:***
 - ***Revenues:*** World Customs Organization states that additional revenue from TFA implementation will be sustainable!
 - ***Competiveness and FDI***
 - ***Small and Medium Sized Enterprises (SMEs):*** Improved border measures could trigger 60-80% increase in sales in some economies.



FOUR ESSENTIAL ISSUES FOR A SUCCESSFUL **WTO TFA** IMPLEMENTATION

BUSINESS ENGAGEMENT

AMBITION

SPEED

EQUIVALENCY OF RULES AND STANDARDS

#TFA @iccwbo



How do we ensure smooth, efficient and harmonized implementation?

Equivalency of Rules and Standards:

- *WCO Mercator programme: 85% of TFA Articles to be implemented by Customs and border agencies. The Mercator Programme of the World Customs Organization brings together all necessary tools and provides the practical guidance: do not reinvent the wheel!*
- *Joint endeavor off all relevant stakeholders*



How do we ensure smooth, efficient and harmonized implementation?

Business Engagement:

Understanding business models:

- Bring governments and business together
- Article 23 TFA: National Committees on Trade Facilitation: a stakeholder approach on the country level is crucial:
- An important role for Customs and engage the private sector (e.g. through Chambers of Commerce)



How do we ensure smooth, efficient and harmonized implementation?

Business Engagement:

- ICC Customs Guidelines
- ICC Guidelines for Cross-border Traders in Goods
- ATA-Carnet



SIX REASONS WHY WTO TFA IMPLEMENTATION MATTERS

#TFA @iccwbo

1 The WTO's Trade Facilitation Agreement has the potential to deliver a massive stimulus to the world economy — estimated at a possible US\$1 trillion boost over time to global GDP.

2 The deal has the potential to generate as many as 21 million jobs, 18 million of which would be created in developing economies.

3 Trade facilitation reforms will enable many companies to trade internationally for the first time — with improved border and customs measures potentially triggering a 60 to 80 percent increase in cross-border SME sales in some countries.

4 Implementing the Agreement will significantly reduce transaction costs in global supply chains, in turn reducing the price of many essential goods.

5 The Agreement contains smart provisions to ensure that perishable goods don't get stuck at borders — an all too common problem which contributes to shockingly high rates of food wastage in some economies. These reforms are vital to support many of the world's poorest.

6 Implementing the TFA can play a central role in government's efforts to tackle corruption — a problem that currently costs the global economy over US\$2 trillion each year.



THANK YOU!

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