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!
  - **Competitiveness 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!

www.iccwbo.org

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