# Summary of Asia Pacific countries' implementation of the WTO Trade Facilitation Agreement

## March 2017

### In brief

With Chad, Jordan, Oman, and Rwanda officially submitting their instruments of acceptance to the WTO Secretariat on 22 February 2017, a total of 112 of the WTO's 164 member countries have ratified the Trade Facilitation Agreement (TFA). This allows the agreement to enter into force, as it has crossed the required two-thirds acceptance threshold.

The TFA is aimed at reducing the delays and costs incurred by importers and exporters at borders, due to inefficient control and clearance procedures, as well as unnecessary border formalities. Many studies have been done since the TFA was signed in 2013, with a wide variety of claims as to what the TFA's implementation may mean for growth in trade and GDPs around the world. Although they may disagree on quantification, the general message is consistent: implementing the TFA will benefit all countries and all importers and exporters. This makes it far less controversial than Preferential Trade Agreements, which are increasingly believed to benefit some but harm others. Consequently, implementation of the TFA commitments should be less politically sensitive.

### Summary of measures and implementation

The TFA listed many trade facilitation measures, grouped into different categories. The most developed WTO Members must implement Category A measures by the time of the TFA's entry force, i.e. 22 February 2017. Lesser developed countries have submitted notifications as to which of the Category A commitments they will implement as of that day. Least-developed countries (LDC) are given an additional year to do so. Commitments listed in Category B will be implemented after a certain transitional period following the entry into force. Category C contains measures that member countries not only require a transitional period for implementation for, but also capacity building assistance.

The TFA's provisions can be grouped into 36 measures, from measures on publication and availability of information to customs cooperation. In the 20 Asia Pacific countries that we have analysed, the top three most notified measures in Category A are "use of customs brokers" (77%), "detention" (73%) and "specific disciplines on fees and charges" (73%), while the least notified are "single window" (36%), "post-clearance audit", "average release time", "border agency cooperation", and "Customs cooperation" (45% respectively).

No	Description of Measure	Australia	Bangladesh	Brunei	Cambodia	China	Hong Kong	India	Indonesia (*)	Japan	Korea	Laos	Malaysia	Mongolia	Pakistan	Philippines	Singapore	Sri Lanka	Taiwan	Thailand	Vietnam	%
1.1	Publication																					55
1.2	Information available through internet																					50
1.3	Enquiry points																					59
1.4	Notification																					68
2.1	Comments and information before entry into force																					55
2.2	Consultations																					59
3	Advance rulings																					50
4	Procedures for appeal or review																					50
5.1	Notifications for enhanced controls / inspections																					50
5.2	Detention																					73
5.3	Test procedures																					55
6.1	General disciplines on fees and charges																					64

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6.2	Specific disciplines on fees and charges																					73
6.3	Penalty Disciplines																					55
7.1	Pre-arrival processing																					59
7.2	Electronic payment																					55
7.3	Separation of release																					50
7.4	Risk management																					50
7.5	Post-clearance audit																					45
7.6	Average release times																					45
7.7	Authorized operators																					50
7.8	Expedited shipments																					55
7.9	Perishable goods																					50
8	Border Agency Cooperation																					45
9	Movement of goods																					68
10.1	Formalities																					59
10.2	Acceptance of copies																					59
10.3	Use of international standards																					55
10.4	Single window																					36
10.5	Pre-shipment inspection																					59
10.6	Use of customs brokers																					77
10.7	Common border procedures																					68
10.8	Rejected Goods																					55
10.9	Temporary admission of goods																					55
11	Transit																					50
12	Customs cooperation																					45
	% of measures will be fully implemented	100	0	98	0	89	100	39	8	100	100	36	94	31	19	78	100	28	100	83	33	

#### **Notes**

Category A

Category B; require 60 days transitional period

Measures will be partly implemented by the time the TFA entered into force

 $Measures\ that\ the\ member\ countries\ have\ not\ notified\ for\ implementation$ 

(\*) Indonesia has submitted notifications of Category A commitments under the TFA but not yet presented the instrument of ratification with the WTO

#### Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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