



# International Food & Agricultural Trade Policy Council (IPC)

**Regional Integration & Food Security**

**2 March, 2010**

**What does Africa stand to gain  
from Trade Facilitation?**



## What is Trade Facilitation?

- Broad Definition – includes infrastructure, larger public sector modernization, economic development, border measures (tariffs and NTBs)
- Narrow Definition - Simplification and harmonization of international trade procedures covering activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade



## TF Measures

1. Simplify and reduce documentation requirements
2. Enhance transparency and reduce levels of fees
3. Simplify and expedite release and clearance of goods from customs
4. Enhance transparency and predictability of trade related regulations
5. Improve border agency coordination w/in and across countries



## Why Does TF Matter?

Region	EXPORT			IMPORT		
	Docs	Days	\$	Docs	Days	\$
<b>SSA</b>	8	34.8	1630	8.9	42.4	1944
<b>OECD</b>	4.5	9.8	905	5	10.4	986



## Why Does TF Matter?

- Costs estimated at 2-15% of value of traded goods
- Increased incidence of informal cross-border trade
- Cut down on smuggling and corruption
- Loss of government revenues
- Unlevel playing field, impact on investment, etc.
- Contributes to difficulties in formulating trade policy



# TF and Developing Countries

- SSA stands to benefit a great deal...
- But it's only one of multiple demands
- Cost implications (although costs are quickly offset and even modest reforms bear fruit)



# WTO Negotiations on TF

- Part of Single Undertaking
- Not your typical WTO negotiation
- Strong Mandate
  - clarify/improve GATT Articles
  - commitments related to implementation capacities
  - assistance to help implement the commitments
  - without capacity, no implementation required



# Stocktaking

- Good Progress on TF
- Fate of the Single Undertaking?
- Early Harvest?
- Alternatives?