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The long and winding road: Trade Facilitation Agreement now in force

A successful conclusion of a long negotiating process: The TFA, short for Trade Facilitation Agreement, entered into force on 22 February 2017 and brings along a number of improvements mainly in trading with developing countries. It is hailed as the greatest success since the founding of the WTO, the World Trade Organization, and shows the commitment of the members for a multilateral trading System.

The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. The Agreement will help improve transparency, increase possibilities to participate in global value chains, and reduce the scope for corruption.

The TFA is divided into three separate sections. Section I contains provisions for expediting the movement, release and clearance of goods. Section II contains special implemental provisions as regards developing countries. Lastly, Section III contains provisions that establish a permanent committee on trade facilitation at the WTO and national committees to be established by each member.

Most of the measures to facilitate global trade - at least in part – are already practiced by industrial countries. Thus, the biggest effects will be felt in trade with developing countries. These countries should be given substantial support in the implementation process.

Keywords

Trade Facilitation Agreement