



# Footwear Policy Briefs: WTO Trade Facilitation Agreement

An overview of the World Trade Organization accord that went into effect on February 22, 2017



FOOTWEAR DISTRIBUTORS AND RETAILERS OF AMERICA



# What is the TFA?

## Key elements of the Trade Facilitation Agreement



The TFA is the **first WTO trade agreement** concluded since the organization was established in 1995



The agreement is expected to boost global trade by **\$1 trillion a year** by expediting the movement, release and clearance of goods, including goods in transit



It is also expected to reduce total trade costs by more than **14%** for lower-income countries and more than **13%** for upper-middle income countries

## TFA timeline

2001



Firsts proposed in Doha Round Negotiations

2013



Negotiations concluded at Bali Conference

Feb 2017



Entered into force on following its ratification by two-thirds of the WTO membership

# The TFA streamlines trade processes by instituting best practices from across the WTO membership

## Trade Facilitation Agreement provisions



### Release and clearance of goods

Several TFA provisions will facilitate more rapid movement of goods across borders, such as through the release of products even before the final determination of customs duties, expediting shipments from certain air cargo, and prioritizing perishable goods



### Availability of information

Members shall publish information online on import and export procedures while within available resources, establishing contact points to respond to enquiries



### Automation

There are provisions requiring WTO members to accept e-payments and electronic versions of certain documents where appropriate and possible



### Penalties

Several TFA provisions address how fees and penalties are imposed on traders. For example, fees and charges for customs processing of imports and exports shall be limited to the approximate cost of the services rendered.



### Harmonized processes

The TFA contains articles on Border Agency Cooperation and Customs Cooperation and it asks that WTO members establish a single window or entry point to participating authorities or agencies



### Consultation and appeals

The TFA provides opportunities for traders and other interested parties to comment on proposed rules related to the movement of goods. It also states that WTO members shall provide a right to appeal customs administrative decisions



### Assistance for implementation

The deal provides for special and differential treatment for lower income countries as they seek to implement the agreement



# Customs transaction times vary widely across countries

In 2014, customs transactions involved around...

## Exports

## Imports



2-11

6-86

2-17

4-130

Documents

Days

Documents

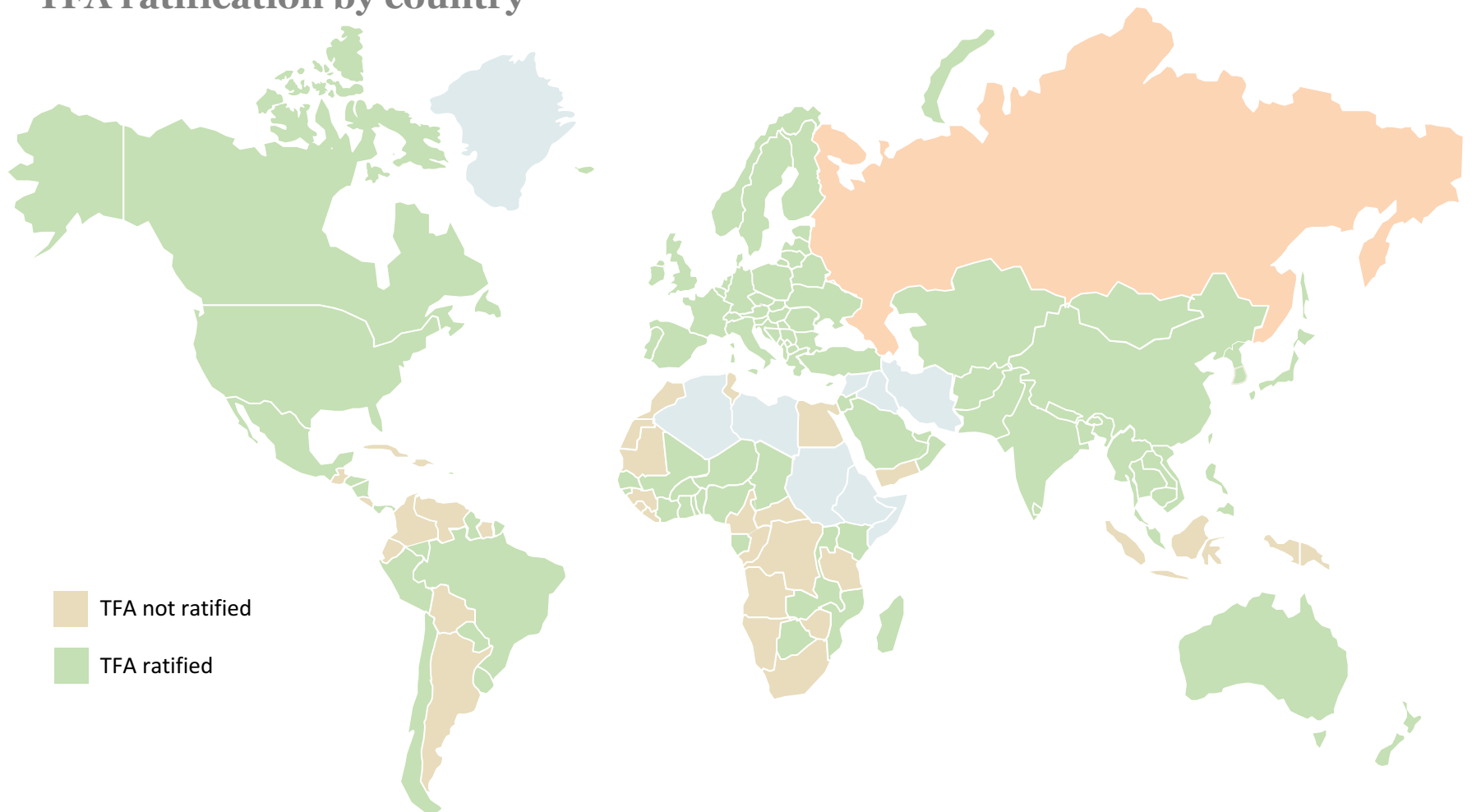
Days

**Analysis**  
The TFA will likely reduce the time needed to import goods by over a day and a half and to export goods by almost two days, representing a reduction of 47% and 91% respectively over the current average

Source: World Bank.

# Over 110 WTO member countries have ratified the Trade Facilitation Agreement

## TFA ratification by country



Source: International Centre for Trade and Sustainable Development, "WTO's Trade Facilitation Agreement takes effect," February 23, 2017.