

NEWSLETTER



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Message from the Chairman

My dear colleagues:

It is a pleasure to present to you the “Asian Council on Trade Facilitation” newsletter, volume VI for 2017. This publication is a compendium of relevant news, reports, and analysis on recent developments in trade facilitation in Asia Pacific.

This newsletter features prominently the new WTO's trade facilitation agreement (TFA) impact in the region. From Australia to Nepal and APEC as a whole, TFA was welcomed everywhere.

The TFA's promise of savings in trade transportation, custom simplification, less red tape in government's permits, and cooperation among countries is widely presented in national media outlets all over the Asia Pacific region.

Trade facilitation has led Australia to expect more jobs, Pakistan to search for more trade partners, Vietnam to expand trade, and ASEAN to liberalize trade further.

Trade facilitation is indeed moving forward for the benefit of all Asia Pacific countries. Enjoy your reading!

R. B. Rauniar
Chairman of Asian Council on Trade Facilitation
CACCI

Trade Facilitation Agreement (TFA) will create jobs in Australia

ACCI, February 23, 2017

CANBERRA - The Trade Facilitation Agreement (TFA) that has now come into force could support the creation of 20 million jobs worldwide, including many in Australia, by cutting red tape at borders, the Australian Chamber of Commerce and Industry said.

The TFA, an initiative of the World Trade Organization, has been ratified by two-thirds of WTO members so will now formally commence, making it the first multilateral trade agreement to enter into force in over two decades.

James Pearson, CEO of the Australia Chamber, said: “In recent years the growth in trade has slowed around the world, but the Trade Facilitation Agreement (TFA) is a watershed moment that will create jobs through helping businesses, many of them small, to trade”.

“The Australian business community welcomes the TFA coming into force. The TFA is a landmark global trade agreement that could boost global trade flows by over US\$1trillion and create 20 million jobs, according to the International Chamber of Commerce. The countries that will benefit most are developing economies, meaning the TFA will be a vital step towards making global growth more inclusive.

“The TFA re-establishes the pre-eminence of the World Trade Organization in global trade architecture. Complex customs requirements in many countries mean that many small businesses struggle to trade internationally. Cutting unnecessary red-tape at borders means the TFA will help entrepreneurs to access global markets.

“Australia has work to do. The World Bank has ranked Australia 91st in its Global Ease of Doing Business analysis. We should strive to reach the top 10. The TFA means we will get even greater benefits from steps we take to improve our international competitiveness.”

John Danilovich, Secretary General of the ICC, said: “ICC has tirelessly championed the TFA because we know that making trade easier through simple customs reforms can provide a major boost to small business growth. It’s estimated that the TFA could increase SME exports by 80% in some economies. This means more jobs, more consumer choice and-ultimately-more inclusive development.

“The entry into force of the TFA is just one step to making the potential benefits of this landmark agreement a reality. Governments must work without delay to implement the provisions of the TFA working hand-in-hand with local businesses to identify key bottlenecks to trade across national borders.”

<https://www.acci.asn.au/news/trade-facilitation-agreement-will-create-jobs-australia-and-abroad>

Businesses demand strong Indonesia-Australia Economic Partnership

ACCI, February 23, 2017



CANBERRA - Business groups from Indonesia and Australia have gathered in Canberra to support officials from the two nations engaged in the sixth round of negotiations for the Indonesia-Australia

Comprehensive Economic Partnership Agreement ahead of an important visit to Australia by Indonesian President Joko Widodo.

The Business Partnership Group, which comprises six business advocacy groups from the two countries, urged the officials to make strong headway in the negotiations in order to reach an agreement by August, the target date set by ministers.

The Group has provided two reports to negotiators (in 2012 and 2016) on what business wants from an agreement and how that can be achieved. We have called for the agreement to realise the power of collaboration between the two countries to meet the challenges of global markets. This should not be a traditional free-trade agreement; instead it should be a comprehensive economic partnership.

We wish to harness the comparative advantages of both countries, a combined marketplace of nearly 300 million people, and work together to service the 3 billion people in our region and many more beyond.

The complementarity of the two economies offers an exciting backdrop for the negotiations. One neighbour's weaknesses are the other's strengths, one's problems the other's opportunities. These are ideal settings for strong partnerships spanning agriculture to education, infrastructure to tourism.

All countries aspire to improve the living standards of their people; that means eating better quality food, breathing cleaner air and enjoying the fruits of higher quality jobs. This agreement will assist us to join together to build better infrastructure, give more people work skills and offer new opportunities for business.

Australian business groups urge their negotiators to work efficiently to reach a high-quality deal that unleashes the potential of the combined economies of Australia and Indonesia.

Indonesia & Australia restored trust, Jokowi

Peter Hartcher, Jewel Topsfield, November 5, 2016



Indonesian President Joko Widodo being interviewed by Indonesia correspondent Jewel Topsfield and international editor Peter Hartcher at the presidential palace in Jakarta. (Photo: Jefri Tarigan)

JAKARTA - Trust between the leaders of Australia and Indonesia has been restored after years of wrenching crises, the Indonesian president has declared as he prepares to arrive for his first state visit.

President Joko Widodo, universally known by the nickname Jokowi, said he had been able to solve several problems simply by phoning Malcolm Turnbull. Yet he also suggested some sensitivities remain.

After the 2013 scandal of Australia tapping the mobile of his predecessor, President

Jokowi revealed he does not use a mobile at all.

"I don't have a phone," he said in response to the question of whether he'd asked the Australian government for assurances that it was not spying on his mobile phone.

Indonesia recalled its ambassador and suspended security co-operation with Canberra when US whistleblower Edward Snowden exposed the Australian Signals Directorate for eavesdropping on the mobile phones of Susilo Bambang Yudhoyono and his wife.

President Jokowi, laughing, told Fairfax Media in an interview in the presidential palace "I have an iPad," as he gestured to the device in front of him, "but I do not have a handphone", Indonesian vernacular for a mobile phone.

This makes him a rare individual in a country with 99.7 mobile phone connections per 100 people, according to official 2013 Indonesian data.

"That's truly remarkable," said ANU professor of international security Michael Wesley. "I don't know how a modern leader can survive without a mobile phone."

President Jokowi emphasised trust as the top priority in the relationship as the basis for problem-solving: "I think the most important is building trust, mutual respect, mutual understanding."

With Indonesia's economy growing around 5 per cent a year against a government goal of 7 by 2019, the president said: "Trade and investment are important for Indonesia's development. We need to grow more than 5 per cent. I think this is a big opportunity to invest in Indonesia now."

He noted his government's deregulation program to ease access for foreign investors: "Not only in mining, not only cattle or beef, but infrastructure is very important, power plants also."

Australian investment in Indonesia has historically been low, despite its proximity and Indonesia's population of 250 million and burgeoning middle class.

At the end of last year Australian direct investment in Indonesia stood at just \$5.5 billion, compared with \$60.5 billion in New Zealand, with a population of 4.7 million.

<http://www.westernadvocate.com.au/story/4273721/trust-between-indonesia-and-australia-has-been-restored-says-jokowi/?cs=4189>

Turkmenistan considers WTO membership

Kamila Aliyeva , AzerNews, February 21, 2017



WORLD TRADE
ORGANIZATION

ASHGABAT - Energy-rich Turkmenistan continues studying and considering the perspectives of the country's potential joining the World Trade Organization (WTO), President Gurbanguly Berdimuhamedov said at the enlarged meeting of the Cabinet, Neutral Turkmenistan reported.

The Head of State outlined the top priorities of Turkmenistan's foreign policy for the next seven years.

The cooperation with the international financial and economic structures are of great importance to the successful involvement of Turkmenistan in the global economy.

"In this aspect, we will continue to maintain a fruitful cooperation with the World Bank, the International Monetary Fund, European Bank for Reconstruction and Development, Asian Development Bank, Islamic Development Bank and other major financial institutions," the Turkmen President said.

Work has been underway on Turkmenistan's accession to the WTO since early 2013. A working group to study and analyze the economic implications of the country's potential accession to the organization was set up.

The Commission examines such issues as the study of multilateral agreements on the trade of goods, which include the General Agreement on Tariffs and Trade (GATT), the

Agreement on Textiles and Clothing, Agreement on investment measures related to trade, the Agreement on Import Licensing Procedures.

Also, the Safeguards Agreement, the General Agreement on Trade in Services (GATS), Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, regulations in respect of the rules and procedures for dispute resolution are studied.

The European Union (EU) has offered Turkmenistan's accession to the WTO in January 2011. The energy industry, high-tech industries, transport, communications, banking and financial sectors are among the promising areas of cooperation.

WTO membership will open up broad opportunities for strengthening the competitiveness of Turkmenistan in international markets, the development of foreign economic relations and an increase of foreign demand for Turkmen products and services.

Some experts believe it would be uneasy for Turkmenistan to become a member of the WTO given the barriers for foreign investments in some fields of the economy, in particular, the natural gas sector. It is considered that the main problem which stands in the way of Turkmenistan's membership is the absence of a market economy. It can take years or even decades before Turkmenistan's membership would be approved.

At present, Ashgabat is negotiating with the EU and Azerbaijan on the Trans-Caspian gas pipeline construction project which may become a part of the transnational Southern Gas Corridor project.

Brussels hopes to diversify the sources of gas consumption through Caspian resources, most of which is ensured by Russia.

The advantages of joining the WTO for Turkmenistan include improvement of legislation and formation of stable trade and investment climate, a greater access to world markets, as well as creation of favorable conditions for improved quality of domestic goods and services.

Currently, the organization has 162 members, more than 20 countries have observer status as well as some 60 international organizations including UNO, IMF, and The World Bank.

http://www.azernews.az/news.php?news_id=109221&cat=region

Pakistan broadens cooperation with Azerbaijan

Nigar Abbasova, AzerNews, February 7, 2017

BAKU - Azerbaijan and Pakistan, the two strategic partners, are keen to expand their cooperation and achieve strong economic partnership. The two countries have many spheres for cooperation that are of mutual interest for both, while the priority areas are policy, economy, defense and security, trade, energy, tourism and humanitarian sphere.

Pakistani Ambassador to Azerbaijan Saeed Khan Mohmand told reporters in Baku on February 6 that the relations between the states are developing rapidly, mentioning that successful cooperation is confirmed by the frequent high-level visits from both sides.

The diplomat expressed satisfaction with the good state of relations between the two countries, especially at the political level, emphasizing that the countries will continue to strengthen cooperation in the military and technical sphere.



Freight transportation

The envoy said that the China-Pakistan Economic Corridor, which is now being developed, can be advantageous for Azerbaijan as well, reminding that that the corridor will cut the distance of cargo transportation by 14,000 kilometers.

Being funded by China, the corridor is expected to allow to transport some 300-400 million tons of cargo via the corridor. The project envisages linking of the

Pakistani southwestern port city of Gwadar with China's Xinjiang Uygur Autonomous Region through a wide network of roads and railways. The project will become an alternative to transportation via the Strait of Malacca.

Energy

Pakistan is also poised to implement oil and gas imports from Azerbaijan. Pakistani Foreign Ministry earlier gave the go-ahead to the signing of a relevant agreement with Azerbaijan, while the move is expected to lessen energy dependence of Pakistan on Middle Eastern countries. Currently, Pakistan is importing oil from Gulf Arab countries including the United Arab Emirates (UAE), Kuwait and Saudi Arabia, while it is purchasing gas from Qatar.

Within the sixth session of Pakistan-Azerbaijan Joint Economic Commission held in April 2016, the sides agreed to promote investment opportunities in the energy sector focusing on supply of crude, refined oil products, LPG and LNG.

Trade and economy

The development of trade and economic cooperation between the countries stands in the attentional spotlight. Azerbaijani Ambassador to Pakistan Ali Alizada told Trend that the countries intend to develop the economic cooperation, mentioning such spheres as defense industry, agriculture, textile industry, pharmaceutical industry and the field of medical equipment, trade of tinned products, energy and tourism, use of transport corridors and infrastructure projects, and others.

The envoy said that the governments of Azerbaijan and Pakistan are considering the introduction of a system of free trade.

Pakistan has earlier offered Azerbaijan to sign a free trade agreement. The issue was on agenda during the visit of Pakistan's Commerce Minister Khurram Dastgir Khan in Azerbaijan in October 2016.

"Preparation of a draft free trade agreement and its negotiation is a process that requires a lot of time. The agreement must satisfy both sides, meet trading interests and take into account the priorities," Alizade said.

The diplomat also highlighted reforms in customs (improvement of the single window principle, introduction of the green corridor regime), as well as simplification of visa procedures, mentioning that these reforms encouraged Pakistan's business community to cooperate with Azerbaijan.

Also, Azerbaijan sent a trade mission to Pakistan in February to increase the awareness about its local production. Besides, several reciprocal visits of representatives of governments and business circles of the two countries are planned to be held in the short run.

Trade turnover between Azerbaijan and Pakistan amounted to \$7.3 million in 2016, according to Azerbaijan's State Customs Committee. Pakistan has already developed a 5-year trade plan on the increase of the export volume to Azerbaijan up to \$500 million.

Attraction of investment

Alizade went on to say that the main advantages of Azerbaijan for the attraction of investments is its growing economy, relevant business environment and a high level of competition.

He mentioned that the Azerbaijani Embassy in Pakistan provides local businessmen as well as public and private enterprises with information about technology parks and industrial districts existing in Azerbaijan, mentioning that Pakistani businessmen consider investing such facilities. He emphasized that Pakistani businessmen have big opportunities to benefit from participation in these projects.

A number of technology parks and industrial districts have already been created in Azerbaijan. They offer favorable conditions for business, tax exemption, simplified procedures for entrepreneurial activity and attracting foreign investment.

Work is currently underway in Azerbaijan to create plants and enterprises in the Sumgayit Chemical Industrial Park, Balakhani, Garadagh, Mingachevir and Pirallahi industrial parks, Mingachevir High Tech Park, Sumgayit Technologies Park, as well as in Neftchala and Masalli industrial districts.

Residents of Azerbaijan's industrial parks are exempt from real estate, land, profit taxes, as well as value-added tax on import of equipment for a period of seven years.

Tourism

Alizade said that there are big prospects for the cooperation in the sphere of tourism, emphasizing the importance of the ASAN visa system, which provides for simplified visa procedures for foreign citizens.

"The participation of Pakistan's tourism companies in exhibitions held in Baku, the exchange of information and experience, provision of more information on tourism opportunities of the two countries are under permanent attention," said Alizada.

Azerbaijani embassy regularly holds presentations on the country's tourism opportunities, acquaints travel agencies and nationals of Pakistan with tourism infrastructure, tourism products, by attracting them in every possible way to visit Azerbaijan.

The envoy is confident that the promotion of Azerbaijan's tourism opportunities, simplification of visa procedures via ASAN Visa system will increase tourist flow from Pakistan.

Azerbaijan simplified the visa regime and starting from January 10, 2017, foreign citizens are able to register visas for entry into Azerbaijan via ASAN Visa system within three days.

A unique attribute of Azerbaijan-Pakistan bilateral relations is strong support that both countries extend to each other on issues of mutual interest and international arena. Pakistan was among the first countries that recognized the independence of Azerbaijan in October 1991.

http://www.azernews.az/news.php?news_id=108542&cat=business

Uzbekistan plans 4 new free economic zones

Trend, AzerNews, November 27, 2016



BAKU - Uzbekistan intends to create another four free economic zones, according to the draft decree of the country's acting president, Prime Minister Shavkat Mirziyoyev, published for the Uzbek society's discussion.

In accordance with the project, it is planned to create Urgut, Gijduvan, Kokand and Khazarasp free economic zones in Bukhara, Samarkand, Fergana and Khorezm regions of Uzbekistan.

Creation of new free economic zones is aimed at formation of favorable conditions for attracting foreign and domestic investments to create modern production facilities for deep processing of mineral and raw material resources and agricultural products, as well as integrated and efficient use of production and resource potential of the four regions of Uzbekistan.

It is planned to create the new production facilities in the spheres of deep processing, storage and packaging of horticultural and agricultural products, textile, carpet weaving, footwear and leather goods, as well as environmentally friendly chemical, pharmaceutical, food and electrical industry, mechanical engineering and the automotive industry, production of building materials and in other areas.

It is planned that the free economic zones will be operating during 30 years with the possibility of further extension. Special tax and customs privileges will be in power during this time in the free economic zones. Logistics centers and customs posts will be also set up in the territory of the free economic zones.

Discussion of the draft decree on the creation of new free economic zones was completed in early December 2016.

It was reported that in late October 2016, the acting Uzbek president adopted a decree on the unification of customs and tax privileges and preferences for the participants of free economic zones, which are operating and being created in the country.

In accordance with the document, the benefits for the participants of the free economic zones will be provided for a period of 3-10 years depending on the amount of the investments made.

Currently, there are three free economic zones offering investors privileges and special opportunities for doing business in Uzbekistan. They are the Navoi free economic zone

established in Navoi region in 2008, the Angren free economic zone created in Tashkent region in 2012, and the Jizzakh free economic zone with its branch in Syrdarya district, established in 2013.

As many as 50 projects worth \$395 million have been currently implemented in the territories of free economic zones in the spheres of textile, chemical, pharmaceutical, food, electrical industry, automotive industry, as well as production of building materials.

http://www.azernews.az/news.php?news_id=105673&cat=region

Georgia & Kyrgyzstan agree to boost trade

Gunay Hasanova, AzerNews, October 14, 2016



TBLISI - The first official visit of Kyrgyz President Almazbek Atambayev to Georgia positively affected the development and strengthening of bilateral relations between the two countries.

During this two-day visit, Atambayev held a bilateral meeting with his Georgian counterpart Giorgi Margvelashvili. A number of agreements were signed between the two governments.

Political ties between the two countries were discussed at the meeting and both parties agreed that intensive dialogue between Georgia and Kyrgyzstan should always be supported.

Margvelashvili noted that agreements signed in the fields of security, economy, and education will create new cooperation opportunities between the two countries.

The regional role of Georgia and the development of the trans-regional collaboration were also discussed at the meeting.

Further, the Georgian and Kyrgyz sides signed an agreement to prevent double taxation and evasion of income and capital taxes. The agreement is expected to increase economic cooperation between Georgia and Kyrgyzstan and attract more foreign investments.

This was the first official visit of the Kyrgyz president to Georgia in the history of the Kyrgyz-Georgian relations, which were established in 1992.

The Kyrgyz National Statistical Committee reported that the trade turnover between Kyrgyzstan and Georgia in 2015 was \$5.6 million, including exports from Kyrgyzstan - \$1.9 million, while imports from Georgia - \$3.7 million.

The main items of export from Kyrgyzstan to Georgia are vegetables and fruit, grain products, petroleum products (kerosene), medical and pharmaceutical products, medicines, electrical machinery, apparatus and appliances, production of non-metallic minerals, textile yarn, fabrics, manufactured goods of textile materials.

The main items of imports from Georgia to Kyrgyzstan are food, beverages, medical and pharmaceutical products, medicines, electrical machinery, apparatus and appliances, items of clothing and clothing accessories.

http://www.azernews.az/news.php?news_id=103692&cat=region

Tajikistan & Turkey to increase trade to \$1 billion

Kamila Aliyeva, AzerNews, February 20, 2017



DUSHANBE - Tajikistan and Turkey may increase the volume of trade turnover up to \$1 billion in the years to come as there is a huge potential in cooperation between the two countries.

Chairman of the Chamber of Commerce of the Republic of Tajikistan, the co-chairman of the Tajikistan-Turkey Business Council Sharif Said held talks with the co-chairman of the Turkish-Tajik Business council Mahmut Er, Chamber of Commerce and

Industry of the republic of Tajikistan.

The sides summed up the results of the Tajik-Turkish business forum with the participation of more than 500 business circles as well as state agencies of Turkey and Tajikistan.

The head of the Tajik CCI suggested working out the issue of the organization and holding of an exhibition of Turkish products and industrial technology, as well as holding a business forum to intensify trade and economic cooperation.

Both countries can significantly diversify their business relations and increase a two-way trade to one billion U.S. dollars in the coming years.

The sectors like tourism, minerals, light industry, and agriculture are areas which could drive the bilateral trade between Tajikistan and Turkey to the higher level.

The volume of trade between the two countries, despite the impact of the global financial and economic crisis, has been characterized sustainable, as well as activation of the work of the Joint Intergovernmental Commission on Trade and Economic Cooperation, organization of Business Forum, intensification of activity of the Council of Tajikistan and Turkey have been named effective ways of strengthening bilateral relations.

According to the Ministry of Economic Development and Trade of Tajikistan, in 2016, due to the global financial and economic crisis, this index dropped to \$350 million. In 2015, the volume of trade between Tajikistan and Turkey exceeded \$650 million.

Taking into account the production and export potential of Tajikistan in the field of energy it is planned to develop partnerships by attracting Turkish investments in the construction of small and medium-sized hydropower plants and the use of solar energy in the highlands.

There are more than 60 joint Tajik-Turkish enterprises in trade, printing, production of plastics, paints, civil construction in Tajikistan.

In October 2016, Tajik and Turkish Foreign Ministries signed a program on cooperation for 2017-2020. Tajik–Turkish relations are friendly and cooperative and underlined with a legal basis of more than 30 treaties and protocols which the two countries have signed since 1991.

Turkey and Tajikistan enjoy solidarity within the international institutions such as UN, ICO, and ECO and have close cooperation in the framework of membership to international institutions.

http://www.azernews.az/news.php?news_id=109192&cat=region

India push for WTO's TFA in services

Reuters, The Daily Star, September 8, 2016

NEW DEHLI - India presented proposals to the World Trade Organization on ways to ease trade in services, Commerce Minister Nirmala Sitharaman said, as Asia's third-largest economy tried to leverage one of its competitive strengths.

India cleared the way for a WTO Trade Facilitation Agreement (TFA) covering goods in 2014, after tortuous talks in which it won a concession letting it stockpile strategic food reserves for its mostly poor population of 1.3 billion people.

New Delhi has often dragged its feet in the multilateral arena and been reluctant to cut bilateral free-trade deals because experience has shown its goods sector often cannot compete on international markets.

By contrast, India's services sector, including back-office operations for multinationals, is a big export earner and the idea of striking a similar multilateral deal on services first came up at a meeting of trade ministers in Paris in June last year.

"There doesn't seem to be trade facilitation for services, and that was a point I made in Paris," Commerce Minister Nirmala Sitharaman told reporters at a business conference in New Delhi. "This is a matter on which the WTO will now have to work," said Sitharaman, speaking on the sidelines of the Economist India Summit.

<http://www.thedailystar.net/business/global-business/india-push-wto-trade-facilitation-deal-services-1282294>

Bangladesh ratifies WTO's TFA deal

Sajjadur Rahman, The Daily Star, October 2, 2016

DHAKA - Bangladesh has ratified the trade facilitation agreement (TFA) of the WTO, which is likely to expedite the movement, release and clearance of goods, including goods in transit.

Bangladesh's WTO Ambassador Shameem Ahsan submitted the country's instrument of acceptance to Director-General of World Trade Organisation Roberto Azevedo on September 27, the WTO said on its website.

Bangladesh is the 94th member of the WTO and 12th least-developed country (LDC) to ratify the deal concluded at the WTO's 2013 Bali Ministerial Conference.

India approved it in April 2016 and became the 76th WTO member to accept the TFA.

"Cross-border trade will be facilitated once TFA is implemented. Costs will also come down," Khondaker Golam Moazzem, additional research director of the Centre for Policy Dialogue, a think tank, told The Daily Star.

Costs for cross-border trade -- exports and imports -- will go down because of the automation, documentation and harmonised system for charges, said Moazzem.

Accordingly, corruption and time for transportation will also be reduced, he said. The researcher said there are provisions for technical assistance and capacity building in this area.

The WTO said the TFA broke new ground for developing countries and LDCs in the way it will be implemented.

For the first time in WTO history, the requirement to implement the agreement was directly linked to the capacity of the country to do so. In addition, the agreement states that assistance and support should be provided to help them achieve that capacity.

A Trade Facilitation Agreement Facility was also created at the request of the developing and LDC members to help ensure that they receive the assistance needed to reap the full benefits of the TFA.

The implementation of the TFA has the potential to increase global merchandise exports by up to \$1 trillion per annum, according to the WTO's flagship World Trade Report released in October 2015.

<http://www.thedailystar.net/business/bangladesh-ratifies-wtos-trade-facilitation-deal-1292857>

WTO ratifies first TFA

AFP, The Independent, February 24, 2017



Rwandan Ambassador François Xavier Ngarambe, Chadian Ambassador Malloum Bamanga Abbas, World Trade Organization Director-General Roberto Azevedo, Jordanian Ambassador Saja Majali and Omani Ambassador Abdulla Nasser Musallam Al Rahbi accept Trade Facilitation Agreement (TFA) at the WTO headquarters in Geneva. (AFP Photo)

GENEVA - The first multilateral deal agreed at the World Trade Organization came into force, a step billed as a milestone for the body facing unprecedented threats from a hostile US administration.

The Trade Facilitation Agreement (TFA) has now been ratified by 112 of the WTO's 164 members, crossing the two-thirds threshold needed for activation, the Geneva-based organisation confirmed.

Under the deal, nations agreed to simplify and standardise customs procedures at borders to make it easier for goods to flow around the world.

WTO chief Roberto Azevedo said that the TFA was estimated to trim global trade costs by more than 14 percent and could boost global growth by half a percentage point per year.

"The trade facilitation agreement is the biggest reform of global trade this century," Azevedo told journalists after Chad, Jordan, Oman and Rwanda submitted the clinching ratifications.

Poorer countries are expected to reap the most benefits from the TFA through provisions that will improve access to richer markets for their products.

The head of the Paris-based International Chamber of Commerce, Sunil Bharti Mittal, called the TFA's ratification "a watershed moment for global trade.

He said small businesses the world over had been shut out of international commerce because they lacked the resources to navigate "complex customs requirements.

"By cutting unnecessary red-tape at borders," the TFA will open markets to more players, he added in a statement.

Since its founding in 1995, the WTO has suffered high-profile setbacks in trying to craft major deals, notably in the stalled Doha Round process, which is striving to re-write global trading rules.

When negotiations on the TFA were successfully concluded in 2013 it marked a major victory for the WTO.

Azevedo claimed Wednesday that the relatively swift ratification process proved the deal was "a win-win for everyone".

Confident' despite Trump

The leader of the world's top economy called the WTO a "disaster" during the campaign and threatened to pull the US out.

The protectionist agenda he hyped during the campaign has persisted since his inauguration, including through the nomination of Robert Lighthizer as US trade representative.

Lighthizer has said Washington could ignore WTO rules in order to redress what he considers trade imbalances, notably ones he claims favour China.

Azevedo, a Brazilian diplomat, has in public remarks sought to downplay the possible threat of rising US protectionism. "I am quite confident that the WTO offers tools to address many of the concerns expressed recently," he said in response to a question about Trump.

<http://www.theindependentbd.com/printversion/details/82321>

Brunei & Vietnam sign MoU on trade

Danial Norjidi, Borneo Bulletin, August 29, 2016

DARUSSALAM - The Ministry of Foreign Affairs and Trade of Brunei Darussalam and the Ministry of Industry and Trade of the Socialist Republic of Vietnam signed a Memorandum of Understanding (MoU) on Economic and Trade Cooperation.

Through the MoU, both sides resolved to promote greater bilateral cooperation on economic and trade-related matters.

The MoU was signed during the Brunei Darussalam-Vietnam Business Forum, which took place at The Empire Hotel & Country Club.

The signing ceremony was witnessed by Tran Dai Quang, President of the Socialist Republic of Vietnam.

Signing on behalf of the Ministry of Foreign Affairs and Trade was Pehin Orang Kaya Pekerma Dewa Dato Seri Setia Lim Jock Seng, Minister at the Prime Minister's Office and Minister of Foreign Affairs and Trade II, while Tran Tuan Anh, Vietnam's Minister of Industry and Trade signed on behalf of the Ministry of Industry and Trade of Vietnam.

The MoU will further enhance efforts carried out under the existing Trade Agreement between the Governments of Brunei and Vietnam, which was signed on November 12, 2001.



MOU signing between Pehin Orang Kaya Pekerma Dewa Dato Seri Setia Lim Jock Seng, Minister at the Prime Minister's Office and Minister of Foreign Affairs and Trade II and Tran Tuan Anh, Vietnam's Minister of Industry and Trade, being witnessed by Tran Dai Quang, President of the Socialist Republic of Vietnam. (Dean Kassim)

In his presentation at the forum, Vietnam's Minister of Industry and Trade spoke on the MoU, saying that it "will create a legal framework for the promotion of our industrial and trade cooperation, towards more liberalisation and facilitation of trade between the two sides, take advantage of regional and multilateralism cooperation to create conditions for our businesses to facilitate access into the potential market of each other."

Pehin Datu Singamanteri Colonel (Rtd) Dato Seri Setia (Dr) Awang Haji Mohammad Yasmin bin Haji Umar, the

Minister of Energy and Industry at the Prime Minister's Office delivered a presentation at the forum, and spoke to the Bulletin on the sidelines of the event.

Speaking to the Bulletin on the sidelines of the event, the Minister highlighted that the MoU allows both Brunei and Vietnam to benefit from "a win-win situation".

“A lot of it will be facilitation of trade between the two countries. It will make it easier to do business for both countries,” the minister explained, adding that it will help to harmonise the two countries’ standards.

The signing of the MoU was held in conjunction with the state visit of President Tran Dai Quang of Vietnam to Brunei Darussalam.

<http://borneobulletin.com.bn/brunei-vietnam-sign-mou-trade-cooperation/>

A good week for world trade - TFA comes into force

David Dodwell, South China Morning Post, February 24, 2017

HONG KONG - There are estimates the deal can cut trade costs globally by over 14%, and will boost global trade by 2.7% a year by 2030. It will in particular aid developing economies, lifting their exports by over 30%.



In Bangkok, during the year’s first meeting of regional business leaders in the APEC Business Advisory Council, one modest sliver of good news brought smiles to a week better marked by anxiety and uncertainty over mainly bad developments that have marked the past six months.

Even the good news, in better times, would have warranted little attention: the World

Trade Organisation announced that the Trade Facilitation Agreement (TFA) intended to simplify border procedures so as to boost trade, and reduce costs linked with moving goods around the world, has at last come into force.

The TFA is the only global deal negotiated and agreed in the WTO since it was founded 23 years ago. Pretty much everyone supporting global free trade was celebrating. Hoang Van Dung, the Vietnamese chairman of ABAC, spoke for all when he said: “The TFA will help small as well as large firms, and those from developing countries, to participate more successfully in global markets by reducing red tape, costs and technical barriers to trade.”

But realists in Bangkok and elsewhere acknowledged that the celebration was rather hollow. The TFA was a crumb on the table of the now-defunct Doha round of global trade negotiations. It was proposed by WTO director General Roberto Azevedo – and endorsed by the world’s trade ministers – in Bali in late 2013 as a single salvageable initiative after more than a decade of fractious and ultimately fruitless efforts to bring global trade rules into the 21st century.



Despite endorsement in Bali, it has taken a further 39 months to persuade the necessary two thirds of the WTO's 164 members to ratify the agreement, and so bring it into force. On February 22, Rwanda, Oman, Chad and Jordan squeezed the WTO over the line.

Having had so little to celebrate over the past quarter century, Roberto Azevedo can perhaps be forgiven for being effusive: "This is fantastic news. WTO members have shown their commitment to the multilateral trading system. They have followed through on the promises made when this deal was struck just over three years ago. By bringing the deal into force we can now begin the work of turning its benefits into reality."

There are estimates that the deal can cut trade costs globally by over 14 per cent, and will boost global trade by 2.7% a year by 2030. It will in particular aid developing economies, lifting their exports by over 30%.

Of course, I can't imagine this "fantastic" news will have excited many in Donald Trump's White House. No champagne corks popping here, for sure.

Their "America first" mantra leaves little interest in benefits going to traders in the developing world. And in a West Wing where the word "multilateral" is a dirty word, one has to fear that the TFA will join the TPP and NAFTA as Trump targets for early extermination.

No country has developed successfully in modern times without opening its economy to international trade, investment, and the movement of people

But the White House aside, businesses around the world have good reason to celebrate this first modest victory for multilateralism.

No country has developed successfully in modern times without opening its economy to international trade, investment, and the movement of people

In Bangkok, the 63 gathered members of the APEC Business Advisory Council grasped firmly at this encouraging straw: "The global economy has been through a tough period. Trade growth continues to slow," said Mr Dung: "It is critical we take action wherever we can to remove the grit from the machinery of trade, keep markets open and competitive, and deepen connections. So this new agreement is extremely welcome."

At a time when developments in the US and the UK have prompted many ordinary voters to question the benefits of free and open trade and investment, ABAC members spent much of the week in Bangkok scrutinising why the clear benefits of trade opening over the past three decades are being so fiercely challenged.

Globally, trade liberalisation has lifted more than a billion people out of poverty over this time. Cooperation in the APEC region over the last 20 years has raised more than 700 million out of poverty in Asia alone, with GDP per capita increasing over 5 times.

“No country has developed successfully in modern times without opening its economy to international trade, investment, and the movement of people,” one ABAC member commented: “But to continue globalisation, its benefits need to be more clearly explained, and broadly shared. The objective must be more socially inclusive growth and less extreme inequality.

As alarming as the ferocity of the challenge to free and open trade has been, equally shocking has been the attack on multilateral and regional trade deals like the TPP and NAFTA, and the sudden love-affair with bilaterally-negotiated trade deals

“We in business have to do better to demonstrate not just the economic benefits, but also to work with our governments to establish policies that address dislocations and worker skill development.”

As alarming as the ferocity of the challenge to free and open trade has been, equally shocking has been the attack on multilateral and regional trade deals like the TPP and NAFTA, and the sudden love-affair with bilaterally-negotiated trade deals. Ask anyone involved in international business about bilateral trade deals and they will confirm they offer an extremely poor second best to regional or global deals: bilateral deals force businesses to trade by different rules and regulations in every market they enter. This “noodle bowl” muddle adds huge cost, complexity and uncertainty for every business considering international trade – with particularly tough impact on small companies.

Since it is clear that much of the political upswelling against international trade is linked with distress in communities that have been the victims of change, ABAC leaders also committed last week to work with APEC leaders to develop detailed proposals to identify more clearly the people in our economies that are adversely affected by trade-opening, and to develop programs to enable them to “re-skill” for 21st century careers.

However, the awkward reality here is that by far the majority of dislocation is arising not from trade, but from accelerating digital disruption and broader technological change. One high-tech entrepreneur in Bangkok estimated the digital revolution will by 2030 destroy more than 200 million jobs worldwide – but at the same time create 320 million new, higher-value-adding jobs. Perhaps Trump and other global leaders should be giving priority to this challenge in the coming for years. It would without question do more good than getting tough with a few migrant Mexican farm workers.

David Dodwell researches and writes about global, regional and Hong Kong challenges from a Hong Kong point of view

<http://www.scmp.com/business/china-business/article/2073672/landmark-week-world-trade-especially-asia-tfa-accord-comes>

New prospects for Georgian-Italian trade

The Financial, February 27, 2017



Antonio Enrico Bartoli, Italian Ambassador to Georgia.

TBILISI - On the 8th of March the Italy-Georgia Business Forum 2017 will be held in Rome. The event will aim to promote Georgia as a destination for investment and business, Italian Ambassador to Georgia Antonio Enrico Bartoli told The Financial.

The Prime Minister will lead the Georgian delegation at the business forum. This event aims to bring together large, medium and small companies from Georgia and Italy to facilitate business cooperation

between the countries.

Companies will have a unique chance to learn about the investment climate in Georgia as well as listening to eminent speakers from both the public and private sectors during thematic panel discussions.

Q. What is encouraging Italy to put more efforts into investing in Georgia?

A. Georgia has a very promising business environment. There is a good climate for investors and for business in general here. It's a transparent environment. There are certain sectors, for example infrastructure, which are financed by international finance institutions. So transparency is assured, and there are no problems with payments. Tax exemptions, low taxes or no tax on reinvested dividends, represent another positive element. Also, the country has a great geographic location and some very interesting free industrial zones.

Good general conditions are necessary but could also be not sufficient. One should therefore discuss concrete projects, and this is one of the main objectives of the business forum that we are going to host on 8 March in Rome, at our Ministry of Foreign Affairs and International Cooperation.

Frankly speaking, the first aim is to fill the gap of information and knowledge in the business community. This will be a good opportunity to highlight the direction of the country, the reforms you are carrying out and the headway that you have made, which are remarkable.

There will be thematic panel discussions on manufacturing; infrastructure; tourism and hospitality; and real estate. There will be the exchanging of ideas at B2B meetings. From the Italian side, all the main actors of the Italian business system will be present, among them Confindustria, which is the industrialists' association; trade agency ICE;

and SACE, our export credit agency which already partnered with the Georgian Partnership Fund.

There will be, I hope and believe, lots of Italian companies present, including those which are already in Georgia and are quite important, like Salini Impregilo from the infrastructure sector; Ferrero from agroindustry; Saipem (oli and gas); as well as companies working on the infrastructural development of ski resorts.

As of now, we have more than 60 Georgian companies registered. Lots of them are from the construction sector, food and drink, textile, and tourism. So, quite diversified. We are working on the registration of the Italian companies, and of course matchmaking, to have a fruitful B2B session after a networking lunch.

The fact that the Georgian Prime Minister is leading this delegation along with several ministers, including the Ministers of Foreign Affairs, Economy, Energy, Regional Development and Infrastructure, and several other representatives of governmental agencies, is a sign of the political importance attached to this event.

Italy is Georgia's 3rd trading partner in the EU, but we can do much better. To do much better we have to enlarge the audience, to reach out to different sectors. We have to foster direct contacts, while educating our business community on the general situation and the opportunities of Georgia.

Q. Which sectors are Italian companies most interested in investing in?

A. Agro industry is one of the most interesting sectors. Of course there are issues related to land registration and availability of land. But we have the very successful example of Ferrero, which is now a driver of local development.

Manufacturing means that a company can establish its activities here to use Georgia as a platform. This is what Georgians have to explain to Italian entrepreneurs, who usually prefer establishing their productive presence in larger markets.

Another interesting sector is infrastructure. Our building and construction companies are among the best in the world. We have about 38 main construction companies, 627 contracts in almost 90 countries, with a total value of EUR 87 billion.

We build highways, dams, subways and bridges all over the world. I think that our companies can be wonderful contractors and also partners because we are also discussing and exploring some PPPs, Public Partnership Initiatives.

There is an interesting programme of EU and EBRD called "EU for Business", allowing Georgian SMEs to be in line with DCFTA standards by buying technological equipment, and Italians are there to help. As for cooperation in the tourism and hospitality sector, we can be - once again - excellent partners or providers for everything related to this business. The same goes for furniture and design accessories. I think there is a lot of opportunity for cooperation and investment.

Q. How competitive is the Georgian market for Italian business?

A. If by competitiveness you mean reasons for attraction, then low wages are an attractive element when taking a decision on starting a business. That has to be accompanied by good skills, though. I appreciate the effort of the Government in putting education high on the agenda. It is a top priority, not only university education but also vocational training, professional education.

Q. How have Georgian-Italian trade and business relations changed over the last decade?

A. It's been a very encouraging, rather impressive, increase. If we take the GeoStat figures, we had USD 162 million in 2007, and in 2016 we registered 336 million, so it has more than doubled. It's a remarkable figure and is testimony to the fact that there is interest and there are concrete opportunities. There is much to do in the different sectors to increase these figures.

There are good opportunities for us in the agro industry, infrastructure, machinery, and hospitality. In terms of products: agricultural machinery; materials for construction; kitchen equipment; furniture; cosmetics; fashion apparel; food. On the other hand, I think there is great curiosity also in Italy for Georgian wine and Georgian products. There are even wineries now in Italy which have started production using the traditional Georgian method.

Q. What can you tell us about the interest of the Italian fashion industry in Georgia?

A. Let me say that we have been organizing some nice events, recently. At the beginning of this year there was a pretty amazing exhibition of Italian fashion at the Moma museum. It showcased the history of Italian fashion over the last 6 decades, through the most iconic fashion designers and the garments representing them. We also organized a fashion show with Italian garments. There are several brands present here. There is a common interest in this field. It's a good opportunity even for Georgian operators, for distributors, for the sellers of these brands. There is a quite interesting franchising sector. I can list some brands specifically, like Carpisa; Intimissimi; Calzedonia; Coincasa; Yamamay; Ermenegildo Zegna; OVS; Terranova; Ci Gusta; Old Wild West; Max Mara Weekend; Pensarecasa; and Geox. There are also productive realities, like the Georgian companies producing for Moncler, which is a very important Italian brand. And I think there could be the opportunity to start similar businesses in the future.

I sincerely believe that there is also a nice potential for Georgian designers. Georgia has a great cultural background. The taste for beauty in its DNA, That's why there are excellent young designers. I am ready to support exchanges of knowledge and experiences in this regard. We have very good fashion schools. We have already proposed some initiatives and we also brought a design exhibition here.

Q. What kind of environments do Italian corporations consider when choosing a country to enter?

A. I can give you some examples of figures that I think are effective in giving across the idea. There are lots of Italian FDAs abroad. In figures dating back to 2014, there have been almost EUR 550 billion of Italian investments abroad, while foreign investments in Italy have been 404. There is a positive difference. This means that there are more than 31 thousand Italian companies abroad with a turnover of EUR 560 billion and more than 1,5 million employees in more than 160 countries.

An interesting trend is that if you compare present data to 20 years ago, the quota of investments in Europe is reducing. We are going more toward countries outside of Europe. The main factors are the dimensions of the market. You can see the highest increase in the presence of Italian companies abroad in countries like Brazil, the USA and China, and this is not by chance. These are markets chosen for their trend and their actual size as the most attractive. Other factors are the quality of products that you produce there and also the exchange in terms of technical knowledge.

Many Italian companies operate in countries like Romania, which offers the advantage of more competitive production factors and of being a EU country. I think that in some time Georgia could aim at becoming like Romania for Italy and for other manufacturing countries.

Q. What can you tell us about the cultural relations of Georgia and Italy - what events are planned in this regard?

A. We reorganized the structure of the Ministry of Foreign Affairs some years ago. We created a Directorate General called "Sistema Paese", for Cultural and Economic Promotion and Innovation. It covers economy and culture at the same time. We call it "integrated promotion". It does not simply mean that companies are expected to sponsor cultural activities. Culture is a powerful driver of visibility. The best tool to convey the image of the country abroad. And businesses can take advantage of that.

So in this way we are promoting Italian culture. We believe that culture is one of the most direct channels of communication and friendship. We proposed a quite intense cultural programme last year in Georgia. We are even more ambitious for this one. Our first ambition would be to bring some important Italian masterpieces here to Georgia.

We are also looking at contemporary art. We are planning to have an exchange between young and emerging Georgian artists to provide them with a venue in Italy and do the same with Italian artists here. We will have lots of music event, starting with a concert to celebrate the 25th anniversary of the reestablishment of our diplomatic relations. We will arrange many other concerts and support the Batumi and Baroque Festivals as well. Several Italian artists will be attending the festivals. Regular screenings of Italian films are going to be offered. We had a very intense theatre season last year. And we have planning, together with our partners, many theatre shows also this year.

I think that we are quite active because we are very passionate, and as I said, this is something that can draw on public funds but also on the generosity of sponsors. We are very much welcoming support from Georgian companies, especially those which are interested in relations with the Italian market. We think that this is also for them a good opportunity for visibility.

Q. What can you tell us about the field of tourism? What links can these two countries share in the development of tourism?

A. There are good statistics in this direction. There are good trends. If we talk about Italian tourists coming here, there were almost 13,000 in 2016 with a growth of 7% compared to the previous year. Georgia is a wonderful country and region. Personally I am a mountain lover and there are wonderful mountains here. This is nothing new though, there were Italian explorers and voyagers coming here in the past, like Vittorio Sella for example. Here in my office, I have pictures of Svaneti taken by him at the end of the 19th century. There are incredible opportunities in this sector. This can be a very important destination for Italians, but, once again, information should be enhanced.

Italy is a really good destination for Georgians. Georgians love our art, culture, history, language, food and lifestyle. Top travel destination in Europe in recent opinion polls conducted by ACT company and the country where people would like to be back. This is also why the number of Georgians travelling to Italy increased constantly in the last years totalling 15,000 people in 2016 with an increase of 16% from 2015.

<http://finchannel.com/world/georgia/63572-new-prospects-for-georgian-italian-trade-relations>

Dominica & Mongolia ratify FTA

The Financial, November 30, 2017



ULAANBAATAR - Dominica and Mongolia have ratified the Trade Facilitation Agreement (TFA), putting the total number of ratifications from members at 100. With just 10 more ratifications from members needed to bring the TFA into force, the final countdown begins for realizing a global deal that could boost global merchandise

exports by up to \$1 trillion per annum by slashing trade costs and cutting red tape at the border.

Dominica's and Mongolia's instruments of acceptance were submitted to the WTO on 28 November 2016. Earlier, on July 29, 2014, Mongolia submitted its Category A notification to the WTO outlining which substantive provisions of the TFA it intends to

implement upon entry into force of the Agreement. Dominica did so on 29 April 2015. The TFA will enter into force once two-thirds of the WTO membership has formally accepted the Agreement.

One immediate impact from entry into force of the TFA is that all developed country members of the WTO will start applying all of the substantive provisions of the Agreement from the date it takes effect. Developing countries and least developed countries (LDCs) will also begin applying those substantive provisions of the TFA they have indicated they are in a position to do so from the date of entry into force; these commitments are set out in the Category A notifications which 90 members have submitted to date.

According to a 2015 study carried out by WTO economists, full implementation of the TFA would reduce members' trade costs by an average of 14.3%, with developing countries having the most to gain. The TFA also has the ability to reduce the time to import goods by over a day and a half while also reducing time to export by almost two days, representing a reduction of 47% and 91 per cent respectively over the current average.

Concluded at the WTO's 2013 Bali Ministerial Conference, 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. It further contains provisions for technical assistance and capacity building in this area.

Besides benefiting existing traders, implementing the TFA is foreseen to help new firms export for the first time. Moreover, if the TFA is fully implemented, developing countries could increase the number of new products exported by as much as 20%, with LDCs likely to see a much bigger increase of up to 35%, according to the WTO study.

In addition to Dominica and Mongolia, the following WTO members have also accepted the TFA: Hong Kong China, Singapore, the United States, Mauritius, Malaysia, Japan, Australia, Botswana, Trinidad and Tobago, the Republic of Korea, Nicaragua, Niger, Belize, Switzerland, Chinese Taipei, China, Liechtenstein, Lao PDR, New Zealand, Togo, Thailand, the European Union (on behalf of its 28 member states), the former Yugoslav Republic of Macedonia, Pakistan, Panama, Guyana, Côte d'Ivoire, Grenada, Saint Lucia, Kenya, Myanmar, Norway, Viet Nam, Brunei, Ukraine, Zambia, Lesotho, Georgia, Seychelles, Jamaica, Mali, Cambodia, Paraguay, Turkey, Brazil, Macao China, the United Arab Emirates, Samoa, India, the Russian Federation, Montenegro, Albania, Kazakhstan, Sri Lanka, St. Kitts and Nevis, Madagascar, the Republic of Moldova, El Salvador, Honduras, Mexico, Peru, Saudi Arabia, Bahrain, Bangladesh, the Philippines, Iceland, Chile and Swaziland.

At the most recent meeting of the Preparatory Committee on Trade Facilitation on 24 November, the chair Ambassador Mariam Md Salleh (Malaysia) noted that "intense efforts are finally about to bear fruit".

Besides remarking on the number of TFA ratifications, the chair also reported that there are now 90 submissions of Category A notifications and only six notifications each for Categories B and C, which represent flexibilities for developing countries.

“With that moment (of the TFA’s entry into force) now being not far away — and getting closer with every deposited acceptance instrument — I urge all delegations which have not yet tabled their Category B and C notifications to hand them in as soon as possible,” the chair said.

A developing country member’s Category B notification lists the provisions the member will implement after a transitional period following the entry into force of the TFA. The Category C notification contains the provisions where a developing country member will need assistance and support for capacity building in order to implement these provisions on a date after a transitional period.

The TFA broke new ground for developing countries and LDCs in the way it will be implemented. For the first time in WTO history, the requirement to implement the Agreement was directly linked to the capacity of the country to do so. In addition, the Agreement states that assistance and support should be provided to help them achieve that capacity.

A Trade Facilitation Agreement Facility (TFAF) was also created at the request of developing and least-developed country members to help ensure that they receive the assistance needed to reap the full benefits of the TFA and to support the ultimate goal of full implementation of the new agreement by all members.

<http://finchannel.com/business/61695-dominica-mongolia-ratify-the-trade-facilitation-agreement>

ASEAN becoming more trade-friendly than EU & US

The Star Online, November 30, 2017

KUALA LUMPUR - ASEAN’s increased integration into the global economy has made the region a more accessible market for trading goods than either the European Union or the US.

This is one of the findings of the Global Enabling Trade Report 2016, published by the World Economic Forum (WEF) and the Global Alliance for Trade Facilitation.



A woman walking in front of the ASEAN Ministerial Meeting logo in Kuala Lumpur. (File photo taken in August 2016.)

“ASEAN’s progress as an economic power comes at a time when the US and European Union are becoming less open,” the report said. However, ASEAN’s progress in other areas, measured by the index, is less pronounced.

“As a result, the best economies for enabling trade tend to be in Northern and Western Europe, with the notable exception of Singapore and Hong Kong,” Klaus Schwab, founder and executive chairman of the WEF, said in a statement on Wednesday.

Singapore and Hong Kong were ranked first and third, respectively, at enabling trade across borders, while the Netherlands came in second, the UK, eight and Germany, ninth.

Other ASEAN member states mentioned in the report were Thailand (63rd, up nine places), Vietnam (73rd, up 14) and Laos (93rd, up seven). Schwab said free trade remained the most powerful driver of global economic development and social progress.

The challenge for leaders is was to confront protectionism, but they also have a duty to make trade a source for more inclusive growth, he said. The report features the Enabling Trade Index (ETI), which assesses the performance of 136 economies on domestic and foreign market access; border administration; transport and digital infrastructure; transport services; and operating environment.

Produced every two years, the report is a benchmark for leaders looking to boost growth and development through trade.

<http://www.thestar.com.my/business/business-news/2016/11/30/asean-becoming-more-trade-friendly/>

Customs reforms to be implemented soon (Nepal)

The Rising Nepal, January 26, 2017

KATHMANDU - The fifth stage of the customs reforms and modernization strategy and action plan has been pursued for trade facilitation by modernizing the customs sector and making it transparent.

Deputy Prime Minister and Finance Minister Krishna Bahadur Mahara made public the four-year Fifth Strategy amidst a programme organised by the Department of Customs

on the occasion of the 65th International Customs Day here today. The strategy will take effect from Mid-July 2018 of the Fiscal Year 2017/2018 until Mid-July 2022.

The strategy paper has identified strategies as trade facilitation, fairness and good governance, automation, human resources development, physical infrastructure development, passenger checking, reduction in revenue variation, voluntary abidance to law, societal protection and coordinated management of limitation.

The Department believes that after the enforcement of the strategy the customs administration processes would be automated and simplified and in consonance with the provisions of the Kyoto Convention and the Trade Facilitation Agreement (TFA) of the World Trade Organisation with the amendment to laws related to customs.

Likewise, the Finance Minister launched a report that helps in identifying the time taken by the trade process and handed over the export and import code. He stressed on the need of making the customs administration credible as the role of the Department leaves an impression in the international sector as well.

Minister Mahara also expressed the commitment to making the revenue sector systematic and advanced by forming the Revenue Board in the coming days. He explained that the customs would be modernized through a database.

Finance Secretary Dr Shanta Raj Subedi said the customs system would be made customer-friendly based on IT and the government would lay special emphasis on this. He called on the traders to become transparent in their transactions and the customs staff to facilitate in that.

Revenue Secretary Rajan Khanal shared that the import and export code has been managed to legalize the trade and urged the genuine traders to use the code to better manage their trade.

Chief Commissioner of the National Information Commission, Krishna Hari Banskota emphasized on the need of opening up the State information and data as this would promote transparency and responsibility. He also suggested constituting the Customs and Excise Board.

Chairman of the Revenue Tribunal Dilliram Acharya and former Director General of the Department of Customs, Surya Prasad Acharya urged the traders to be transparent in their dealings and for reforming the customs administration making it technology-friendly.

Director General of the Department of Customs, Shishir Dhungana expressed commitment to provide international standard services within the next four years and for this the government needs to spend Rs 10.4 billion for developing the infrastructure.

President of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Pashupati Murarka, president of the Confederation of Nepalese Industries (CNI) Hari Bhakta Sharma and president of Nepal Chamber of Commerce Rajesh Kaji Shrestha

said that the State has not been able to provide the services commensurate with the revenue it collected, stressing the need for the state to be more liberal towards the industrialists and business community.

Formed DG of the Department Acharya, the best employees of the Department and Director Kulraj Gyawali and Bal Krishna Gyawali, a journalist associated to the Nagarik Daily were honoured on the occasion. The latter was honoured for writing outstanding news related to customs.

Meanwhile, 256 people benefited from a free health camp conducted by the National Trade Association at the premises of the Sankhu Primary School on the occasion of the 65th International Customs Day.

<http://therisingnepal.org.np/news/17102>

Pakistan reforms under WTO TFA, Dastgir

Dawn, January 5, 2017

ISLAMABAD - Pakistan has initiated reform as part of the World Trade Organisation's trade facilitation agreement (TFA), Commerce Minister Khurram Dastgir said.

Addressing at a seminar on the agreement, the minister said, "Pakistan has already notified its category A commitments - measures that we feel are implementable immediately."

He said Pakistan was also committed to notify categories B and C commitments soon. "The first step in implementing TFA is to complete the ratification process."

Pakistan was the first country in South Asia to ratify the agreement, he said, adding: "So far 103 members have completed their ratifications and the agreement will soon come into force once the 108th member ratifies it."

Elaborating the importance of the agreement, the minister said the TFA provided an opportunity to reduce time and cost of international trade transactions by improving the transparency and efficiency of border procedures.

"Trade facilitation has significant importance for the economic agenda of countries around the world. It's a worldwide response to the reality that logistical efficiency is just as important as production capacity," the minister said.

Mr Dastgir said competition on the international market has increased tremendously and companies now depended on efficient, fast and reliable movement of goods with time efficiency becoming a key indicator of competitiveness.

He added that the countries where trade environment is more favourable in terms of formalities, procedures and the related exchange of information were in a better position to take advantage of new opportunities to grow and to create jobs.

<https://www.dawn.com/news/1306412>

APEC leads TFA implementation push

APEC sub-committee on customs procedures, Manila Bulletin, February 26, 2017



NHA TRANG – APEC member economies are moving quickly to implement the newly ratified Trade Facilitation Agreement, the first multilateral trade deal under the World Trade Organization.

They are intent on realizing its potential to boost trade participation and growth across the Asia-Pacific.

The Trade Facilitation Agreement, which entered into force this week after two-thirds of the WTO's 164 members ratified it, will simplify their customs procedures, making it easier, faster and cheaper to securely move goods across borders. Negotiations concluded in Bali in December

2013, bolstered by the support of APEC Leaders there two months earlier.

Customs officials from APEC economies conducting technical exchanges in Nha Trang, Viet Nam to accelerate implementation of the agreement hailed the news and its implications for fair trade.

“APEC economies are on the verge of full ratification of the Trade Facilitation Agreement and working closely to expedite adoption of its provisions,” noted Vu Ngoc Anh, Chair of the APEC Sub-Committee on Customs Procedures, which administers regional policy cooperation within the sector. “Modernizing our customs systems in-line with the agreement will improve goods flows at borders and make it easier for businesses to trade in the region.”

“Trade facilitating measures put into practice in APEC have already saved importers and exporters billions of dollars and fostered conditions for enhanced trade and economic growth,” explained Vu, who is also Deputy Director-General of Viet Nam Customs. “The steps we are now taking to reduce the time and cost of customs compliance and doing business in the region will open up trade further, particularly among smaller scale producers and suppliers.”

To date, 19 out of 21 APEC economies have ratified the Trade Facilitation Agreement which is projected to increase global trade by up to \$1 trillion annually. Collaborative implementation efforts in APEC are focused on enabling actions such as the deployment of single window systems that provide one location for the filing of regulatory documentation as well as designating Authorized Economic Operators that offer faster customs clearance of goods to qualifying traders and improving these programs.

Parallel emphasis ranges from support for transition from paper-based to electronic processes and the application of information technologies, to managing risk. Complexities include rising e-commerce growth and the challenges it creates for customs and other agencies in controlling the cross-border flow of goods. Officials are also sharing guidance on coordination across agencies and business to better orient them to the changing customs environment.

“Customs authorities in APEC understand the requirements of the Trade Facilitation Agreement and practical guidelines developed by the World Customs Organization for the harmonized institution of customs procedures. They just need to continue what they’re doing,” said Toshihiko Osawa, Technical Officer at the Compliance and Facilitation Directorate of the World Customs Organization. “Non-APEC members can learn from APEC lessons and experiences.”

“Trade Facilitation Agreement implementation is well on its way in APEC,” echoed Shiumei Lin, Vice President of Public Affairs, Asia-Pacific at UPS. “Advancing work in the region to address deeper issues impacting supply chains like transportation, domestic regulations and policy coordination and coherence will help to build on this progress and optimize the trading environment for all,” she concluded.

<http://business.mb.com.ph/2017/02/26/apec-leads-breakthrough-trade-pact-implementation-push/>

ICCP welcomes WTO TFA (Philippines)

Raadee S. Sausa, The Manila Times, March 13, 2017

MANILA - The International Chamber of Commerce Philippines (ICCP) has welcomed the entry into force of the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA), a landmark global trade deal which could boost global trade flows to over \$1 trillion.

"ICC Philippines lauds the Philippine government for actively supporting this landmark global trade agreement," Francis Chua, ICCP founding chairman said in a statement over the weekend.

"Our strong support to this TFA plus the presence of Undersecretary Manuel A.J. Teehankee as one of the active proponents in the Philippine government in pushing for this deal. There was no iota of doubt the Philippines would be a proactive supporter of this TFA," Chua said.

The Department of Trade and Industry (DTI) plays a critical role in implementing the TFA, and the ICCP welcomes and is grateful to Trade Secretary Ramon Lopez for championing small and medium enterprises (SMEs) in ensuring that the agreement is carried through.

The Philippines stands to benefit from the agreement as it will provide a major boost to micro, small and medium enterprises (MSMEs) – the backbone of the Philippine economy, comprising 99.6% of the registered establishments in the country, the chamber noted.

"The entry into force of the TFA is a watershed moment for global trade," ICC Chairman Sunil Bharti Mittal said. "The reality today is that many small businesses are unable to trade internationally due to complex customs requirements. By cutting unnecessary red-tape at borders, the TFA will have a transformational effect on the ability of entrepreneurs in developing countries to access global markets."

"The TFA can help ensure that, for the first time, all companies – regardless of size or location – can benefit from global trade. The entry into force of the agreement could not come at a more important moment given the imperative to make global growth more inclusive," Mittal said.

ICC is a leading proponent of the TFA, playing a key role in the 2013 negotiations that led to the agreement and working closely with the WTO and other international organizations to coordinate and support the deal's implementation.

Two-thirds of WTO member states have now ratified the TFA, with Rwanda, Oman, Chad and Jordan becoming the latest of 112 countries to ratify the agreement.

<http://www.manilatimes.net/iccp-welcomes-wto-trade-facilitation-agreement/316880/>

ICC reports 2016 issues affecting international trade

International Chambers of Commerce, December 14, 2016

PARIS - International trade is central to the world economy and economic development, and a critical engine of growth across industries and markets. Indeed, pre-crisis trade had been increasing at twice the rate of GDP growth as existing corridors grew and new ones opened with the industrialisation of developing economies.

Trade Finance underpins much of this trade, and provides importers and exporters with the financing and risk mitigation that allows them to transact with distant and often unfamiliar counterparties.

In order to manage Trade Finance as a product effectively, banks do not only need to understand the full risk profile (e.g. country, currency, counterparty, delivery, and credit risk) of their business, but also the regulatory and strategic implications. The ICC Trade Register aims to support banks achieve this by providing an objective, transparent view of the credit-related risks and characteristics of Trade Finance using a rich, data-driven approach.

Detailed analysis and commentary also help build understanding of the global issues around Trade Finance and contribute to relevant informed policy and regulatory decisions. Several methodological enhancements have been made to the report this year to improve scope and accuracy, as part of the Trade Register's evolution.

The 2016 report corroborates findings from previous years that Trade Finance products present banks with short average maturities, and little credit risk, with low default rates and loss rates. While this low credit risk profile is set to remain, Trade Finance is facing a number of changes to which banks must respond:

- Global trade is slowing, heavily affected by commodities and developing economies.
- Banks are showing a reduced risk appetite, limiting supply and refocusing on their core.
- Corporates are shifting towards Open Account, fuelled – in part – by Digital
- Regulatory compliance, while critical and well-intentioned, is a growing challenge to banks.
- Margins are falling, driving the need for operational efficiencies.

As banks respond to these, it is crucial they understand the credit, operational and reputational risk implications of any strategic response to these challenges, on top of the commercial impacts.

For Short-Term Trade Finance specifically, the 2016 Trade Register reveals a slight uptick in defaults observed from 2013-2015 across products and geographic regions, resulting from a combination of one-off events and potentially more systematic factors. Nevertheless, these products continue to have a favourable risk profile versus

comparable asset classes, such as corporate and small and medium-sized enterprise (SME) lending.

Similarly, for Medium to Long-Term Trade Finance, the 2016 Trade Register shows an increase in defaults across all regions except ex- Commonwealth of Independent States (ex-CIS) countries and the Middle East. Nevertheless, the vast majority of this effect is driven by two countries, Singapore and Spain, as a result of non-systemic, obligor-specific events.

A marginal rise in Loss Given Default, and therefore Expected Loss was also evident in 2015. Despite these trends, however, the level of risk for Medium to Long-Term Trade Finance remains low, especially given Export Credit Agency backing.

The results of the 2016 Trade Register provide the basis for strong advocacy for favourable treatment of Trade Finance as an asset class by the Basel Accords. This would further increase the attractiveness of Trade Finance to banks, and in turn, provide benefit for global trade and market access. In parallel, there is also the case for Trade Finance to be increasingly recognised as an investible asset class from institutional investors, which may provide further funding and support for the industry.

Going forward, there are a number of avenues the ICC is exploring alongside its partners in order to drive additional value from the Trade Register, particularly for the Member Banks who have provided generous, continued support to the Project over past years. These include, but are not limited to, broadening the scope of products and risk categories assessed as part of the exercise, as well as developing a data-sharing provision so that Member Banks can utilise the Trade Register data for their own internal modelling.

The complete report can be downloaded from the following link:

<https://iccwbo.org/publication/icc-trade-register-2016/>