

OECD Trade Facilitation Indicators: State of Implementation

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OECD Trade Facilitation Indicators – State of Implementation

The OECD Trade Facilitation Indicators, covering 133 countries, provide a tool for countries to visualize the state of implementation of the various policy areas and measures included in the WTO Trade Facilitation Agreement.¹ Concerned countries may wish to consider measures they already implement for inclusion in their Category A notification, so as to focus their efforts on policy areas and measures that are still in the process of implementation or are not yet implemented, and on identifying any technical assistance required to support implementation.

Analysis of the TFI data by income group shows that a number of provisions of the WTO Trade Facilitation Agreement appear to be already implemented by a number of countries across all income groups. Further distinctions among the remaining measures in order to designate Category B or Category C provisions can only take place through gap analysis at the country level, taking into account not only the state of implementation but also identifying the actions necessary to comply with the measure.

Country-specific notes on the state of implementation, following the approach outlined in this document, can be provided by the OECD to countries upon request.

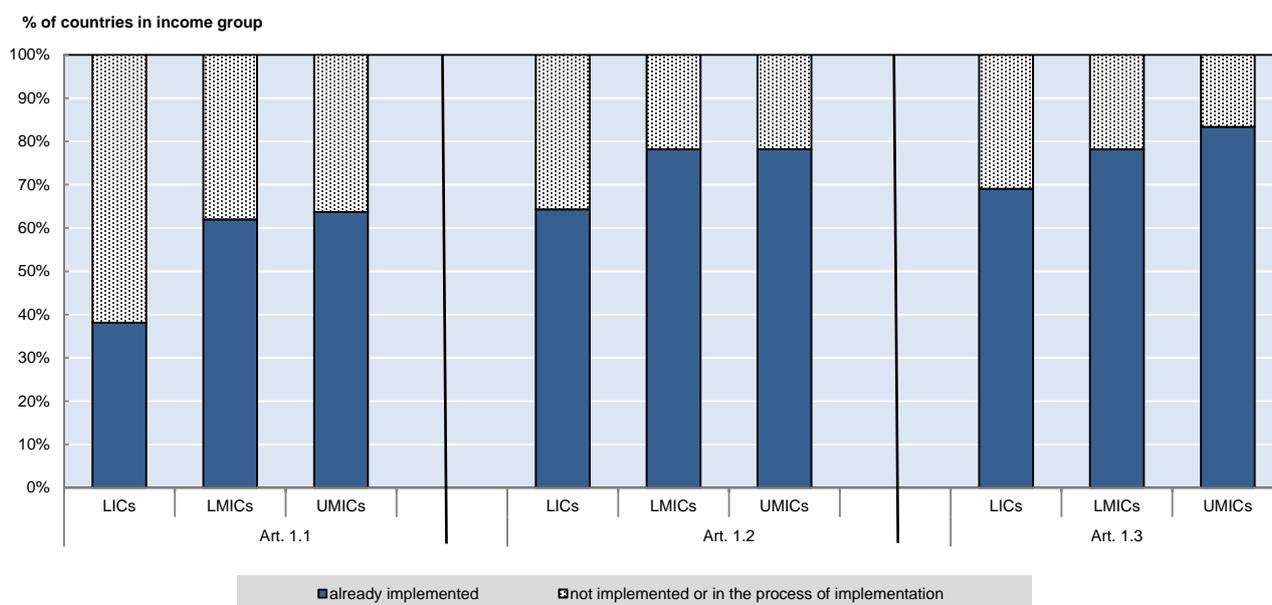
The Trade Facilitation Agreement adopts a three tiered approach to commitments of developing countries (Category A, to be implemented immediately; Category B, calling for extra time; and Category C, requiring technical assistance). Developing countries will notify those three lists upon the entry into force of the Agreement (or one year later in the case of LDCs), while definitive implementation dates for commitments designated as requiring extra time or assistance will only be known one year after the entry into force of the agreement (two years for LDCs).

Each Member will self-designate the provisions it includes in each of the categories, based on implementation capacities, individual development, financial and trade needs and administrative and institutional capabilities. Needs Assessments conducted with the support of the WTO Secretariat have been assisting Members in identifying their implementation capacities (“situational analysis”) and trade facilitation needs and priorities (“gap analysis”).

¹ Data availability does not allow to provide information on implementation of TFA Articles 5, 6.3, 7.5 and 7.8, 9, 10.7, 10.8 and 10.9, 11 and 12

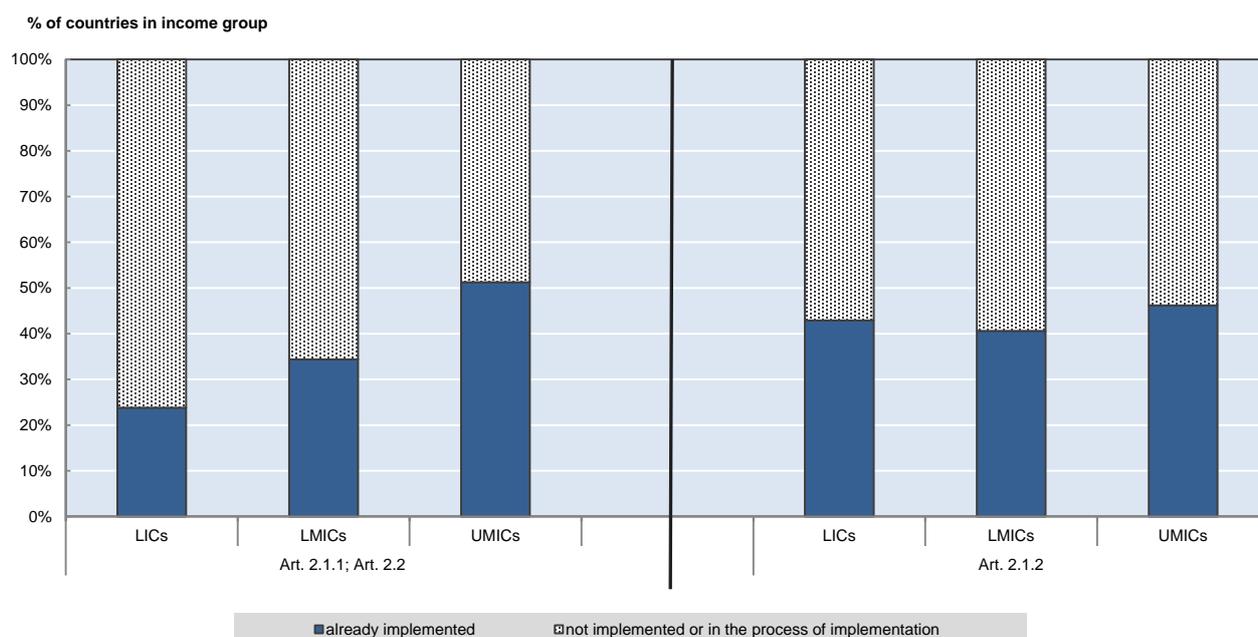
TFA Article 1: Publication and Availability of Information

Article 1 is already quite widely implemented among the sample countries. Among the types of information listed in Art.1.1, countries across income groups widely publish about importation, exportation and transit procedures (1.1.a) and applied rates of duties and taxes (1.1.b), and lower and upper middle income countries widely publish about classification and valuation rules (1.1.d) appeal procedures (1.1.h) and agreements with third countries (1.1.i). Information available on Internet (1.2) and Enquiry Points (1.3) are well established in the majority of countries.



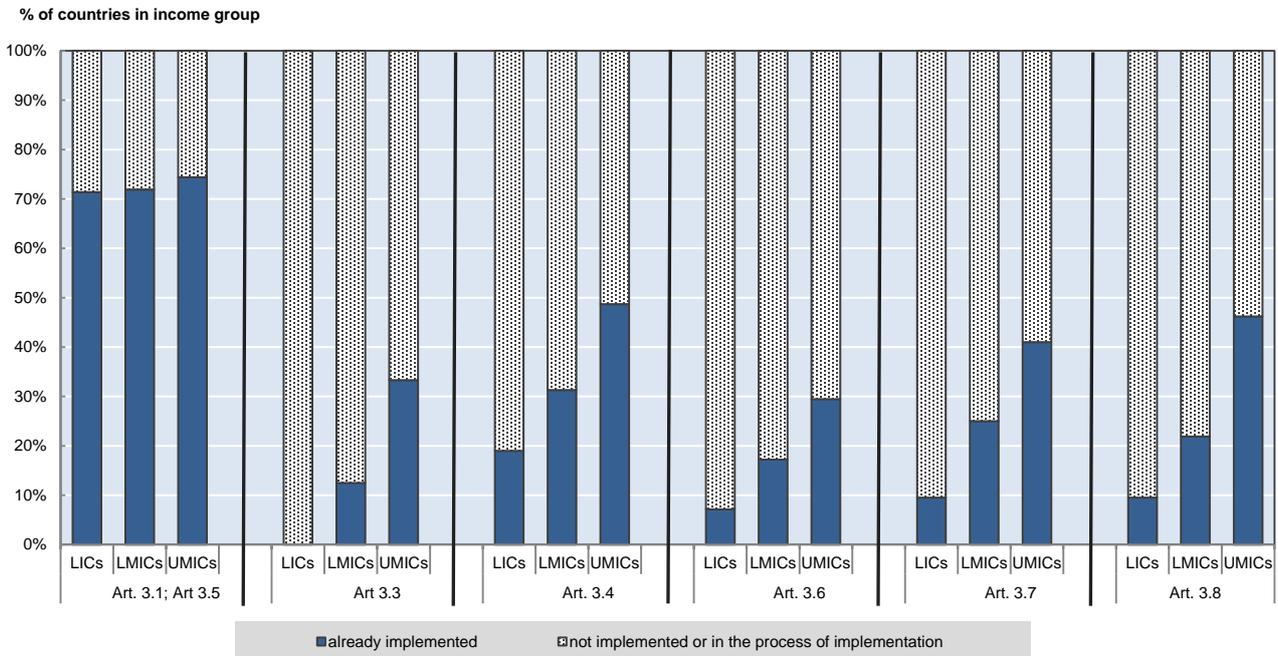
TFA Article 2: Opportunity to Comment, Information before Entry into Force and Consultation

The level of implementation of Article 2 is lower. Around 40% of countries across all income groups publish information as early as possible before their entry into force (2.1.2), but fewer countries consistently provide opportunities to comment (2.1.1) and consultations (2.2).



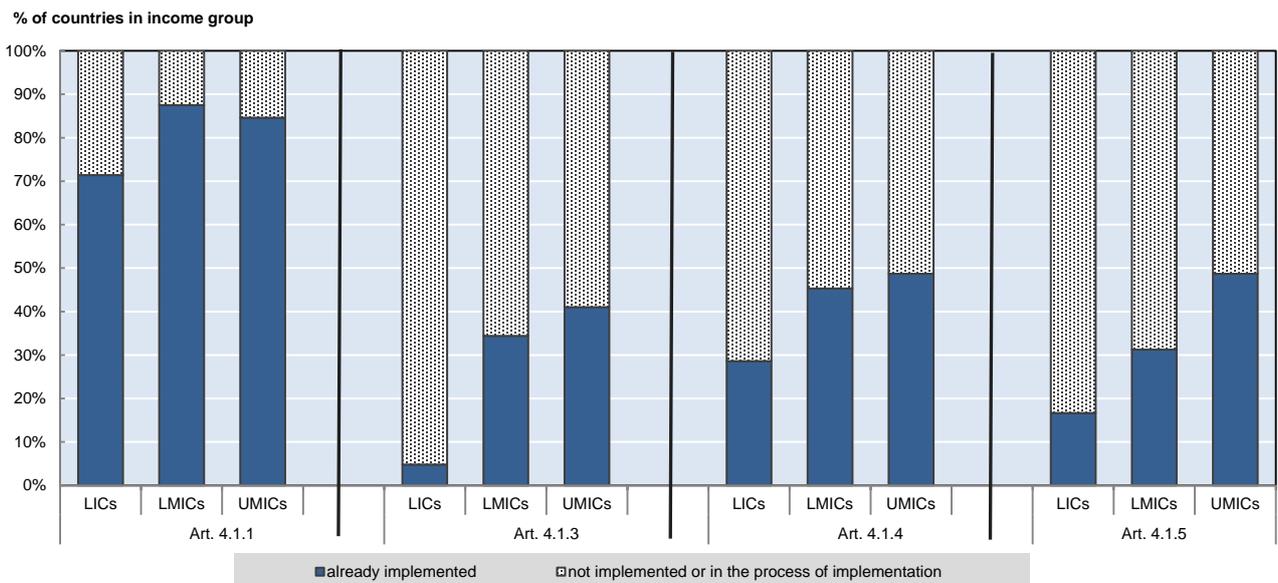
TFA Article 3: Advance Rulings

Article 3 is also a work in progress for most countries in the sample. While more than 70% of countries across all income groups issue binding advance rulings (3.1 and 3.5), the implementation of provisions about the validity (3.3), revocation (3.4), timely issuance (3.6), reviews (3.7) and publication of advance rulings of general interest (3.8) is strongly related to income levels.²



TFA Article 4: Appeal or Review Procedures

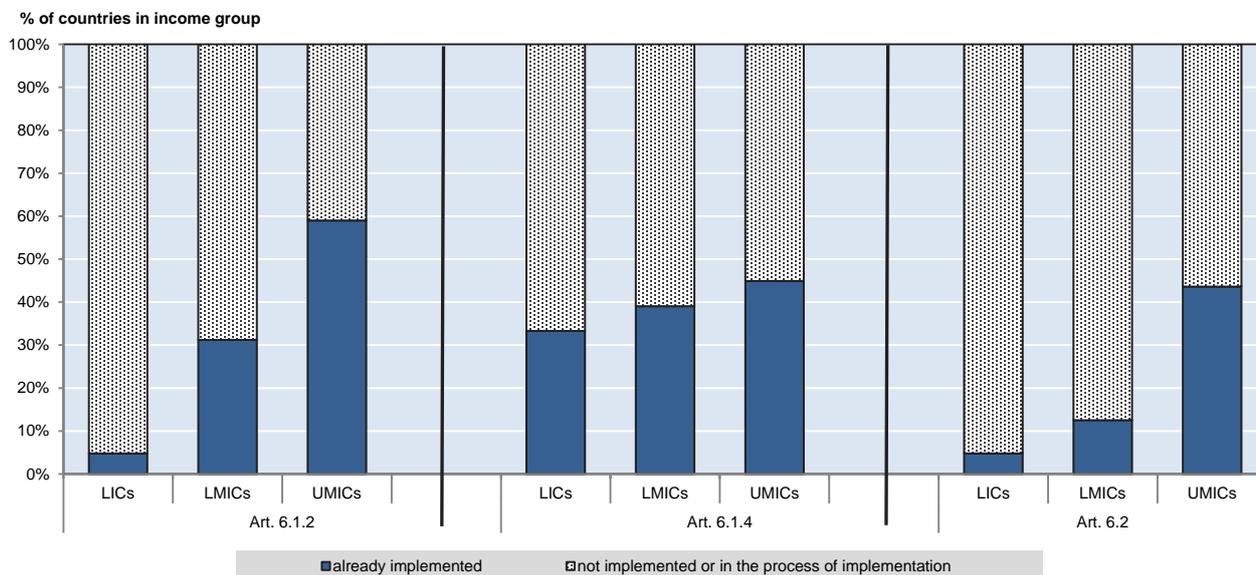
Despite wide implementation of the right to appeal (4.1.1), the remaining provisions of Article 4, non-discriminatory application (4.1.3), timeliness (4.1.4) and motivation of administrative decisions (4.1.5) are already implemented by almost half of the sample countries; the level of implementation appears dependent on income level.



² Art.3.2 and 3.9 were not measured because they refer to available flexibilities and definitions, respectively.

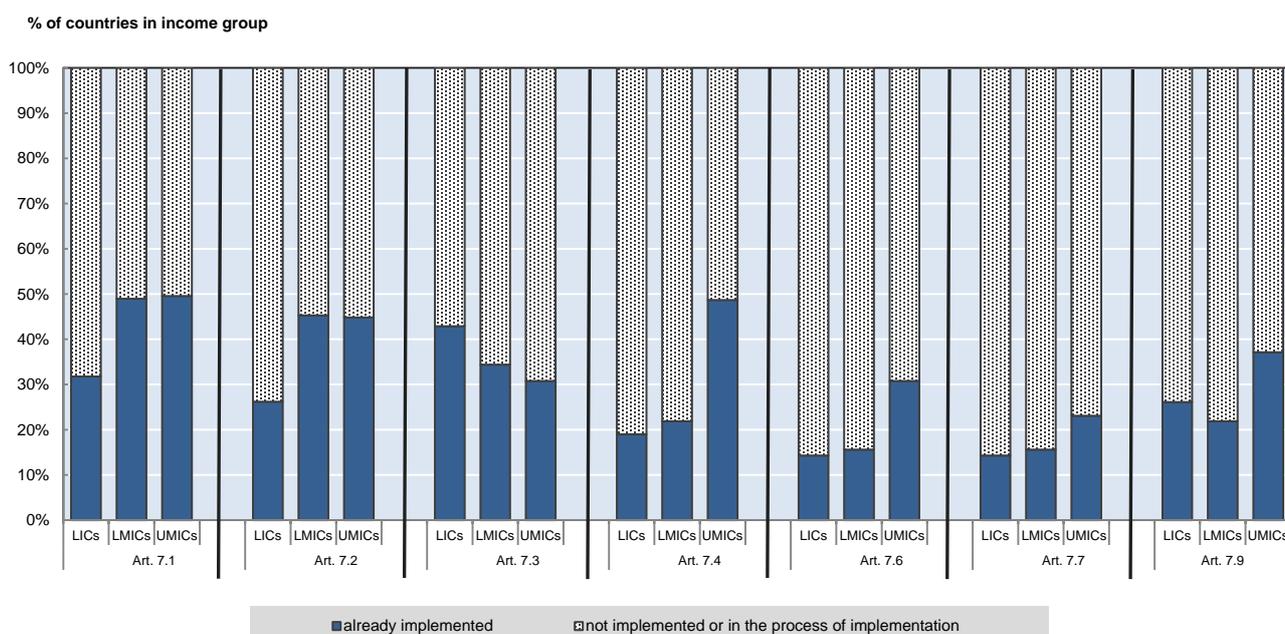
TFA Article 6: Disciplines on Fees and Charges

In Article 6, periodic reviews of fees and charges are implemented consistently by around 40% of countries across income groups (6.1.4), but provisions on the information published on fees and charges (6.1.2) and on the limitation to the approximate cost of service rendered (6.2) present significant variations according to the income group.



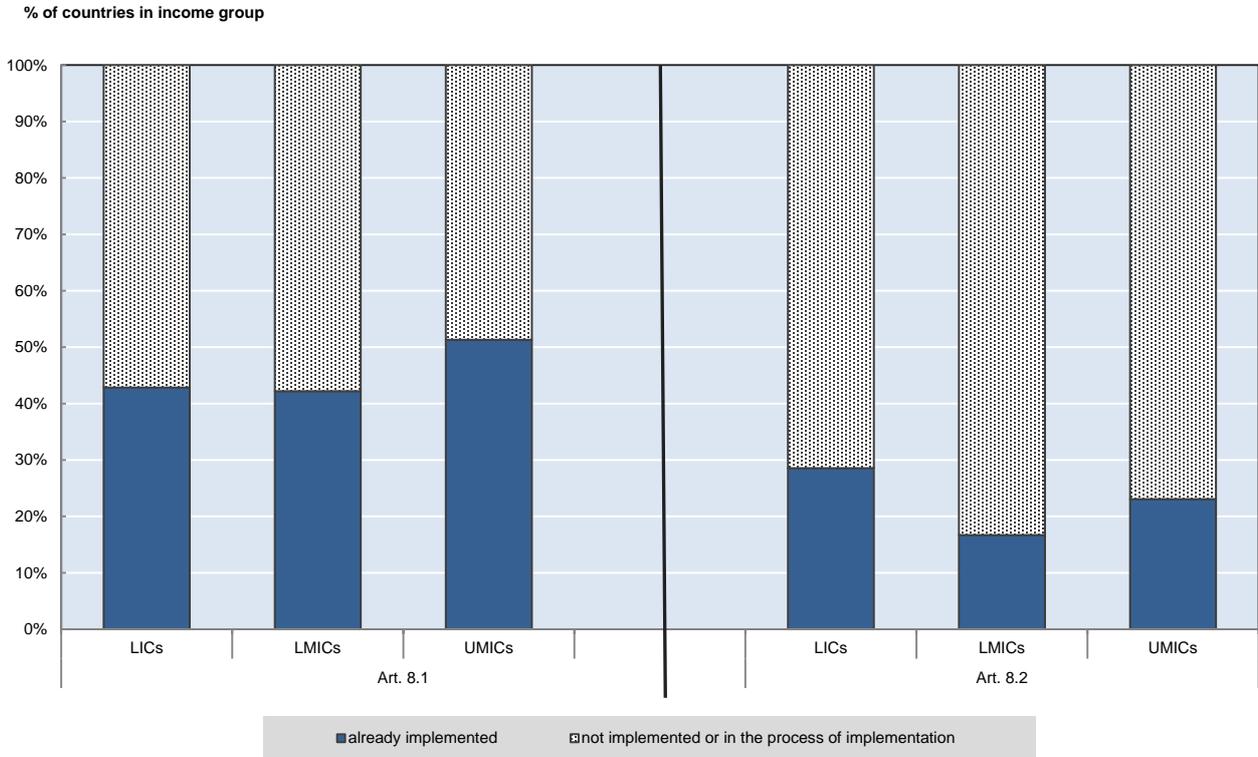
TFA Article 7: Release and Clearance of Goods

Among provisions of Article 7, pre-arrival processing (7.1) and electronic payment (7.2) seem to be already implemented by around half of middle income countries, while risk management measures (7.4) are already implemented by around half of upper middle income countries. Separation of release from clearance (7.3) appears unrelated to income levels. The establishment and publication of average clearance times (7.6), measures for authorized operators (7.7) and measures for perishable goods (7.9) are still work in progress across income groups.



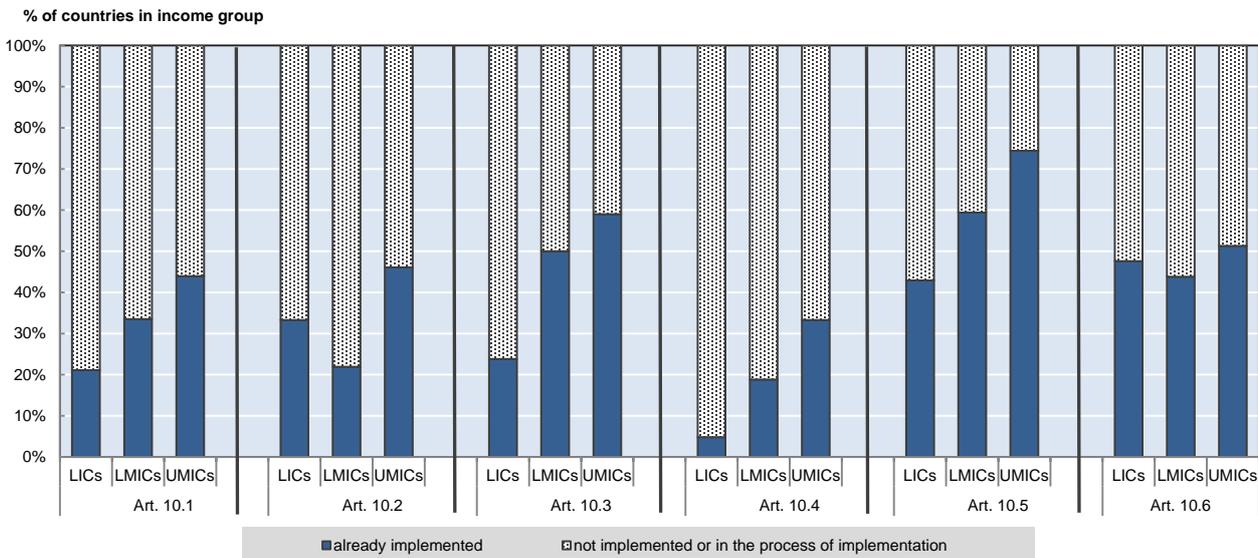
TFA Article 8: Border Agency Cooperation

Cooperation with various border agencies within the country (article 8.1) seems to be relatively well established for around half the countries in the sample across income levels, while cooperation with border agencies in neighbouring countries (8.2) is much less advanced.



TFA Article 10: Formalities connected with Importation and Exportation

Provisions in Article 10 that appear quite widely implemented relate to pre-shipment inspection (10.5), the use of international standards (10.3), and use of customs brokers (10.6). The review and simplification of formalities and documentation requirements (10.1) and the acceptance of copies (10.2) are still work in progress across all income groups. Provisions on single windows (10.4) are where countries in the sample, in particular low income countries, have made the least progress.



About OECD Trade Facilitation Indicators

OECD has developed a set of indicators to assess trade facilitation policies, including the following.

Information Availability	Enquiry points; publication of trade information, including on Internet
Involvement of the Trade Community	Consultations with traders
Advance Rulings	Prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods at the time of importation; the rules and process applied to such statements
Appeal Procedures	The possibility and modalities to appeal administrative decisions by border agencies
Fees and Charges	Disciplines on the fees and charges imposed on imports and exports
Formalities – Documents	Acceptance of copies, simplification of trade documents; harmonisation in accordance with international standards
Formalities – Automation	Electronic exchange of data; use of risk management; automated border procedures
Formalities – Procedures	Streamlining of border controls; single submission points for all required documentation (single windows); post-clearance audits; authorised economic operators
Internal Co-operation	Control delegation to Customs authorities; co-operation between various border agencies of the country
External Co-operation	Co-operation with neighbouring and third countries
Governance and Impartiality	Customs structures and functions; accountability; ethics policy

Further reading

Read about the methodology, sources and findings from the OECD trade facilitation indicators in these two papers, available on our website: www.oecd.org/trade/facilitation

- » **The WTO Trade Facilitation Agreement: Potential Impact on Trade Costs** (OECD Report, 2014)
- » **Trade Facilitation Indicators: The Potential Impact of Trade Facilitation on Developing Countries' Trade** (OECD Trade Policy Paper No. 144, 2013)
- » **Trade Facilitation Indicators: The Impact on Trade Costs** – covering OECD member countries (OECD Trade Policy Paper No. 118, 2011)

OECD Trade and Agriculture Directorate

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