Working Party of the Trade Committee

Trade Facilitation: State of Play in 2019

This update of the OECD Trade Facilitation Indicators (TFIs) provides a comprehensive overview of the progress and remaining challenges in implementing trade facilitation reforms for more than 160 economies around the world three years after the entry into force of the WTO Trade Facilitation Agreement. The update shows that by the end of 2019 implementation of the Agreement is largely on track, with advances even in challenging areas. In spite of this progress, the additional time and assistance requested highlight the multiple implementation challenges facing many developing and emerging economies.

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Key messages

What is the issue and why is it important?

- The WTO Trade Facilitation Agreement (TFA), which entered into force in 2017, sets out new rules for border procedures, implementation of which can help to boost participation in trade, especially by lower income countries and smaller firms.
- Directly linked to the provisions of the TFA, the updated Trade Facilitation Indicators (TFIs) help track the specific areas where good progress on implementation has been made, and those where more reforms are needed.

Implementation is largely on track, with advances even in challenging areas, although more remains to be done

- By the end of 2019, 3 years after the entry into force of the TFA, about 90% of developing and least-developed economies had indicated when they expected to be able to implement various TFA provisions.
- 2019 saw steady progress on implementation across all income groups, albeit focused more on setting up the required regulatory frameworks than on applying them in practice – consistent with a relatively early stage of implementation.
- All regions made progress in transparency, in simplifying and harmonising documents, automating and streamlining procedures, and in improving domestic border agency co-operation. That said, co-operation among border agencies, both within a country and across the border, remains the most challenging area in terms of implementation of the TFA.
- Across regions, most progress on average was made in the Middle East and North Africa, Asia-Pacific, and Latin America and the Caribbean. While making some good progress, Sub-Saharan Africa continues to face challenges and will need to advance the current pace of implementation to meet the established timetable. Europe and Central Asia remained the top performer overall.

What have we learnt?

- In spite of this progress, the additional time and assistance requested highlight the multiple implementation challenges facing many developing and emerging economies.
- An important insight for capacity building is that sustained trade facilitation reforms need to rely less on institution-specific reform and more on a wider trade supply chain approach designed to tackle the major issues traders face in navigating regulatory requirements.
- Recent progress also shows that a first step in promoting domestic and cross-border agency co-operation is mapping the current situation across all key management aspects. Important supporting initiatives include inter-agency working groups and building a culture of co-operation culture by sharing intelligence, carrying out joint risk assessments or maintaining joint specialist task forces.
- As economies move into operationalising their regulatory frameworks and step up requests for – and provision of – capacity building, it could be useful to monitor how reforms are translating into time and cost reductions at the border.
Trade Facilitation: State of Play in 2019

1. Introduction

1. The entry into force on 22 February 2017 of the WTO Trade Facilitation Agreement (TFA) reinforced the centrality of trade facilitation on the global trade agenda. The 2019 update of the Trade Facilitation Indicators (TFIs) provides an overview of the advances made two years after its entry into force, as well as of the remaining challenges in the national border processes for more than 160 economies around the world.

2. This draft report presents insights from the information collected until end of 2019. The analysis is divided into the following sections. Section 2 provides an overview of the main policy changes across key selected regions and income groups. Section 3 assesses developments across specific dimensions in relation to the implementation of the WTO TFA. It also looks at the status of reforms aimed at improving the institutional and regulatory aspects of border agency co-operation, the most challenging area for implementation identified in the 2017 update. Section 4 concludes.

2. Monitoring overall trade facilitation policy changes

2.1. Progress is well on track, with policy advances in some of the most challenging areas

3. The TFIs cover the full spectrum of border procedures, with each indicator being composed of variables relating to existing trade-related policies and regulations and their implementation in practice. The indicators\(^1\) highlight not only the actual extent to which countries have introduced and implemented trade facilitation measures in absolute terms, but also their performance relative to others.

4. The 2017 TFIs already highlighted the progress made since 2015 with respect to the implementation of trade facilitation reforms across both selected income and geographical country groups, confirming the positive momentum generated by the adoption of the TFA. The availability of information, the involvement of the trade community, advance rulings, automation, and streamlining of procedures all improved significantly between 2015 and 2017 (OECD, 2018). Figures 1a and b confirm a continued momentum across the world over the 2017-19 period. Advances in introducing trade facilitation reforms are less marked than in the previous biennium, but progress is nevertheless constant and concerns all income groups\(^2\) (including low-income economies, lower middle-income economies, upper middle-income economies, high-income non-OECD economies, and

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\(^1\) The TFIs take values from 0 to 2, where 2 designates the best performance that can be achieved. The TFIs mirror the substantive provisions of the TFA. The families of measures covered in the WTO TFA have been re-organised, in order to take into account similarities between measures, underlying shared components, as well as areas where further distinctions were warranted. An additional OECD indicator going beyond the scope of the TFA was added to capture elements of good governance and impartiality of border administrations. The variables in the TFI dataset are coded with 0 (‘no implementation’), 1 (‘partial or in the process of implementation’), or 2 (‘operational’). These seek to reflect not only the regulatory framework in the concerned countries, but delve, to the extent possible, into the state of implementation of various trade facilitation measures. Where variables depend on numerical answers, these are broken down on thresholds to which 0/1/2 scores are applied.

\(^2\) Low-income, lower middle-income, upper-middle income and high income groups are based on the income group classification defined by the World Bank. The income groupings are provided in Annex Table A A.1.
OECD countries) and regions (namely Asia-Pacific; Europe and Central Asia; Latin America and the Caribbean; Middle East and North Africa; and Sub-Saharan Africa). The slower implementation progress over the 2017-2019 period may be due to the fact that developing and least-developed countries have concentrated on the requirements set out in Section II of the Trade Facilitation Agreement with regard to implementation of special and differential treatment under the agreement. By October 2019, 88% of developing countries and LDCs had determined their implementation capacities in relation to various trade facilitation provisions, categorized those provisions in accordance with Section II of the TFA and notified their commitments to the WTO Committee on Trade Facilitation.

In addition, developments have been more concerned with setting up the required regulatory frameworks than with their application. Enhancements are thus still less perceptible on the ground than on the books, as was perhaps to be expected at a relatively early stage of implementation. As WTO Members move into the operationalisation of their regulatory frameworks and step up the requests for – and provision of – capacity building, it will be useful to monitor how reforms translate into time and cost reductions at the border.

Across all income groups, improvements are notable in the areas of simplification and harmonisation of documents, automation of border processes, streamlining of procedures, as well as border agency co-operation. Low-income countries (LICs) also see significant improvements in some of the transparency and predictability areas, such as information availability, advance rulings, appeal procedures, and fees and charges. Lower-middle income economies (LMICs) also saw improvements in appeal procedures and streamlining of fees and charges, while the upper-middle income group (UMICs) recorded progress in the involvement of the trade community (consultations) and fees and charges (Figure 1a).

Figure 1b highlights the encouraging steps forward taken across all regions. In the areas of transparency and predictability progress appears to be significant across the board with respect to information availability, while improvements in advance rulings as well as fees and charges are notable in Asia-Pacific, Middle East and North Africa (MENA), and Sub-Saharan Africa. Although less ambitious for some of the other regions, progress in appeal procedures is important for Sub-Saharan Africa. Involvement of the trade community continues to be a challenging area, particularly for Latin America and the Caribbean (LAC), MENA, and Sub-Saharan Africa.

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3 The economy groupings by region are provided in Annex Table A A.2.

4 In accordance with Section II of the TFA, developing and least developed countries designate as Category B provisions they will implement after a transitional period; and as Category C provisions that require in addition the acquisition of implementation capacity through the provision of technical assistance and support for capacity building.

5 In addition, among the 60 developing countries that have designated their Category C commitments, 92% have already notified their definitive dates of implementation for this last set of commitments as of the 22 August deadline for submission.
Figure 1. Continued positive momentum on implementation worldwide

Panel a. TFIs by selected income groups, 2017 and 2019

Panel b. TFIs by selected geographic groups, 2017 and 2019

9. All regions made progress in simplifying and harmonising documents, automating, streamlining procedures and improving domestic border agency co-operation. On the other hand, the performance for external border agency co-operation remained relatively constant in Asia-Pacific, Europe and Central Asia, and LAC.

10. Across regions, the most progress on average occurred in MENA, Asia-Pacific and LAC. Europe and Central Asia continues to be the top regional performer, with its performance largely driven by the very good performance of European Union member economies across all TFI dimensions. As in 2017, the Sub-Saharan Africa region remains the weakest performer, in line with the continued challenges expressed through countries’ Category B and C notifications within this group.
11. Most improvements appear to have taken place in countries that display a weaker overall performance – defined in Figure 3 as the number of TFI dimensions for which they perform among the top quartile, highlighting a gradual catching-up effect (Figure 2). This convergence notwithstanding, a significant gap remains in 2019 between the top performers – displaying overall better performance across the whole array of TFI dimensions – and the rest (Figure 3a-b).

**Figure 2.** There is a gradual catching-up effect from weaker performers

![Figure 2](image)

Source: OECD Trade Facilitation Indicators (TFIs) (2019).

**Figure 3.** The importance of a balanced performance across different areas

Panel a. Average performance and number of TFI dimensions in top percentile

![Figure 3](image)
Panel b. Cumulative performances of economies

Source: OECD Trade Facilitation Indicators (TFIs) (2019).

2.2. Where do the most pressing challenges remain?

12. Figure 4 confirms that, across the board, the most challenging areas for implementation remain those relating to the co-operation of border agencies, both within a country and across the border. Domestic and cross-border co-operation among the agencies responsible for border controls thus continue to be a work in progress around the world, but encouraging steps have been taken by countries at all levels of development, as developed in section 3.3.

13. The OECD economies continue to have a higher performance than all other groups across all areas covered. The largest disparities between OECD performance and the rest of the world are found in areas beyond the mandatory provisions of the TFA. Progress on areas such as automating the border process remains closely correlated with income, with less advanced economies faring less well than more advanced ones (Figure 4).
Figure 4. Implementation of areas covered by the TFA is underway worldwide
TFIs, 2019: Full sample snapshot, income groupings

Note: The dotted green lines highlights that all TFA provisions for external border agency co-operation are “best endeavours”. The averages account for the economies where all indicators are available.
Source: OECD Trade Facilitation Indicators (TFIs) (2019).

14. Performance among countries within income groups continues to be far from homogeneous, with high and low performers in every group (Figure 5). Policy areas showing a wider variation appear to be those that are inherently more challenging to implement, such as domestic and cross-border agency co-operation. Among LICs, more pronounced disparities in implementation occur in the areas of automation, advance rulings, and simplification of documents. Among LMICs and UMICs, there are also wide variations in implementation of areas covered by the TFA disciplines on simplification and harmonisation of documents and automation. Compared to 2017, high-income countries outside the OECD area have significantly reduced their disparities in implementation across all areas.
Figure 5. More advance economies continue to perform better on average

Distance to top 25% performers, by dimension

<table>
<thead>
<tr>
<th>Dimension</th>
<th>LICs</th>
<th>LMCs</th>
<th>UMCs</th>
<th>HICs non-OECD</th>
<th>Best practice (top 25% performers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information availability</td>
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<tr>
<td>Consultations</td>
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<tr>
<td>Advance rulings</td>
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<td>Appeal procedures</td>
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<tr>
<td>Fees and charges</td>
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<tr>
<td>Documents</td>
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<tr>
<td>Automation</td>
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<tr>
<td>Procedures</td>
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<tr>
<td>Internal border cooperation</td>
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<tr>
<td>External border cooperation</td>
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<tr>
<td>Governance and impartiality</td>
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</table>

Note: The figure shows the average gap between a group average’s performance for a selected area and the performance level of the top 25% countries for each area covered. OECD members’ performances are in the top quartile (best) performance for the overall sample.
Source: OECD Trade Facilitation Indicators (TFIs) (2019).

15. The challenges highlighted through the 2019 TFI overview are relatively in line with WTO Members’ notifications under Categories B and C (WTO TFA database, 2019) (Figure 6a-e). For all regions, the provisions for which at least 40% of the economies within the group require additional time (Category B) or additional time plus assistance (Category C) largely concentrate in the areas of procedures, border agency co-operation, advance rulings, automation, documents, information availability and consultations. These are also the areas where the performance of economies forming part of the selected regional groups is most heterogeneous.

Figure 6. Challenges identified through the TFIs relatively in line with requests for additional time and assistance in implementation

Panel a. Asia-Pacific
Panel b. Europe and Central Asia

TFI indicator

Area where at least 40% of economies in group require additional time and assistance
Heterogeneity of performance (standard deviation)

Panel c. Latin America and the Caribbean

TFI indicator

Area where at least 40% of economies in group require additional time and assistance
Heterogeneity of performance (standard deviation)

Panel d. Middle East and North Africa

TFI indicator

Area where at least 40% of economies in group require additional time and assistance
Heterogeneity of performance (standard deviation)
16. The timelines foreseen by WTO Members for the implementation of most of the areas that require additional time (Category B) or additional time plus assistance (Category C) extend well into the next decade. Annex Figures A C.1 – C.5 provide an overview of the share of Category B and C commitments across different regions (WTO TFA database, 2019). Against this overview, the average progress in implementation made by each region between 2015 and 2019 can give an indication of their prospects for implementing Category B and C commitments within the notified timeframe. If they were to sustain the average rate of progress they made between 2015 and 2019 as assessed through the TFIs – the three regions most likely to meet established timetables would be Asia-Pacific, Europe and Central Asia, and MENA, which appear to require on average about 13 additional years for full implementation. These three regions would be followed by Latin America, requiring approximately 15 additional years. Conversely, Sub-Saharan Africa would appear to require – on average – three decades more for full implementation. This implies the region would have to speed up the pace of implementation most in order to meet the established timetable (two decades from now for some of the areas covered by Categories B and C), highlighting the critical role of effective and well targeted technical assistance and capacity building to support this endeavour.

3. A closer look at the state of TFA implementation

3.1. Transparency and predictability areas

17. The 2019 TFI data highlight the continued progress in all areas of transparency and predictability – information availability, involvement of the trade community (consultations), advance rulings, appeal procedures, and fees and charges – by all developing and emerging economies. Figure 7 underscores the improvements with respect to information availability, in particular for LMICs and UMICs in the areas of Internet publication and enquiry points. While LICs improved their performance with respect to the publication of the basic steps of importation, exportation and transit procedures (Article 1.1.a) and applied rates of duties and taxes (1.1.b), they progressed less as regards information on classification and valuation rules (1.1.d), on appeal procedures (1.1.h) and on agreements with third countries (1.1.i).
Figure 7. Continued improvements with respect to availability of information

TFA Article 1: Publication and availability of information

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Implemented</th>
<th>Not implemented or in the process of implementation</th>
<th>Implemented 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>LICs</td>
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<tr>
<td>LMICs</td>
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<tr>
<td>UMICs</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Article 1.1: Publication</td>
<td>Implemented</td>
<td>Not implemented or in the process of implementation</td>
<td>Implemented 2017</td>
</tr>
<tr>
<td>LMICs</td>
<td></td>
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<tr>
<td>UMICs</td>
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<td></td>
</tr>
<tr>
<td>Article 1.2: Information available through Internet</td>
<td>Implemented</td>
<td>Not implemented or in the process of implementation</td>
<td>Implemented 2017</td>
</tr>
<tr>
<td>LICs</td>
<td></td>
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<tr>
<td>LMICs</td>
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<tr>
<td>UMICs</td>
<td></td>
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<tr>
<td>Article 1.3: Enquiry points</td>
<td>Implemented</td>
<td>Not implemented or in the process of implementation</td>
<td>Implemented 2017</td>
</tr>
</tbody>
</table>

Source: OECD Trade Facilitation Indicators (TFIs) (2019).

18. Challenges remain with respect to the provision of information through online means, the provision of an interactive interface allowing online filing of advance rulings requests, as well as the timeliness of response from enquiry points: only about 40% of developing economies have hours of operation aligned with commercial needs or service charters establishing a standard response time to enquiries.

19. In addition, more efforts are needed in improving the accessibility of information, such as through increased user-friendliness of webpages or better targeting specific categories of users (e.g. interactive pages for firms). On the one hand, more economies continued to notify to the WTO Committee on Trade Facilitation in 2019 the names of the official publications and the addresses of websites where they publish information required by Articles 1.1 and 1.2 as well as the contact details of their enquiry points. On the other hand, however, only half of these exhibit improvements above the sample average in the indicator on information availability (TFIA) (Figure 8). This set of economies is precisely the one that needs to speed up the introduction of additional web tools for facilitating interaction with users.
Figure 8. Article 1.4 notifications and improvements in information availability

By income group

Note: TFI A covers information availability aspects. 'Other' also include economies that are not WTO members but are covered by the TFIs database.
Source: OECD Trade Facilitation Indicators (2019); WTO TFA database (2019).

20. Advances on consultations with traders appear more homogenous (Figure 9). Both LICs and LMICs progressively develop guidelines and procedures to govern the public consultation process and seek to ensure the involvement of the trade community in the design and everyday operation of border-related policies and procedures.
Figure 9. Global progress in the area of consultations with traders

TFA Article 2: Opportunity to comment, information before entry into force, and consultations

<table>
<thead>
<tr>
<th>% of countries in income group</th>
<th>Already implemented</th>
<th>Not implemented or in the process of implementation</th>
<th>Implemented 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>LICs</td>
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<tr>
<td>Article 2.1.1: Providing an appropriate time period to comment</td>
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<tr>
<td>LMICs</td>
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<td></td>
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<tr>
<td>Article 2.1.2: Advance publication of new or amended regulations</td>
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<tr>
<td>UMICs</td>
<td></td>
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<tr>
<td>Article 2.2: Consultations structures</td>
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</tbody>
</table>

Source: OECD Trade Facilitation Indicators (TFIs) (2019).

21. The regularity and scope of consultations have improved across the board, with about 65% of developing and emerging economies seeking to involve at least four stakeholder groups – a share that has increased from 55% in 2017.

22. Allowing for an interval between the publication and entry into force of all new or amended trade related laws and regulations continues to be a significant challenge across the board. On the other hand, drafts are increasingly made available before the entry into force of a rule and stakeholder comments are possible across 43% of developing and emerging economies, but less than a quarter of developing countries involve the trading community during the drafting stages of new trade-related legislation.

23. There has been overall little further progress in introducing and upgrading advance rulings (AR) systems among LMICs and UMICs (Figure 10). In contrast, LICs are making gradual progress in closing the implementation gap on a number of provisions – in particular relating to AR validity (Article 3.3), motivation of the refusal to issue or the revocation (3.4), publication of rules applicable to ARs (3.6), possibility to review (3.7), and publication of advance rulings of general interest (3.8).
Figure 10. Low-income economies are making progress in the implementation of advance rulings mechanisms

TFA Article 3: Advance rulings mechanisms

![Graph showing the implementation status of advance rulings mechanisms in different income groups.]

Source: OECD Trade Facilitation Indicators (TFIs) (2019).

24. The functioning of appeal mechanisms is still challenging, but LICs and LMICs made further progress in reducing undue delays in the rendering of decisions and in providing sufficient time to contest a decision, and to prepare and lodge an appeal (Figure 11). Communication of the reasons for administrative decisions (Article 4.5) is still a work in progress across the board.

Figure 11. Further improvements in the functioning of appeal mechanisms

TFA Article 4: Appeal procedures

![Graph showing the implementation status of appeal mechanisms in different income groups.]

Source: OECD Trade Facilitation Indicators (TFIs) (2019).
25. Most progress with respect to the transparency and predictability of fees, charges and penalties can be observed in LICs and UMICs (Figure 12). This concerns the accessible, publicly available data on fees and charges and their periodical review, as well as the limitation of fees and charges to the approximate cost of services rendered. Performance as regards penalties also remains constant in LMICs but improved in LICs and UMICs.

Figure 12. Disciplines on fees and charges imposed on or in connection with importation

TFA Article 6: Fees, charges and penalties

<table>
<thead>
<tr>
<th>% of countries in income group</th>
</tr>
</thead>
<tbody>
<tr>
<td>LICs</td>
</tr>
<tr>
<td>Article 6.1.2: Information on fees and charges</td>
</tr>
</tbody>
</table>

Source: OECD Trade Facilitation Indicators (TFIs) (2019).

3.2. Streamlining of formalities

26. The level of implementation in the areas of formalities – covering simplification and harmonisation of documents, automation of border processes, and streamlining of procedures – continues to vary significantly across country groups.

27. As regards trade documents, LMICs and UMICs continued to simplify documentation requirements by increasingly accepting copies (about 60% of economies in the MICs group) and reducing the number and complexity of required documents in response to periodic reviews (Figure 12). However, progress is still slow in this area and only around 15% of LICs and MICs accept copies without exceptions (related to the type of good, the circumstances or the agency). Further progress in harmonising trade documents with international standards (Article 10.3) is also warranted across all groups (LICs, LMICs and UMICs).

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6 And for which the original may still need to be presented upon request.
Figure 13. Sustained progress on several dimensions of trade formalities

TFA Article 10: Formalities connected with importation and exportation

Source: OECD Trade Facilitation Indicators (TFIs) (2019).

28. Many of the dimensions related to the automation and streamlining of border processes recorded progress across all country groups, while others within this area continue to be a work in progress. As highlighted in section 2 above, these generally concern provisions for which a significant set of economies require additional time and assistance for implementation (Figures 13 and 14).

29. For mechanisms such as pre-arrival processing (and its application in an automated environment), electronic payment (and its integration with an automatic cargo declaration system), or risk management, progress continued across all groups, although implementation remains much lower in LICs than MICs. For other key provisions, such as Authorised operators (AOs) or post-clearance audits, improvements are notable in the regulatory framework but more needs to be done with respect to their implementation in practice. This concerns, for instance, the conditions and timeframes for obtaining the AO certification and the set of benefits granted or the coverage of firms, for which less than 10% of LICs have registered progress between 2017 and 2019.

30. Efforts concerning processes applicable to perishable goods – including physical inspections, storage conditions or the separation of release from clearance – are underway but remain incomplete across all income groupings. LMICs and UMICs continue to perform best across these areas, with about half of countries in these groupings providing appropriate priority to perishable goods when scheduling required examinations.

31. Little further progress seems to have been achieved concerning the adoption of Single Window mechanisms (Article 10.4). Single Windows are still largely either planned or in the process of implementation in many countries, highlighting the importance that countries attach to this mechanism, but also the continued difficulties in making such systems fully operational. Despite progress made on IT-related infrastructure and Electronic Data Interchange (EDI), the quality of co-operation and information exchange among different government agencies, Customs departments, and border control posts remains a key challenge for operationalising Single Windows. Specific challenges
concerning the institutional aspects, the data content and structure, and the legal framework of Single Windows may warrant further exploration.

Figure 14. Further efforts needed to smooth the release and clearance of goods

TFA Article 7: Release and clearance of goods

Source: OECD Trade Facilitation Indicators (TFIs) (2019).

32. Around-the-clock automated processing for Customs agencies is now available in 65% of developing countries, up from 60% in 2017, contributing to the reliability of different automation mechanisms at border posts.

3.3. Border agency co-operation

33. As highlighted by the comparisons by income and regional groups, border agency co-operation – both domestic and cross-border – remains a key challenge in spite of further steps taken by a significant number of surveyed economies to promote the exchange of information and mutual assistance across agencies involved in the management of trade. The 2019 data confirm that both challenges and advances concern all dimensions of co-operation between agencies: institutional as well as legal and regulatory frameworks; procedures for co-operation; communication and information exchange; and sharing of infrastructure and equipment.

34. Institutional and legal frameworks marked significant progress since 2017: explicit co-ordination strategies at the domestic level exist now in 35% of LICs and more than 60% of MICs. A significant number of countries appear to have also established inter-agency co-ordination bodies, but detailed information about their operation remains scarce in LICs and MICs. By comparison, across more than half of OECD economies such coordination platforms display at least three of the following characteristics: established terms of reference and procedures for conducting their activities; clear provisions for their financing; a permanent technical Secretariat; decisions and recommendations published on

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7 An overview of Single Window systems in selected economies around the world was undertaken by the OECD in 2016 (OECD, 2018).
a dedicated webpage; a Steering Committee which monitors the implementation of decisions; and inclusion of at least 60% of relevant agencies.

35. At the domestic level, relevant agencies also took significant steps to streamline their processes and improve their interactions. Practices such as sharing inspection results and coordinating risk management mechanisms, sharing infrastructure, and delegating controls from other border agencies to Customs continue to gain ground in UMICs and non-OECD HICs. On the other hand, inter-agency collaboration on the certification of AOs remains incomplete across all groups, including OECD economies.

36. Automation could help address day-to-day implementation challenges for domestic co-operation, particularly through systems connectivity, open communication amongst relevant agencies and clear frameworks for sharing data. While OECD economies continue to make progress in these areas, advances are relatively modest in other groups.

Figure 15. Tools for streamlining and automating co-ordination of processes domestically

Panel a. Streamlining of processes
Panel b. Automation of processes

Source: OECD Trade Facilitation Indicators (TFIs) (2019).

37. The challenges in streamlining procedures and documentation requirements so as to facilitate cross-border collaboration largely mirror the hurdles in rationalising formalities at the domestic level (Figure 16). Efforts to deepen cross-border agency co-operation through automation continue indeed to advance, but remain incomplete. Such advances are found mainly in OECD countries and non-OECD HICs, mostly as regards the alignment of procedures and formalities and the co-ordination/harmonisation of data requirements and documentary controls.

38. In other areas, such as co-ordination/harmonisation of different computer systems, risk management co-operation and systematic sharing of control results, implementation by OECD countries also remains significantly more advanced than in other economies. In such areas, a formal agreement among all participating agencies is a first step in clarifying which information will be shared and with whom, how the information will be exchanged, and how it can be tracked and traced. Regarding cross-border coordination and harmonisation of computer systems, further steps need to be taken with respect to both regulatory frameworks and implementation in practice.
Figure 16. Coordination of cross-border processes

Panel a. Streamlining of processes

Panel b. Automation of processes

Source: OECD Trade Facilitation Indicators (TFIs) (2019).

4. Conclusions

Countries at all levels of development have made good progress on many areas covered by the WTO TFA. Significant variation within country income and regional groupings still occurs, with strong performers found in all regions and income levels. All developing and emerging economies are on track in terms of implementation when compared to the timelines put forward for implementation.
40. Analysis from the TFIs shows that, in countries around the world, efforts to improve trade facilitation are underway and have been further galvanised by the entry into force of the WTO TFA and the definition of Categories B and C since 2017.

41. For all countries, co-operation among border agencies, both domestically and with neighbouring and third countries remains a significant challenge. In spite of progress made in 2017-19 in the areas of formalities – simplification of documents, automation of border processes, streamlining of procedures – the additional time and assistance requested through the definition of commitments under Categories B and C highlight the multiple implementation challenges facing many developing and emerging economies. This also emphasises that approaches to sustained trade facilitation reform need to rely less on institution-specific reform and more on a wider trade supply chain approach designed to tackle the major issues traders face in navigating regulatory requirements.

References


### Annex A. TFIs current coverage

#### Table A A.1. Economies and related groupings covered in 2019: By income criteria

<table>
<thead>
<tr>
<th>Grouping</th>
<th>List of economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD economies</td>
<td>Australia; Austria; Belgium; Canada; Chile; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Iceland; Ireland; Israel; Italy; Japan; Korea; Latvia; Lithuania; Luxembourg; Mexico; Netherlands; New Zealand; Norway; Poland; Portugal; Slovak Republic; Slovenia; Spain; Sweden; Switzerland; Turkey; United Kingdom; United States</td>
</tr>
<tr>
<td>High income non-OECD economies</td>
<td>Antigua and Barbuda; Bahamas; Barbados; Bahrain; Brunei Darussalam; Cyprus&lt;sup&gt;a&lt;/sup&gt;; Croatia; Hong Kong, China; Kuwait; Malta; Oman; Qatar; Saudi Arabia; Singapore; Chinese Taipei; Trinidad and Tobago; United Arab Emirates; Uruguay</td>
</tr>
<tr>
<td>Upper middle income economies</td>
<td>Albania; Algeria; Angola; Argentina; Azerbaijan; Belarus; Bosnia and Herzegovina; Botswana; Brazil; Bulgaria; People’s Republic of China; Colombia; Costa Rica; Cuba; Dominicana; Dominican Republic; Ecuador; Gabon; Georgia; Jamaica; Jordan; Kazakhstan; Lebanon; Macedonia; FYR; Malaysia; Maldives; Mauritius; Montenegro; Namibia; Panama; Paraguay; Peru; Romania; Russian Federation; Serbia; Sri Lanka; South Africa; Suriname; Thailand; Tunisia; Venezuela</td>
</tr>
<tr>
<td>Lower middle income economies</td>
<td>Armenia; Bangladesh; Belize; Bhutan; Bolivia; Cameroon; Republic of Congo; Côte d’Ivoire; Djibouti; Egypt; El Salvador; Fiji; Ghana; Guatemala; Honduras; India; Indonesia; Kenya; Kyrgyz Republic; Lao PDR; Lesotho; Moldova; Mongolia; Morocco; Nicaragua; Nigeria; Pakistan; Papua New Guinea; Philippines; Senegal; Sudan; Swaziland; Ukraine; Uzbekistan; Viet Nam; Yemen; Zambia; Zimbabwe</td>
</tr>
<tr>
<td>Low income economies</td>
<td>Benin; Burkina Faso; Burundi; Cambodia; Central African Republic; Chad; Comoros; Democratic Republic of Congo; Ethiopia; Gambia; Liberia; Madagascar; Malawi; Mali; Mozambique; Myanmar; Nepal; Niger; Rwanda; Sierra Leone; Tajikistan; Togo; Tanzania; Uganda</td>
</tr>
</tbody>
</table>

<sup>a</sup> The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

<sup>b</sup> Note by Turkey: The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the “Cyprus” issue.

<sup>c</sup> Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Note: Based on World Bank’s classification. The latest available classification will be used at the time of disseminating the data.
## Table A A.2. Economies and related groupings covered in 2019: By geographic criteria

<table>
<thead>
<tr>
<th>Grouping</th>
<th>List of economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific</td>
<td>East Asia and the Pacific (Australia; People’s Republic of China; Fiji; Hong Kong; China; Japan; Korea; Mongolia; New Zealand; Papua New Guinea; Chinese Taipei); Southeast Asia (Brunei Darussalam; Indonesia, Cambodia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam); South Asia (Bangladesh, Bhutan, India, Sri Lanka, Nepal, Pakistan)</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>Armenia; Albania; Austria; Azerbaijan; Belgium; Bulgaria; Belarus; Bosnia and Herzegovina; Cyprus(^b); Czech Republic; Denmark; Estonia; Finland; France; Georgia; Germany; Greece; Croatia; Hungary; Ireland; Italy; Kazakhstan; Kyrgyz Republic; Latvia; Lithuania; Luxembourg; Malta; Macedonia, FYR; Moldova; Montenegro; Netherlands; Norway; Poland; Portugal; Romania; Russian Federation; Serbia; Slovak Republic; Slovenia; Spain; Sweden; Switzerland; Tajikistan; Turkey; United Kingdom; Ukraine; Uzbekistan</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>South America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Peru, Paraguay, Suriname, Uruguay, Venezuela); Central America and Caribbean (Antigua and Barbuda, Bahamas, Barbados, Belize, Costa Rica, Cuba, Dominica, Dominican Republic, Guatemala, Honduras, Jamaica, Nicaragua, Panama, El Salvador, Trinidad and Tobago)</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>Algeria; Bahrain; Egypt; Israel(^a); Jordan; Kuwait; Lebanon; Oman; Qatar; Morocco; Saudi Arabia; Tunisia; United Arab Emirates</td>
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</table>

\(^a\) The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

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Annex B. WTO TFA database: Rate of implementation commitments, by measure

Figure A B.1. Asia-Pacific: Rate of implementation commitments

By TFA Article

Note: Implementation according to the designated country categories.
Figure A B.2. Europe and Central Asia: Rate of implementation commitments

By TFA Article

- Rate of implementation commitments today
- Rate of implementation commitments requiring additional time
- Rate of implementation commitments requiring additional time and assistance
- Rate of implementation commitments yet to be designated

Note: Implementation according to the designated country categories.
Figure A B.3. Latin America and the Caribbean: Rate of implementation commitments

By TFA Article

- Rate of implementation commitments today
- Rate of implementation commitments requiring additional time
- Rate of implementation commitments requiring additional time and assistance
- Rate of implementation commitments yet to be designated

Note: Implementation according to the designated country categories.
### Figure A B.4. Middle East and North Africa: Rate of implementation commitments

**By TFA Article**

<table>
<thead>
<tr>
<th>Article</th>
<th>Rate of implementation commitments today</th>
<th>Rate of implementation commitments requiring additional time</th>
<th>Rate of implementation commitments requiring additional time and assistance</th>
<th>Rate of implementation commitments yet to be designated</th>
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<td>Art. 10.9 - Temporary admission of goods and inward</td>
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<td>Art. 10.8 - Rejected Goods</td>
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<td>Art. 10.7 - Common border procedures</td>
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<td>Art. 10.6 - Use of customs brokers</td>
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<td>Art. 10.5 - Preshipment inspection</td>
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<td>Art. 9 - Movement of goods</td>
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<td>Art. 7.3 - Separation of release</td>
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<td>Art. 6.3 - Penalty Disciplines</td>
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<td>Art. 4 - Procedures for appeal or review</td>
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<td>Art. 11 - Transit</td>
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<td>Art. 1.4 - Notification</td>
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<td>Art. 12 - Customs cooperation</td>
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<td>Art. 6.2 - Specific disciplines on fees and charges</td>
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<td>Art. 2.1 - Comments and information before entry into force</td>
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<td>Art. 1.3 - Enquiry points</td>
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<td>Art. 1.2 - Information available through internet</td>
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<td>Art. 1.1 - Publication</td>
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<td>Art. 10.2 - Acceptance of copies</td>
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<td>Art. 10.3 - Use of international standards</td>
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<td>Art. 8 - Border Agency Cooperation</td>
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<td>Art. 7.6 - Average release times</td>
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<td>Art. 5.1 - Notifications for enhanced controls or inspections</td>
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<td>Art. 7.9 - Perishable goods</td>
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<td>Art. 7.4 - Risk management</td>
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<td>Art. 10.4 - Single window</td>
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</table>

**Note:** Implementation according to the designated country categories.

**Source:** WTO TFA database (2019), [https://www.tfadatabase.org/implementation/progress-by-measure](https://www.tfadatabase.org/implementation/progress-by-measure)
Figure A B.5. Sub-Saharan Africa: Rate of implementation commitments

By TFA Article

Art. 9 - Movement of goods
Art. 10.5 - Pre-shipment inspection
Art. 10.8 - Rejected Goods
Art. 10.6 - Use of customs brokers
Art. 10.9 - Temporary admission of goods and inward.
Art. 10.7 - Common border procedures
Art. 7.9 - Perishable goods
Art. 4 - Procedures for appeal or review
Art. 7.3 - Separation of release
Art. 6.3 - Penalty Disciplines
Art. 1.4 - Notification
Art. 12 - Customs cooperation
Art. 7.1 - Pre-arrival processing
Art. 5.1 - Notifications for enhanced controls or inspections
Art. 2.1 - Comments and information before entry into force
Art. 7.5 - Post-clearance audit
Art. 10.3 - Use of international standards
Art. 6.2 - Specific disciplines on fees and charges
Art. 2.2 - Consultations
Art. 11 - Transit
Art. 10.2 - Acceptance of copies
Art. 7.8 - Expedited shipments
Art. 10.1 - Formalities
Art. 7.2 - Electronic payment
Art. 7.6 - Average release times
Art. 6.1 - General disciplines on fees and charges
Art. 5.3 - Test procedures
Art. 3 - Advance rulings
Art. 1.2 - Information available through internet
Art. 1.1 - Publication
Art. 7.4 - Risk management
Art. 1.3 - Enquiry points
Art. 7.7 - Authorized operators
Art. 8 - Border Agency Cooperation
Art. 10.4 - Single window

Note: Implementation according to the designated country categories.
Annex C. WTO TFA database: Timelines for implementation of commitments

Figure A C.1. Asia-Pacific

Note: Developed members committed to fully implement the Agreement upon entry into force. Category A commitments by developing WTO members and LDCs were due for implementation on 22/02/2017 and 22/02/2018, respectively. Categories B and C reflect commitments recorded in the WTO TFA database until end October 2019.


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Figure A C.2. Europe and Central Asia

Note: Developed members committed to fully implement the Agreement upon entry into force. Category A commitments by developing WTO members and LDCs were due for implementation on 22/02/2017 and 22/02/2018, respectively. Categories B and C reflect commitments recorded in the WTO TFA database until end October 2019.

Figure A C.3. Latin America and the Caribbean

Note: Category A commitments by developing WTO members and LDCs were due for implementation on 22/02/2017 and 22/02/2018, respectively. Categories B and C reflect commitments recorded in the WTO TFA database until end October 2019.

Figure A C.4. Middle East and North Africa

Note: Category A commitments by developing WTO members and LDCs were due for implementation on 22/02/2017 and 22/02/2018, respectively. Categories B and C reflect commitments recorded in the WTO TFA database until end October 2019.
Figure A C.5. Sub-Saharan Africa

Note: Category A commitments by developing WTO members and LDCs were due for implementation on 22/02/2017 and 22/02/2018, respectively. Categories B and C reflect commitments recorded in the WTO TFA database until end October 2019.