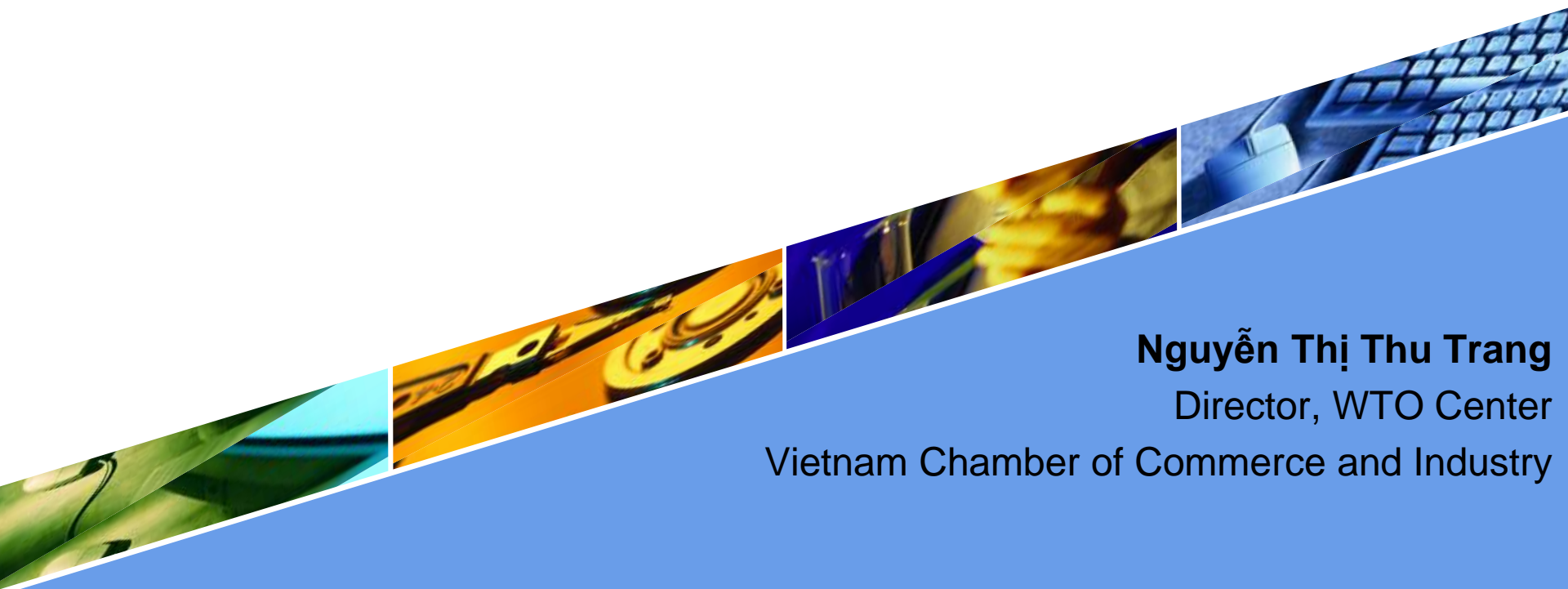


WTO TRADE FACILITATION AGREEMENT

BENEFITS FOR BUSINESSES

AND WHAT BUSINESSES NEED TO DO?



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Structure

- **Benefit for businesses in the TFA?**
 - TFA – Blueprint for reform
 - Implementing TFA – Momentum for reforms
 - TFA in VN and other countries

- **What businesses need to do to realize the TFA?**
 - Vote and voice
 - Notice and comment
 - Work together to realize

Benefits for businesses from the TFA

- **Benefits from reforming customs procedure (TTHQ)**
- **Trade facilitation:**
 - Broad coverage (customs, duties, infrastructure, supporting industries, supply chain)
 - WTO TFA: Mostly customs procedure facilitation
- **Benefit from facilitation of customs procedures:**
 - “Vietnam ranking in trading across borders 65/189” (Mrs. Đặng Thị Bình An)
 - “Vietnam Customs currently has 500 documents with 5000 requirements ... (charecharizing by 9 Nots.) 9 Nots – not clear, not efficient, not effective etc. (Mr. Nguyễn Đình Cung)
 - “1 day reduction in customs clearance time expects to result in a savings of VND1.6 billion” (Mr. Nguyễn Đình Cung)
 - “Reducing customs procedures would reduce 2.8% trade costs for upper middle income countries and 2.2% for lower middle income countries” (OECD)

Benefits for businesses from the TFA

- **TFA – Blueprint for reforming customs procedures**
- **Transparency requirements**
 - Existing regulations: Businesses need to know where they are available.
 - Future requirements: Businesses need to know how to comment on new rules, and allow time to prepare for implementation.
 - Unknown issues: Businesses can ask for advance rulings from customs before import and export;
 - Unsatisfied issues: Where businesses can appeal.

Benefits for businesses from the TFA

- **TFA – Blueprint for reforming customs procedures**
- **Requirements on key areas for import and export**
 - General provisions
 - Fees and charges
 - Special control measures (TBT, SPS...)
 - Pre-arrival processing – post departure measures
 - Release of goods v. clearance of goods
 - Single window
 - Special provisions:
 - AEO
 - Special procedures: Expedited shipment, perishable goods
 - Goods in transit

>>> Summary:

- TFA sets clear standards and requirements for customs reforms
- Domestic law has already covered these issues – but is at our own initiative and not subject to international commitment and review in case of violation.

Benefits for businesses from the TFA

- **Implementing TFA – Momentum for reforming customs procedures**
- Customs reforms so far is self-initiated
 - Determination of the Government and wishes of businesses
 - Big strides vs. a long list of outstanding issues

“It is not acceptable to take 4 days to complete customs procedures for exports which is 2 times higher than the regional average, and 4 days for imports while the regional average is only 3 days” (Prime Minister)

Benefits for businesses from the TFA

- **Implementing TFA – Momentum for reforming customs procedures**
- Reforming customs procedures in the future: momentum from within and from international commitment
 - + Requirement on Standards
 - + Requirement on implementation approach
 - + Requirement on completion time

>>> **Summary:**

The TFA sets a time schedule for clear, customs reforms

Benefits for businesses from the TFA

TFA

- = Trade facilitation
- = Reduced cost (time, human resources, money, risk)
- = Improved profitability– Stable business strategy

What business benefit from TFA?

- **TFA: Reforms of Customs procedures in Vietnam and other countries**
 - TFA: A binding agreement to all WTO members
 - Customs procedures reforms: A global work
 - Business request rights
 - + In Vietnam - All other WTO members
 - + Of course, there are limitations (developing countries, less – developed countries have options for types of commitments and timeframe for commitments)

What business can and should do?

- **Customs procedures reforms need participation from business**
 - To identify/pinpoint
 - To reflect
 - To initiate
 - To pressure

What business can and should do?

- **Business identify based on TFA+**
 - Regulations incompatible with TFA
 - Practices incompatible with TFA
 - Problems reducing effectiveness of TFA
- **Business reflect under TFA+**
 - To agencies responsible for implementation of TFA (customs, other related agencies)
 - To monitoring, directing agencies (NA, Government)
 - To business representatives (VCCI, Associations)

What business can and should do?

- **Business initiatives** under TFA+
 - Propose solutions for solving hard issues
 - Comments on solutions proposed by the government
 - Co-propose solutions
- **Business pressures** via TFA+
 - Standards, deadlines for reforms of customs procedures
 - World/international rankings
 - Public pressures and influences

What business can and should do?

- **A business – government partnership for implementation of TFA**

Why not?

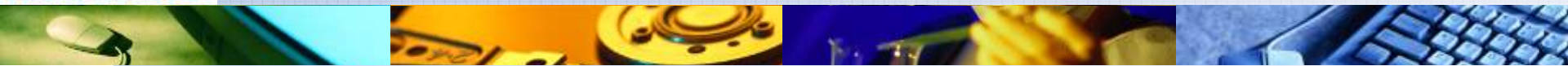
- Via VCCI, business have participated in TFA development with government agencies
- Business get great benefits from implementation of TFA – Government is responsible for implementation of TFA

What business can and should do?

- A business – government partnership for implementation of TFA

How does it work?

- *Model:*
 - + A private – public joint committee?
 - + Periodic report on implementation of TFA?
- *Capacity building:*
 - + For business: Information, advices
 - + For government agencies (monitoring and implementation):
Information hub/exchange



Thank YOU

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