
WORLD TRADE FACILITATION NEGOTIATIONS: ASIAN PERSPECTIVES

The World Trade Organization (WTO) will hold its 9th Ministerial Conference in Bali, Indonesia on 3–6 December 2013. This will be the seventh ministerial meeting since the Doha Development Round began in 2001. And, for once, members are optimistic about the outcome.

Negotiators will be holding discussions on three topics—development, agriculture, and trade facilitation. Of these, trade facilitation will be watched most closely. It is key to any successful conclusion. This theme chapter examines the recent structure and progress on trade facilitation measures in Asia and the Pacific to better understand how Asia fits in the global multilateral negotiating process.²⁷

The Scope of Trade Facilitation

Trade facilitation ranges from narrow measures aimed solely at easing border restrictions to a much broader set of policies that span the spectrum from increasing customs efficiency to complex institutional and regulatory reforms.

In general, trade facilitation measures include policies intended to simplify international trade procedures. The definition we follow in this chapter comes from the International Chamber of Commerce (ICC), which describes it as “improvement of the efficiency of the trade process.”²⁸

Over the past decade, trade facilitation has attracted increasing attention in Asia and the Pacific. While traditional aspects—such as customs cooperation—are deeply embedded in regional agreements (such as in

the Association of South East Asian Nations [ASEAN]), recent progress is largely tied to the proliferation of free trade agreements (FTAs) and production fragmentation. The motivation is to address both the various stages of development within the region and to more effectively reduce trade costs where average tariff barriers are already below 5%.

Low existing tariffs underscore the need for a wider understanding of how to address other barriers to trade. This is particularly true in Asia where, while average tariff rates have fallen, tariff peaks remain and progress on removing nontariff barriers has been limited (Shepherd 2010). Nontariff barriers and the lack of trade-supporting mechanisms—such as trade finance—are difficult to quantify. In terms of international assistance, Staiger (2011) differentiates these two needs as nontariff barriers and nontariff measures. Nontariff measures are not necessarily barriers to trade, but affect trade. For example, the establishment of a trade finance institution is a nontariff measure which promotes trade but does not directly remove nontariff barriers.

The WTO process also exposes another facet of trade facilitation measures—implementation costs. While savings from implementing trade facilitation measures are expected to outweigh setup and operations costs, initial expenditures may be too high for some countries. To compensate, the draft WTO Trade Facilitation Agreement includes Special and Differential Treatment (SDT) as a separate section—recognizing that those least able to benefit from trade liberalization are those which need the most assistance in trade facilitation.

Multilateral Trade Facilitation

Given the potential for discrimination in regional measures, a multilateral trade facilitation agreement will greatly benefit Asia by strengthening the already vibrant regional trade environment.

Asia has participated in WTO trade facilitation discussions since the issue was first raised at the 1996 Singapore Ministerial Conference. Trade has been a

²⁷This theme chapter does not detail or describe ADB's long work in trade facilitation. For more detailed discussion see, for example, ADB-UNESCAP. 2013. *Designing and Implementing Trade Facilitation in Asia and the Pacific*. Manila.

²⁸International agencies use different definitions of trade facilitation. The WTO defines trade facilitation as “the simplification of international trade procedures.” Alternatively, the organisation for Economic Co-operation and Development (OECD) defines trade facilitation as “the simplification and standardization of procedures and associated information flows.” For the details of various definitions of trade facilitation used, see ADB-UNESCAP. 2013. p. 4.

major driver of growth in the region, and as such, trade facilitation has been a priority.

Trade facilitation in the WTO

The history of multilateral discussion on trade facilitation is relatively recent. Trade facilitation is mentioned in General Agreement on Tariffs and Trade (GATT) 1947. However, prior to 1996 most work was undertaken by the World Customs Organization and UNCTAD. Since then, multilateral discussions on trade facilitation were one of the few topics that have moved forward. At the 1996 Singapore Ministerial Conference, ministers agreed to initiate “exploratory” work on four issues—investment, competition policy, transparency of government procurement, and trade facilitation. However, officials decided at the 2003 Cancun Ministerial Conference to exclude the four issues from the Doha Development Agenda.

Trade facilitation was reintroduced by the WTO General Council in 2004 in response to continued advocacy over the issue.²⁹ It was agreed that separate treatment for trade facilitation be explored, and formal trade facilitation negotiations were launched—the so-called “July Package.”

The current trade facilitation negotiations are limited in scope. The modalities of these negotiations are provided in Annex D of the July Package, which specifically says that “negotiations shall aim to clarify and improve relevant aspects of Article V, VIII, and X of the GATT 1994.”³⁰ Annex D also emphasizes the importance of technical assistance and capacity building in the field of trade facilitation.

²⁹The “Colorado group” of economies have been strong proponents of WTO trade facilitation negotiations. The group includes Australia; Canada; Chile; Columbia; Costa Rica; the European Union; Hong Kong, China; Hungary; Japan; the Republic of Korea; Morocco; New Zealand; Norway; Paraguay; Singapore; Switzerland; and the United States (see I. Fergusson et al. 2005. *The Doha Development Agenda: The WTO Framework Agreement. Congressional Research Service Report for Congress*. p. 17).

³⁰Article V is “Freedom of Transit”; Article VIII is “Fees and Formalities connected with Importation and Exportation”; and Article X is “Publication and Administration of Trade Regulations.”

Technical Assistance

As technical assistance will be a significant part of any trade facilitation agreement that comes out of the Bali Ministerial meeting, it is useful to examine how it is treated in existing WTO Agreements. While there are many assistance provisions throughout the WTO agreements, the level of discipline varies (**Table 7**).

There are three main types of technical assistance in the WTO. The first type includes measures where all WTO Members are expected to provide technical assistance (Technical Barriers to Trade [TBT], Sanitary and Phytosanitary Measures [SPS]). In this case, all members can be recipients, but special emphasis is placed on developing countries. In the second type, only developed country members are required to provide technical assistance and only developing country members can receive it (Customs Valuation Agreement [CVA], Trade Related Intellectual Property Rights [TRIPS], Government Procurement Agreement [GPA]). In the third type, the Secretariat provides the assistance and only developing country members can be recipients (General Agreement on Trade in Services [GATS], Dispute Settlement Understanding [DSU], and Trade Policy Reviews Mechanism [TPR]).³¹

The level of specificity of technical assistance obligations and how binding they are depends on who is the expected provider. When assistance is provided by the Secretariat, the obligations are binding and softening language is not used. Moreover, required actions by the Secretariat can be very specific as in the case of the DSU, which requires the Secretariat to organize special training courses on dispute settlement. However, when technical assistance obligations fall on WTO members, a strong term such as “shall provide technical assistance” is usually accompanied by softening language (“on mutually agreed terms and conditions”) and the obligations become less binding. There are some agreements that include technical assistance obligations without softening language. However, in these cases the technical assistance obligations are not required at the outset and the scope is limited to the provision of advice and consideration (for example, terms such as “shall advise,” “shall consider,” or “agree to facilitate” are used).

On the specificity of obligations, the specific form of technical assistance is always mentioned if the expected providers are developed countries (CVA and TRIPS). In contrast, the specific forms of technical assistance

³¹In the case of the DSU, all members can be beneficiaries.

Table 7: WTO Technical Assistance Obligations—Implications for a Trade Facilitation Agreement

	Trade Assistance Obligations			Concerned Parties	
	Required Actions	“On mutually agreed terms”	Specific form of Trade Assistance	Provider	Recipient
Technical Barriers to Trade	Shall advise	Not used	No further explanation on advise	All members	All members, especially developing member
	Shall grant technical assistance	Used	Not mentioned	All members	All members, especially developing members
Sanitary and Phytosanitary Measures	Agree to facilitate the provision of technical assistance	Not used	May take the form of advice, credits, donations, and grants for the purpose of training personnel	All members	All members, especially developing members
	Shall consider providing technical assistance	Not used	Not mentioned	Importing members	Exporting developing members
Customs Valuation Agreement	Shall furnish and draw up programs of technical assistance	Used	May include training personnel	Developed members	Developing members
Preshipment Inspection	Shall offer to provide technical assistance	Used	Not mentioned	Exporting members	User members
General Agreement on Trade in Services	Shall provide technical assistance	Not used	Not mentioned	Secretariat	Developing members
Trade Related Intellectual Property Rights	Shall provide technical and financial assistance	Used	Shall include training personnel	Developed members	Developing members
Dispute Settlement Understanding	Shall make available a qualified legal expert	Not used	The obligations in the left column are already specific	Secretariat	Developing members
	Shall conduct special training courses	Not used	The obligations in the left column are already specific	Secretariat	All members
Trade Policy Reviews	Shall make available technical assistance	Not used	Not mentioned	Secretariat	Developing members
Government Procurement Agreement	Shall provide all technical assistance	Not used	Translation of qualification documents and tenders	Developed parties	Developing parties

Source: S Hamanaka. 2011. Comparative Analysis of Technical Assistance Obligations under WTO and FTAs: The Missing Perspective of the Regionalism-Multilateralism Debate. *Legal Issues of Economic Integration*. 38 (4). pp. 341-388.

are usually not mentioned if the expected providers of technical assistance are all WTO members (TBT). Thus, the TRIPS Agreement is the only agreement that has binding and specific obligations on developed countries—a combination of a nonbinding and nonspecific obligation with a binding and specific obligation (although it mentions only training as a specific type of technical assistance).

Progress of Multilateral Negotiations

While the majority of WTO members agree on the significance of trade facilitation, there are various views over the treatment of trade facilitation in the Doha Development Agenda and on its technical details.

Some developing countries are skeptical about the benefits of a new trade facilitation agreement on their economies. These countries do not support de-linking trade facilitation from other items on the grounds that

there are many other important outstanding issues to be tackled (“external” balance of trade facilitation negotiations). There is also a widely shared view among developing countries that strong technical assistance and capacity building—including special and differential treatment—must be included in a new agreement. The latest negotiation text is Version 17, released 29 July 2013 (**Box 3**).³² While there has been significant progress from the initial version, the text still includes more than 400 brackets left to be negotiated. These are expected to be significantly reduced through technical negotiations, so an objective decision can be reached at the Bali Ministerial Conference in December.

Successfully concluding WTO negotiations would amplify the benefits of Asia’s existing regional trade facilitation measures by introducing global coverage of some issues.

Both governments and the private sector will benefit from a better trade reform structure and greater assistance. However, it remains to be seen if the many conflicting interests can coalesce around a mutually beneficial agreement.

Box 3: Contents of the Proposed World Trade Organization Trade Facilitation Agreement

Section I

- 1.1 Publication and Availability of Information
- 1.2 Prior Publication and Consultation
- 1.3 Advance Rulings
- 1.4 Appeal or Review Procedures
- 1.5 Other Measures to Enhance Impartiality, Non-Discrimination and Transparency
- 1.6 Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation
- 1.7 Release and Clearance of Goods
- 1.8 Consularization
- 1.9 Border Agency Cooperation
- 1.10 Formalities Connected with Importation and Exportation and Transit
- 1.11 Freedom of Transit
- 1.12 Customs Cooperation
- 1.13 Institutional Arrangements
- 1.14 National Committee on Trade Facilitation
- 1.15 Preamble/ Cross-Cutting Matters

Section II: Special and Differential Treatment Provisions for Developing Country Members and LDC Members

- 2.1 General provisions and Basic Principles
- 2.2 Definitions of Categories of Commitments
- 2.3 Notification and Implementation of Category A Provisions
- 2.4 Notification and Implementation of Category B and C Commitments
- 2.5 Early Warning Mechanism: Extension of Implementation Dates of Provisions under Categories B and C
- 2.6 Shifting between Categories B and C
- 2.7 Grace Period for the Application of the Understanding on Rules and Procedures Governing the Settlement of Disputes
- 2.8 Provision of Technical Assistance and Capacity Building
- 2.9 Information on Assistance to be Submitted to the Committee

LDC = least developed country.

Source: World Trade Organization. 2013. *Draft Consolidated Negotiating Text*. Document No. TN/TF/W/165/Rev.17.

³²See World Trade Organization. 2013. *Draft Consolidated Negotiating Text*. Document No. TN/TF/W/165/Rev.17.

Trade Facilitation in Asia and the Pacific

Countries in Asia and the Pacific have shown progress on many of the indicators that describe the trade environment. Overall, the region is close to the G7 average in terms of World Bank's *Doing Business* indicators (ADB-UNESCAP 2013). Over the past 5 years, most countries have reduced the costs of exporting and the time needed to ship. This suggests that trade facilitation measures in the region are working. Between 2006 and 2013, almost all subregions saw a reduction in export processing times. However, more work remains to be done. For example, while Central Asian countries have reduced time to export by 15% since 2006, the subregional average is 54 days compared with Southeast Asia, where time to export is only 17 days (Table 8).

Asia and the Pacific also does well in assessments of how selected trade facilitation measures are implemented (Figure 37). The OECD produces trade facilitation indicators that assess the status of trade facilitation measures as stipulated in GATT Article V, VIII, and X. Asia

Table 8: Time to Export (regional averages)

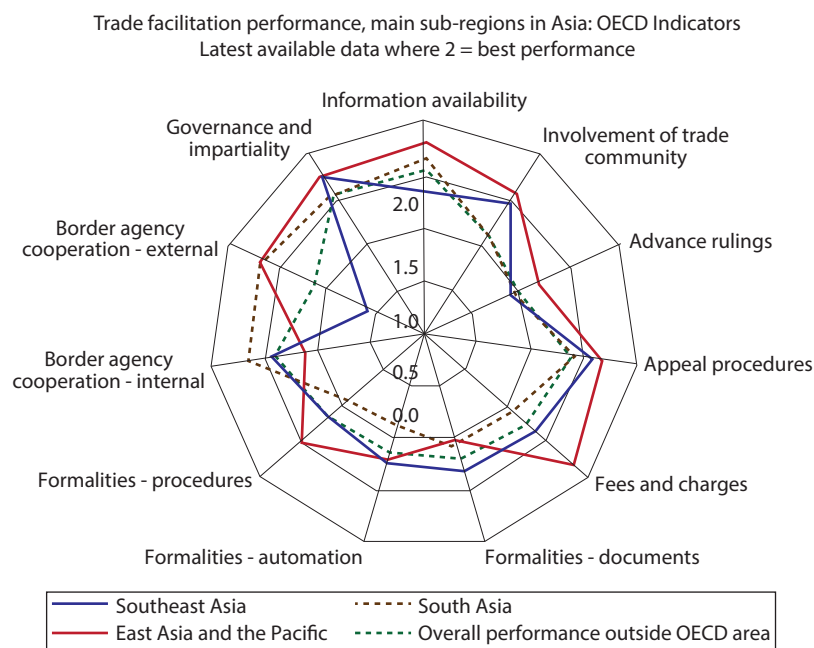
	2006	2009	2012	2013
Southeast Asia	25	30	18	17
Northeast Asia	19	19	18	18
Central Asia	64	59	53	54
South Asia	31	27	26	26
Pacific Islands	24	24	24	24
All economies	29	26	25	24
G7	11	10	9	9

G7 = Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.
 Note: Country groupings based on ADB-UNESCAP (2013).
 Source: ADB-UNESCAP. 2013. *Designing and Implementing Trade Facilitation in Asia and the Pacific*. Manila.

performs above average on governance and impartiality, involvement of the trade community, the appeals procedure, and fees and charges. However, progress by subregion is more mixed.

South Asia, for example, performs poorly in external border agency cooperation. East Asia and the Pacific perform better than the regional average in most areas, but internal border agency cooperation and the simplification and harmonization of documents needs work.³³

Figure 37: OECD Indicators on Selected Trade Facilitation Measures (2012)



OECD = Organisation for Economic Co-operation and Development.
 Note: Country groupings based on OECD (2013).
 Source: Based on Trade Facilitation Indicators as constructed in OECD. 2013. *Trade Facilitation Indicators: The Potential Impact of Trade Facilitation on Developing Countries' Trade*. *OECD Trade Policy Paper* No. 144. Data as of January 2013 for 107 countries outside the OECD area.

³³OECD. 2013. *Trade Facilitation Indicators: The Potential Impact of Trade Facilitation on Developing Countries' Trade*. *OECD Trade Policy Paper*. No. 144.

While indicators paint a relatively positive picture of trade facilitation progress in Asia, a closer look at how measures are implemented reveals a potential source of trade diversion stemming from the very measures intended to improve trade flows. The potential for exclusivity that accompanies certain regional measures needs to be examined.

Potential Benefits from Trade Facilitation

Trade costs are a key determinant of a country's ability to participate in global production networks.

The factors that affect trade costs include everything from tariffs to quality of infrastructure to availability of trade finance.³⁴ While regional trade costs have fallen across Asia, they remain high in comparison to the European Union (ADB-UNESCAP 2013). This underlines the importance of trade facilitation measures to reduce these costs.

Projected benefits of improved trade facilitation are often large.³⁵ The OECD calculates that each 1% saving in trade-related transaction costs saves \$43 billion (OECD 2003).³⁶ Former WTO director-general Pascal Lamy often said a trade facilitation agreement could give a \$1 trillion boost to the world economy (Lamy 2013).³⁷

Within Asia, a World Bank study estimates intraregional trade could increase by over \$250 billion (Wilson, Mann, and Otsuki 2003). This rests on the assumption that trade facilitation reforms in port and customs efficiency, domestic regulations, and e-business can draw countries with below-average performance closer to the regional average.

³⁴In fact, Saslavsky and Shepherd (2012) find that intra-production network trade is more sensitive to trade costs than final goods trade. See D. Saslavsky and B. Shepherd. 2012. Facilitating International Production Networks: The Role of Trade Logistics. *Policy Research Working Papers*. No. 6224. Washington, DC: World Bank.

³⁵It is, however, too early to accurately predict the exact impact of trade facilitation agreement at this stage, because it mainly depends on the level of ambition that WTO members agree on with regard to the new text. In fact, the consequence of trade facilitation agreements significantly differ if provisions use "shall" or "should" or "may" and if softening terms such as "to the extent possible" is included or not.

³⁶OECD. 2003. Quantitative Assessment of the Benefits of Trade Facilitation. *TD/TC/WP(2003)31/FINAL*. Paris.

³⁷P. Lamy. 2013. Speech to the Chittagong Chamber of Commerce, Bangladesh. 1 February. http://www.wto.org/english/news_e/sppl_e/sppl265_e.htm

Table 9: Benefits of Trade Facilitation

Benefits to Government	Benefits to Firms
Increase effectiveness of control methods	Lower costs and reduced delays
More efficient deployment of resources	Faster customs clearance and release
Correct revenue yields	Simplified commercial framework for trade
Improved compliance from traders	Enhanced competitiveness
Encouragement of foreign investment	
Accelerated economic development	

Source: UNECE. 2002. *Trade Facilitation: An Introduction to the Basics Concepts and Benefits*. Geneva.

Econometric studies concretely show the potential impact of trade facilitation reform in various fields. According to Anderson and van Wincoop (2004), even a relatively minor area of trade facilitation reform—such as the information and language barrier (which is covered under the transparency concept of trade facilitation negotiations) would have an impact equivalent to a 13% tariff reduction. The same study suggests that cost of transit is equivalent to 9% of tariffs and administrative burden of trade procedures is equivalent to 8% of tariffs. Thus, a successful conclusion of a WTO trade facilitation agreement—including strong capacity building elements and trade facilitation reform triggered by the agreement—would have a significant impact on trade. Sometimes overlooked is the obvious—that the benefits of trade facilitation accrue not only to governments, but to the private sector as well (**Table 9**). When trade costs fall, entrepreneurs, employees, and consumers all gain from the more competitive business environment.

Global resources devoted to trade facilitation are significant. In particular, lending has increased due to the Aid for Trade initiative introduced by the WTO in 2005. A recent joint statement signed by many of the world's multilateral lenders cited the funding commitment for trade facilitation in 2011 at more than \$381 million—an increase of 365% (in real terms) of official development assistance to trade facilitation compared with the 2002–2005 average.³⁸

³⁸WTO. 2013. Joint Statement on Trade Facilitation during the 4th Global Review of Aid for Trade Meeting. <http://www.nzembassy.com/switzerland/events-and-news-zealand-statements/world-trade-organisation-wto/joint-statement-%E2%80%93-trade-f>

Free Trade Agreements: The Potential for Exclusivity

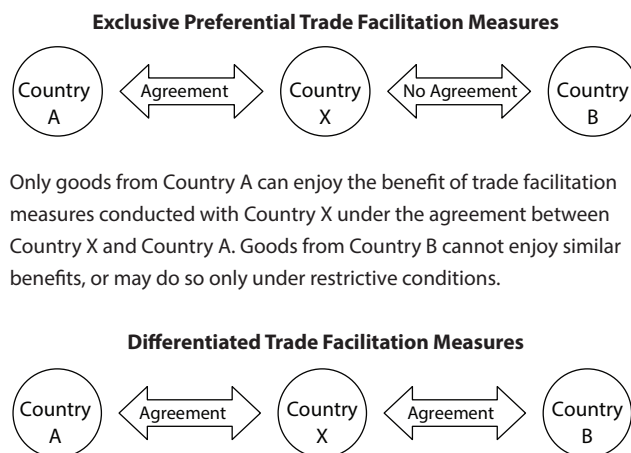
Trade facilitation measures are not only being pursued multilaterally, but they also feature in regional initiatives.

According to UNESCAP (2011), 91% of recently signed FTAs in the region include some element of trade facilitation. There are also many regional or subregional economic cooperation programs—such as Central Asia Regional Economic Cooperation (CAREC), the Greater Mekong Subregion (GMS), South Asia Subregional Economic Cooperation (SASEC), and the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)—that include some trade facilitation. Some subregional projects resulted in the signing of cross-border transport agreements (CBTAs) emphasizing trade facilitation.³⁹

Regional trade facilitation initiatives include a wider set of measures than those being negotiated at the WTO—and they also raise a different set of issues. Unlike multilateral initiatives, regional trade facilitation measures hold the potential to facilitate members' trade at the expense of multilateral trade, for example. It is widely assumed that nonexclusive regional trade facilitation measures pave the way for "open" regionalism. For example, simplifying customs procedures regionally facilitates both intraregional and inter-regional trade (Moisé 2002). However, there are some measures that give preferential treatment to a limited number of countries. In fact, some trade facilitation measures—such as concessionary customs fees only applicable to members, and mutual recognition among members—can have discriminatory effects (Maur 2008; OECD 2005).⁴⁰

There are two types of discrimination that can arise from bilateral trade facilitation measures. The first is exclusive preferential trade facilitation measures. If an agreement gives preferential treatment to partners only, treatment varies between members and nonmembers (**Figure 38**). It is possible to determine whether an agreement creates

Figure 38: Two Types of Discriminatory Treatment



Only goods from Country A can enjoy the benefit of trade facilitation measures conducted with Country X under the agreement between Country X and Country A. Goods from Country B cannot enjoy similar benefits, or may do so only under restrictive conditions.

Country X renders different trade facilitation treatment to goods from Country A and Country B, even if both have an agreement with Country X.

Source: S. Hamanaka. 2013a. *Asian Free Trade Agreements and WTO Compatibility: Goods, Services, Trade Facilitation and Economic Cooperation*. Singapore: World Scientific.

legal preferential treatment exclusively to goods from a partner country (Country A), and how the agreement between Country X and Country A stipulates the trade facilitation merit for the goods from Country B to Country X.

The second type of discrimination is differentiated trade facilitation measures. Preferential trade facilitation treatment stipulated in FTAs is not homogenous across agreements. For example, Country X, a common partner, may render much better treatment in terms of trade facilitation of goods from Country A than goods from Country B, even if both Country A and Country B have an agreement with Country X.

One example of a discriminatory measure is the simplification of customs procedures. Most FTA provisions related to simplifying customs procedures apply to FTA partners only. There are many FTAs that give preferential customs procedures exclusively to FTA partners. Most FTA provisions on customs procedures state that they should be simplified for goods traded between contracting parties, rather than encompassing "all goods or shipments." Provisions on express shipments are a typical example of discriminatory treatment. Usually, only goods traded between FTA partners can use express shipment facilities. Moreover, when express shipment is covered by FTAs, the prescribed speed applicable to goods traded between members becomes the question. Differentiated treatment in terms of the speed of customs clearance

³⁹Discussion on subregional cooperation programs in ASEAN can be found in *Toward the ASEAN Economic Community—and Beyond*, page 34. ADB provides details on current work in ASEAN and other subregions (see www.adb.org).

⁴⁰Mutual recognition of standards among members may bring exclusive effects to nonmembers. However, there is also a possibility that nonmembers can enjoy benefits (See K. Nicolaidis. 2000. Non-Discriminatory Mutual Recognition: An Oxymoron in the New WTO Lexicon? In T. Cottier, P.C. Mavroidis, and P. Blatter, eds. *Regulatory Barriers and the Principle of Non-Discrimination in World Trade Law: Past, Present, and Future*. Michigan: University of Michigan Press).

across FTAs can become an issue due to different stipulated time limitations prescribed for different FTA partners. For example, the US-Singapore FTA requests that express shipments should be released within 6 hours, while the US-(Republic of) Korea FTA requests they should be released within 4 hours.^{41, 42}

There are many types of trade facilitation measures that are exclusive under FTAs. In addition, these FTA measures are diverse in terms of their discriminatory and exclusive elements and that differentiated treatment across FTA partners under different FTAs is common. This underscores the potential importance of a multilateral agreement on trade facilitation. While trade facilitation measures are well integrated into regional trade arrangements, they may not be accessible to all countries. A multilateral agreement on trade facilitation will not constrain the continued inclusion of trade facilitation in regional agreements, and to the extent that it promotes broader cooperation and technical assistance, it may highlight the benefits of a more open approach.

Conclusions and Policy Implications

Trade facilitation measures can play an important part in ensuring all countries have access to the potential benefits of trade and regional integration.

This assurance is true both for developing countries with limited resources and for small- and medium-sized firms in high- and middle-income countries. December's Bali Ministerial Conference is the first time a trade facilitation framework has reached the highest multilateral levels. Countries in Asia and the Pacific have an opportunity to engage in the process to ensure it reflects both the realities and capacity of the region.

There are three main advantages to actively participating in a successful multilateral process. First, while progress through FTAs has been good, it can be made even more efficient by extending preferential trade facilitation measures to nonmembers (ADB 2013). The WTO process is a limited, but important, first step in this direction. Second, Asia can benefit from a multilateral agreement as it simplifies the process of future trade facilitation negotiations. By establishing a multilateral framework,

both public and private sectors will be working from the same text. While private sector growth has been central to Asia's dynamic growth, too often the private sector is not brought in as a policy partner. Yet, in identifying facilitation gaps, the private sector has been most effective. Many WTO measures—such as enquiry points, the establishment of national committees on trade facilitation and opportunities to comment on rules—will effectively draw in the private sector.

A third gain is the additional resources through special and differential treatment for more challenged states. These countries have the furthest to go to meet their trade facilitation obligations, but also the most to gain. In the multilateral process, least developed countries in particular have been vocal in their views on the SDT section of the trade facilitation agreement. While trade facilitation benefits all, some measures are resource-intensive and inaccessible to countries with limited means. These countries will gain both from SDT and from the establishment of a Committee on Trade Facilitation—which would be open to all WTO members.

In addition to the benefits from multilateralization, the WTO process raises the profile of trade facilitation measures at all levels. This attention may enable countries to better address the challenges of FTA trade facilitation measures. Where preferential trade facilitation measures vary across FTAs, governments accrue costs. Take, for example, the situation where the stipulated time limit for express shipments varies across FTAs. While different time requirements for express shipments do not seem a large problem for the US—as mentioned, 6 hours for imports from Singapore and 4 hours for imports from the Republic of Korea—for less developed countries it is more efficient to adhere to a single expedited amount of time to avoid maintaining regular lanes, express lanes, and super-express lanes—which add administrative costs. The differentiated preferential trade facilitation measures would simply increase the administrative burden.

There are many discriminatory trade facilitation measures in the region. Regional preferential trade facilitation measures are not ideal because they are opaque and often complex—they should be multilateralized on a de facto basis in the long run to reduce the administrative burden.

⁴¹US-Singapore FTA. Chapter 4, Article 4.10.

⁴²US-(Republic of) Korea FTA. Chapter 7. Article 7.7.

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