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# National Committees on Trade Facilitation

Role of FIATA national association members in the transition to economic recovery

## Trade facilitation is a necessity

While the COVID-19 pandemic has created economic chaos to all economies with governments employing the same principles to contain the virus while trying to maintain a degree of economic control, all this has been to a significant detriment to each, and every, economy. Service providers to international trade logistics and supply chain management across all forms of the international movement of goods across borders have been impacted severely.

As restrictions commence to be eased and all economies look to start revitalizing the trade process it is now the time for FIATA National Association Members to work in the trade facilitation space. While many governments and border regulators have, in the past, been happy to maintain a *status quo* as to border process management with a less than enthusiastic embrace of the dreaded words “*trade facilitation*”, COVID-19 has changed some of those attitudes. Whilst improving trade facilitation due to necessity of safety, they have found that it works well and does not have a negative impact on compliance.

Those economies who in the emerging cost-competitive environment ignore the challenges of improvement in the physical movement of goods across borders, intelligence-led regulatory border risk assessment or digitalization of documentary requirements – all which will deliver cost reduction and improved cargo movement – will probably miss the post COVID-19 bus.

The next three years in international trade facilitation will reward the flexible, agile, and adaptive. Improvement in physical cross-border timeliness and interventions in developing economies will improve those economies’ exports as to definitive delivery. Developed economies taking red tape and costs out of the supply chain will benefit both importers and exporters with better return on investment.



## Achievable or just a fantasy?

FIATA National Association members must ensure their members are represented at the forefront of trade facilitation. Whether it can be achieved depends on the intensity and willingness of the National Association member, along with others in a coalition of change agents, to discuss with, in particular, relevant government ministers responsible for trade or finance. Since the inception of the World Trade Organization Agreement on Trade Facilitation (TFA) there is a mandatory requirement for signatories to the Convention to give effect to the active formation of a National Committee on Trade Facilitation (NCTF) as referenced in Article 23.2.

FIATA has consistently, since the inception of the TFA, urged National Association members to ensure their participation in the trade facilitation arrangements. As stated in Article 23.2 of the TFA, the role of NCTFs is to facilitate trade process improvement and its domestic coordination and implementation:

*“Each Member shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement.”*

The formulation and construction of NCTFs from Article 23 has been the subject of numerous international organizations dissertations including, to mention just a few:

- *WTO National Committees on Trade Facilitation Current Practices and Challenges*
- *Economic Commission for Europe National Trade facilitation Bodies*
- *Economic Commission for Europe Facilitation Implementation Guide*
- *United Nations Conference on Trade and Development Technical Notes on Trade Facilitation Measures*
- *World Bank Group Trade Facilitation Support*
- *World Customs Organization Mercator Programme*
- *International Trade Centre National Trade Facilitation Committees*

All, however, make one issue clear: the private sector is not a discretionary seat at the table on facilitation – it is compulsory.

So as the National Association representing the international freight forwarders in your country, if you are not at that table then it is timely that you ensure that you take up that seat option and represent your members in the trade facilitation dialogue.

Your country’s economy, the welfare of its citizens at large, and above all your members are linked to trade facilitation. This is not an issue to be left to supposed experts in logistics and trade – after all, FIATA members are the ‘architects of trade’.