European Commission - Press release

EU welcomes entry into force of the WTO Trade Facilitation Agreement

Brussels, 22 February 2017

The Trade Facilitation Agreement (TFA) – the most significant multilateral trade deal concluded since the establishment of the World Trade Organisation (WTO) in 1995 - enters into force today.

The ratifications by Chad, Jordan, Oman and Rwanda today means the deal has reached the pre-determined threshold of 110 WTO members required for its immediate entry into force.

This agreement aims to simplify and clarify international import and export procedures, customs formalities and transit requirements. It will make trade-related administration easier and less costly, thus helping to provide an important and much needed boost to global economic growth. EU customs authorities will play a leading role in the implementation of the agreement, acting both as an example to follow and as an engine for further progress in trade facilitation within the EU and at international level.

The agreement will also help improve transparency, increase possibilities for small and medium-sized companies to participate in global value chains, and reduce the scope for corruption. The deal was agreed during the WTO Ministerial Conference in Bali in 2013.

Commissioner for Trade Cecilia Malmström said: "Better border procedures and faster, smoother trade flows will revitalise global trade to the benefit of citizens and businesses in all parts of the world. Small companies, that have a hard time navigating daily bureaucracy and complicated rules, will be major winners."

Commissioner for International Cooperation and Development, Neven Mimica added: "Trade is a key driver for sustainable development. The new agreement will help tapping the huge potential of trade. I am ready to assist our partner countries to make the most of this agreement."

The biggest scope for improvement - and thus the greatest potential to reap benefits - is in developing countries. The EU wants this agreement to play a significant role in increasing developing countries' involvement in global value chains. For that reason, the EU has committed €400 million to assist them with the reforms needed to comply with the rules set by the agreement.

In addition to its development dimension, the agreement also forms part of the EU's efforts to help small and medium-sized European companies use the untapped potential of global markets.

The EU has been one of the promoters of the deal and led the efforts towards its conclusion. Following the ratification of the deal by the Council and the European Parliament in 2015, the EU actively encouraged other WTO Members to approve the deal without delay. While the critical mass has now been reached, allowing the agreement to become effective, the EU hopes the remaining WTO Members will ratify the agreement in the near future.

Background

Negotiations on trade facilitation started as part of the Doha Development Agenda. Recognising the substantial potential benefits of this agreement for all and, in particular, for developing countries, WTO Members agreed at the end of 2013 to prioritise a stand-alone deal. The resulting agreement involves all members of the WTO.

In December 2013, the EU committed financial support to help those countries most in need to comply with and draw the full benefits of the Trade Facilitation Agreement.

More information

Trade Facilitation Agreement
EU support on Trade Facilitation
The Bali decision
EU and the WTO
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