

Session 5

Trade Facilitation and Regional Integration

Africa's Economic Transformation
within the context of the G-20
Partnership in Africa

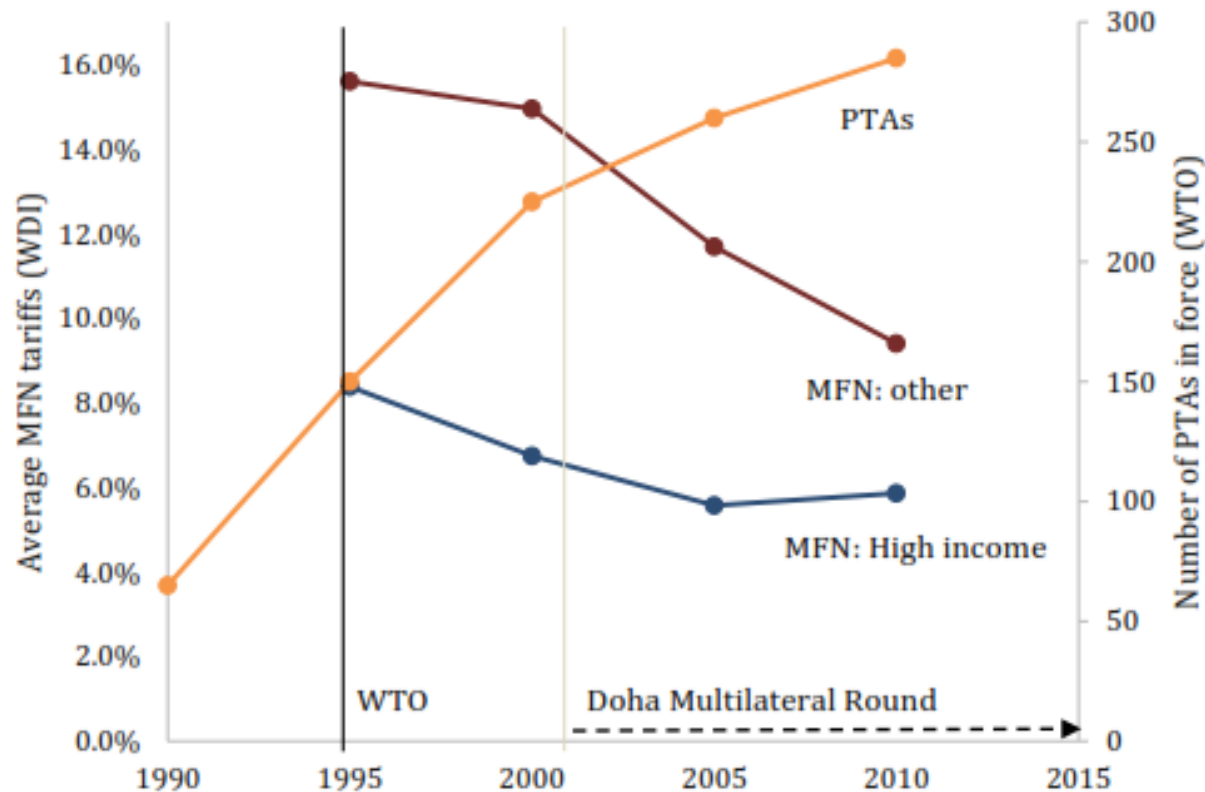
Berlin, May 9, 2017

VIGNETTES

1. PTAs are up by a factor of 10 in spite of falling protection so a new model for 21st. century regionalism. Unilateral trade reforms in exchange for attracting FDI
2. Coverage for WTO+ measures (those covered at WTO negotiations) for 108 S-S PTAs with comparison of those in SSA relative to others
3. Coverage of WTO-X measures that go beyond those covered in WTO negotiations. Relative to other S-S measures fewer are legally implementable
4. According to OECD Trade Facilitation Indicators (TFI), plenty of room to reduce time in customs (estimates of trade cost reduction of 2.4% for LDCs and 4.5% for LLDCs)

PTAs up by a factor of 10 since 1990

(2/3 of WTO-notified RTAs are South-South)



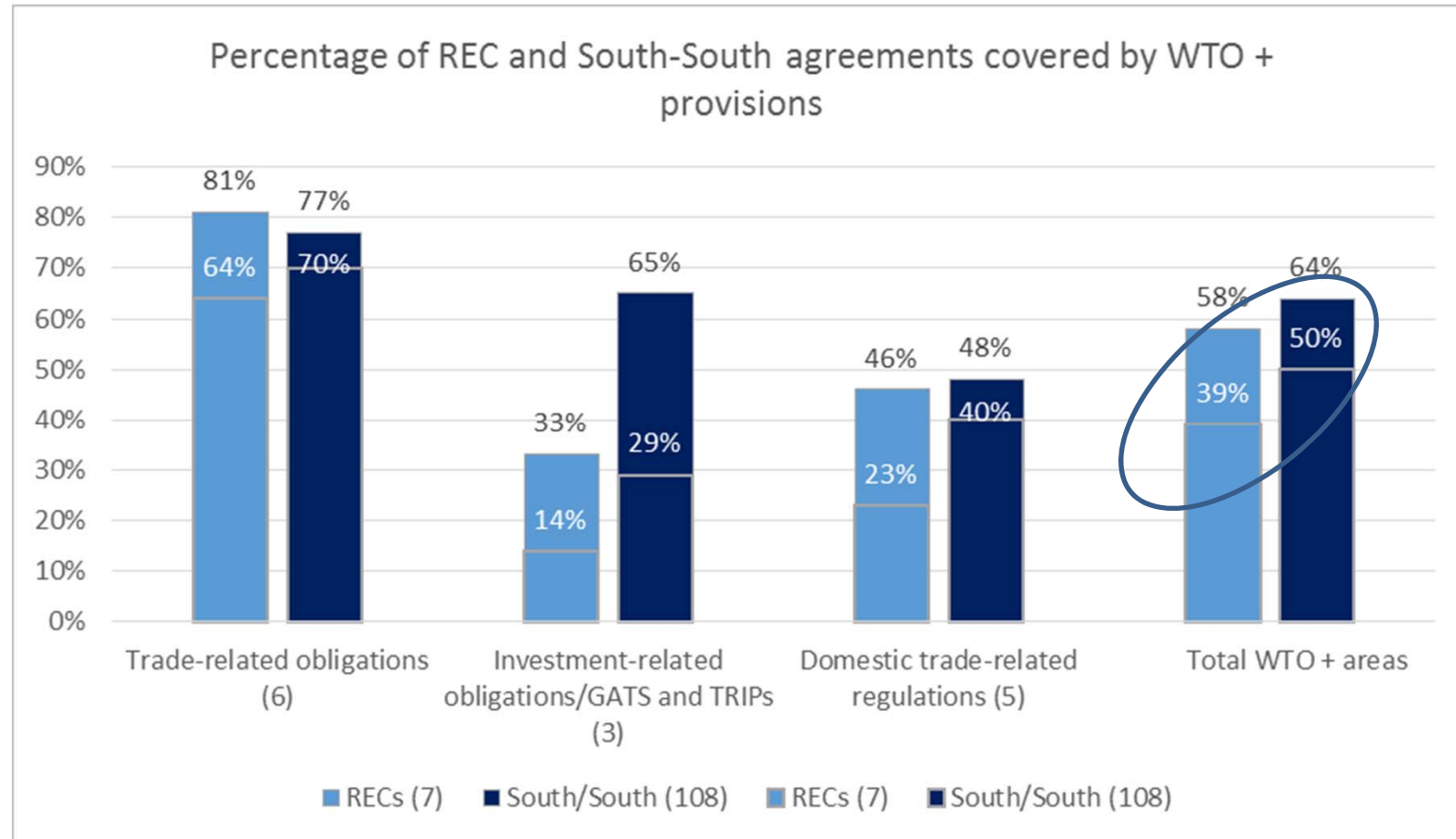
Source: Limaõ (2015)

Figure 1: Preferential and Multilateral Liberalization

...gains from exchange of market access à la GATT is falling so « non-traditional » benefits from integration via deeper integration including WTO-X measures to be privileged (See next 2 slides).

Provisions in South-South and African RTAs

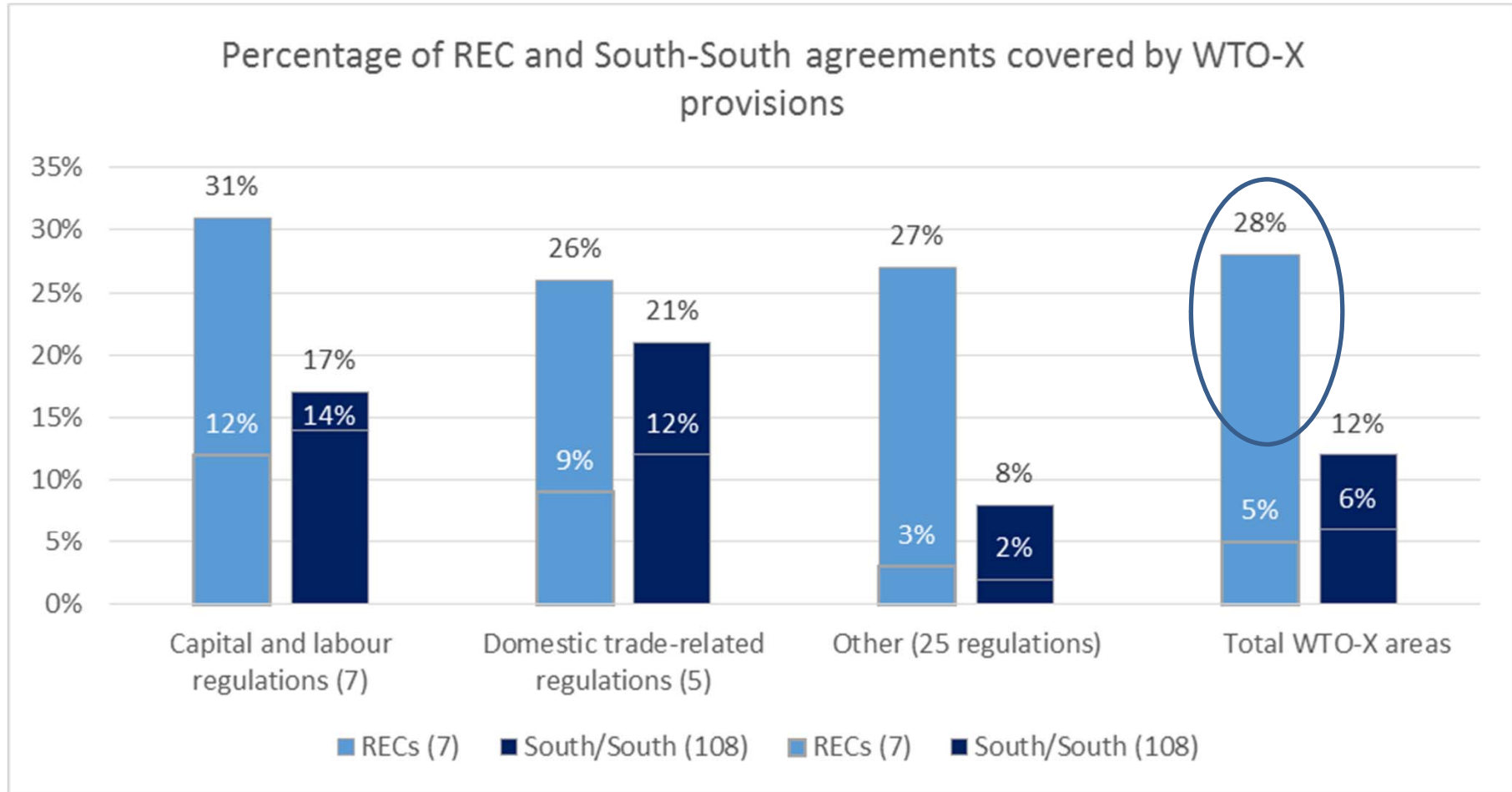
(WTO+ are provisions covered at the WTO multilateral negotiations)



Lower legal enforceability for WTO+ provisions in SSA RTAs

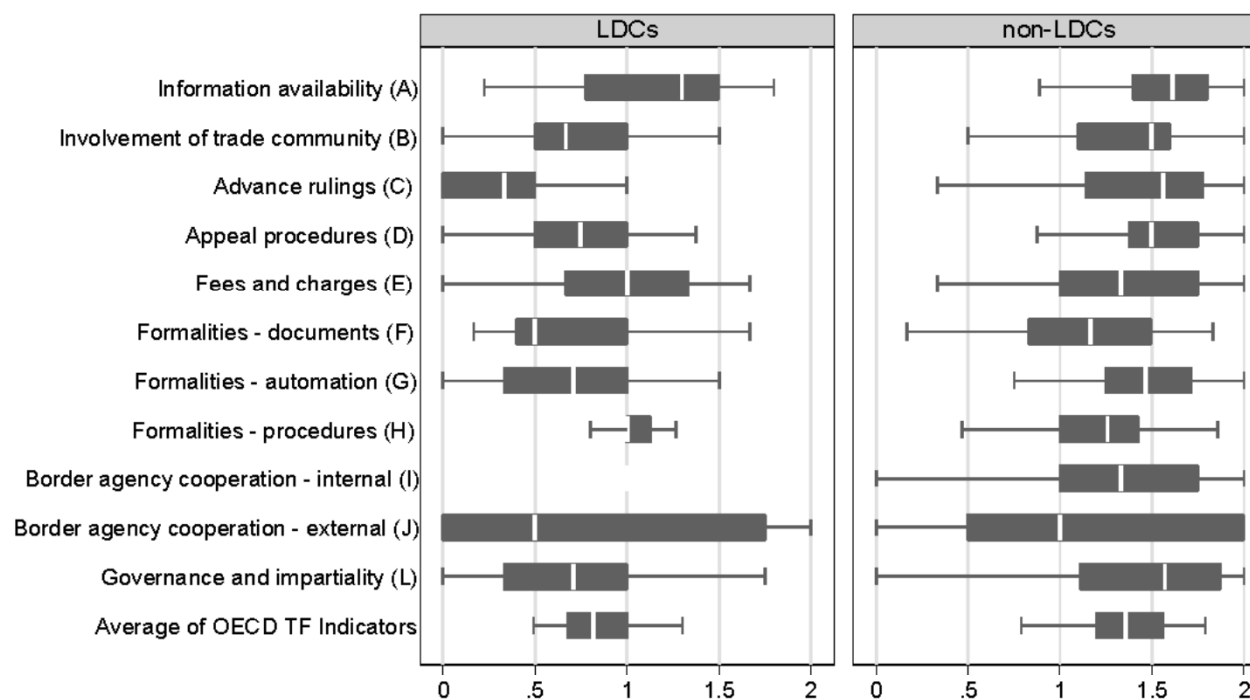
Negotiating beyond the WTO Agenda

(WTO-X are provisions not covered at the WTO multilateral negotiations)



...and lower legal enforceability for WTO-X provisions in SSA raises issue of implementation capability

OECD Trade Facilitation Indicators for Customs (range : 0-2)



Categories	Median Time in Import Customs (in days) Observed	All indicators at the best performance of their income/group category	Equivalent % reduction in trade costs
LDC	4	3.2	2.4%
LL developing	5	4.4	3.0%
LLDC	5.5	6.3	4.5%