Easing Trade Bottlenecks in Landlocked Developing Countries

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Project Origin

• Yearly Secretariat report on the Vienna Programme of Action for the Landlocked Developing Countries to UN OHRLLS
• 23 March 2021 Aid for Trade Stocktaking event on the Impact of COVID-19 on Landlocked Developing Countries (LLDCs) and Implications for Resilient Recovery, where LLDCs expressed the effects of the effects of COVID-19 border measures on their import and export capabilities
• Finally, a meeting between LLDC Group and Director-General Ngozi Okonjo Iweala, after which the DG requested that the WTO Secretariat to conduct a study on the logistical constraints impacting the trade performance of LLDCs.
## Transit Issues

### Table 6: Article 7 notification data

<table>
<thead>
<tr>
<th>Category</th>
<th>Article 7.1: pre-arrival processing</th>
<th>Article 7.4: risk management</th>
<th>Article 7.5: post-clearance audit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Category A current (%)</td>
<td>Category B current (%)</td>
<td>Category C current (%)</td>
</tr>
<tr>
<td>Global</td>
<td>40</td>
<td>8</td>
<td>3</td>
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<td>LDCs</td>
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<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Developing members</td>
<td>61</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>Transit countries</td>
<td>57</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>LLDCs</td>
<td>23</td>
<td>15</td>
<td>3</td>
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</table>

*Source: WTO Secretariat.*
Table 7: Articles 8 and 11 notification data

<table>
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<tr>
<th></th>
<th>Category A current (%)</th>
<th>Category B current (%)</th>
<th>Category C current (%)</th>
<th>Category B future (%)</th>
<th>Category C future (%)</th>
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<tbody>
<tr>
<td><strong>Article 8: Border Agency Cooperation</strong></td>
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<td>10.0</td>
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<td><strong>Article 11: Freedom of Transit</strong></td>
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<td>20.7</td>
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*Source: WTO Secretariat.*
Figure 10: Top five measures with the highest rate of TFA implementation commitments by LLDCs

- **Art. 10.5: preshipment inspection**
  - Today 92.3%

- **Art. 9: movement of goods**
  - Today 88.5%

- **Art. 5.2: detention**
  - Today 88.5%

- **Art. 10.6: use of customs brokers**
  - Today 84.6%

- **Art. 10.9: temporary admission ...**
  - Today 80.8%

Legend:
- Green: Cat. A commitments for implementation to date
- Blue: Cat. B commitments for implementation to date
- Red: Cat. C commitments for implementation to date

Source: TFAD.
Figure 11: Bottom five measures with lowest rate of TFA implementation commitments by LLDCs

- Art. 7.4: risk management
  - Today 33.7%
- Art. 8: border agency cooperation
  - Today 27.9%
- Art. 5.3: test procedures
  - Today 26.9%
- Art. 7.7: authorized operators
  - Today 26.9%
- Art. 10.4: single window
  - Today 23.1%

Legend:
- Green: Cat. A commitments for implementation to date
- Blue: Cat. B commitments for implementation to date
- Red: Cat. C commitments for implementation to date

Source: TFAD.
Figure 12: Type of technical assistance required

- Human resources & training
- Legislative & regulatory framework
- ICT
- Infrastructure & equipment
- Institutional procedures
- Raising awareness
- Diagnostic & needs assessment
- To be determined

Source: TFAD.
Recommendations

- LLDCs to lead on transparency
- Enhanced TFA implementation
- Priorities import/export documentation and border cooperation
- Digitalization of border processes
- Customs interconnectivity and interoperability
- Developing transit corridors
- Targeted AFT
- Improving trade related infrastructure
• LLDC and Transit Country TPRs to focus on transit & transport

• Interdependency of LLDCs and transit countries

• Information on transit requirements

• Develop SPS standards that apply to goods in transit only when they present a risk

• Provide assistance to LLDCs to develop quality infrastructure to meet standards
• ROO should not require direct consignment
• Tackle the logistics, shipping cost and supply chain issues
• Engage in e-commerce discussions in WTO to close digital divide
• Connectivity and digital technologies should be a priority for LLDCs
• Develop industries and services that are less affected by lack of sea access
• Enhanced partnerships