



## Cabinet Approves Thailand's Adoption of WTO Trade Facilitation Agreement

On 28 July 2015, the cabinet consented to the Ministry of Commerce's proposal to put forward Thailand's commitment to a Trade Facilitation Agreement (TFA) under the World Trade Organization (WTO). The TFA is aimed at easing trade rules as well as facilitating the movement and clearance of goods in order to promote business expansion and growth in international trade and investment flows.

The agreement contains provisions on expediting the movement, release and clearance of goods, including goods in transit. It also sets out the measures for an effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues; standards for the publication of laws, regulations and procedures, including Internet publication; provision for advance rulings; disciplines on fees and charges imposed on importation and exportation and penalties; procedures for appeal or review of the customs ruling; pre-arrival processing of goods; promotion of the use of a single window; uniformity in border procedures; temporary admission of goods; simplified transit procedures; and provisions for customs cooperation and coordination. Developing and least developed country members will be given more flexibility in the implementation of the Agreement.

The TFA will be inserted into Annex 1A of the WTO Agreement and will come into force once two-thirds of members, or 108 from a total of 161 countries, have adopted the Protocol Amending the World Trade Organization Agreement on Establishing the World Trade Organization and

completed their domestic ratification process. Currently, eight countries including Singapore and Malaysia have already consented to the protocol and more countries are expediting their internal process to adopt the protocol prior to the 10<sup>th</sup> WTO Ministerial Meeting to be held in December 2015.

The Ministry of Commerce is planning to table the TFA to the National Legislative Assembly for consideration and approval. After such approval, the Ministry of Commerce will notify the WTO of Thailand's commitment to adopt the protocol and sign to bind its commitment to the agreement accordingly.

Implementing the TFA agreement will benefit Thailand in terms of reducing the financial costs and time requirements for business operations as well as minimizing the risks and instability in the movement of goods across borders. It will also strengthen Thailand's position as an attractive location for trade and investment, and help contribute toward Thailand's goal of becoming a regional trade hub.

## Thailand and Pakistan to Launch FTA negotiations

As a follow up to the cabinet's approval on the Thailand-Pakistan Free Trade Agreement negotiations framework in May 2015, the Ministry of Commerce is now moving ahead on establishing its first official dialogue.

Officials from both Thailand and Pakistan are expected to meet at the 3<sup>rd</sup> Thailand-Pakistan Joint Trade Committee Meeting, which is being held on 12 and 13 August 2015 in Islamabad, Pakistan. At the time of publishing this issue of Trade Digest,

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General Chatchai Sarikalya, the Minister of Commerce, is joining his Pakistani counterpart on setting up preliminary guidelines for trade and investment cooperation under the FTA. Should this guidelines be put in place as planned, the first official round of negotiations will be hosted in Thailand in September 2015.

In 2014, the total bilateral trade value between the two countries was 1.016 billion US dollars and, according to Mrs. Apiradi Tantraporn, the Deputy Minister of Commerce, it is expected to rise to 2 billion by the end of 2020 if the agreement come into effect as expected. Automobile products and parts, industrial machinery, and plastic beads are the top three Thai exports to Pakistan with a cumulated total value of 383.3 million US dollar in 2014.

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