THE WTO TRADE FACILITATION AGREEMENT

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The Trade Facilitation Agreement (TFA) was adopted in December 2013 at the World Trade Organisation (WTO)'s Bali Ministerial Conference. Heralded as the first multilateral trade agreement since the conclusion of the Uruguay Round in April 1994, the TFA entered into force on 22nd February 2017, having surpassed the required threshold of ratification by more than two-thirds of the WTO's 164 membership. In announcing its commencement, WTO Director-General Roberto Azevêdo described it as "the biggest reform of global trade in a generation."[1]

What is Trade Facilitation?

There exists no universally agreed definition of "trade facilitation" (TF), with its meaning highly variable across international organisations and conventions. According to Neufeld, its scope is highly dependent on the particular agreement at hand: "what some treaties label as 'TF' can have little to do with how the matter is approached in others."[2] In this pact, the WTO defines TF as the "simplification and harmonisation of international trade procedures", referring to "the activities, practices and formalities involved in collecting, presenting, communicating and processing data and other information required for the movement of goods in international trade."[3]

In drawing up the TFA, members opted for a restricted remit, choosing not to include broader TF-related issues, such as national infrastructure and transport. Instead, the Agreement concerns itself with clarifying and expanding the areas already provided for by existing GATT articles, such as Article V (Freedom of Transit), Article VIII (Fees and Formalities connected with Importation and Exportation) and Article X (Publication and Administration of Trade Regulations).

1 "WTO's Trade Facilitation Agreement Enters into Force," (2017). https://www.wto.org/english/news_e/news17_e/fac_31jan17_e.htm.

2 Nora Neufeld, "Trade Facilitation Provisions in Regional Trade Agreements: Traits and Trends," *Journal Of International Commerce, Economics And Policy* 5:2 (2014): 4.

3 "Trade Facilitation," *Global Trade-Related Technical Assistance Database* (2012). http://gtad.wto.org/trta_subcategory.aspx?cat=33121.

The Status Quo

The "multiplicity, diversity and complexity"[4] that characterises modern-day international customs regimes increases the transaction costs of trade, unnecessarily inflating costs at every subsequent stage. Likewise, such heterogeneity complicates the management of highly complex and interdependent global value chains, while local idiosyncrasies have the potential to isolate countries from reaping the benefits of meaningful integration. Similarly, substandard border controls heighten logistical uncertainty for businesses through procedural unpredictability. In all these regards, the fees and delays incurred as well as the time misspent satisfying cumbersome requirements represent deadweight losses, while administrative oversight provides opportunities for rent-seeking behaviours.

By way of example, trade in Zambia is plagued by interventions, created by segmentation and a lack of coordination, and serving to perpetuate a culture of administrative corruption. A small trader attempting to export goods, for instance, might have to interact with as many as 16 distinct government agencies.[5]

Goals of the TFA

In the words of the UN Conference on Trade and Development (UNCTAD), the TFA seeks to "streamline, standardise and simplify" the passage of goods across borders, with a view to making international trade "faster, easier and cheaper."[6] To this end, the Agreement offers a blueprint for reducing the economic and bureaucratic burden of customs-related red tape, to improve efficiency and eliminate redundancies, while preserving legitimate regulatory and standards-related concerns. In practice, this means the simplification of tariff structures and customs procedures, the adoption of internationally recognised nomenclature and product codes, the standardisation of documentation (including stamp and ink requirements), the streamlining of compliance requirements, the upgrading of infrastructure and modernization

4 Alan M. Field, "Smaller Shippers Likely Beneficiaries Of WTO Trade Facilitation Agreement," *Journal Of Commerce* (2015). http://www.joc.com/regulation-policy/trade-agreements/international-trade-agreements/smaller-shippers-likely-beneficiaries-wto-trade-facilitation-agreement_20150428.html.

5 "Developing Countries Make Headway On WTO Trade Facilitation Agreement," *The World Bank* (2015). http://www.worldbank.org/en/news/feature/2015/12/22/developing-countries-make-headway-on-wto-trade-facilitation-agreement.

6 "'Make Trade Facilitation A Reality' – Officials Meet At The First UNCTAD-Hosted Forum To Prepare For New Global Trade Facilitation Agreement," *UNCTAD* (2017). http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=1431.

of existing IT systems and the promotion of cooperation between customs and other border authorities. For a meaningful outcome, these efforts should be complemented by the provision of accurate and up-to-date information on regulations, procedures and standards, made readily available and easily accessible (e.g. online, compiled in one place, provided in English or another WTO language and with a designated contact appointed to field enquiries). More ambitious initiatives being considered by members include paperless trade and a single-window system.

In appraising the outcomes of the Kennedy Round, Robert Baldwin coined a metaphor of draining a swamp, in which "the lower water level [revealed] all the snags and stumps of NTBs."[7] Analogously, with significant progress having been made in reducing tariffs and dismantling NTBs, the inadequacies of many present-day border controls have been exposed. In fact, these days the time and effort required to comply with customs formalities can perversely represent more of a burden than the duties to be paid. The UNCTAD describes how "the average customs transaction involves 20-30 different parties, 40 documents, 200 data elements (30 of which are repeated at least 30 times) and the rekeying of 60-70 percent of all data at least once,"[8] while the World Bank suggests that customs-related transaction costs can account for up to 10 percent of a shipment's value.[9] Moreover, delays and procedural unpredictability can negate modern advances in the speed of production and delivery. In this way, it might be said "at-the-border" measures were addressed in the first instance, subsequently bringing to the fore the impact of previously obscured "behind-the-border" barriers, which in turn necessitated the addressing of "the border" itself.

A Brief History of the TFA

The consideration of TF by the WTO had been preceded by decades of lower-level and fragmented efforts by such international organisations as the UNCTAD, the United Nations Economic Commission for Europe and the World Customs Organisation.[10] However, it first emerged as an item for discussion under the WTO as one of the four so-called "Singapore Issues" at the Ministerial Conference in December 1996.

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7 Robert E. Baldwin, (Washington, D.C.: The Brookings Institution, 1970).

8 "Briefing Note: Trade Facilitation – Cutting 'Red Tape' At The Border." *World Trade Organisation* (2014). https://www.wto.org/english/thewto_e/minist_e/mc9_e/brief_tradfa_e.htm.

9 Bernard Hoekman, Strengthening *The Global Trade Architecture For Development*. Policy Research Working Paper (World Bank Publications, 2002), 25.

10 Sujeevan Perera, *Trade Facilitation Agreement (TFA) - Implementing Implications* (The Commonwealth, 2016). http://thecommonwealth.org/sites/default/files/inline/TradeFacilitationAgreement1008.pdf.

With the launch of the Doha Round in 2001, the Singapore Issues were listed as subject headings, but with the proviso of only being negotiated pending "explicit consensus." In July 2004, following the deadlock of Cancún, members agreed to separate the four issues, with TF becoming a formal topic of negotiation, while the other three were kicked into the long grass. At the time, some least developed countries (LDCs) expressed concerns that the elevation of the TFA to such prominence would detract from the nominally development-oriented items on the agenda.

In 2013, twelve years after its launch, the Doha Round had delivered no concrete results, and suffered from an uncertain fate. The TFA was identified as "low-hanging fruit" to produce an "early harvest" at the Bali Ministerial Conference,[11] with the hope that success might generate spillover effects in stimulating discussions in other areas and in providing momentum more broadly to revitalise the stagnant Round. More technical in nature and less controversial than other areas, it was expected that consensus would be reached more easily. As Pascal Lamy remarked, "unlike some other difficult trade negotiations in the Round, there is no risk of farmers, taxi drivers or garment workers protesting in the streets."[12]

That being said, negotiations still encountered difficulties. From the outset, many LDCs vocalised unease about locking themselves into binding commitments that would require significant infrastructural and institutional reforms – fears exacerbated by misgivings about the credibility of funding assurances. Similarly, there was reluctance to take on additional obligations which would increase their exposure to the WTO dispute mechanism. Developing members feared that their lack of experience across many TF areas would predispose them to penalties. Vietnam, for instance, currently has no system in place for designating which companies have the legal authorisation to serve as customs brokers. In this case, inadvertent non-compliance is a non-trivial risk.[13]

Moreover, the adoption of the single-undertaking principle, whereby "nothing is agreed until everything is agreed," meant that progress on the TFA was impeded by opposition that was tactical in nature, rather than substantive. Such disagreement was instrumentalized as a means of extracting concessions in other areas, such that issue linkage instilled rigidity in the negotiations. For instance, US negotiators perceived India's resistance as leverage to further

11 "A Trade Facilitation Deal Could Give A $1 Trillion Boost To World Economy – Lamy," *World Trade Organisation* (2013). https://www.wto.org/english/news_e/sppl_e/sppl265_e.htm.

12 *World Trade Organisation* (2013).

13 Field, "Smaller Shippers."

its objectives in the agricultural talks.[14] The ambassador of Lesotho remarked that “useful and agreeable elements such as TF have [...] been held hostage.”[15]

Nonetheless, the TFA was concluded in Bali, representing the “centrepiece” of the package.[16] The Agreement required ratification by two-thirds of all WTO Members to enter into force, which was eventually reached in February 2017. The inaugural meeting of the Committee on Trade Facilitation followed three months later. As of June 2017, seven further Members have ratified the Protocol of Amendment, which inserts the TFA into the WTO Agreement, bringing the total number of parties to 119.

The Content of the TFA

The negotiated TFA represents a compromise. It is split into two sections, demonstrating the equal importance accorded to making meaningful improvements to customs regimes worldwide, and to appreciating the capacities of all members to do so.

Section I contains substantive reforms of customs procedures. It is organised into 12 articles, comprising approximately 40 technical measures, which are divided between binding commitments on the one hand, and “best effort” clauses on the other. These “soft law” provisions expound best practice without creating legal obligations for members. Hamanaka writes that the majority of provisions under the TFA fall into this category,[17] and loose language abounds, for example, “to the extent possible,” “as appropriate” and “wherever practicable.”

Section II details “special and different treatment” (SDT) provisions, as an integral part of the Agreement. According to the Brookings Institution, in contrast with previous agreements, “the TFA does not water down its requirements to accommodate less developed countries.”[18] Instead, developing countries and LDCs are given significant flexibility in terms of scheduling and sequencing, in that they can self-declare a timetable for each individual commitment and are entitled to make their implementation conditional on the receipt of assistance.

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14 Teresita C. Schaffer and Howard B. Schaffer, *India At The Global High Table: The Quest For Regional Primacy And Strategic Autonomy* (Brookings Institution Press, 2016).

15 Craig VanGrasstek, *The History And Future Of The World Trade Organisation.* (Geneva: WTO Publications, 2013), 437.

16 Christophe Bellmann, “The Bali Agreement: Implications For Development And The WTO,” T*he Graduate Institute, Geneva* (2014). https://poldev.revues.org/1744.

17 Shintaro Hamanaka, “WTO Agreement On Trade Facilitation: Assessing The Level Of Ambition And Likely Impacts,” *Global Trade And Customs Journa*l 9:7/8 (2014).

18 Antoni Estevadeordal, *Why Trade Facilitation Matters Now More Than Ever* (Brookings Institution, 2017). https://www.brookings.edu/wp-content/uploads/2017/04/global_20170405_trade-facilitation.pdf.

This approach is novel and has been variably described as "ground-breaking"[19] and "innovative."[20]

Eligibility for SDT is contingent on the classification and announcement of all clauses of the Agreement as one of three categories. Category A obligations were to be discharged prior to the Agreement entering into force, or within one year afterwards for LDC. Those designated as either Category B or C are to be implemented after a self-selected transition period, while the latter is also subject to the receipt of financial assistance and support for capacity building from donor countries.

The Agreement also contains additional safeguards for the benefit of developing and LDC Members. These include an early warning mechanism, the ability to shift provisions between Categories B and C and a grace period of two years in which they are exempt from disputes arising in regard to Category A measures.

Finally, the Agreement provides for the establishment of the TFA Facility (TFAF), the function of which is to support developing and LDC Members in their implementation of the TFA. Through this initiative, the WTO Secretariat makes available assistance for the evaluation of local needs and communication of the SDT categories. It also serves to publicise available funding and to coordinate donors and beneficiaries. In the absence of other sources of finance, the TFAF also extends its own grants for "project preparation" and "project implementation."

The Potential Economic Impact of the TFA

Qualitative estimates of the potential impact of the implementation of the TFA show marked variation. These differences arise not only due to distinct methodologies, but also the large number of assumptions on which each rest. Since the objective of the TFA is the harmonisation of policies across countries, efficiency gains might be expected to be non-linear and highly sensitive to the number of Members ratifying the Agreement, as well as the extent to which they adopt the non-mandatory provisions, the depth of reforms and implementation time frames. Furthermore, the operationalization of particular variables poses difficulties for any statistical model, such as the diffuse benefits from improvements in transparency, and the extra commitment value of institutionalising reforms under the auspices of the WTO rather than pursuing them independently.

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19 Perera, *Trade Facilitation Agreemen*t.

20 Carlos A. Primo Braga, "A Crisis Is A Terrible Thing To Waste," *IMD* (2014). http://www.imd.org/news/WTO-Trade-Facilitation-Agreement-imbroglio.cfm.

Nevertheless, there is a universal agreement that implementation of the TFA would yield significant benefits to Member states. According to the World Bank, it represents a "win-win" for all countries, and for importers and exporters alike.[21] Its Senior Director for Trade and Competitiveness, Anabel Gonzalez, has suggested that the successful execution of TFA measures will lead to "increased trade, greater export diversification, enhanced foreign investment, improved national competitiveness," as well as contributing to the achievement of the Sustainable Development Goals.[22]

There is evidence that improvements in trade administration can achieve larger returns than a comparable investment in infrastructure. For instance, the efficient operation of an existing port can stimulate a greater increase in trade, and within a shorter time frame, than the construction of a brand-new facility. Qualitatively speaking, researchers at the World Bank report that every $1 of aid spent on trade policy and regulatory reform in developing countries leads to an expansion of trade volume by $6.37, making it the most effective area in which to commit Aid for Trade.[23]

OECD calculations assess the impact of the TFA in two distinct scenarios: a "full" implementation – in which WTO Members put into practice all provisions, including those formulated on a non-binding "best endeavours" basis – and a "limited" implementation, in which only those obligations designated as mandatory are undertaken, but taking into account the continuation of best practices by members already in place.[24] Their findings suggest a reduction in the total cost of trade under a "full" implementation as 16.5 percent for low-income countries, 17.4 percentfor lower middle-income countries, and 14.6 percent for upper middle-income countries. Correspondingly, estimates for savings under the "limited" regime stand at 12.6 percent, 13.7 percent and 12.8 percent. With the differences between the two coming to 3.9 percent, 3.7 percent and 1.8 percent respectively, the study suggests that low-income and lower middle-income countries would incur a larger opportunity cost from an only partial implementation of the agreement.

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21 The World Bank.

22 Ibid.

23 Aid for Trade seeks to build trade capacity in developing countries, in terms of skills and infrastructure, so that they can derive maximum benefit from trade opening. In helping countries to overcome these "supply-side constraints," the WTO identifies four elements to the Aid for Trade initiative: trade policy and regulation, economic infrastructure, productive capacity building, and adjustment assistance.; Matthias Helbe, Catherine Mann, and John S. Wilson, *Aid For Trade Facilitation*, Policy Research Working Paper (The World Bank Development Research Group, 2009), http://documents.worldbank.org/curated/en/565271468181477262/pdf/WPS5064.pdf.

24 "OECD Trade Facilitation Indicators: An Overview Of Available Tools," *OECD* (2015), https://www.oecd.org/tad/facilitation/TFIs-overview-available-tools-september-2015.pdf.

Table 1. Potential savings on total trade costs

Type of country	"Full" scenario	"Partial" scenario	Opportunity cost
Low-income	16.5%	12.6%	3.9%
Lower middle-income	17.4%	13.7%	3.7%
Upper middle-income	14.6%	12.8%	1.8%

Hufbauer and Schott calculate that sincere implementation of the TFA would produce world export gains in excess of 1 trillion dollars, while developing countries would reap the lion's share of the new jobs created, approximately 18 million out of 21 million.[25] In turn, the WTO also makes clear that developing countries stand to gain the most from full and expeditious implementation of the TFA.[26] Trading costs are disproportionately high in developing countries, with transaction costs, on average, equating to a 219 percent ad valorem tariff. In particular, they highlight the Agreement's capacity to stimulate export diversification, both in terms of the range of goods traded and the number of destinations per product. This, they argue, would promote stability and resilience, making their economies less susceptible to trade shocks both at home and in destination markets. Moreover, the corruption prevalent at customs in developing countries hamper the integration of the country into the world economy, and make the prospect of FDI unappealing for outside investors – a situation that might be partially improved with the transparency, automation and accountability of TF. In addition, the Agreement may have a redistributive effect within countries. Firstly, the reduction in processing times and unreliability will benefit low-income farmers, whose produce is liable to spoil if its conveyance is delayed. It is estimated that approximately 60 percent of perishable goods in West Africa are lost due to red tape interrupting their delivery.[27] Secondly, the simplification of convoluted paperwork requirements will permit the participation of traders for whom these may pose difficulties.

Other major beneficiaries of the TFA would be small- and medium-sized enterprises (SMEs). As it stands, larger companies are more readily able to capitalise on overseas markets by virtue of their greater command of organisational resources. In practice, this relates to the manpower necessary

25 Gary Hufbauer and Jeffrey Schott, *Payoff From The World Trade Agenda* 2013 (Peterson Institute for International Economics: 2017).

26 World Trade Organization, *Speeding Up Trade: Benefits And Challenges Of Implementing The WTO Trade Facilitation Agreement*. World Trade Report (2015), https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf.

27 Field, "Smaller Shippers."

to negotiate an unfamiliar and knotty regulatory environment, and the capacity to hire external parties as and when necessary, e.g. experienced consultants to explain the practicalities of customs arrangements, and linguists to translate necessary forms and records. Therefore, since trade obstacles disproportionately impair the participation of SMEs in global markets, their removal would constitute an asymmetric advantage in their favour.

Surveys of businesses have found that the main impediments perceived by SMEs to their internationalisation include a lack of information about export channels and product standards, complex import/export processes, costly certification procedures and the heterogeneity of technical requirements[28] – all problems which the TFA ought to mitigate. Notably, the paucity of globalised SMEs is not a problem confined to the developing world: only 3 percent of SMEs in the EU export outside of the Union.[29]

TF also presents opportunities to augment levels of regional trade. The European Commissioner for Trade in 2009, Catherine Ashton, remarked that it could cost more for Ugandan traders to transport their goods from their country's interior to the coast, than it did for onwards shipping to either Europe or the US.[30] In this vein, Bellmann suggests that the most significant gains might be derived by small developing countries, via a boost to largely untapped intra-regional trade.[31]

Notable success stories from investment in TF include the Philippines, which was able to shorten border crossing times from eight days to four hours, and Costa Rica, which slashed its times from six days to just 12 minutes.[32] Similarly, Chile spent 5 million dollars automating its customs processes, but recouped this sum in a little over one year.[33]

While critical voices contend that qualitative estimates of the TFA's potential impact should be taken with a pinch of salt – Capaldo contends they "depend on too many unjustifiable assumptions to be relied on"[34] – it is clear that implementation of the TFA will benefit all participants in global trade, with particular gains falling to the presently disadvantaged.

Patterns of Ratifying the TFA

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28 Ibid.

29 Catherine Ashton, "Trade Facilitation And Africa – A European Perspective," *European Commission* (2009), http://trade.ec.europa.eu/doclib/docs/2009/april/tradoc_142998.pdf.

30 Ashton, "Trade Facilitation And Africa – A European Perspective."

31 Bellmann, "The Bali Agreement."

32 Ashton, "Trade Facilitation And Africa – A European Perspective."

33 Ibid.

34 Jeronim Capaldo, "The Uncertain Gains From Trade Facilitation," *Global Development And Environment Institute, Tufts University* (2013), https://ase.tufts.edu/gdae/Pubs/rp/PB13-02UncertainGains.pdf.

Now that the TFA has entered into force, hindsight can betray the difficulties in reaching this point. The road to its entry into force has been described as "rocky",[35] and Lakatos wrote in 2016 that the "ratification process by national parliaments [...] is proving challenging, despite evidence proving the link between the adoption of trade facilitation measures and the reduction of trade costs."[36]

As explored above, there exists unequivocal evidence, from independent researchers and international organisations alike, that there are widespread benefits to the adoption of the TFA, with the largest gains for developing countries, members who implement all TF practices, and those who do so swiftly. Nevertheless, as Lakatos observes, there seems to have been reluctance on the part of some members to commit themselves to the Agreement.

Perera puts forward numerous reasons for such disinclination:[37]

- Insufficient understanding
- Existing legal frameworks
- The current state of infrastructure
- High implementation costs

He also gives light to a fear amongst developing countries that the Agreement will disproportionately benefit advanced nations, facilitating the influx of their imports, when they themselves might stand to gain more by addressing structural weaknesses elsewhere, e.g. productive and exporting capacities. Also, Perera points to the fact that the governments of many LDCs continue to derive significant proportions of their revenue from import duties and so may fear a reduction abiding by international standards. In response to such concerns, the WTO argues that reforms may in fact boost revenue, through more robust collection mechanisms and a greater competence for detecting fraud, in addition to the anticipated increases in throughput.[38]

However, he identifies political cost as the main hurdle to ratifying the TFA. The implementation of many aspects of the Agreement necessarily involves disruption to existing ways of working and established practices, which are likely to be perceived negatively during the transition period.

In addition to the contributing factors suggested by Perera, this lack of political will might be a product of:

35 Cathleen Cimino-Isaacs, "Revisiting The Sizable Gains From The Trade Facilitation Agreement," *Peterson Institute For International Economics* (2017), https://piie.com/blogs/trade-investment-policy-watch/revisiting-sizable-gains-trade-facilitation-agreement.

36 Andras Lakatos, "Challenges For Implementing The Trade Facilitation Agreement," *International Trade & Investment Review* (2016).

37 Perera, *Trade Facilitation Agreement.*

38 *World Trade Organisation* (2015).

- A fear of undertaking further legal obligations, exposing themselves to the dispute settlement mechanism
- A scarcity of information about the cost of reforms
- A worry about insecure funding arrangements for higher operational costs, beyond the initial costs for which they might receive support
- A self-perception of being limited by factors other than border controls, such as
- low-quality physical infrastructure throughout the country or an endemic culture of corruption
- Competing priorities on finite government resources, e.g. the optics of investing in a new IT system at the border in preference to public education or health
- A deficit of good governance
- A belief in the local “way of doing things”, cf. the lubricating value of corruption
- Vested interests – a public good jeopardising the private interests of state authorities

For all of the talk of “win-win” and universal benefit, there seems to be significant variation amongst countries as to the urgency and value of the Agreement. Using the date of TFA ratification as an indicator of interest, a regression was run against various factors which were speculated to be influential.

Table 2. A series of regressions against the date of ratification of the TFA, suggested, with some caution, to be a measure of the country's appetite for such reforms

	Date of TFA ratification					
	Reg. 1	Reg. 2	Reg. 3	Reg. 4	Reg. 5	Reg. 6
GDP	-0.0317 (-3.95)***	-0.0186 (-2.16)**	-0.0178 (-2.15)**	-0.0164 (-1.98)**	-0.0241 (-3.25)***	-0.178 (-2.29)**
Merchandise trade (as % of GDP)	-1.94 (-4.99)***	-	-	-	-1.22 (-3.13)***	-1.30 (-3.43)***
Quality of port infrastructure (1 worst, 7 best)	-	-37.4 (-3.23)***	-	-13.4 (-0.90)	-19.7 (-1.12)	-
Corruption (0 least corrupt, 100 most corrupt)	-	-	-4.11 (-4.27)***	-3.56 (-3.01)***	-	-
Mean applied tariff (across all products)	-	-	-	-	17.3 (3.08)***	-
Customs efficiency (1 lowest, 5 highest)	-	-	-	-	-	-145 (-4.97)***
Constant	20700	20700	20700	20700	20600	21000
R^2	0.243	0.149	0.206	0.220	0.432	0.409
Observations	111	110	107	105	80	100

All values given to 3 significant figures. Data sources given as a reference.[39]

39 Date of TFA ratification: “TFA Facility”. “Corruption”: Corruption Index 2016, produced by Transparency International. All other figures sourced from the World Bank DataBank, using the most recent year for which the data set was largely complete: “Merchandise trade” (2015), “Quality of port infrastructure” (2016), “Mean applied tariff” (2015), “Customs efficiency” (2016). Significant variation between subsequent years was not expected, so the availability of data was prioritised in order to increase the number of observations.

Some simple interpretations can be drawn from the table. The first regression shows that there is a trend whereby the larger the share of national income accounted for by trade, the sooner the Agreement was ratified. Regressions 2, 3, 4 and 5 indicate that the "Quality of port infrastructure" and "Corruption," by themselves, are significant. However, when the "Quality of port infrastructure" is run with "Corruption" (implying losses to individuals in government) or the "Mean applied tariff" (implying losses to government revenue), its significance entirely disappears. This suggests that various factors that shape political will are more important in determining the readiness of a state to commit to the TFA, rather than the size of the task to be undertaken.

Meanwhile, in regression 6, Members with the least efficient customs procedures were found to have ratified the Agreement the latest. That is, the countries which stand to benefit the most from the TFA have been the slowest to ratify it. The presence of intervening factors here is acknowledged, for instance, the general inefficiency of state bureaucracy, or the protraction of legislative processes. However, the discrepancy between the dates of the first ratification and the most recent stands at over two and a half years, exceeding the differences between ratification procedures, implying political reluctance or institutional resistance played some role.

Interestingly, GDP in every regression came out with a negatively signed coefficient. However, bearing in mind the manifold factors which determine this figure and the small magnitude of its coefficient, it can be said to account for only a small fraction of the observed effect.

This investigation is only rudimentary in nature, offering a general overview of trends and drawing careful conclusions. Further research might look to control for the intervening variables cited above, consider additional influences and examine the characteristics of Members that have not yet ratified the Agreement.

Nevertheless, these findings provide some limited evidence that a lack of political will may be significant in explaining the reluctance of some Members to ratify the TFA, qualitatively substantiating the claims of Lakatos and Perera. This has ramifications beyond the securing of further ratifications, as strong political commitment will be essential for the enacting of reforms, as well as ensuring that as many of the non-mandatory measures are implemented as locally appropriate.

The political cost of ratifying the TFA might be lessened by offering reassurances regarding the built-in flexibility of the system, and making clear the solidity of funding arrangements. However, while the flexibility accorded to developing countries and LDCs may incentivise ratification, it is a double-edged sword. With the majority of measures formulated on a "best efforts" basis, and scheduling determined by a system of self-declaration, there is the potential that implementation is sluggish and extremely limited. For instance, in June 2017, 52.5 percent of article items have not even been declared as one of the three categories by ratifying states.[40] The onus is on the WTO to ensure that momentum is maintained post-ratification, when political opposition may manifest itself more powerfully.

To further increase participation and readiness to implement reforms, in a move away from hypothetical projections, the WTO should draw attention to success stories flowing from TF. Rather than flaunting abstract and widely varying estimates of impacts at the global level, the WTO would be well advised to publicise concrete achievements by individual countries, showcasing the tangible increases to trade flows and framing the TFA as a worthwhile investment. These may be more convincing for reluctant members in justifying the commitment and expenditure, and securing the all-important political will.

40 "Share Of Cat. A, B And C," *TFA Database* (2017), https://www.tfadatabase.org/notifications/by-measure.