Facilitating agricultural trade through electronic certificates

Ekaterina Krivonos
Economist
Investment Centre Division
FAO

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Egypt’s agricultural imports more than tripled in nominal terms between 2007 and 2017

Cereals constitute one third of the total value of agricultural imports.
### Wheat Balance Sheet – Egypt

**GIEWS Country Cereal Balance Sheet**

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</thead>
<tbody>
<tr>
<td><strong>Total Supply</strong></td>
<td>19.61</td>
<td>21.67</td>
<td>22.02</td>
<td>24.41</td>
<td>23.05</td>
<td>23.76</td>
<td>24.59</td>
<td>25.87</td>
<td>25.73</td>
<td>25.43</td>
<td>25.29</td>
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<tr>
<td><strong>Opening Stocks</strong></td>
<td>1.70</td>
<td>3.10</td>
<td>4.70</td>
<td>4.50</td>
<td>5.75</td>
<td>3.80</td>
<td>4.00</td>
<td>4.19</td>
<td>5.22</td>
<td>4.58</td>
<td>3.99</td>
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<tr>
<td><strong>Production</strong></td>
<td>7.98</td>
<td>8.52</td>
<td>7.18</td>
<td>8.41</td>
<td>8.80</td>
<td>9.46</td>
<td>9.28</td>
<td>9.61</td>
<td>9.34</td>
<td>8.45</td>
<td>8.80</td>
</tr>
<tr>
<td><strong>Total Utilization</strong></td>
<td>19.61</td>
<td>21.67</td>
<td>22.02</td>
<td>24.41</td>
<td>23.05</td>
<td>23.76</td>
<td>24.59</td>
<td>25.87</td>
<td>25.73</td>
<td>25.43</td>
<td>25.29</td>
</tr>
<tr>
<td><strong>Closing Stocks</strong></td>
<td>3.10</td>
<td>4.70</td>
<td>4.50</td>
<td>5.75</td>
<td>3.80</td>
<td>4.00</td>
<td>4.19</td>
<td>5.22</td>
<td>4.58</td>
<td>3.99</td>
<td>3.69</td>
</tr>
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</table>

1/ *Production* refers to the full amount of harvest before any deductions are for post harvest losses, seed use, etc. 2/ *Domestic supply* refers to Opening Stocks (quantity of stocks held at the beginning of the marketing year) plus Production 3/ *Domestic Utilization* includes food, feed and other uses 4/ *Exports and Imports* refer to Marketing year July/June 5/ *Closing stocks* refers to stocks at the end of the marketing year

Source: FAO GIEWS
Consumption driver: annual GDP growth accelerates by 2027

Consumption drivers: population growth slows by 2027

...as a result, continued growth in grain imports

Egypt: Imports of wheat, maize and soybeans, mln MT

Source: OECD-FAO Agricultural Outlook database
Trade facilitation: Why is it important?

• Import tariffs have fallen substantially over the past 20 years across all parts of the world
• Most gains to trade stem from trade facilitation: Lowering trade costs makes trade more transparent and efficient, allowing goods to move more smoothly between markets.
• On average, an additional day of delay in shipment reduces trade by at least 1 percent. (World Bank, 2006)
• A larger effect on time-sensitive agricultural goods: a day’s delay reduces trade in such products by 6 percent. (World Bank, 2006)
Agricultural trade and phytosanitary measures

- By connecting supply and demand across borders, trade plays an important role in ensuring food security.
- Agricultural trade implies certain phytosanitary risks as pests can enter with shipments.
- Phytosanitary control will be even more important for keeping in check transboundary pests in the context of climate change.
- The use of international standards for phytosanitary measures contributes to reducing plant health risks and trade costs.
Advantages of paperless trade

• enhanced authenticity and integrity of the data contained in the certificate
• efficiency gains: reduced administrative costs (and therefore reduced costs of imported products) and shorter clearance times due to electronic transmission with automated validation and cross checking
• faster clearance are especially critical for perishable agricultural and food products.
• The reduction in clearance times also contributes to the swift movement of food from surplus to deficit areas, contributing to stability of supplies.

Source: Background Paper. Electronic Sanitary and Phytosanitary (SPS) Certificates in the Context of Paperless Trade, STDF. 2017
The Trade Facilitation Agreement

The TFA was the first Agreement concluded at the WTO by all of its Members. It entered into force on 22 February 2017 when the WTO obtained the two-thirds acceptance of the Agreement from its 164 Members.

Source: WTO
Article 7.1: Each Member shall, as appropriate, provide for advance lodging of documents in electronic format for pre-arrival processing of such documents.

Article 10.2: Each Member shall, where appropriate, endeavour to accept paper or electronic copies of supporting documents required for import, export, or transit formalities.

Article 10.4: Members shall endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies. Members shall, to the extent possible and practicable, use information technology to support the single window.
Egypt: The costs of imports associated with documents

Time to import: Documentary compliance (hours per shipment)

Cost to import: Documentary compliance (USD per shipment)

Source: Doing Business Database, World Bank
Challenges in implementing paperless trade

- Strong government policy for trade facilitation and support to bring the various stakeholders together
- A legal and data transmission security framework to give legal recognition to cross-border electronic transactions
- A sustainable business model for establishing and running electronic SPS certificate systems
- IT readiness and agreed communication protocol for the exchange of information between the exporting and importing authorities

Source: Background Paper. Electronic Sanitary and Phytosanitary (SPS) Certificates in the Context of Paperless Trade, STDF. 2017
Electronics Phytosanitary Certification (ePhyto)

- A global framework for electronic phytosanitary certification
- Improving the capacity of developing countries to facilitate safe, secure and efficient trade in plants and plant products
- Resulting in safer, faster and cheaper trade
Thank you

Ekaterina.Krivonos@fao.org