

WTO MINISTERIAL CONFERENCE

Elements of a WTO programme on trade facilitation

The delegation of the European Communities requested at the meeting of the Council for Trade in Goods on 1 November 1996 that this communication, first submitted as a non-paper in the heads of delegation process, also be circulated as a Council document.

I. Background

Industry and Trade gives high priority to simplification of import and export procedures as compliance with complex and numerous regulations and procedures could constitute a significant and time consuming burden to trade.

The costs can often exceed the cost of tariff duties as a percentage of the total value of goods traded. Cost savings can be obtained through rational procedures, but more significantly they enable an un-interrupted physical flow of goods. As the cost burden falls especially heavily on smaller companies and on economic operators of the least developed countries, trade facilitation also has a role to play in enabling them to participate more successfully in trade and increase their export potential, this generating export-led growth in incomes and employment. More efficient procedures also bring greater certainty to delivery time, thus improving the service to customers.

The need for simplification/harmonisation of documentation and standards for computerisation is fully acknowledged at political level and work is carried out in several international organisations. In particular within the World Customs Organisation (WCO) work is under way in respect of revision of customs procedures.

United Nations' International Symposium on Trade Efficiency (UNISTE) was held in Columbus/Ohio 1994 and there the importance of trade facilitation was endorsed at ministerial level. The recommendations made in that symposium form a priority element of UNCTAD's work. Another UN organisation, the UN/ECE and its Working Party on Facilitation of International Trade Procedures has been developing standards for trade facilitation for more than thirty years.

Furthermore within bilateral agreements between Members of WTO, like the EU/US action plan, the EU/ASEAN summit agreement and the APEC Osaka Action Agenda acceleration of work on trade facilitation is provided for.

Against this background the WTO should give its political backing to this vital work as economic benefits from trade facilitation would contribute to global prosperity.

II. Role of the WTO

The question arises as to whether steps should also be taken to develop a future multilateral discipline in the trade facilitation area.

Since work is carried out in a number of international bodies and frameworks with a view to simplification and modernisation there seems first of all to be a need for an overall assessment of the situation in order to more clearly defining to what extent and within what structures a WTO initiative is to be required. To that end WTO as part of the new working programme should approach bodies such as the WCO, the UN/ECE and others with a view to launching a coordinated approach on trade/customs procedures, ensuring a world-wide and multisectorial coverage.

III. Singapore objectives

1. Ministers in Singapore should give a new political impulse to simplification and harmonisation of trade procedures in view of its impact on trade.
2. Ministers should encourage active participation in the revision work currently under way in the WCO.
3. Ministers should invite the WTO in co-operation with relevant bodies to undertake exploratory and analytical work. This shall include an examination of the trade facilitation work currently going on in different fora with a view to ensuring that standardised trade procedures are developed in a coordinated way, thereby recognising the significance of trade facilitation as an important part in arriving at lower trade barriers and improved market access.

In a report to be presented to the Council for Trade in Goods the impact on trade and the scope for a more effective and transparent discipline within WTO should be assessed.

Special attention should be given to the modernisation of the Kyoto Convention on simplification and harmonisation of customs procedures, the maximum exchange of data by information technology on a standardised basis as well as other key issues relevant to official formalities in international trade.

On the basis of the report the Council decides on how to proceed and whether a code should be developed within structures to be defined.