

WORLD TRADE ORGANIZATION

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COMMITTEE ON TRADE AND ENVIRONMENT
Communication from the World Customs Organization (WCO)

In order to provide a better basis to consider the request for observer status in the Committee on Trade and Environment by the World Customs Organization (WCO), the Committee decided at its meeting on 14 December 1995 to ask the WCO for additional information on its specific interest in the Committee's work and on the contribution the WCO could make in that context.

In a letter dated 31 January 1996 in response to this request, the WCO stated that "the WCO, established as the Customs Cooperation Council, is an intergovernmental body of Customs Administrations with a membership of 140 countries. The WCO's Harmonized System (HS) is a multi-purpose nomenclature applied by 150 countries for uniform classification of goods for the purposes of customs tariffs and compilation of international trade statistics, covering more than 95% of world trade. WTO Members apply the HS and use it to file WTO schedules of tariff concessions."

The HS is applied in other areas such as to determine the country of origin of goods, import and export controls, internal taxation, tariff negotiations, and to monitor the transfrontier movement of controlled substances of environmental and social concern, such as hazardous wastes, ozone-depleting substances, chemical weapons and narcotic drugs.

In the context of a review for up-dating the HS, the WCO and the HS Committee of the International Convention of the Harmonized System are examining proposals from the Basel Convention Secretariat and the OECD to provide separate HS codes for goods of environmental and social concern. The WCO also coordinates the activities of Member customs administrations in the areas of customs procedures and measures to counter fraud with respect to the transfrontier movement of goods. This includes enforcement measures related to the following trade-related environmental measures:

- nuclear and hazardous material: concerning the illicit cross-border movement of nuclear and hazardous material, the WCO has developed an Action Plan (1994) covering the development of an Enforcement Training Module, training programmes, and a separate database;
- intellectual property rights (IPRs): the WCO has designed an IPR Action Plan and established a Joint Customs-Business Working Group on IPR protection (1993), covering implementation of the TRIPS Agreement, IPR training programmes, model legislation, IPR database, and Memorandum of Understanding applications at the national and international levels.

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- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) programme: regarding the implementation of CITES, the WCO has developed an Action Plan including Memorandum of Understanding at the national (between customs and national CITES management authorities) and international levels (between the WCO and the CITES Secretariats), a joint database with CITES, and customs training packages for CITES.

The WCO is interested in and could contribute to the following areas of the Committee's work:

- " - environmental taxation: this requires proper identification of goods and their correct classification in the HS. Border tax adjustment measures are also implemented by customs administrations;
- product coverage for multilateral environmental agreements (MEAs): listing of products for controls in such agreements are often not in terms of the HS (e.g. Basel Convention). The WCO would be able to provide its expert advice on the HS classification of these goods. Further, the ongoing work in the WCO for assigning separate HS codes to such products would help in minimizing trade disputes;
- trade in domestically prohibited goods (DPGs): HS classification would facilitate transparency of trade in DPGs; and
- packaging and labelling requirements: these requirements for environmental purposes have to be enforced by customs administrations at the borders. The WCO would be able to contribute to the discussions on the practical aspects of these measures."

"The WCO is already maintaining close ties with the WTO by providing its expertise for the uniform application of the HS for trade purposes, development of harmonized rules of origin and the world-wide implementation of the Agreement on Customs Valuation. The WCO has observer status in the related WTO Committees on Market Access, Rules of Origin and Customs Valuation. It would be appropriate to have observer status in the Committee on Trade and Environment so that the WCO could contribute to the discussions on the customs-related aspects."

The original letter from the Secretary General of the WCO can be consulted in office 3025, Centre William Rappard.