

<Korea`s position relating to the Negotiations on Trade Facilitation in the WTO>

1. Basic Position

Korea support the establishment of a binding nature multilateral agreement on trade facilitation. But at the same time the negotiation shall concentrate on Technical Assistance (TA) and Capacity Building(CB) issues reflecting needs and priorities of developing and least-developed countries.

Korea made 3 submissions on trade facilitation issues since the commencement of Doha Development Agenda. Throughout these contributions, Korea underlined the importance of transparency- related matters in facilitating trade. In Korea's view, transparency is one of the most basic principles of trade facilitation.

2. Positions on the GATT Articles related to the Trade Facilitation (GATT 5, 8, 10)

(1) Article (Publication and Administration of Trade Regulations)

Article of the GATT 1994 consists of three paragraphs which principally deal with (1) the publication and availability of information, (2) the effect of such publication and (3) due process.

The accessibility of information has become increasingly relevant these days to trade, especially for individual traders. The costs incurred in seeking reliable, relevant information can be greatly reduced by introducing various facilitation measures.

In this context, Korea is of the view that the Members should give due consideration to the issue of enhancing transparency and further explore various possibilities to improve Article of the GATT 1994.

Korea believes that the following basic ideas merit serious consideration by the Members :

- i) Laws, regulation, judicial decisions and administrative rulings of general application, made effective by any contracting party and pertaining directly to international trade and customs administration should be published in full and promptly in such a manner as to enable governments and traders to become

acquainted with them.

Also, any advance ruling of a binding nature could be included in the scope of Measures. Translation services can be considered as a part of Capacity Building(CB) package to be provided to the developing country Members.

ii) The media through which Measures are published should be notified to the Secretariat. The Secretariat is required to make the notified information available to all the Members.

Donor Members could consider Technical Assistance(TA) in assisting developing country Members to make use of electronic media, such as the internet, for this purpose.

iii) The Members should allow a reasonable period of time before the formal introduction of Measures. Predictability will be further enhanced by establishing a prior consultation mechanism among interested parties.

As an S&D measure, a relaxation of the allowed time could be considered.

iv) A single national focal point to respond to the inquiries by the Member governments and traders should be established.*

v) The Members could consider a notification requirement of Measures and their amendments in one of the official WTO languages to the WTO Secretariat. And the Secretariat can make the notified information available to all Member governments.

(2) Article (Fees and Formalities Connected With Importation and Exportation)

GATT Article VIII sets out the basic principles of limiting the amount, incidence and diversity of fees and formalities to the reasonable minimum.

Korea is of the view that WTO Members should now refine the principles into more concrete disciplines which reflect the changes in the trading environment.

Korea is of the view that while the following measures would contribute to trade facilitation, they need to be further discussed in terms of their feasibility.

i) Single windows access would function efficiently only if a proper IT

infrastructure and an efficient mechanism for information flow among the various authorities were established.

ii) Pre-arrival processing, post-auditing and core risk-management measures are the key measures for the rapid release of goods. This set of measures brings benefits both to the traders and the government.

With proper technical assistance and capacity building support, developing countries will be able to enjoy the benefits from such measures.

The focus of the CB/TA should be on institutional reform and human training, taking into account that IT infrastructure could make the process more efficient.

iii) Acceptance of commercially available information and copies, except for some justifiable cases, can be introduced without delay, since it does not involve a significant financial or administrative burden.

Such a deregulatory measure not only lowers the costs for the traders but also relieves the customs authority of an unnecessary administrative burden.

(2) Article (Freedom of Transit)

Article V of the GATT sets out basic principles regarding transit traffic, but it does not provide detailed guidelines for applying these principles in practice. Furthermore, it does not give due consideration to the different risk levels involved in transit traffic, in particular, between transit with and without transshipment.

Goods in transit are not intended for commercial consumption in the transit country. Therefore, Goods in transit should not be subject to excessive documentary requirements, unreasonably high fees or charges for services, or excessive physical inspections.

Korea is of the view that improving the implementation of Article V of the GATT is a vital component of trade facilitation. and made some suggestions for its improvement to better reflect the current global trading environment. They include;

i) **Harmonization of transit policies** among WTO Members can facilitate transit traffic to a considerable degree because traders need comply with only one set of customs requirements.

ii) **Simplification;** A further simplification of customs procedures for goods in

transit should be instituted. Documentary requirements and physical inspection for transit traffic should be further simplified in due consideration that transit traffic usually poses lower risks than final destination goods.

Authorization of a consignor can be one method of simplifying customs requirements for goods in transit and setting appropriate risk-based customs procedures.

iii) **Differentiation of Transshipment and Non-Transshipment;** It may be useful to have different requirements for goods in transit without transshipment than for goods in transit with transshipment.

If goods in transit do not involve transshipment, a simple goods declaration and fairly simple set of service fees may be sufficient for transit procedures since there is only a minimal risk that the goods may be released into the transit country and the services that the transit country authorities provides will be relatively small.

v) **Technical Assistance and Capacity Building;** Korea believes that proper technical assistance and capacity building measures should be provided to support the developing country Members to implement some of the above-mentioned suggestions.

Technical assistance should be expanded to support developing countries in their efforts to integrate their regulations, modernize infrastructure and service facilities for transit (such as road, rail, airport facilities), and automate their transit systems.