

Benefits of WTO Trade Facilitation Rules

Problems confronting private business

- Unclear rules on trade procedure and fees
- Excessive discretion of government officials
- Excessive documents requirements for trade
- Procedural delays in customs clearance

Problems confronting developing countries

- Need for enhanced security measures
- Need for appropriate tariff collection
- Constraints in human and financial resources
- Inefficient administrative procedures leading to missed opportunities for trade expansion

Strong expectations for Rules on Trade Facilitation

Possible rules on trade facilitation

- Increased transparency in trade rules (Establishment of inquiry points, etc)
- Establishment of rules and principles for simplification and harmonization of trade procedures
- Standardization of documents for import declaration

Expected outcomes

- Expansion in trade and investment in developing countries through reduction in trade costs
- Improvement in tariff collection and prevention of smuggling
- Facilitated flow of goods through efficient administrative procedures

Win-Win Scenario

Benefits for everyone involved in trade: developing countries, developed countries, public sector, private sector, importers, exporters

The summary of the modalities of the TF negotiations

- Agreement of launching the TF negotiations
- The TF negotiations aim to:
 - (i) Clarify and improve relevant aspects of Article V , VIII and X of the GATT 1994,
 - (ii) Enhance technical assistance and support for capacity building, and
 - (iii) Effective cooperation between customs or any other appropriate authorities on trade facilitation and customs compliance issues
- Members recognize that this principle should extend beyond the granting of traditional transition periods for implementing commitments
- The extent and the timing of entering into commitments shall be related to the implementation capacities

Three GATT Articles Related to Trade Facilitation

Three GATT Articles

GATT Article V

Freedom of transit (“Transit” means especially those procedures in neighboring economies, which relate to cargoes transiting from land-locked economies to their seaports)

GATT Article VIII

Simplification of fees and formalities connected with importation and exportation

GATT Article X

Publication of trade regulations; uniform, impartial and reasonable administration of the regulations; and institution of appeal procedures

WTO Negotiation on Trade Facilitation: List of Major Proposals

□ Publication and Availability of Information

⇒ Publication of Trade Regulations, Internet Publication, Establishment of Enquiry Points, Notification of Trade Regulations, etc.

□ Prior Publication and Consultation

⇒ Interval between Publication and Entry into Force, Prior Consultation and Commenting on New and Amended Rules, Regular Consultation

□ Advance Rulings

□ Appeal Procedures

⇒ Right of Appeal

□ Other Measures to Enhance Impartiality

⇒ Import Alert/Rapid Alert of imported food product, providing information of detained goods

□ Fees and Charges Connected with Importation and Exportation

⇒ Disciplines on Fees and Charges, Reduction/Minimization of the Number and Diversity of Fees/Charges

□ Formalities Connected with Importation and Exportation

⇒ Disciplines on formalities (such as periodic review, reduction of formalities, use of international standards, acceptance of copies, single window)

□ Release and Clearance of Goods

⇒ Expedited/Simplified Procedures (such as Pre-Arrival Processing, Expedited Procedures for Express Shipment, Risk Management, Authorized Traders, Post-Clearance Audit, Separating Release from Clearance Procedures), Publication of Average Release and Clearance Times

□ Matters Related to Goods in Transit

⇒ Non-Discrimination, Disciplines on Fees and Charges (such as Publication, Periodic Review), Disciplines on Transit Formalities and Documentation Requirements (such as Periodic Review, Reduction/Simplification, Use of International Standards, Promotion of Regional Transit Arrangements, Simplified and Preferential Clearance for Certain Goods, Bonded Transport Regime/Guarantees, etc), Improved Coordination and Cooperation (Amongst Authorities, and Between Authorities and Private the Sector)

□ Information Exchange Mechanism

⇒ Multilateral Mechanism for the Exchange and Handling of Information

□ Technical Assistance and Capacity Building

⇒ Technical Assistance and Capacity Building during and after Negotiations (such as identification of needs and priorities, coordination mechanism for implementing needs and priorities)