

WORLD TRADE ORGANIZATION

RESTRICTED

TN/TF/M/18

2 July 2007

(07-2784)

Negotiating Group on Trade Facilitation

SUMMARY MINUTES OF THE MEETING

Held in the Centre William Rappard
on 7-8 June 2007

Chairman: H.E. Mr. Eduardo Ernesto Sperisen-Yurt (Guatemala)

1. The Chairman recalled that the proposed agenda for the meeting had been circulated in WTO/AIR/3020 and that the purpose of the session mainly aimed at furthering the negotiating process by offering an additional opportunity to advance the Group's discussions by tabling new contributions and reacting to the proposals previously received. Furthermore, Members would be invited to admit relevant international organizations, including the IMF, OECD, UNCTAD, WCO and the World Bank, to attend the next meeting of the Group on an ad hoc basis, as in the past.

2. The agenda was adopted.

A. CONTRIBUTIONS ON THE AGREED AGENDA OF THE NEGOTIATING GROUP

3. The Chairman said that the first and main item on the agenda sought to advance the Group's negotiating business by inviting further contributions on the agreed agenda of the Negotiating Group (NG). It had been a standing item of the Group's discussions and had been the key focus of the NG from the start of the negotiations. While familiar to Members, he said that the matter should not be regarded as "business as usual" and continuation of approved traditions should not be confused with repetition of known arguments. The Group did not need to be reminded of the importance of advancing in its work in this area and of staying on track within the now short time available to avoid falling behind. He was pleased, in this regard, to see that his earlier plea for more engagement and an intensification of the negotiating efforts had fallen on fertile ground and that Members had been very active in reaching out to each other in search for a common understanding and had engaged in a series of useful activities to this end. Furthermore, for the first time in almost a year, new proposals had been submitted which would help make the necessary move towards focussed drafting mode, and revisions of earlier proposals had also been received which would equally assist the required generation of draft texts. These new contributions would be a focus of the Group's discussions, but, at the same time, other parts of the Group's agenda – technical assistance and S&D, implementation, GATT Articles V, VIII and X, as well as customs cooperation – would not be neglected. These would be taken up as well and room would also be given for additional contributions from the participating international organizations.

4. In organizational terms, he wished to stick to the traditional process of keeping the debate as interactive as possible by having most of the discussions take place in informal mode, limiting formal elements to the introduction of new proposals and statements Members explicitly requested to make for the record.

5. The remaining part of the discussions under this agenda item took place in informal mode with the exception of the introduction of new proposals and of statements that were requested to be placed on record.

6. The representative of Turkey introduced submission TN/TF/W/132/Rev.1, explaining that the fruitful discussions on Turkey's earlier proposal on the matter and Members' reactions received thereon – both in the NG and in the context of a workshop – had made it appear timely to present a revision of Ankara's proposal on internet publication.

7. In preparing the revised proposal, Turkey had drawn upon common views as had emerged from several earlier proposals (TN/TF/W/26, W/30, W/70, W/96, W/107, W/114, W/115 and W/129/Rev.1). Regarding the issue of Special and Differential Treatment (S&DT), Turkey referred to the outcome of the discussion on proposals TN/TF/W/137 and TN/TF/W/142.

8. The revision of Turkey's proposal on internet publication reflected the utmost importance the country attached to the matter. Turkey believed that determining the scope of trade regulations to be published was an initial step to designing new rules on transparency. Turkey appreciated the lists provided by Japan, Mongolia and Switzerland in document W/114 in that regard and had taken them as a basis for drafting its own document.

9. Another issue that should be considered related to the availability of information. Publication in the conventional media like an official journal was necessary, but did not guarantee to provide the exact piece of information looked for. What was proposed in the current proposal was to make all trade-related legislation available on a national website, which was the most easily accessible medium. TN/TF/W/114 also referred to this idea but proposed it as an additional tool, proposing for it to be used whenever practicable.

10. Enquiry points were the second issue in Turkey's proposal which would also contribute to the aim of trade facilitation. Turkey was proposing a comprehensive text, formulating rules regarding enquiry points with the aim of providing interested parties with an effective tool to obtain information for specific requirements regarding trade legislation. Turkey acknowledged that small, vulnerable economies might need some flexibility to establish regional enquiry points. In that regard, one had benefited from the ideas set out in proposal TN/TFW/129/Rev.1.

11. The representative of the United States introduced the US proposal on internet publication (TN/TF/W/145), explaining that it was a draft text which built on two previous papers submitted to the Negotiating Group. The current US proposal sought to build upon and improve existing GATT Article X requirements by establishing a new WTO commitment for each Member to publish two particular kinds of information on a publicly accessible internet website: First, a full and precise description of its customs procedures, and second, the forms and documents required for importation and exportation.

12. GATT Article X already required the publication of customs laws, regulations, rulings, decisions, and so forth, and several proposals by other Members before the Negotiating Group addressed this. A crucial underlying objective of this provision in Article X was to ensure that traders could understand the practical steps needed to import and export.

13. But, as Members had discussed in the Negotiating Group and as the US had often been told at home, the fact was that regulations and other legal documents themselves could be complicated, highly technical, and difficult for traders to decipher.

14. Therefore, the United States considered that it would be an improvement also to have Members publish on the internet a user-friendly description of a Member's customs procedures as well. This was proposed in paragraph (a) of the United States' proposed text.

15. Similarly, a requirement to publish on the internet the necessary customs forms for export and import would almost certainly save traders the time and resources to try to obtain hard copies of the forms by mail or even by personal appearance.

16. With respect to implementation and the effects of this proposed practice, it had to be said that, while it was undeniable that there were certain up-front costs associated with the development and maintenance of an internet website, these costs had been dropping as technology improved and had become more readily available.

17. The most significant beneficiaries of this internet publication proposal were small- and medium-sized enterprises, given that small businesses typically did not maintain either an economic presence or representation in the territory of export markets. The US proposal would enable such small- and medium-sized companies from all around the world – in developed, developing and LDC economies – both to gain a greater initial understanding of each Member's customs procedures through a non-technical explanation on the internet, and also to enjoy ready access to the forms and documents necessary to import and export.

18. Regarding S&D and implementation, the unique situation of each Member regarding implementation of the proposed commitment could be addressed through the use of diagnostic tools providing an assessment of specific needs. This then permitted the calculation of reasonable transition periods coupled with targeted technical assistance.

19. As a practical matter, the US could share the fact that its analysis had shown that many developing-country Members had already established websites and were well down the path towards implementation of the proposed commitment. Some countries, such as Kenya, had even established state-of-the-art versions.

20. What the US was proposing was a concrete undertaking that lent itself well to technical assistance and the development of a path to implementation reflecting whatever special situation existed for a developing-country Member.

21. The representative of the Unites States introduced proposal TN/TF/W/144 on expedited shipments, saying that the US was pleased to propose a draft text of the third-generation variety. There had been two previous papers from the US on the matter, TN/TF/W/15 in 2005 and TN/TF/W/91, which laid out elements of a commitment, in 2006. The current US proposal sought to provide a significant enhancement of certainty and consistency for the treatment of expedited shipments by setting out specific commitments to provide for separate customs procedures for expedited shipments. As the US had noted in submitting the United States' previous papers, expedited shipment operators were an increasingly important element of Members' supply chain infrastructure. They were also a key element to the current just-in-time business environment.

22. For example, a significant part of today's expedited shipments business involved the shipment of spare parts needed to fill specific customer orders. Also, expedited shipments operators were particularly important to small- and medium-sized enterprises because those small businesses often relied on an expedited shipment to maintain competitiveness.

23. The specific commitments set forth in the US proposal were set out in several paragraphs. First (a), there would be advance electronic submission and processing of information necessary to release the expedited shipment prior to its arrival. Next, there would be an allowing for the electronic submission of the single manifest covering all goods in the expedited shipment. Paragraph (c) provided for clearance of goods with a minimum of documentation. Paragraph (d) provided for the release of expedited shipments within one hour of the submission of necessary customs documents. It was also suggested that there would be no weight or value restrictions. Furthermore, the system

would need to allow for the release of expedited shipments pending the final determination of the customs duty if the importer provided a surety or bond or similar instrument. Finally, the provision would provide that there would be no assessment of customs duties or taxes or requirement of formal entry documents for expedited shipments valued under US\$200. The US also wished to note that this proposal did not prevent Members from conducting screenings and examinations that were necessary to maintain appropriate border control including risk management screening.

24. In terms of implementation, the costs associated with adopting commitments for expedited shipments were relatively modest with the exception of the costs of after hours processing and clearance of expedited shipments. But, arrangements could generally be made that allowed the costs associated with this after hours processing to be directly borne by the shipment operator. In addition, in some cases, commitments on expedited shipments might involve modification of existing regulations. That would need to be taken into account.

25. With respect to S&D, much like the situation with the establishment of an internet website for providing information to traders, many Members had already taken some steps towards recognizing the need for special treatment for expedited shipments. A diagnostic tool to assess the status of individual Members would be useful in moving forward. Based on the results of these assessments, the negotiations could begin to look at needs for transition periods and timelines for implementation. With respect to technical assistance, this was a sector that was very well suited for private sector participation in technical assistance efforts.

26. The representative of Switzerland announced that Switzerland was in the last stage of finalizing a Memorandum of Understanding with the WTO Secretariat for a donation of CHF200.000 for the Secretariat's needs assessment programme.

27. The Negotiating Group took note of the statements made.

B. AD HOC ATTENDANCE OF RELEVANT INTERNATIONAL ORGANIZATIONS, INCLUDING THE IMF, OECD, UNCTAD, WCO AND THE WORLD BANK, AT THE NEXT MEETING OF THE NEGOTIATING GROUP

28. The Chairman suggested inviting relevant international organizations, including the IMF, OECD, UNCTAD, WCO and the World Bank to attend the next formal meeting of the NG on an ad hoc basis, as provided for in the Work Plan.

29. It was so agreed.

C. OTHER BUSINESS

30. The Chairman addressed the issue of the Negotiating Group's next meeting, proposing to hold the next session from 16-20 July. Details of how to structure that session had already been explained and could be discussed further in the context of informal open-ended consultations on the matter ahead of the July session.

31. It was so agreed.

32. The meeting was adjourned.
