Mission Report

(WTO Trade Facilitation Negotiating Group meeting on 5 and 6 April 2006)

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The WTO Trade Facilitation Negotiating Group Meeting was held in Geneva on 5and 6 April 2006. The WCO Secretariat, along with the Secretariats of IMF, OECD, UNCTAD and World Bank, was invited to attend the meeting. It was quite well represented by the WTO Members. Several countries were represented or supported by a Customs officer based in Geneva, Brussels or the capitals. Brussels-based Customs attachés of Australia, Canada, New Zealand and South Africa participated in the negotiations. Pakistan sent the Customs Commissioner (Revenue Authority Board member).

The WTO Negotiating Group discussed 19 new documents. No proposals regarding tariff classification or information exchange were tabled at this time. The documents tabled at this meeting were as follows:

<u>Proposal specific to GATT Articles VIII and X</u> which are the compilations of previous proposals.

Internet publication (W/89) Common elements of advance rulings (W/80)

Fees and charges connected with importation and The use of international standards (W/85) exportation (W/94)

Acceptance of commercially available information Introduction of Single Window / One-Time and of copies(W/92) Submission (non-paper)

Pre-shipment inspection (W/90) Customs brokers (W/88)

Consularization (W/86) Border agency coordination (W/83)

Pre-arrival processing (non-paper) Express-shipments (W/91)

Risk management (non-paper) Authorized traders (W/87)

Release Time of Goods (non-paper)

Separation of release from clearance and other measures to simplify release and clearance (W/84)

<u>Cross cutting issues</u> which cover modalities of commitments, S&D, technical assistance and capacity building, and the dispute settlement mechanism.

SDT: application and inter-relationship with commitments arising from the negotiations on trade facilitation (W/81)

Technical assistance and capacity building (update of EU and its member States' TF TA/CB projects)

The process of trade facilitation negotiations (W/82)

Summary of negotiations

Scope and subject maters

In the negotiations on Internet publication, Advance rulings, Fees and charges, Risk management, Release time of goods, the scope and subject matters of measures (e.g., Customs only or border agencies in general; advance rulings on tariff classification only or other issues such as, valuation) were questioned by several WTO members. In reply to these questions the proponents expressed their intent to identify these issues in further negotiations with other WTO members.

Exception and legitimate policy objectives

Some proposals contain exceptions, in particular, in case of pursuing "legitimate policy objectives". Many WTO members asked for further clarification in this regard. According to the proponents these exceptions would be clarified in further negotiations, but in their view the cases provided for in GATT Articles XX and XXI would qualify for an exception to the commitments.

Text ready for negotiations

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Many proposals were not at the stage to be used as draft WTO texts (defining specific obligations and rights, such as using "shall" and "may"). Some developing countries wondered whether the WTO would produce binding texts on conceptual/optional measures, notably, Acceptance of commercially available information and of copies, and Single Window / One-Time Submission. These proposals use softened words such as "are encouraged" or "where appropriate".

Use of information and communication technologies (IT or ICT)

The proponents of Single Window / One-Time Submission, Pre-arrival processing and Risk management stated that this would not require Members to use ICT for implementing these measures.

Reference to the WCO instruments

The WCO instruments were frequently referred to at the negotiations on Use of international standards, Acceptance of commercially available information and of copies, Single Window / One-Time Submission, Pre-arrival processing, Express-shipments, Risk management, Authorized traders and Release time of goods. The referred instruments were the revised Kyoto Convention, HS, Data Model and Time Release Study. With respect to the mode of how to refer to the international standards, several WTO members said that they do not prefer a picking-up approach (TRIPs type approach) and no explicit support was made in favor of this approach. The proposed obligation of WTO Members with regard to authorized traders seems to be more relaxed when compared to what is provided for in the revised Kyoto Convention. The proposal on express shipments shows slight difference from the Immediate Release Guidelines by emphasizing the MOU between the operator and the Customs administration.

Technical assistance and Capacity Building

For all the proposed issues, the need for technical assistance and capacity building were raised by developing countries. In addition, some countries raised the need for financial assistance, too.

Cross-cutting issues

The framework of the linkage between the obligation and the implementation capacity, technical assistance and capacity building and dispute settlement was tabled. WTO members welcomed two new documents in this area and looked forward to developing the negotiations in this area. Many WTO members were aware of the issue of dispute settlement and that this would need further negotiation.

Future meetings

The WTO Trade Facilitation Negotiating Group meetings are scheduled for 6-7 June and 24-26 July. In addition, there will be two inter-sessional meetings on 11-12 May and in July.

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