

**Council for Trade in Goods**

**TRADE FACILITATION**

Draft Status report by the Council for Trade in Goods

**I. INTRODUCTION**

1. Paragraph 21 of the Singapore Ministerial Declaration (WT/MIN/(96)/DEC) directed the Council for Trade in Goods

"to undertake exploratory and analytical work, drawing on the work of other relevant organizations, on the simplification of trade procedures in order to assess the scope for WTO rules in this area."

2. Since Singapore, trade facilitation has been a standing item on the agenda of the Council for Trade in Goods. Discussions took place at the meetings of 27 January and 12 February 1997 (G/C/M/17), 11 March 1997 (G/C/M/18), 11 June 1997 (G/C/M/20), 21 July 1997 (G/C/M/22), 6 October 1997 (G/C/M/23), 19 November and 8 December 1997 (G/C/M/28), 4 February and 4 March 1998 (G/C/M/30), 16 March 1998 (G/C/M/31), 21 April 1998 (G/C/M/33), as well as the meeting of 5 June and 8 July 1998 (G/C/M/34). Upon request by the Council on 27 January 1997, the Secretariat prepared a background note on work already done or being done on the subject of trade facilitation in other international organizations, including non-governmental organizations (G/C/W/80). The European Community (G/C/W/85) and Switzerland (G/C/W/92) introduced papers on trade facilitation.

3. At its meeting of 19 November and 8 December 1997, the CTG decided to hold a Symposium on Trade Facilitation to enable delegations to better identify the main areas where traders face obstacles when moving goods across borders. The purpose of the Symposium was further to provide a direct interface between the practical level (traders) and the trade policy level (officials in capitals and in Geneva) in this respect and to place WTO Members in a position to move to the phase of analytical work on trade facilitation, in order to assess the scope for WTO rules in this area, as set out in the Singapore Declaration.

4. The WTO Trade Facilitation Symposium took place on 9 and 10 March 1998 at the WTO. Twenty-seven speakers from private enterprises and industry groups gave an overview of a number of areas where traders face obstacles when moving goods across borders. Speakers from intergovernmental organizations (IMF, ITC, UNCTAD, UN/ECE, World Bank, and World Customs Organization) reported on the experiences in their work on trade facilitation.

5. At the meeting of 16 March 1998, the Chairman of the CTG made a brief summary of the outcome of the Symposium, circulated in document G/L/226. The Secretariat prepared a "checklist of issues" (G/C/W/113) summarizing concrete suggestions made at the Symposium, and a longer factual report on the Symposium (G/C/W/115) containing full copies or transcripts of the presentations made and the ensuing discussions. In addition, the text of the Secretariat's presentation on WTO rules relevant to trade facilitation, which was made during the Symposium, was circulated (G/L/244).

6. Following the Symposium, Switzerland (G/C/W/114) and informally the European Community circulated proposals on a framework for future exploratory and analytical work. The CTG decided that it was necessary to conduct further exploratory and analytical work in a dedicated forum in order to focus more specifically on questions of trade facilitation outside the framework of formal CTG meetings.

7. At its meeting on 8 July 1998, the Council for Trade in Goods (CTG) agreed to a Chairman's proposal on the continuation of work on trade facilitation, as mandated in paragraph 21 of the Singapore Ministerial Declaration (WT/MIN(96)DEC). The Chairman's proposal, contained in the minutes of the meeting (G/C/M/34), reads as follows:

- "1. The Council for Trade in Goods will hold regular, informal meetings to continue the work on trade facilitation, as set out in paragraph 21 of the Singapore Ministerial Declaration.
2. The schedule of meetings (each lasting 2-3 days) and the core agenda will be as noted below:
  - (1) import and export procedures and requirements, including customs and border-crossing problems; overview of the Kyoto Convention and its current revision process – September 1998;
  - (2) physical movement of consignments (transport and transit); payments, insurance and other financial requirements which affect the cross-border movement of goods in international trade - December 1998;
  - (3) electronic facilities and their importance for facilitating international trade; technical cooperation and development issues relating to simplification of trade procedures; consideration of WTO Agreements relating to, or including provisions on, trade facilitation - March 1999;
  - (4) evaluation of the exploratory and analytical work to assess the scope for WTO rules in the area of trade facilitation - June 1999.

Although this agenda should, for the sake of efficiency, be adhered to as closely as possible, there should be freedom at any meeting to address issues from any other meeting or to bring in any other related issue and question. Prior to the fourth meeting, the Secretariat will compile a factual summary of the first three meetings to assist Members in evaluating the work undertaken thus far.

3. Furthermore, the Chairman of the CTG will invite the Chairpersons of the Committees on Customs Valuation, Import Licensing, Rules of Origin, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, the Chairperson of the Working Party on Preshipment Inspection and, as appropriate, the Chairpersons of other subsidiary bodies of the CTG to propose an item "trade facilitation" for inclusion in the agenda of their meetings. Under this agenda item, these bodies will henceforth address those aspects of trade facilitation which they regard as being related to the respective agreements with a view to introducing the results of these discussions into the informal CTG discussions on trade facilitation in March 1999. The Chairman of the CTG will also contact the Chairpersons of the Council for Trade in Services and the Council for TRIPS as well as the Chairperson of the Committee on Trade and Development to suggest that these bodies make a similar contribution.

4. Other international inter-governmental organizations with expertise and experience in the field of trade facilitation (notably ITC, UN/ECE, UNCTAD and WCO) will be invited to contribute to the exploratory and analytical work. Specific arrangements to this effect will be made in the informal meetings of the CTG or in the WTO bodies mentioned under para 3 supra as appropriate. A symposium with non-governmental organizations and specialists from the private sector will be considered.
5. To ensure the success of the exercise, Members are encouraged to submit substantive ideas and proposals at all stages of the process.
6. The results of the exploratory and analytical work mandated by the Singapore Ministerial Declaration should be reported by the CTG to the General Council."

8. The Council for Trade in Goods met in three informal meetings (28-29 September 1998, 7 December 1998, and 19-20 April 1999) to discuss the issues set out in paragraph 2 (1) – (3) of the Chairman's proposal. At the first meeting, on 28 and 29 September 1998, a presentation was made by the WCO Secretariat on the content and review process of the *Convention on the Simplification and Harmonization of Customs Procedures* (Kyoto Convention). On 20 April 1999, the Secretariat organized an information session at which three experts, from the Inter-American Development Bank, UNCTAD, and the WTO, gave presentations on technical cooperation and development issues relating to simplification of trade procedures, as well as on electronic facilities and their importance for facilitating international trade.

9. Several Member delegations and two observers circulated written contributions to the informal work process of the Council for Trade in Goods. A summary table of these contributions is contained in the Annex to this document. The summary table also lists background notes by the Secretariat, which were prepared in the context of the work programme.

10. The contributions made by other WTO bodies in accordance with paragraph 3 of the Chairman's proposal are contained in document G/C/W/149.

11. Paragraphs 7-8 and 13-50 of this report reproduce the text of document G/C/W/153, a factual summary of the informal meetings of the CTG in September and December 1998 and April 1999. That document was prepared in accordance with the last sentence of paragraph 2 of the Chairman's proposal and was intended to assist Members in evaluating the work undertaken thus far. Paragraphs 13-50 below provide an overview of the main points that were raised in the three informal meetings. A summary of the discussion at the fourth informal meeting is contained under heading IV of this report. This report does not provide an exhaustive summary of all the proposals and arguments presented in the written contributions, but it seeks to reflect the main thrust of the issues addressed in the papers and at the informal meetings.

12. This status report is without prejudice to decisions by the Council for Trade in Goods on the question of future work on trade facilitation.

## **II. DISCUSSION ON BENEFITS AND MEANS TO ENHANCE TRADE FACILITATION**

### **A. OVERALL BENEFITS AND BENEFITS FOR DEVELOPING ECONOMIES**

13. Delegations agreed that the simplification of trade procedures had potential for considerable savings in time, money, as well as human and other resources and could result in substantial benefits for each and every economy. Several Members referred to studies that had shown that the savings potential through enhancement of trade facilitation can be a considerable portion of the value of the goods traded, often exceeding the costs of tariffs and other duties and charges. Unlike the latter, costs

incurred through inefficiencies in the transaction chain did not have redistributive effects, but were dead-weight losses for the economy.

14. Several Members stated that trade facilitation was benefitting all actors in an economy: importers and exporters through time and money savings, producers through cheaper availability of intermediate products, consumers through lower prices, administrations through increased efficiency, enhanced control effectiveness, and the availability of accurate statistics. Such statistics enabled Members to carry out accurate economic forecasting and to base their policy choices on such information.

15. It was argued by several delegations that an improved administrative framework for trade transactions would benefit especially small and medium-sized enterprises (SME's), as these were usually at a disadvantage in coping with untransparent trade procedures and would as a result often opt to stick to their traditional markets. Trade facilitation would thus expand the trading opportunities for these companies, and help increase the number of potential trading partners.

16. It was stressed by several delegation that trade facilitation needed to be balanced with other policy objectives, such as enforcement and protection from trafficking illicit goods. It was argued that modern customs techniques such as profiling and risk assessment could contribute towards both objectives at the same time. Simplification and automation, combined with training and better pay for a smaller number of customs officers, and driven by high-level political commitment, would also contribute to greater integrity and help eradicate related problems.

17. Some Members stated that trade facilitation was a critical element in any country's economic infrastructure. In an age of 'just-in-time' manufacturing and distribution, a facilitative environment for imports and exports would not only benefit a country's trade, but was increasingly an important factor in the investment decisions of the private sector.

18. By reducing the costs involved in the trade process and enhancing trade opportunities, it was argued that trade facilitation was benefitting all Members. Trade facilitation would consequently not present a situation necessitating the exchange of mutual concessions, but presented a 'win-win' situation in which all Members stood to gain. Some delegations stated that simplification of trade procedures was strengthening the functioning of the multilateral trading system as a whole.

#### B. THE ROLE OF AUTOMATION

19. Several delegations emphasized that automation was an important tool in the creation of a facilitative environment for trade. On the basis of simplified information requirements and procedures, automation had not only the potential to reduce errors, avoid double entry of information, and accelerate information flows, but would also allow for increasing de-linkage of movement of goods from controls and duty assessments, thus minimizing the time that consignments spend idle, while enhancing an administration's control effectiveness and ability to collect revenue. It was stated that, for many administrations, automation was critical in order to address challenges of increasing trade flows in the face of stable or falling budget resources. Time gained in processing documentation and through more selective controls based on risk-assessment would translate into direct resource gains for administrations. Moreover, the rapid advances in information technology development made it conceivable that some countries could leap-frog systems that were currently in place in countries with a longer history of automation. It was stated by several delegations that automation needed to extend beyond customs administrations, and needed to include all players in the trade transaction chain.

20. The recent developments in information technology had led to the emergence of inexpensive technology solutions, e.g. internet-based solutions, which would particularly enable SMEs to reap the

benefits of electronic communication with government agencies, as well as other participants in the trade transaction chain.

21. One delegation emphasized that in choosing between automated systems, the demands of traders ranging from multinationals to SME's needed to be satisfied. Complex and costly systems would not be appropriate tools in facilitating trade. Therefore, a range of information technology options which catered to the needs of different types of clients may have to be introduced. Systems and content of information needed to be harmonized between administrations, and legislative requirements for paper documentation had to be abandoned<sup>1</sup>. Some delegations stated that automated messages should be based on or be compatible with the UN/EDIFACT messaging standard. Other delegations believed that prescriptions for a particular proprietary standard would be inopportune, and could possibly, through locking in of antiquated solutions, inhibit use of the best available technologies. Open and non-proprietary standards were thus preferable. It was necessary to involve all players in the trade cycle to make automation and electronic facilities most beneficial.

22. Other delegations, while acknowledging the promise of automation, raised doubts as to the feasibility of introducing automated systems to their administrations in the near future. Potentially high start-up costs, poor infrastructure, and lacking human resources were cited as the main obstacles in this respect.

23. Several Members provided papers<sup>2</sup> and oral presentations on their national experiences with aspects of trade facilitation. All oral presentations evolved around a common theme, namely progress in processing of information and clearance of goods through the introduction of automated systems. One Member reported that the introduction of an automated customs clearance system had reduced clearance times for sea cargo from an average 26.1 hours in 1991 to 5.6 hours in 1998; clearance times for air cargo had been reduced from 2.3 to 0.7 hours over that period. Another Member stated that its 'single-window' for electronic data submission would usually lead to completion of all information requirements within 15-30 minutes. One Member stated that it had introduced an EDI-based 'green channel' clearing scheme which would in the future be able to handle 30-40% of consignments.

#### C. TECHNICAL ASSISTANCE

24. It was recognized that technical co-operation was instrumental for moving towards a higher degree of trade facilitation. Some delegations stated that WTO commitments on trade facilitation needed to be complemented with the appropriate means for implementation. Existing technical assistance programmes by other intergovernmental organizations would typically address only specific parts of what was believed to be a whole set of related trade procedures. Such programmes, which were each by itself good tools, would often overlap and were rarely well co-ordinated with one another.

25. Several delegations stated that the WTO itself was not in a position to provide the technical expertise required for much of this technical assistance. However, some of these delegations believed that the WTO could set the basic trade policy framework, and provide a platform for co-operation and co-ordination with other intergovernmental organizations who were providing technical assistance in this area, i.e. UNCTAD, WCO, World Bank and IMF<sup>3</sup>.

26. Several delegations believed that any comprehensive technical co-operation effort needed to involve all players in the trading process. Co-operation and dialogue between government authorities

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<sup>1</sup> G/C/W/152.

<sup>2</sup> G/C/W/123; G/C/W/125; G/C/W/134; G/C/W/146.

<sup>3</sup> G/C/W/136.

and the private sector were useful to identify the best possible strategies and products that would benefit both partners. If backed by a credible willingness to reform, such partnerships could lead to private sector engagement in the development and provision of appropriate automated tools, training, and infrastructure investment for ports, transport and communications.

### **III. OVERVIEW OF THE DISCUSSIONS ON A ROLE FOR THE WTO IN TRADE FACILITATION**

27. Delegations agreed that the WTO should avoid duplication of work with other organizations.

#### **A. IMPLEMENTATION OF EXISTING AGREEMENTS**

28. There was consensus that implementation of existing agreements, such as the Agreements on Customs Valuation, Import Licensing, Rules of Origin, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Preshipment Inspection, as well as the Agreement on Trade-Related Aspects of Intellectual Property Rights was of crucial importance for the facilitation of trade. Delegations were of the view that at present the implementation of several WTO Agreements was incomplete.

29. Some delegations believed that the WTO should mainly focus on the implementation of existing agreements, and consider new areas for work only once it became clear that problems did persist despite complete implementation.

#### **B. NEED AND SCOPE FOR NEW WTO RULES**

30. There were differing views regarding the need and scope for additional WTO rules on trade facilitation. While some delegations believed that new multilateral rules could be beneficial, others believed that there was no need for additional multilateral rules and that work on trade facilitation should be left to other organizations which were already carrying out work in that area and/or national initiatives.

31. Some delegations stated that the WTO could develop general guidelines or recommendations to provide political support for trade facilitation initiatives that were under way elsewhere, both nationally and in other international fora. One delegation stated that non-binding recommendations could be developed regarding 'single-window' information submission, or use of automated systems<sup>4</sup>.

##### **(a) Arguments in favour of new WTO rules**

32. It was argued by some delegations that predictability and security for exporters and importers was best secured with a set of multilaterally binding rules on trade facilitation. Regarding other subjects, where initiatives in other organizations had not succeeded in bringing about multilaterally applied disciplines, Members had in the past been able to develop regulatory frameworks in the GATT/WTO that they were willing to respect. This apparent strength of the organization could also be used for the development of a multilaterally binding set of rules on trade facilitation. Trade facilitation rules would strengthen already existing disciplines contained in other WTO Agreements. The WTO had the capacity to identify what was in the common interest for trade. A set of basic WTO rules on trade facilitation would guide reform efforts in a consistent direction and provide the necessary sustained political commitment that was instrumental for successful administrative reform in this area. Experience had shown that in addition to practical 'bottom-up' technical assistance, a rule bound 'top-down' strategy was needed. By the same token, a credible 'top-down' approach backed by WTO rules made it easier to attract sustained private sector engagement in the reform efforts.

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<sup>4</sup> G/C/W/150.

(b) Arguments against new WTO rules

33. A number of delegations believed that the arguments made in favour of new WTO rules on trade facilitation were not compelling. While the overall benefits of trade facilitation were recognized by all Members and many delegations stated that they were convinced of the usefulness of many of the concepts advocated, it was argued that the problems which developing economies were facing in this area could not be solved by the introduction of binding commitments subject to the WTO dispute settlement mechanism. Instead, a vast effort in technical assistance and capacity building was needed to support national reform efforts and to tackle the main problems of delays and administrative inefficiencies. However, resources for achieving and enhancing comprehensive technical progress that included software development and installation, training, modification of administrative procedures were limited.

34. It was further argued that many Members were still grappling with the implementation of certain commitments from the Uruguay Round, and that these implementation issues needed to be addressed before consideration could be given to additional rules.

C. PROPOSED FRAMEWORKS FOR NEW WTO RULES

35. Several delegations set out concrete proposals for future WTO rules in trade facilitation. The full proposals are contained in the respective written submissions, a list of which is annexed to this summary. In addition, an inventory of the concrete proposals for future WTO rules was prepared by the Secretariat (G/C/W/132, G/C/W/132/Rev.1.) This inventory also refers to international instruments that address the subject-matter of the proposals.

36. Several delegations believed that the WTO should seek to identify areas where new rules could fill gaps in the existing framework of rules, and add value for the overall enhancement of trade facilitation.

37. Proponents of WTO rules on trade facilitation agreed that transparency of rules, regulations, and administrative rulings and practices was of critical importance for participants in the trade transaction process.

38. One delegation proposed that a framework for WTO rules should include the following elements: (i) procedural and substantive improvement of existing WTO Agreements; (ii) incorporation of elements of work undertaken in other organizations into the legal framework of the WTO; (iii) development of additional rules in the areas of customs procedures, and possibly also in transport, and banking and payment issues.

39. Another delegation stated that a set of binding WTO commitments could be built around the principles of efficiency and simplification, consistency and harmonization, transparency, protection and compliance, integrity, cooperation, and consultations<sup>5</sup>. Some of these principles were already embodied in GATT Articles VIII (Fees and Formalities connected with Importation and Exportation) and X (Publication and Administration of Trade Regulations). Concepts such as advance rulings, release of goods, and review and appeal which existed only in some of the WTO Agreements, should be extended to other areas. As appropriate, elements of existing international instruments, such as the Kyoto Convention, should be incorporated into such a set of rules.

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<sup>5</sup> G/C/W/126.

40. It was stated by another delegation that the core objectives of trade facilitation were increased 'transparency' and 'rapid release of goods.' GATT Articles VIII and X provided a foundation upon which new rules could be elaborated.

41. Another delegation believed that, if a WTO instrument on trade facilitation was to be developed, it should contain (i) improved rules on transparency, (ii) encouragement of mutual recognition of documents, (iii) and increased use of rules and practices developed and recommended by non-governmental organizations such as ISO standards. It should further incorporate or refer to instruments of other fora, e.g. the Kyoto Convention<sup>6</sup>.

42. One delegation suggested that the WTO should oversee the policy aspects of the Kyoto Convention, including the dispute settlement procedures, while the WCO should handle technical aspects of trade facilitation<sup>7</sup>.

D. OVERVIEW OF THE PROPOSALS FOR RULES AND/OR MEASURES FOR ENHANCING TRADE FACILITATION

(a) Customs and Border Crossing Procedures

43. In order to simplify information requirements related to import and export, one delegation proposed to reduce and harmonize data sets and to seek adoption of international standards (such as UN-ECE Recommendations) for import and export data. A harmonized documentation format, based on the UN aligned document system, should be developed. Traders should be allowed to submit required data for their transactions at one time only and to one single agency. The benefits of such a 'one-stop' or 'single-window' approach would be greatly enhanced through a seamless electronic transaction. On the basis of automated systems for customs data, administrations could be required to effectively engage in automated customs clearance, pre-arrival processing of information, post-clearance and audit-based controls. Automated systems should be used to run risk-assessment programmes which would help minimize physical interventions. Establishment of objective criteria for authorized traders would minimize interference with legitimate trade. A target time for clearance could be envisioned, and official interventions at borders should be coordinated between agencies (one-stop clearance). Members should grant timely judicial or administrative redress against administrative decisions. Co-operation between trade and government should be fostered.<sup>8</sup>

44. Another delegation proposed consideration of rules that ensured quick release of goods. Customs administrations should be required to use risk assessment principles, and border agencies needed to cooperate, in order to allow for 'single window' submission of data and clearance of goods. Information requirements for import and export should be simplified and harmonized, and compatible electronic data interchange (EDI) systems needed to be put in place. In addition, this delegation proposed simplified and streamlined clearance procedures for commercial samples and goods for exhibition, express consignment clearance, simplified procedures for low values shipments, transparency (availability of requirements), and increased use of advance rulings, e.g. in classification.<sup>9</sup>

45. Another delegation suggested consideration of mutual recognition of documents or data.<sup>10</sup>

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<sup>6</sup> G/C/W/137.

<sup>7</sup> G/C/W/150.

<sup>8</sup> For details on these proposals, see G/C/W/122 and G/C/W/138.

<sup>9</sup> G/C/W/126.

<sup>10</sup> G/C/W/137.



46. Some delegations proposed establishing a comprehensive database assembling all relevant laws, regulations and rulings for import and export.<sup>11</sup>

(b) Movement of Goods

47. One delegation suggested consideration of adoption of UN-ECE Recommendations 11 and 12, as well as integration of other instruments into a WTO Trade Facilitation framework. Instruments explicitly mentioned were the IMO *FAL Convention*, Annex 9 (Facilitation) of the ICAO 1944 *Convention on International Civil Aviation*, and the Montreal Protocol IV of the *Warsaw Convention*.<sup>12</sup>

(c) Payment, Insurance and other Financial Requirements

48. One delegation proposed to develop measures to improve access to credit information and suggested further development of ISO quality management standards on payment delays. Also, access problems to commercial insurance could be addressed. Furthermore, the problem of late payment in commercial transactions could possibly be addressed within the WTO.<sup>13</sup>

(d) Possible amendments to existing WTO Agreements

49. Certain delegations believed that a trade facilitation framework that was centred around reduced and harmonized data requirements, modernized customs techniques, a 'single-window' for submission of information, and automated procedures, should apply to the Agreements on Import Licensing Procedures, Technical Barriers to Trade, SPS, Rules of Origin, and PSI.<sup>14</sup>

50. Other delegations believed that existing agreements were not always consistent in their approach to trade facilitation-enhancing measures. In this context, it was suggested that the concepts of advance ruling, release of goods, and review and appeal which existed only in some of the agreements, should be extended to other areas. For example, advance rulings would also be useful regarding goods classification.

51. On the proposal to amend existing WTO Agreements, one delegation stated that the WTO Agreements constituted a single undertaking and contained, as a whole, a balance of rights and obligations.

#### **IV. SUMMARY OF MAIN POINTS RAISED DURING THE EVALUATION OF THE EXPLORATORY AND ANALYTICAL WORK**

52. At the fourth informal meeting held on 21 June 1999, delegations evaluated the exploratory and analytical work undertaken up to that point. In this context, as mandated by the Chairman's proposal on future work, the Secretariat had prepared a factual summary of the discussions and contributions made in the context of work carried out at the first three meetings (G/C/W/153). Delegations agreed that this factual summary reflected the status of work up until the end of the third meeting and further agreed that its content should be part of the present status report<sup>15</sup>.

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<sup>11</sup> G/C/W/122, G/C/W/151.

<sup>12</sup> G/C/W/133; for additional information on these instruments, see G/C/W/132/Rev.1.

<sup>13</sup> G/C/W/133.

<sup>14</sup> For concrete proposals on the further procedural and substantive improvement of existing Agreements, see G/C/W/136 and G/C/W/151).

<sup>15</sup> The text of document G/C/W/153 is reproduced in paragraphs 7-8 and 13-50 above.

53. The evaluation process at the meeting of 21 June 1999 underscored the general agreement among delegations that trade facilitation was beneficial for traders, business, consumers, and the economies of all Members as a whole. There was further agreement that implementation of existing agreements was of critical importance. Furthermore, delegations agreed that technical cooperation, to be truly effective, required improved coordination among recipients and all involved in the provision of such assistance. One delegation suggested that the WTO should promote coordination in that area.

54. The views of delegations differed, however, as regards conclusions to be drawn from the exploratory and analytical work carried out under the work programme.

55. Some delegations believed that the next step forward would lie in reaching agreement on concrete areas appropriate for rule making. They saw WTO rules as beneficial in providing political commitment to any reform and modernization process of customs and trade administrations. A set of rules was seen by some as ensuring that domestic reform efforts were based on the same principles in all countries, thus being of complementary nature rather than involving different reform approaches. Furthermore, the negotiation of rules was seen as stimulating provision of increased technical assistance. Delegations who held this view were looking forward to addressing trade facilitation issues in the context of the preparatory process for the Ministerial Conference.

56. Other delegations believed that the present autonomous efforts undertaken by many countries in the area of trade facilitation would stimulate an equal amount of political commitment. It was further stated that these efforts were generally based on models that would ensure that countries were moving in the same direction. Several delegations reiterated their view that a focus on rule making was, if ever, not appropriate at present. It was mentioned that the next Ministerial Conference could possibly focus the Singapore trade facilitation mandate more specifically towards work that would identify any existing gaps in WTO agreements.

57. Some delegations suggested that the development of best practice or non-binding recommendations, building on work carried out in other organizations, be considered; another delegation stated that only those areas that seemed not amenable to rule making should be addressed in this way. Some delegations rejected these ideas and stated that the strength of the WTO was in its rule-based legal framework rather than in the development of best practice. It was mentioned by some delegations that the WTO should express support for the adoption and implementation of the revised Kyoto Convention.

58. Some delegations touched on areas for further exploratory and analytical work. Some observed that trade facilitation was one of the main objectives set out in many WTO agreements. One delegation stated that the input received by subsidiary bodies on the relationship between existing agreements and trade facilitation was only preliminary and should be supplemented in the future<sup>16</sup>. Some delegations were of the view that particular consideration should be given to exploring options to improve or build upon existing agreements. In order to see where trade facilitation aspects in the relevant agreements could be strengthened, some suggested that the current status of implementation should be reviewed. A suggestion was also made that the Secretariat prepare a survey on problems in the implementation of existing WTO agreements, drawing on input received from the Committees, the information on implementation problems submitted to the General Council, and the discussions held in the context of the first phase of the preparatory meetings for the Ministerial Conference.

59. Some delegations suggested that the development dimension of trade facilitation needed further examination. One delegation suggested that a one day seminar on trade facilitation could help clarify some aspects in this area.

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<sup>16</sup> The contributions received from other WTO bodies were circulated in document G/C/W/149.

ANNEX

*Overview of written contributions on Trade Facilitation*

<i>Symbol</i>	<i>Member / Other Source</i>	<i>Date</i>	<i>Title and Topic</i>
G/C/W/70	WTO Secretariat	28 February 1997	Trade Facilitation – Background note by the Secretariat
G/C/W/80	WTO Secretariat	23 May 1997	Trade Facilitation – Background note by the Secretariat
G/C/W/85	European Communities	20 August 1997	Trade Facilitation
G/C/W/92	Switzerland	30 September 1997	Trade Facilitation - Draft Plan of Action
G/L/226	Statement by the Chairman of the CTG	18 March 1998	Statement concerning the Trade Facilitation Symposium
G/C/W/113	WTO Secretariat	20 April 1998	Checklist of Issues Raised During the WTO Trade Facilitation Symposium
G/C/W/114	Switzerland	26 May 1998	Swiss Proposal for Future Work in the WTO
G/C/W/115	WTO Secretariat	29 May 1998	WTO Trade Facilitation Symposium – Report by the Secretariat
G/L/244	WTO Secretariat	15 May 1998	WTO rules relevant to Trade Facilitation - Statement by the Director of the Market Access Division
G/C/W/122	European Communities	22 September 1998	Assessment of Scope for WTO Rules in the Field of Import, Export, and Customs Procedures
G/C/W/123	Republic of Korea	25 September 1998	Reforming the Customs Clearance System in Korea (National Experience Paper)
G/C/W/125	Hong Kong, China	28 September 1998	Import and Export Procedures and Requirements (National Experience Paper)
G/C/W/126	Canada	30 September 1998	Trade Facilitation (Suggestions for a WTO role in trade facilitation)
G/C/W/80/Add.1	WTO Secretariat	2 December 1998	Update of background note G/C/W/80 (information on trade facilitation work carried out by other international organizations)
G/C/W/132	WTO Secretariat	2 December 1998	Background note (Inventory of delegations' suggestions)
G/C/W/133	European Communities	3 December 1998	Issues Relating to the Physical Movement of Consignments (Transport and Transit) & Payment, Insurance and Other Financial Questions Affecting Cross-border Trade in Goods
G/C/W/134	Republic of Korea	22 December 1998	Matters Related to the Facilitation of Cargo Movement in Korea (National Experience Paper)

<i>Symbol</i>	<i>Member / Other Source</i>	<i>Date</i>	<i>Title and Topic</i>
IP/C/W/123	WTO Secretariat	5 January 1999	The TRIPS Agreement and Trade Facilitation
WT/COMTD/W/57	WTO Secretariat	25 February 1999	Development Aspects of Trade Facilitation
G/C/W/137	Switzerland	4 March 1999	Trade Facilitation (Proposal for future WTO work)
G/C/W/138	European Communities	4 March 1999	Trade Facilitation and Electronic Commerce
G/C/W/136 G/L/299 S/C/W/101 IP/C/W/131	European Communities	10 March 1999	Trade Facilitation in relation to existing WTO Agreements
G/C/W/143 WT/COMTD/W/60	European Communities	10 March 1999	Trade Facilitation in relation to Development
G/VAL/W/32	WTO Secretariat	11 March 1999	Linkages between the Agreement on Customs Valuation and Trade Facilitation
G/C/W/132/Rev.1	WTO Secretariat	29 March 1999	Background note (Inventory of delegations' suggestions)
G/C/W/146	Republic of Korea	6 April 1999	Revision of the Customs Act of Korea for Trade Facilitation (National Experience Paper)
G/C/W/148	UNCTAD	8 April 1999	Trade Facilitation (Overview of relevant UNCTAD activities)
G/C/W/149	WTO Secretariat	14 April 1999	Contributions received from other WTO bodies
G/C/W/150	Republic of Korea	15 April 1999	Customs Administration and Trade Facilitation (Proposal for future WTO work)
G/C/W/151	Japan	23 April 1999	Trade Facilitation – Proposal by Japan
G/C/W/152	Australia	4 May 1999	Role of Electronic Reporting in Trade Facilitation
G/C/W/153	WTO Secretariat	12 May 1999	Factual Summary of the informal meetings of the Council for Trade in Goods in September and December 1998 and April 1999
G/C/W/154	UN/ECE	8 June 1999	The UN/ECE CEFACT's Trade Facilitation Work