

Council for Trade in Goods

TRADE FACILITATION NEEDS AND PRIORITIES OF MEMBERS

Compilation of existing material by the Secretariat

This document has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO

I. Introduction

At the meeting of the Council for Trade in Goods of 23 May 2002, Members requested the Secretariat to prepare a compendium of the existing material on Members' trade facilitation needs and priorities, available at the Secretariat. The request relates to delegations' work on the identification of their trade facilitation needs and priorities, especially those of developing and least developed countries, as mandated by paragraph 27 of the Doha Ministerial Declaration. The following compilation aims at meeting this request. As suggested by Members, it provides an overview of relevant information contained in Members' submissions to the Secretariat, as well as of related material embodied in the reports on the 1998 Trade Facilitation Symposium and the 2001 Technical Assistance Workshop. It also considers relevant submissions by other organizations to the extent possible.

II. Structure

The existing material was grouped into four categories:

- A) National experience papers;
- B) Other relevant submissions by Members;
- C) Reports on the 1998 Symposium and the 2001 Workshop;
- D) Relevant submissions by other organizations

Each category is dealt with in a separate section, presenting the material in a table outlining a) author, b) document number and c) a summary of main points relating to trade facilitation needs and priorities. As for the applied time-frame, the paper covers all relevant inputs since the beginning of WTO work on trade facilitation following the Singapore Ministerial.

In the light of the fact that most of the examined material does not address trade facilitation needs and priorities of Members *per se*, but rather focuses on particular experiences with trade facilitation measures and programs, or proposes approaches to future WTO work on this subject, the present compilation had to approach their identification in a somewhat indirect manner, basing its references primarily on information regarding trade facilitation programs/measures proposed or executed, as well as on what has been presented as main obstacles to the facilitation of trade.

Whilst the paper tries to cover all relevant information, its nature as a compendium requires it be limited to an overview of the main points raised in the submissions, without extending to an exhaustive examination of each and every document.

III. Sources

A) National experience papers

A total of 16 national experience papers have been submitted by the following 10 delegations: Australia (2), Canada (1), Chile (1), Costa Rica (1), Czech Republic (1), Guatemala (1), Hong Kong China (2), Korea (4), Maldives (1), Norway (1) and Switzerland. Most of them present experiences in introducing measures to facilitate trade. References to trade facilitation needs have been mostly taken from what delegations described as the main problems in this area. Indications of priorities are based on the presentation of key trade facilitation measures undertaken by delegations.

Member	Document number	Main points related to trade facilitation needs and priorities
Australia	G/C/W/233	Key expectations: (i) government intervention by exception in customs clearance; (ii) customs information requirements kept to the minimum necessary for risk management and statistical purposes; (iii) fast, reliable, adaptable, flexible, paperless, cost-efficient best practice processes, including risk management, post-transaction auditing, pre-arrival reporting and the use of information technology; (iv) transparency, predictability and consistency in procedures developed and adopted by governments in consultation with traders. Future directions: a) cargo management re-engineering; b) business partnerships; Recognition of importance of capacity building and technical assistance;
Australia	G/C/W/263	Delivery of technical assistance and capacity building to modernize and reform customs processes and procedures in less developed countries whilst ensuring consistency with WTO and WCO conventions and principles; Importance of simplifying, harmonizing and improving customs procedures; Need for a strategic and planned approach to improve the delivery of technical assistance, consistent with existing international conventions;
Canada	G/C/W/238	Demand for fast and predictable release of goods and measures to facilitate the flow of services and travelers across national borders; Need to undertake modernization of border management process and customs practices; Need for reform of import and export procedures, including elimination of unnecessary processing steps, simplification and elimination of certain forms, streamlining of document processing flow and adoption of international codes. Importance of more appropriately applied enforcement tools and for greater coordination among the various stakeholders. Examples of trade facilitation measures implemented: (i) innovative customs line release systems, (ii) use of e-commerce and electronic interfaces, (iii) low-value shipment program, (iv) Accelerated Customs Release Operations Support System, (vi) single window, (vii) binding advance rulings, (viii) right of appeal, and (ix) risk assessment approach;
Chile	G/C/W/239	Need to modernize and streamline customs administrations based on the use of information technology; Implementation of Electronic Data Interchange system in order to have (i) less paper-based inputs to the customs process, (ii) longer opening hours, (iii) shorter processing times, (iv) release of staff from repetitive duties, (v) better inspection and control capacity, (vi) shorter time of goods in warehouses and (vii) interconnection of organizations involved in foreign trade; Expected benefits from new technological developments such as a) improvement in the logistical chain, improved transparency in customs operations, costs savings and release of staff engaged in administrative duties;

Costa Rica	G/C/W/265	Need to reform and modernize customs; Adoption of reforms by setting measures in the area of a) organizational restructuring b) inspection and automation c) customs procedures and d) legislation; Implementation of measures like (i) risk-assessment and control techniques; (ii) processing prior to arrival or advance goods clearance; (iii) in-works and commercial clearance; (iv) automation of customs clearance procedures; (v) establishment of Users' Committee; and of (vi) National Deregulation Commission; (vii) Single Window for Foreign Trade; (viii) enhancement of transparency and predictability; (ix) creation of investors' manual;
Czech Republic	G/C/W/247	Need to establish modern and effective customs service, ensure training, establish good communications between customs offices, modernize and computerize customs procedures as well as to create appropriate environment for development. Objective of enhancing the effectiveness of customs and performing tasks more quickly, reliably and in a less costly way; Measures implemented: (i) Digitalization of data submissions; (ii) new customs transit system, (iii) simplified procedures, (iv) electronic customs clearance;
Guatemala	G/C/W/248	Importance of simplification and harmonization of international trade procedures to facilitate trade flows and reduce obstacles to international trade. Setting up of Tax Administration Office as one of the most important domestic measures to modernize trade procedures in customs administration and bring them into conformity. Objectives of new customs model to facilitate trade: (i) update and systematization of customs legislation; (ii) establishment of flexible, secure and automated procedures for foreign trade; (iii) introduction of computer system capable of processing information related to customs procedures in a timely, reliable and automated way; (iv) remodeling and building up of customs infrastructure adapted to the new procedures; and (v) coordination and setting up of technical assistance mechanisms with other countries and international organizations for transmission of information and training;
Hong Kong, China	G/C/W/125	Trade facilitation measures adopted: (i) conduct of performance pledges and establishment of customer liaison groups to improve quality of services to traders; (ii) simplification of licensing procedures and requirements; (iii) introduction of Interactive Voice Response System and creation of a Homepage for public access to information in order to enhance transparency in licensing procedures; (iv) increased transparency in customs procedures and requirements; (v) introduction of EDI Service for government trade documents to promote the application of electronic commerce;
Hong Kong, China	G/C/W/231	Measures implemented to facilitate trade: (i) improved quality of services to traders; (ii) enhanced transparency in licensing and customs procedure and requirements; (iii) simplified licensing procedures and requirements; (iv) liberalization of trade; (v) introduction of Electronic Data Interchange Service for government trade documents; (vi) faster boundary crossings; (vii) pre-arrival clearance to enable speedy customs clearance and (viii) cooperation with other customs administrations;
Korea	G/C/W/123	Importance of guaranteeing efficient trade flows through computerization and simplified work processes; Measures undertaken to simplify, harmonize and computerize customs clearance system: (i) reform of the Import Clearance System, covering the a) reforming of the Import Declaration System; b) valuations procedures; and c) post-entry investigation of imported goods; d) introduction of EDI-based Cargo Selectivity System; e) introduction of On-Dock Immediate Delivery System; and f) simplification of checklist for eligibility for importation; (ii) computerization of customs procedures;

Korea	G/C/W/134*	Measures related to the facilitation of cargo movement such as (i) bonded transportation; (ii) surveillance and control of cargoes entered, covering both prevention and exposure of customs offences; (iii) post-entry investigations of goods imported, by measures such as on-the-spot investigation into contracts, invoices, account books, records, and any other books relating to the transaction at the importer's office;
Korea	G/C/W/146	Importance of reforming customs administration and customs procedures in order to (i) induce foreign direct investment, (ii) enhance the competitiveness of domestic enterprises, reach a level of transparency and rationality compatible with international standards in customs administration. Measures undertaken: a) Introduction of the Omnibus Bonded Area System; b) introduction of immediate release system; c) implementation of paperless import customs clearance system; d) extension of the duration of storage of goods for transit cargoes;
Korea	G/C/W/212*	Simplifying customs clearance procedures and harmonizing international standards as essential means to facilitate trade flows. Efforts made to facilitate trade: (i) implementation of paperless import clearance system with the aim to simplify import clearance procedures and expedite logistics flows; (ii) extended implementation of the On-Dock Immediate Delivery System;
Maldives	G/C/W/232*	Measures taken by the Customs Service to simplify customs procedures and documentation by streamlining the system (i) introduction of Electronic Data Interchange Service, Direct Trader Input and Wide Area Network, leading to more efficient use of human resources, strengthening of customs procedures; easier and faster clearance, facilitation of clients' submissions and of generation of timely and up-to-date statistics for customs; (ii) implementation of the HS Tariff Nomenclature; (iii) launching of Customs Website, providing access to information regarding external trade regulations and the customs service;
Norway	G/C/W/221+ Add.1	Importance of simplifying import and export procedures as well as other customs related procedures to lower costs and enhance benefits of trade for national authorities, traders and society at large. Introduction of measures on customs facilitation in the areas of electronic customs procedures and the development of a computerized transit system such as (i) implementation of electronic customs clearance system, leading to paperless goods transit and electronic communication, and of a (ii) computerized transit system. Need to modernize transit procedures through computerization to make exchange of information more secure and information more reliable; Implementation and monitoring of security measures of vital importance to achieve and maintain reliable and secure operation of transit;
Switzerland	G/C/W/234	Need to achieve coherence between simplifying customs procedures and internal administrative provisions; measures introduced to achieve this goal: introduction of (i) new computerized transit system; (ii) common transit zone; (iii) stepped-up procedures; (iv) better co-ordination of procedures; (v) more liberal and transparent legislation; (vi) client orientation; Importance of a) transparency; b) necessity to improve co-ordination between customs and administrative bodies; c) recourse to international standards or equal recognition of national standards in their absence; d) harmonization of technical regulations, recognition of conformity assessment procedures and e) mutual acknowledgement of documents and data contained therein, in combination with advances in electronic data processing;

Note: Documents marked with an * refer to submissions dealing with trade facilitation programs and related experiences without being explicitly labeled as "experience papers".

2) Other submissions by Members of relevance

Communications listed under this category contain mainly proposals for future work. Like in the previous section, references to trade facilitation needs are mostly based on what Members present as main problems in the facilitation of trade. Indications of priorities have been taken from proposed measures to facilitate trade.

Member	Document number	Main points related to trade facilitation needs and priorities
Australia	G/C/W/152	Importance of electronic reporting in trade facilitation; need to reduce or eliminate the requirement for paper documentation for customs and other cross-border trade administration as well as other documents for international trade; importance of removing unnecessary or inefficient government data requirements; need for fast, reliable, flexible, harmonized, cost-efficient and largely paperless systems; need to raise the level of use of IT systems for communicating to regulatory bodies; Necessity to consider the whole trade transaction process from the point of quotation to the point of payment with both official procedures and commercial practices included;
Canada	G/C/W/126	Suggestions for specific trade facilitation measures: (i) quick release of goods; (ii) use of risk assessment principles for border inspections and post-entry verification, (iii) border agency coordination; (iv), harmonization of import documents and data required for the release of merchandise using existing international standards where appropriate; (v) simplified and streamlined clearance requirements and procedures for commercial samples and goods for exhibition; (vi) express consignment clearance; (vii) simplified procedures for low value shipments; (viii) use of compatible Electronic Data Interchange (EDI) systems; (ix) use of advance rulings; (x) access to unbiased administrative appeal process; (xi) making national laws, regulations, administrative policies and guidelines readily available to the international trading community;
Costa Rica	G/C/W/240	Objectives for defining specific trade facilitation measures: (i) efficiency, simplification and facilitation of trade procedures; (ii) harmonization and consistency of requirements and formalities; (iii) transparency and predictability regarding trade procedures; (iv) integrity; (v) cooperation; (vi) modern and flexible customs control systems based on risk evaluation techniques; (vii) modernization of national customs and technical training services; (viii) customs cooperation and technical assistance; (ix) publication of advance requirements by customs authorities;
European Communities	G/C/W/85	International trade transaction process should be as simple as that required for domestic sale; Exporters should be able to expect solid but simple and transparent procedures for trading; Onerous formalities should be reduced; Customs procedures should be reviewed and adapted over time to reflect changes in trade patterns, introduction of information technologies; Specific areas of work should be: (i) alignment of customs procedures; (ii) modernize customs procedures and make them more transparent; (iii) standardize information and use of electronic transmissions;
European Communities	G/C/W/122	Suggested measures related to documentation and information requirements at import and export: (i) avoidance of unnecessary procedural obstacles; (ii) adoption of international standards; (iii) reduction and harmonization of data sets and messages; (iv) adoption of harmonized documentation format; (v) single window submission of information; (vi) seamless integrated transaction; Suggested measures related to customs and border crossing

		procedures: (i) introduction of automated customs clearance; (ii) pre-arrival processing, post-clearance controls and audit; (iii) develop system of "authorized traders"; (iv) one stop clearance; (v) remote filing and simplified clearance procedures; (vi) time-limit for routine customs clearance; (vii) co-operation between trade and customs/other agencies; (viii) judicial or administrative redress; (ix) enhancement of transparency; (x) tackle corruption and integrity issues;
European Communities	G/C/W/133	In the area of transport and transit, proposal to reduce excessive and unharmonized documentation and data requirements at import and export and promote their electronic submission, minimize data requirements, introduce modern customs methods, provide for advance clearance of consignments, post-clearance controls and audit, for transparency and the avoidance of sudden changes in documentation and other requirements, as well as for progressive convergence of official controls on the international movement of goods; Need to tackle problem of lack of uniform, harmonized intermodal transportation régime of goods; Regarding payment, insurance and other questions affecting cross-border trade in goods, suggestion to pay attention to (i) electronic payment systems, (ii) banking settlement delays, (iii) non-payment and credit worthiness and (iv) late payment in commercial transactions;
European Communities	G/C/W/138	Need for automation in trade administration; proposed action: (i) establishing customs acceptance of electronic documents and data, processing and release by electronic means; (ii) computerization preceded by reduction, simplification and harmonization of data and documentation requirements, as part of a package of modern techniques such as pre-arrival processing, risk assessment, post-release payment of duties, and remote filing of declarations; (ii) systematic improvements to customs practices and management; (iii) use of EDI by other agencies; (iv) use of international standards; (v) public and private sector cooperation; (vi) capacity building;
European Communities	WT/GC/W/190	Development of framework of WTO commitments to simplify and harmonize trade procedures, encompassing, among others, the (i) harmonization and simplification of trade and transport documents and data, drawing on international standards, and relying on commercial information; (ii) progressive introduction of modern customs techniques designed to strengthen compliance and control while speeding release of legitimate goods; (iii) progressive automation and EDI at the level of customs and other agencies to replace paper procedures for export and import; (iv) development of measures to facilitate convergence of official controls on border crossing goods; (v) capacity building to strengthen human and physical infrastructure and improve import/export management; (vi) consideration of scope for provision to ensure smooth conduct of banking and payment transactions;
Japan	G/C/W/151	Need to streamline the entire importation procedures, starting from the arrival of cargo at the border to its receipt by the resident; Essential to apply electronic processing and EDI to enable smoother and faster trade procedures; Importance of securing transparency in trade procedures, of reducing the number of offices exporters and importers need to deal with by establishing a single agency to deal with the entire trade procedures and, even more essential, of simplifying procedures by electronic processing; Importance of technical co-operation; Proposal to establish database on procedural requirements to increase transparency;

Japan	G/C/W/236	Importance of (i) increasing transparency and predictability of procedures; (ii) reducing excessive documentation requirements; (iii) reducing physical examination, (iv) introducing EDI systems; (v) addressing problems related to customs valuation, (vi) facilitating customs formalities other than customs clearance procedures, such as procedures for the exemption or reduction of import taxes and repayment. Examples of possible measures mentioned in this context: Making a clear official announcement and publication of the relevant laws, regulations and procedures, establish detailed administrative rules for each operation, simplify and harmonize rules compatible with international standards, establish a system for advance ruling on classification, timely public announcement of changes in regulations, share information among sections of the customs authority, increase communication between relevant departments, decrease and simplify documentation, adopt risk management techniques, introduce automated clearance systems achieving seamless and paperless trade procedures.
Japan	WT/GC/W/257	Need to implement the existing WTO Agreements; Necessity to facilitate the entire sequential procedures from the arrival of goods at the border to free circulation in the domestic market; advance automation of procedures and EDI by (i) simplifying measures such as by automation, introduction of EDI and harmonization of requested formats; (ii) realizing appropriate and quick clearance by substantive single window; (iii) establishing necessary framework for technical cooperation; Importance of human resource development; Need to enhance transparency;
Korea	G/C/W/150	Need to institutionalize a single window for information regarding trade and importation; Suggestion to work on automation and modernization of customs administration by (i) allowing the private sector to use electronic means of data exchange designed for an integrated management of documentation and data with a view to ensuring seamless commercial transactions; (ii) establishing customs acceptance of electronic documents and data as well as processing and release of goods by electronic means; (iii) using open, interoperable and internationally recognized standards and codes as a basis for harmonized, simplified data and documentary requirements; (iv) greater international cooperation and assistance to developing countries to help them build infrastructure and expertise necessary to reach higher level of automation and modernization in the field of customs and export/import administration. Importance of enhancing transparency of laws, regulations and administrative guidelines governing foreign trade;
Paraguay	G/C/W/237	Need to address problems of land-locked countries, going beyond the areas of transport and transit to include also issues such as financing for infrastructure, cost of freight or other facilities, inclusion of land-locked countries in globalization. Need to substantially upgrade infrastructure of highways, waterways and communications as well as need for more flexible rules on funding, simpler administrative arrangements and the application of rules governing the use of all modes of transport, need to provide landlocked countries with facilities to counterbalance their disadvantage and place them on an equal footing;
Switzerland	G/C/W/92	Trade facilitation areas where action should be taken: (i) pre-arrival processing by, for example, electronic processing or "one stop" facilities; (ii) combat of customs irregularities such as corruption and malpractice by customs authorities; (iii) facilitation of anti-fraud measures by improvements in pre-arrival processing; (iv) harmonization of customs procedures and establishment of risk assessment and management procedures; (v) standardization of information and use of electronic transmissions;

Switzerland	G/C/W/137	Techniques that could be used to facilitate trade: (i) gradual liberalization; (ii) simplification of documents, formalities and regulations governing the import and export of goods, covering not only the customs aspects but also the forms of transport, insurance and payment related to such transactions; (iii) harmonization; (iv) mutual recognition; (v) enhanced cooperation through the exchange of information and the principle of "single window"; Promoting the use of electronic media;
Switzerland	WT/GC/W/264	Need to simplify and harmonize customs procedures and regulations applied at importation and exportation as well as in the areas of transport, insurance, and payment modalities linked with trade transactions in order to make trade transactions more efficient and less expensive; need to facilitate international trade transactions;
United States	WT/GC/W/254	Need to strengthen and expand existing rights and obligations and to simplify and streamline the trade facilitation environment through: (i) clarifying and making more transparent the procedural requirements necessary for trade under the covered Agreements; (ii) enhancing efficiencies, including through the rapid release of goods from the custody of government authorities such as customs administrations; Necessity to have transparent and efficient trade transaction environment;

3) Reports on the 1998 Trade Facilitation Symposium and the 2001 Technical Assistance and Capacity Building Workshop and related documents

A) 1998 Trade Facilitation Symposium

There are three WTO documents dealing with the 1998 Symposium: (i) A check-list of issues raised during the symposium (G/C/W/113), (ii) the report on the Symposium (G/C/W/115) and (iii) a statement by the Chairman of the CTG on that matter (G/L/226). The following section tries to summarize the main points related to trade facilitation needs and priorities that were raised in the course of the Symposium, based on what has been identified by the various speakers as primary problems in the area of trade facilitation and proposed as a possible way to overcome them. It follows the structure of the Symposium, grouping the presentations in four panels.

Panel 1 - Physical movement of consignments (transport and transit): Main points related to trade facilitation needs and priorities
Problems: Speakers stated that many of the problems for transport operators relate directly to requirements of border crossing; Another problem was the lack of uniform international transport rules for all modes of transport regarding documentation, technical regulations, reporting and visa requirements;
Speakers suggested governments to consider:
– harmonizing information requirements for the movement of goods, which would subsequently allow for exploration on processes under which outbound and inbound clearances can be accomplished by a single filing;
– implementing existing international agreements for each mode of transport and further work toward one multi-modal, multilateral code;
– adopting the Montreal Protocol IV in order to facilitate air transport;
– developing common regulations and reporting requirements for the movement of vessels in and out of ports, based on the common criteria established by the IMO Convention on the Facilitation of International Traffic (FAL);
– harmonizing national legislations concerning the movement of crews and passengers in sea transport;

– harmonizing technical requirements for vehicles based on existing work in this area;
– harmonizing fiscal charges, restrictions and traffic bans, as well as visa requirements for drivers in the area of road transport;
– adopting existing international rules and harmonization of the various national rules for the carriage of hazardous goods;
– improving market access conditions for foreign transport enterprises.

Panel 2 - Import and export procedures and requirements, including customs and border crossing problems: Main points related to trade facilitation needs and priorities

Problems: Speakers identified problems in five areas:

(i) Documentation requirements:

Speakers pointed to the fact that countless documentation requirements and official regulations existed for the importation and exportation of goods. About 60 documents were used in an average international trade transaction. Although those documents had different purposes, around 80 per cent of the information contained within them was the same. Documentation requirements were often ill-defined and traders not adequately informed on how to comply with them, thus increasing the potential for errors. The resulting lack of transparency of formalities created an environment conducive to irregularities and malpractice. Non-harmonized and excessive documentation requirements in certain countries increased paperwork four-fold, while the time lost waiting for border release in many regions accounted for up to 20 per cent of total transport time and up to 25 per cent of total transport costs. At the same time, it was questionable whether the large number of information requirements were effective in curtailing dishonest practices.

Speakers suggested governments to consider:

– reducing documentation requirements for import and export. A serious internal review should survey what data are really necessary for customs authorities, and which of them could be obtained through other methods, i.e. by accepting commercial documents or information provided for export purposes;
– rationalizing and aligning format, content and numbers of documents required in line with the United Nations Layout Key for Trade Documents and other UN standards, including UN/EDIFACT;
– increasing possibilities for electronic data submission;
– separating the presentation of documentation from border-crossing and relying to a larger extent on post-clearance audits;
– the publication of all official requirements and establishment of information centers (at borders) where traders can receive authoritative information on official requirements and collect all necessary official documents;
– reviewing regulations that demand the dispatch of numerous samples for product registration, which can become effective trade restrictions when applied to high-value, low-volume consignments;
– reviewing their labeling requirements which often demand inappropriate and unreasonable measures from importers;
– using a single administrative document for all import and export regimes;
– seeking greater compatibility between import and export documentation by harmonizing information requirements. Common sets of documentation between importing and exporting countries would assist processes under which outbound and inbound clearances can be accomplished by a single filing, thus facilitating one-stop border controls. This would also increase customs control as it would help to avoid under-valuation by traders;
– using international standards for the exchange of information, (standard definitions of individual data elements, standard messages, or standard codes);
– harmonizing import, transport, and transit requirements regarding dangerous goods, phytosanitary requirements, and veterinary prescriptions, where a variety of national requirements additional to international standards persist;

<ul style="list-style-type: none"> – greater standardization of the wording of compulsory labeling. Governments should consider whether attaching secondary labels in the language of the importing country would suffice to meet the concerns reflected in the labeling regulations.
<p>(ii) Official procedures:</p> <p>Speakers considered antiquated official procedures, together with documentation requirements, to be responsible for the delays in international trade. They pointed out that for low-risk consignments, transaction-based controls not only slowed down clearance, but also resulted in sub-optimal use of customs resources, which were better concentrated on high risk consignments. Risk assessment and audit-based controls would help trade facilitation, allow for more efficient enforcement of regulations, and improve collection of duties by customs, thus presenting a win-win situation.</p>
Speakers suggested governments to consider:
<ul style="list-style-type: none"> – conducting all official controls in a single location and concentrating them in the hands of customs as the responsible agency; – streamlining procedures to avoid unnecessary checks and double-checks by other regulatory government agencies; – the increased use of communication systems to undertake more effective risk assessment and profiling, allowing the large number of low risk consignments to cross borders with minimal intervention, while focusing customs resources on high-risk consignments; – moving from transaction-based control procedures to audit-based controls, thus eliminating intervention during the movement of goods; – introducing measures that facilitate pre-arrival processing and expedited clearance upon arrival; – carrying out official procedures at traders' premises instead of at ports; – issuing "authorizations" to compliant traders to make them eligible for minimized "green channel" fast track processing; – flexible means of paying duties, including advance settlement and refund measures; – accepting of payment guarantees, such as bonds instead of deposits; – introducing of systems that allow the efficient post-release collection of taxes and duties; – the self-assessment of trusted traders; – the abolition of prior registration procedures for labels, or, at least, establishment of a single center that processes the applications for such registrations; – the standardization of procedures and streamlined operations which increase transparency in formalities and help traders build realistic expectations regarding time and costs involved in border-crossing; – establishing effective liaison between customs administrations at border-crossing points.
<p>(iii) Automation and use of information technology:</p> <p>Lack of or insufficient use of automated processes and information technology was considered a major source of delays, costs and inefficiencies, since paper documents had usually to be presented at the time of border-crossing, and verification of the information submitted took place at that time. Speakers noted that experience in customs administrations that had increased the use of information technology showed that border-crossing time could be reduced considerably, while control and revenue collection functions were improved at the same time.</p>
Speakers suggested governments to consider:
<ul style="list-style-type: none"> – allowing for, or enhancing the use of electronic data submission, thus speeding up filing and processing, and de-linking the place of filing from the borders or ports of arrival. This way, errors can be sorted out before goods arrive at borders and delays can be minimized; – using of communication systems to undertake more effective risk assessment, which would help a larger number of goods to move across borders with minimal intervention;

– adapting electronic systems that facilitate post-release payment of taxes and duties;
– developing electronic data transmission between exporting and importing administrations.
(iv) Transparency, predictability and consistency: Lack of transparency and predictability was described as a major source of uncertainty regarding costs and time of international trade transactions. Without predictable information on costs and time, traders had difficulty making informed business decisions. As lacking transparency and predictability of requirements and procedures allowed for a wide range of discretion on the part of officials, they were also a major source of irregularities and corruption.
Speakers suggested governments to consider:
– the publication of all laws, regulations, and administrative rulings;
– making legislation, procedures and documentation requirements as transparent as possible and defining the scope of information to be provided to authorities as clearly as possible. This would help avoid misunderstandings, delays, additional costs, longer working time for officers, and limit their discretionary powers;
– greater uniformity in the application of customs laws, regulations, administrative guidelines and procedures;
– the specification and publication of all fees and charges levied in order to allow traders to assess more accurately the costs involved in the trading process. Lack of transparency in this area makes procedures particularly susceptible to irregularities;
– the application of laws, regulations and requirements <u>only after</u> their publication;
– the implementation of the principles of the Arusha Declaration on Customs Integrity;
– re-evaluating penalization for inadvertent mistakes which result from misunderstandings due to inadequate transparency;
– the harmonization of national tariffs beyond the 6-digit level of the Harmonized System;
– the establishment of a database which contains the specific customs requirements of all WTO Members.
(v) Modernization of border-crossing administration: Speakers noted that customs departments and other government agencies involved in trade were often inefficiently structured internally. Common problems included inadequacies in physical infrastructure, training and education, insufficient emoluments of the staff, and lack of cooperation between customs administrations as well as between customs and trade.
Speakers suggested for governments to consider:
– improving the educational standards of officials, especially regarding the rules the officials are administering;
– increasing the ratio of professionals relative to other staff;
– extending opening hours of border-crossing authorities and adjusting them to commercial needs;
– locating agencies which need to cooperate functionally together under one roof. These agencies should conduct official controls in one place;
– increasing cooperation mechanisms between traders (represented for instance by chambers of commerce) and customs. A trust based relationship will improve compliance and allow customs to focus their resources on high-risk consignments;
– seeking financing from international financial institutions and the private sector to overcome infrastructure problems;
– regulation of professional standards of customs brokers and customs warehouses;
– greater cooperation between customs administrations. Information exchange, common border controls, and the introduction of "one-stop" border controls for immigration and customs should be pursued.

Panel 3 - Payments, insurance and other financial requirements which affect cross-border movement of goods in international trade: Main points related to trade facilitation needs and priorities

Problems: In the area of payments and financial requirements, speakers cited a large number of problems resulting from commercial practices of banks, insurances, etc. Inefficient payment and credit arrangements remained the main obstacle to trade, often resulting in long delays for the payment of goods. Internationally agreed messaging protocols were often not implemented, partly because of overly rigid government rules prescribing specific payment methods that did not allow the use of these protocols. Methods of export credit evaluation were often outdated. In addition, there was no internationally agreed method to ensure the legal validity and security of electronically exchanged payment messages when those messages were originating from or were sent to a party that was not a bank.

Speakers suggested governments to consider:

- setting rules that recommend faster payment methods and faster bank handling of transactions;
- setting rules providing greater flexibility on payment methods where foreign exchange controls persisted;
- agreeing on a single international method to ensure the legal validity and security of electronically exchanged payment messages, possibly based on the BOLERO model.

Panel 4 – Electronic facilities and their importance for facilitating international trade: Main points related to trade facilitation needs and priorities

Problems: Speakers expressed the need to address legal issues in connection with electronic commerce in a multilateral context. The importance to promote EDI nationally and to use UN/EDIFACT as the common standard for EDI was highlighted.

Speakers suggested governments to consider:

- contributing to the work under UN/EDIFACT to develop a more open, easier to use, standard that will further facilitate the use of EDI over the internet for trade transactions;
- the implementation of cryptography rules such as the 1997 OECD Guidelines for Cryptography Policy;
- increased use of EDI between regulatory authorities and with private firms;
- working towards multilateral solutions on payments, tax liability, legal, and social issues arising from the use of Electronic Commerce.

B) 2001 Workshop on Technical Assistance and Capacity Building in Trade Facilitation

The Workshop's goal was to provide for a forum to exchange views among all relevant parties on the role of technical assistance and capacity building in trade facilitation. Members were given the opportunity to share their experiences, take stock of past and present assistance programs and assess the expertise of the various providers of technical assistance. A compilation of the presentations and discussions of this workshop can be found in G/C/W/297. Indications of trade facilitation needs and priorities have been taken from what has been described as essential for the advancement of trade facilitation and related assistance as well as from what has been identified as future challenges in this area. It should be noted however, that, in accordance with its focus on technical assistance issues, many of the points raised regarding needs and priorities relate to technical assistance and capacity building rather than trade facilitation as such. Like in the case of the 1998 Symposium, this section follows the structure of the workshop, grouping interventions in four panels.

Panel 1 - Overview of technical assistance activities by international organizations: Main points related to trade facilitation needs and priorities¹

Speakers underlined the importance of:

- using effective selectivity methods and implement international instruments and conventions which simplify and harmonize procedures;
- political will at the highest governmental level to introduce reforms and to extend attention beyond the initial approval to the implementation phase;
- involving all stakeholders in all phases of the trade facilitation process;
- joint effort and cooperation amongst all international and regional organizations involved in trade facilitation as well as with national customs administrations;
- coordination and exchange of information among donors;
- enhancing co-operation between customs administrations and trade officials;
- transforming customs administrations into customs services;
- eliminating outdated procedures and multiple non-standardized documents;
- fostering the "software" dimension of international trade and transport;
- revenue control strategy based on risk assessment and selective controls targeted at high-risk goods and enterprises as well as effective post-clearance controls;
- harmonizing data elements;
- introducing single window and one-step solutions;
- aligning domestic legislation and procedures with international standards;
- setting up a sound resources management system;
- existence of a transparent legal framework;
- reducing tariffs and making them less complex.
- increasing border control capacity;
- undertaking long-term institutional and policy reforms beyond political cycles;
- fighting corruption;
- reforming the business process;
- developing and implementing specific tools;
- strengthening institutional capacities of recipient countries;
- ownership factor;
- focussing on implementation across WTO disciplines beyond seminars;

Panel 2 – Overview of technical assistance by donor Members: Main points related to trade facilitation needs and priorities

Speakers underlined the importance of:

- Increasing coherence and transparency;
- Better sequencing and synchronization of assistance programs;
- Building trust among customs;
- Applying information technology to assess the risk of a cargo;

¹ Identical points raised by speakers in various panels will only be mentioned once when first addressed.

– Building up a database to store relevant information;
– Integrating customs procedures into international standards;
– Cooperation amongst various government agencies;
– Involving other governmental agencies and the private sector;
– Encouraging the private sector to work directly with governments and donors to support capacity building;
– Establishing direct links between customs officers and agencies in donor and recipient countries;
– Basing any assistance project on a plan;
– Identifying means by which to deliver technical assistance;
– Need to prioritize assistance and consider the sometimes limited absorption capacity of a recipient;
– Measuring and comparing technical assistance against international norms;
– Support to be demand-driven;
– Selecting programs in accordance with a country's level of development;
– Flexible assistance which is tailored to the particular needs of the recipient country.
– Providing maintenance and follow-up monitoring of assistance projects;
– A sustainable knowledge transfer;
– Avoiding conflicting training;

Panel 3 – Overview of experiences by recipient Members: Main points related to trade facilitation needs and priorities
Speakers underlined the importance of:
– Creating a balance between customs control and trade facilitation;
– Computerized transactions;
– Implementation of new customs software;
– Approaching changes carefully, taking into account the implications for both individuals and groups within the entity to be reformed;
– Having the top management leading the reform during the whole transition process;
– Comprehensive insight into the problems at the highest levels of political administration;
– Communication; Nature and motivation for the change as well as expected benefits needed to be communicated to all stakeholders at an early stage;
– Intensive training;
– Monitoring and reinforcing the process of change and responding immediately to emerging difficulties;
– Expanding e-commerce technologies;
– Preparation for risk management;
– Flexible strategies;
– Clear vision, sound strategy and sound project management;
– Facilitation communication between bilateral donors and international organizations by agreeing on a single set of rules at an early stage;
– Introduction of new systems to speed up the clearance process;
– Introduction of a new SAD-based bill of entry;

– Having systems that are extensible and easy to maintain;
– Taking proper account of local dynamics, and having region based programs;
– Support from both public and private institutions;
– Making economic modeling an integral part of assistance programs;
– Evaluation process which adequately addresses scope, implementation and true impact of projects;
– Highly qualified personnel appropriately equipped;
– Having the right people to ensure implementation
– Having same dedicated staff employed throughout all stages of the project;
– Constant commitment by all parties involved; and caring about the motivation of the people involved in implementation.

Panel 4 – Roles for private sector participation in technical assistance and capacity building: Main points related to trade facilitation needs and priorities
Speakers underlined the importance of:
– making trade facilitation strategies part of any national liberalization and overall development policy;
– governments becoming the agents of change;
– not only focussing on material and infrastructural matters but also look at the human factor;
– not simply translating a process from one country to another, but taking into account the local circumstances;
– opening countries to foreign direct investment;
– creating a new culture in both public administration and the private sector;
– seeing modernization, reform and the adoption of new processes as dynamic rather than static processes;
– recognizing that any strategy needed to be subject to continuous change;
– knowledge transfer;
– legislative stability;
– obtaining market information on potential export countries;
– transparent payment processes for customs, duties and fees;
– a centralized, internet accessible database for relevant information and a centralized site for international document creation;
– focusing on achievable targets;
– competitiveness;
– creating adequate industrial policies based on more accurate export and import data;
– secure and reliable networks connecting different enterprises;
– strong leadership of the local governments concerned;
– participation of local experts with operational know-how;
– backup from industrialized nations in terms of financing;
– efficient technology transfers through the participation of private enterprises with experience in similar projects.

D). Relevant submissions by other organizations

Three documents by other organizations have been submitted to the Secretariat and circulated as CTG documents since the Singapore Ministerial Conference. Two of them (one by UNCTAD and one by the UN/ECE) outline the respective organization's work in the area of trade facilitation without addressing Members' trade facilitation needs and priorities as such. The remaining paper (G/C/W/230, by UNCTAD) deals with transit problems for landlocked developing countries. Its main findings relating to trade facilitation needs and priorities are outlined in this section.

Transit problems for landlocked developing countries: Main points related to trade facilitation needs and priorities
The paper highlights the importance of:
– eliminating existing physical bottlenecks such as inadequate port facilities and rail or road infrastructures, poor transport equipment, insufficient telecommunication facilities, as well as any remaining non-physical barriers to the smooth movement of transit goods;
– an efficient economic and environmentally sound national and international transport system;
– enhancing flexibility in the sense of being capable to adapt to variations in consumer demand and unforeseen circumstances;
– raising speed and reliability of delivery of goods;
– reducing excessively high transport costs inflating consumer prices of imported goods and undermining landlocked countries' competitiveness of exports in foreign markets;
– improving inadequate infrastructure and poor utilization of assets;
– reducing cumbersome government regulations and procedures in both landlocked and transit developing countries;
– improving inefficient transport, harmonizing transport policies and adopting common technical standards and legal principles;
– streamlining and harmonizing customs and administrative procedures and documentation;
– addressing imbalances of trade;
– of effective and close cooperation and collaboration between landlocked developing countries and their transit neighbors at regional, sub-regional and bilateral levels;
– considerable financial resources for improving the transport infrastructure;
– assistance in negotiating and/or implementing bilateral and regional agreements and arrangements;
– assistance in institution building and human resource development in the transit sector and development and implementation of customs and transport information systems;
– of strengthening technical cooperation in favor of developing countries.