

WORLD TRADE ORGANIZATION

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Council for Trade in Goods

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TRADE FACILITATION

Proposal by Japan

1. Japan considers that trade facilitation plays an important role in promoting the development of international trade and the world economy. Thus, we should like to propose hereby that the following work at the WTO be pursued, with due attention paid to avoid any duplication of the work carried out in other international organizations and to secure the fact that trade procedures in the various fields are able to fulfill their own policy purposes.

I. THE IMPORTANCE OF EXISTING WTO AGREEMENTS IN RELATION TO TRADE FACILITATION

A. SECURING THE IMPLEMENTATION OF EXISTING WTO AGREEMENTS

2. In Japan's opinion, the following existing WTO Agreements are relevant to trade facilitation:

- Agreement on Technical Barriers to Trade
- Agreement on Implementation of Article VII of the GATT 1994 (Customs Valuation)
- Agreement on Preshipment Inspection
- Agreement on Rules of Origin.
- Agreement on Import Licensing Procedures
- General Agreement on Trade in Services
- Agreement on Trade-Related Aspects of Intellectual Property Rights
- Article VIII of the GATT 1994 (Fees and Formalities connected with Importation and Exportation), and
- Article X of the GATT 1994 (Publication and Administration of Trade Regulations).

3. To facilitate trade, it is most important that these agreements are securely implemented. Discussions on the relationship between the above agreements with trade facilitation, including the issue of implementation, are already under way in the individual Committees in charge; the results of these discussions will serve as valuable input into the work on trade facilitation itself. The review of the PSI Agreement, a thorough implementation of the Customs Valuation Agreement and the harmonization of rules of origin are among the key points of interest for Japanese industry.

4. We would therefore like to propose that we start examining what exactly is needed to secure a thorough implementation of these existing agreements. Needless to say, the work currently going on at the WTO should also be pursued vigorously.

5. With regard to specific agreements, Japan would like to suggest the following:

(a) Agreement on Customs Valuation

6. There is an urgent need to discuss the necessary measures, including technical assistance, to make it possible for Members to promptly take domestic measures consistent with the Customs Valuation Agreement upon expiration of the grace period.

(b) TRIPs Agreement

7. Japanese exporters face the problem of the massive circulation of goods in some markets where trademarks and designs have been copied. This has proved to be a major obstacle to the facilitation of the trade of authentic products. Discussion should, therefore, be made to secure implementation of the TRIPs Agreement.

(c) Agreement on Import Licensing Procedures

8. The use of the electronic processing and electronic data interchange (EDI) can simplify and streamline import licensing procedures. If necessary, discussion should be made over the possibility to expand the scope of the agreement to cover this aspect.

(d) TBT Agreement

9. As each importing country has its own safety standards, environment protection standards and product standards, exporters have to carry out some burdensome preparatives for different documents specific to the country of destination. This in turn hinders the smooth flow of trade. Thus it might be useful to harmonize the standards. Some standards are the result of a specific situation in an importing country, therefore, it may not be appropriate to aim at harmonizing all standards, but rather to check whether there is room to deal with this issue under the framework of the TBT Agreement.

(e) Other Agreements

10. Further discussion should also be pursued regarding other relevant agreements by the individual Committees in charge.

B. ELEMENTS TO SUPPLEMENT THE EXISTING AGREEMENTS

11. To facilitate trade, the entire importation procedures, starting from the arrival of cargo at the border through to the receipt of the cargo by the resident, need to be streamlined. The existing WTO Agreements do not, however, necessarily provide enough disciplines regarding the procedural aspects, including the harmonization and simplification of the different procedures.

12. We would therefore like to propose that work to supplement the existing agreements be started to examine what kind of additional elements regarding the procedural aspects are needed and what kind of procedures are appropriate to substantiate the existing Agreements. In conducting such work, due attention needs to be paid to avoid duplication with work being done in other WTO Committees or international organizations.

C. STUDY ON THE PROCEDURES WHICH ARE NOT COVERED BY THE EXISTING AGREEMENTS

13. If there are procedures not covered by the existing agreements, a survey should be conducted on the work carried out in other international organizations on the examination of such procedures. Depending on the results, a further study could be made as to the role of the WTO, cooperating, if necessary, with the relevant international organizations and ensuring consistency within the work.

Again, attention should be paid to the current implementation of agreements or arrangements prepared by other international organizations, to the work being carried out in these international organizations for preparing any further agreements or arrangements, to the nature of the procedures at issue, and to the avoidance of duplication.

II. FURTHER USE OF ELECTRONIC PROCESSING

14. The most important objective of the trade facilitation exercise is to reduce the burden on the parties engaged in trade. Thus the application of electronic processing and EDI is essential in order to enable smoother and faster trade procedures. In Japan, in order to reduce such burdens, customs procedures for clearance, storage and transportation of cargo have been improved through introducing EDI and enhancing the system. Moreover, developing the systems of other import/export procedures and port procedures has also been initiated for introducing EDI.

15. The electronic processing of trade procedures allows more speedy data submissions, simplifies such submission of data, and thus reduces time and cost in the various areas relating to trade procedures, thereby significantly contributing to the facilitation of trade as a whole.

16. Japan would like to propose that a study be conducted on the role that the WTO can play to help contribute to a wider use of electronic processing, including to encourage the adoption of international standards, such as the UN/EDIFACT.

17. It is important to secure transparency in trade procedures and also to aim at reducing as much as possible the number of offices with which exporters and importers need to deal. To achieve this objective, however, establishing a single agency to deal entirely with the trade procedures is not the only solution. It would, therefore, be more important to reduce the burden on exporters and importers that can be attained by Members through simplifying and streamlining procedures by way of electronic processing and EDI, rather than through a reduction in the number of agencies involved.

III. TECHNICAL CO-OPERATION

18. To facilitate trade, it is important to use electronic processing and to build on human capacities. For developing country Members, including the LDC Members, an inadequate infrastructure for electronic processing and a shortage in the necessary human resources can hinder the effective facilitation of trade. Technical co-operation can be made both in the areas of infrastructure-building, such as the application of electronic processing, and of the training of officers dealing with trade procedures and also of exporters/importers. It is important that technical co-operation be provided to developing countries both in hard and software.

19. Japan would like to propose that the WTO begin thinking about what kind of technical co-operation it can provide to developing country Members who face difficulties in facilitating trade, in co-operation with the relevant international organizations, such as the UNCTAD.

20. Such technical co-operation may include securing the implementation of the relevant existing WTO Agreements, including the Customs Valuation Agreement whereby grace periods are provided to developing country Members. For example, seminars have been organized and experts have been sent from developed countries to developing countries, in the framework of the Customs Valuation Agreement. We would like to propose that a study be made on the possibilities of further co-operation by the WTO.

21. Japan has been conducting seminars for customs officials from developing countries, has been receiving trainees, and has been sending experts to support the implementation of agreements such as the Customs Valuation Agreement and the TRIPs Agreement.

IV. INCREASED TRANSPARENCY

22. The principle of transparency requires importers and exporters to have easy access to the various procedural requirements related to trade. We would like to propose that the WTO study the possibility of establishing a database to allow such easy and transparent access to the various procedural requirements by the Members.
