

Negotiating Group on Trade Facilitation

COMMUNICATION FROM NEW ZEALAND

The following communication, dated 2 June 2006, is being circulated at the request of the Delegation of New Zealand.

OBJECTIVE CRITERIA FOR TARIFF CLASSIFICATION

1. With a view to helping the Trade Facilitation negotiations progress, we submit for consideration key elements of existing proposals for a commitment to provide objective tariff classification decisions. We also identify elements relating to special and differential treatment and technical assistance and capacity building.

A. KEY ELEMENTS OF PROPOSALS

- Requirement to apply criteria for the tariff classification of goods so that such classifications are not arbitrary or unjustifiable and do not constitute a disguised restriction on international trade.
- The uniform application by WTO Members of the World Customs Organization's Harmonised Commodity Description and Coding System ("HS Convention") for all trade is a means of achieving the requirement above. Tariff classifications pursuant to the HS Convention would be presumed to comply with that requirement.

B. SPECIAL AND DIFFERENTIAL TREATMENT AND TECHNICAL ASSISTANCE AND CAPACITY BUILDING

- The HS Convention is applied by 192 economies (including all WTO Members) representing more than 98 per cent of the merchandise in international trade.
 - For developing-country Members, especially least-developed countries, there may be a need for transition periods to allow for the amendment of relevant rules and to allow for capacity constraints to be addressed, for example through training customs officials on how to apply the HS Convention. Technical assistance and capacity building may be needed.
 - Developed countries and international organizations (including the WCO, the World Bank, UNCTAD) can respond to requests for technical assistance.
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