

WORLD TRADE ORGANIZATION

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PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Trade Facilitation

Communication from Japan

The following communication, dated 16 July 1999, has been received from the Permanent Mission of Japan.

Proposal

1. Japan considers that trade facilitation plays an important role in promoting the development of international trade and the world economy, and that it will benefit all trading parties, including the private and government sectors of developed and developing countries. We would like to propose that the work at the WTO be pursued with due attention being paid to avoid duplication of that carried out in other International Organizations and also to ensure that related trade procedures in the various fields are able to fulfil their own policy purposes.
2. Considering the globalization of trade and economy, it is essential to promote trade facilitation not only in certain developed countries but also in the WTO Members countries as a whole, including developing countries. Thus, measures which all Members, especially developing country Members, can adopt should be examined.
3. Japan, therefore, proposes to examine first how to secure implementation of the existing WTO Agreements which developing countries have difficulties in implementing and also have interest in discussing. A supplement to the existing WTO Agreements should also be studied based on such examination. Technical assistance is important and measures to promote such assistance should also be analysed.
4. Regarding areas not covered by the existing WTO Agreements, it is essential to proceed with discussions by carefully observing the work carried out in other international organizations in order to promote efficiency in both work and resources. The measures considered should be feasible for all WTO Members. It should also be fully discussed whether or not it is appropriate to apply dispute settlement procedures and to impose trade measures for compensation or a suspension of concessions.
5. Regarding how this matter should be managed in the next round of negotiations, it is necessary to hold further discussions.

Background

Ensuring full implementation of the existing WTO Agreements

6. In order to allow trade facilitation to progress, it is vital that not only developed country Members, but also developing country Members join the initiative. It is important that all Members, including developing country Members, can implement the existing WTO Agreements relating to trade facilitation. Thus, discussion should be held on how to secure the necessary measures in the WTO; for instance, technical assistance schemes for expert missions and training courses that not only explain in general, but also solve concrete problems, including that on the system for implementing the WTO Agreements.

Elements to supplement the existing WTO Agreements

7. Regarding trade facilitation, it is necessary to facilitate the entire sequential procedures, from the arrival of goods at the border through to free circulation in the domestic market. However, the existing WTO Agreements on related issues does not necessarily provide for adequate procedural provisions. Furthermore, provisions on the harmonization and simplification between procedures are lacking.

8. For example, a provision exists for appeal procedures in the Customs Valuation Agreement; however there is no such provision in the TBT Agreement. Therefore, how to supplement the existing WTO Agreements on issues related to trade facilitation should be fully examined by studying the differences between each trade facilitation aspect in every part of the Agreement through identification of which points are insufficient and avoiding duplication of the work of existing WTO Committees and other International Organizations.

9. Considering the importance of the automation of procedures and the EDI, the following provisions can be included:

- Simplifying and achieving efficiency through measures, such as by the automation and the introduction of the EDI as well as the harmonization of formats requested, for procedures.
- Realizing an appropriate and quick clearance by a substantive single window by way of automation and introduction of the EDI, thereby adjusting to the provisions of each Agreement.
- Establishing a necessary framework for technical co-operation.

Technical Cooperation for Trade Facilitation

10. Automation and human resource development are key elements for facilitating trade. However, the lack of infrastructure for automation and human resources have become obstacles for promoting trade facilitation in developing countries. In the WTO, measures of technical assistance for promoting such automation and capacity building as human resource development should be examined in co-operation with the relevant International Organizations such as the UNCTAD.

Areas which are not covered by the existing Agreements

11. It is necessary to proceed with the discussions in the WTO by carefully observing the work carried out in other International Organizations to promote efficiency in both the work and resources of the WTO.

12. If necessary, based on the result of such observations and discussions, the role of the WTO should be studied, taking into consideration the situation of implementation or the examination of agreements in other International Organizations, the character of procedures and the avoidance of duplicating work. Such analysis should be made in full cooperation with other International Organizations and should call for consistency throughout.

13. In discussing the integrated framework for trade facilitation, the following points should be taken into consideration:

- The framework must be feasible for all WTO Members, including developing country Members.
- It is essential to fully discuss whether it is appropriate or not to apply dispute settlement procedures in areas which are not covered by the existing WTO Agreements in case where developing country Members face difficulties to implementing the integrated framework due to a lack of capacity.

Transparency

14. Regarding transparency, trade operators should be well informed of the matters required concerning the necessary procedures related to trade. We would like to propose an examination for the establishment of a database to allow easy access to the matters required in regard to Members' procedures.
