

# WORLD TRADE ORGANIZATION

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## PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

### Negotiations on Trade Facilitation

#### *Communication from Switzerland*

The following communication, dated 20 July 1999, has been received from the Permanent Mission of Switzerland.

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#### **Proposal**

1. Negotiations shall aim to set up an effective and adequate multilateral framework of guidelines, rules and disciplines based on the existing WTO fundamental principles, in order to optimize the trade benefits achieved by lowering customs duties and to reduce the distortions and impediments to international trade generated by diverging and less efficient procedures and requirements in trade in goods and related services. Such negotiations shall duly take into account the work already undertaken on trade facilitation in relevant WTO bodies and in other international fora.

#### **Background**

2. The different customs procedures and regulations applied at importation and exportation, combined with the extreme diversity of the transport, insurance, payment, etc. modalities linked with trade transactions, result in international trade operations being unnecessarily complicated and cumbersome. The simplification and harmonization of these procedures and regulations, particularly at the frontier, will help to make trade transactions considerably more efficient and, consequently, much less expensive, both for government services and for the economic operators. The work undertaken at the WTO since 1996 has demonstrated, on the basis of numerous concrete examples, the advantages of trade facilitation for developing countries, in particular thanks to recourse to new transmission and information technologies which make it possible not only to improve resource allocation but also to increase revenue from the collection of customs duties.

3. The work done so far in the various WTO bodies has also shown that there is a real need to facilitate international trade transactions. The existing instruments developed by the WTO and other international agencies are already a first step. Switzerland is of the opinion that the process should be taken further by formalizing everything within a multilateral framework which would have to be defined in the coming negotiations. The result would be greater security and greater predictability for exporters and importers. Moreover, combined with tariff reductions, multilateral trade facilitation rules would have the effect of improving market access for goods and promoting trade in services.

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