

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Trade Facilitation

Communication from Korea

The following communication, dated 1 September 1999, has been received from the Permanent Mission of Korea.

Introduction

1. The discussion and exchange of views on trade facilitation in the Council for Trade in Goods conducted in the past two years have highlighted the need to develop a WTO framework for trade facilitation. Korea believes that the WTO has a pivotal role to play in this area, in particular to coordinate the various efforts exerted by individual Members both at the regional and multilateral levels.

Review of the existing WTO Agreements related to trade facilitation

2. WTO Agreements such as the Agreement on Import Licensing Procedures and the Agreement on Rules of Origin and their provisions should be subject to amendment/revision to improve their ability to facilitate commercial exchanges. At the same time, this process should be done in close coordination with other organizations such as the World Customs Organization to avoid duplication.

Matters which possibly require new rules in relation to trade facilitation

3. In conjunction with the amendment/revision of the existing WTO Agreements, Korea regards the matters dealt with below as possibly requiring new rules within the WTO legal framework in relation to trade facilitation. New rule-making should nonetheless be confined to what is collectively recognized as essential so as not to impose too heavy a new burden on developing countries.

Simplification and modernization of customs procedures

4. There is little doubt that trade facilitation measures such as modernization and reform of customs procedure through the adoption of international standards and practices for documentation and data gathering, coupled with introduction of modern customs techniques by national customs authorities, will make it easier for countries to use resources more efficiently, improve revenue collection, and control better and increase trade flows.

Use of electronic media and Electronic Data Interchange (EDI)

5. The use of accelerated and simplified systems and EDI for imports and exports accelerates customs clearance and facilitates inspections of goods as the related data can be transmitted before the goods reach their destination, thereby also making it easier to collect customs duties and lowering overall transaction costs.

Technical cooperation

6. To put into practice the above-suggested ideas, greater technical cooperation is necessary. The future work programme on trade facilitation – encompassing all relevant WTO Committees – should thus devote due attention to technical assistance aiming at building capacity, both human and physical, in developing countries to help them reach a adequate level of automation and modernization in export/import administration.

Transparency of rules and regulations on trade and customs procedures

7. Laws, regulations, judicial decisions and administrative rulings of general application, made effective by any contracting party and pertaining to international trade and customs administration should be published in full and promptly in such a manner as to enable governments and traders to be acquainted with them.

8. As such, transparency is of utmost importance, as it enables both governments and traders to have access to formalities and requirements relating to trade and customs procedures. The introduction of a database constructed by and available to all WTO Members would in this sense be a useful contribution to greater transparency.

Conclusion

9. In view of the need to concretely address the aforementioned considerations and bearing in mind the benefits to all generated by more fluid trade flows, it is Korea's opinion that the trade facilitation issue should be listed on the agenda of the upcoming new round of trade negotiations. The multilateral forum that a new round represents is the optimal setting to discuss such issue and to build on the discussions already held on the subject in organizations such as the United Nations Conference on Trade and Development (UNCTAD), Asia-Pacific Economic Cooperation (APEC), World Customs Organization (WCO) and the United Nations Economic Commission for Europe (UN/ECE).
