



Confédération des industries agro-alimentaires de l'UE
Confederation of the food and drink industries of the EU

TCO/042/05E-Final

Brussels, 25 February 2005

CIAA's Priorities for WTO negotiations on Trade Facilitation

Simplification and harmonisation of international trade procedures and documentation is the core of trade facilitation. European Commission figures indicate potential costs savings by facilitating trade at around 4-5 percent of overall transaction costs. CIAA, the Confederation of the Food and Drink Industries of the EU welcomes the recognition of the importance of trade facilitation as the only Singapore issue carried forward as part of the Doha Development Round.

CIAA hopes for an ambitious outcome from the WTO negotiating group on trade facilitation. Relevant elements, agreements and legislation and in particular Articles V, VIII and X of GATT 1994 need to be adjusted to current requirements and technical possibilities and bound in multilateral rules in order to realise the full benefits of further trade liberalisation.

A simple and transparent trading environment will help all trading partners, but CIAA members are aware that any agreement should recognise the need and difficulties faced by developing countries. Differentiation in commitments, transitional periods, technical assistance and capacity building are important trade measures that assure supply of high quality inputs with proven security.

CIAA members firmly believe that the following aspects have to be given priority when reviewing trade facilitation provisions and GATT Articles V, VIII and X in upcoming negotiations:

CIAA priorities to GATT Article V – Freedom of Transit

- Specific problems concerning the **transit refusal of non-national transport operators** need clarification and the freedom of transit for third country vehicles has to be guaranteed.
- **Non-discrimination of different consignments** differing because of a good's characteristic should be ensured. CIAA understands that some measures are applied for legitimate public security, but a clear indication of sensitive products and consistent treatment is needed.
- Transit procedures could benefit from a general simplification of import and export documentations by **introducing international standards** and modernised custom procedures. Customs cooperation at regional level can be a way forward in order to introduce harmonised procedures.

CIAA priorities to GATT Art VIII – Fees and Formalities with importation/exportation

- CIAA members urge to **clarify "reasonable" fees and charges** mentioned in GATT Article VIII. Only those fees and charges that are the approximate cost of services rendered should be authorised, but not those aimed indirectly at raising protection or fiscal revenue. Fees or charges should be set in non-discriminatory and transparent manner; their number and diversity need to be limited. Fees and charges should be levied as fixed fees rather than calculated on an ad-valorem basis.

- Trade in food and drink products often involves different agencies dealing with customs, food safety, veterinary and phyto-sanitary issues and taxes. In general, CIAA believes that an **improved communication, a coherent and coordinated approach** to all provisions, procedures, formalities and requirements, applied to customs as well as to other agencies on sub-federal or regional level would bring many benefits. Specific regimes, such as tax related strip stamps, should be administered by the authorities concerned in such a way as to minimize "idle" storage times for goods concerned.
- The amount of **documentation and the data requirements** should be simplified and reduced to the necessary minimum. Legitimate policies using international standards and uniform domestic customs code should be enforced. The uptake of electronic documentation systems should be encouraged wherever possible.
- **Simplified release and clearance procedures**, including pre-arrival processing of declaration should be considered. This could be one means of anticipating and resolving problems with product valuation, often subject to subjective assessment and contest, notably when duties are set on ad valorem basis.
- WTO members should be encouraged to establish **centralised trading systems** (single window), following the principle of a **single one-time presentation**, from where all relevant documentation is submitted and routed to the appropriate agencies and government officials, whether their involvement relates to customs, food safety, quarantine, veterinary, phyto-sanitary or even tax matters. This could also prevent a number of goods now from being subject to recurring regular approval or licensing procedures that are particularly costly and unnecessary at such frequency. Enquiry points or trade desks should be established and accessible 24h a day, providing non-discriminatory information.
- CIAA favours several measures aiming to reduce processing time: progressive introduction of simplified and international standardised import and export procedures, simplified release and clearance procedures and standardised risk assessment method. Customs cooperation between agencies at national and international level should be promoted. "**Trusted trader schemes**" can offer fast track clearance procedures and reduced documentation requirements. Ideally these schemes should operate under international rules and standards with the aim of consolidating them into one system. Charges to join these schemes have to allow participation by all companies proving a secure supply chain and not only by those who can afford high costs.

CIAA priorities to GATT Article X – Publication, Administration of Trade Regulations

- CIAA sees a **need for non-discriminatory legal right of appeal** at national level against customs and other agency rulings and decisions in all stages of transport. While the outcome of an appeal is pending, goods should be released.
- **All relevant laws**, regulations and administrative guidelines relating to border crossing trade need to be **published** and made easily accessible, which is a priority need for SMEs. Information should be presented in a simple and accessible manner, possibly electronically, and not discriminating against non-national operators.
- Interested parties, government and private sector, should be **consulted on new legislation** and regulations, which should be accompanied by reasoned motivation. CIAA members agree that adequate time periods and prior consultation as already provided in TBT/SPS agreements would considerably improve the current situation.