



Trade Facilitation

Results of a Survey of FTA Member Businesses on Article VIII GATT on Fees and Formalities connected with Importation and Exportation

The aim of this survey was to determine which fees and formalities are hindering cross-border trade in goods in practice. The member businesses also commented on specific issues which can only make a limited contribution to the concrete implementation of Article VIII, but which are sufficiently important to warrant further follow-up.

Many of the members described problems related to individual cases, such as the absence of certificates of origin, issues related to certificates of conformity, etc. Such cases are not taken into consideration in the following account because they are not system-relevant. Furthermore, this account does not provide an exact statistical assessment of the survey. However, the order of the points does indicate how frequently they were mentioned.

1. Intra-trade statistics

Intra-trade statistics should be eliminated. The collection of these data has no recognisable worth for industry.

With respect to GATT: only those statistics should be gathered for which there is a concrete purpose. The users of statistics must indicate to what ends they are collecting the data.

2. Monitoring of imports of textiles and shoes from China

The arrangements for monitoring imports of textiles and shoes from China give rise, albeit temporarily, to a significant administrative workload. Once again, there would not appear to be any real use for this.

With respect to GATT: procedures for monitoring imports and exports should be based on statistically proven facts.

3. Documents of origin

Now that textile quotas have been removed, there would seem to be no real need for the use of documents of origin. Where a document of origin is required for the

application of trade policy measures, a declaration of origin on the invoice should suffice.

With respect to GATT: proof of origin should only be required in cases in which the goods concerned are subject to trade policy measures.

4. Submission of summary notifications

The imminent requirement to submit a summary notification prior to bringing a product into the customs area of the Community constitutes superfluous red tape. It is doubtful whether the aim of this measure, i.e. to prevent imports of hazardous goods, is in fact achieved.

5. Levying security charges

The security charges levied by shipping companies are unjustifiably high. These charges are not imposed by governments. In Germany, the Federal Monopolies Office [*Bundeskartellamt*] has already looked into this issue.

6. Comprehensive container checks

The cost and time aspects of container checks, in particular in the ports of Antwerp and Rotterdam, are disproportionate to the security gains achieved. The delays caused by such checks can be significant.

This point is closely correlated to the prior notification outlined under point 4. Both measures are intended to enhance the security of foreign trade. This is an issue that is of particular importance to the USA. For this reason, it may be difficult to withdraw such measures again, even if in fact they only contribute to enhancing the security aspect of foreign trade on paper.

7. Classification of products

The product classification systems used by the Member States as part of the combined nomenclature are still not uniform. This means that binding customs rates are not upheld in all of the EU Member States, resulting in turn in unnecessary delays when dispatching the goods concerned. The Commission is striving continuously to introduce uniform classification of goods, but new product developments in particular continue to be placed into diverging categories.

8. Exports to Russia

Various products exported to Russia are subject to full prior certification by the Russian Authority for Standardisation and Certification GOSSTANDART. The checks carried out cost a lot of time and money. Although Russia is (still) not a member of the WTO, internationally applicable quality standards should also be recognised there.

9. Other points raised

- a. Where procedures are amended, the transition period should be sufficiently long.
- b. When issuing import licences, newcomers must not be given preferential treatment over traditional importers.
- c. Statistics should be done away with altogether. However, this would equate to an unrealistic ban on all foreign trade statistics.
- d. Turkey demands additional certification for current-carrying products, even where these bear the European conformity logo.
- e. Turkey has once again imposed textile quotas on China, even though this violates the treaty on the implementation of the customs union.
- f. In some cases, the Chinese, Russian and Ukrainian customs authorities determine the customs value of goods in an arbitrary manner and take irrelevant elements into account (financing costs, purchase commission). Customs clearance procedures in these countries, as well as in India and Moldova, are excessively bureaucratic and time-consuming.

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