

WORLD TRADE ORGANIZATION

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WORLD CUSTOMS ORGANIZATION

Statement Circulated by Mr. James W. Shaver,
Secretary General
(As An Observer)

The World Customs Organization extends its sincere congratulations to the World Trade Organization as it celebrates the 50th Anniversary of the signing of the General Agreement on Tariffs and Trade.

The foresight and vision of GATT in establishing international rules for the conduct of world trade continues to be reflected today in the work of the WTO as it energetically pursues the means to help international trade move more freely. Through its stewardship of the implementation of the Uruguay Round's progressive framework to reduce tariff barriers within a multilateral trading system, the WTO is providing essential stimulus to an increasingly globalized international trade.

Hand in hand with this tariff reform, is a drive to reduce non-tariff barriers in the Customs environment which can frustrate the delivery of the significant benefits that globalized trade can deliver to national economies. The WCO and the WTO are working together to improve the efficiency of Customs procedures around the world to ensure that Customs intervention in the global trade process is beneficial to individual sovereign States and facilitative to international trade.

Our partnership is characterized by the development of highly effective international instruments and rules that during the new Millennium will provide the means to ensure that Customs role in the international trade process is simple, fair and predictable. The use of the WCO Harmonized Commodity Description and Coding System; the GATT/WTO Valuation Code; the Rules of Origin which are currently being developed by the WCO and the WTO and the WCO revision of the Kyoto Convention on the Simplification and Harmonization of Customs Procedures which is due for completion in 1999, will together provide all our 146 Member Customs administrations with a blueprint to reduce unnecessary impediments to legitimate international trade.

WTO Director-General Ruggiero recently said "We have to take advantages of the new equalizer potential of the borderless technologies to permit least-developed countries to accelerate dramatically their human and economic development". The WCO agrees with Mr. Ruggiero and, with its unique expertise in the international trade process, wants to be a full partner with the WTO and other international organizations, in the effort to assist lesser-developed countries.

In doing so, this partnership would positively influence wealth creation and provide assurance to the collection of revenue which are both cornerstones to establishing a robust infrastructure upon which to build national prosperity and development.

A dynamic issue in the area of trade facilitation is the growing international alarm at the increased incidence of transnational crime. Drug trafficking, commercial fraud, the trafficking in nuclear material and other material that endangers the environment, trade in endangered species, smuggling of people and other criminal enterprises that cross frontiers have all been the subject of statements of concern by many States and international organizations.

For the foreseeable future, delivering social protection to the citizens of the world is likely to remain of paramount importance for the Customs administrations of many States. There is nothing novel about that - governments have always used Customs as a bulwark against such risks but the demands and policy imperatives are increasing as States seek to protect and insulate their communities from the effects and scale of the new threats. Customs is the institution upon which governments rely to assert their sovereignty at national borders.

It is paradoxical that the effective management of these worrying risks creates a unique opportunity for Customs to make a major contribution to trade facilitation. However, compliance regimes based on smart, modern philosophies of risk assessment when linked to "state of the art" automated processes and the use of internationally recognized best practices are critical to creating an efficient global trade environment. Such techniques, built around information based selectivity, mean that Customs intervention will be beneficial to both the national security interest while permitting legitimate trade to proceed quickly across national frontiers. Modern Customs techniques also assist the maintenance of a level playing field in global trade by the fair and effective enforcement of international trade rules.

The business of Customs is complex and based on a number of critical interdependencies. The partnership between compliance and facilitation is the most important of these. Concern about transnational crime does not diminish the desire for simplified, swift, inexpensive and efficient Customs procedures which Ministers expressed so cogently in the UNCTAD Columbus Ministerial Declaration on Trade Efficiency. Indeed, it gives greater urgency to developing solutions which will permit Customs to identify and respond to those Customs transactions that present a serious risk while reducing intervention for legitimate traders and travellers.

In some instances, the reform necessary to enable a Customs Administration to effectively implement recognized international instruments, automated solutions and best practices requires a holistic approach to organizational change. Modern legislation, effective human resource policies incorporating integrity programmes, soundly based organizational structures, a service based culture, the provision of high tech inspection aids are all examples of critical elements that are the mark of a high quality Customs administration.

It is for that reason that the WCO has developed a comprehensive and imaginative Customs Reform and Modernization programme which provides an effective integrated framework to guide a Customs administration seeking to embark on a programme of reform. The WTO has provided considerable encouragement to the WCO in the development of our CRM programme which is now delivering some very impressive improvements in trade facilitation in a number of our Member States.

This odd partnership between compliance and facilitation is also underpinned by the special partnerships that the WCO has with fellow intergovernmental organizations such as the WTO, UNCTAD, World Bank, IMF and the other private international organizations representing commercial interests engaged in international trade.

Against the background of an ambitious trade agenda that will increasingly focus on the other issues that distort free and fair trade, the international Customs community stands ready to continue to work creatively with the WTO to refine, then lock into place the considerable advances that have been made in improving global trade facilitation. By shaping a Customs environment that is a coherent and positive influence on honest international trade, both the WCO and the WTO will make an enormous contribution to the economic and social well being of peoples in both the developed and developing world.
