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**PROGRESS REPORT ON THE INTERSECRETARIAT
COLLABORATION BETWEEN CEFACT AND WTO**

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Note by the CEFACT Secretariat

1. Introduction

Since the establishment of CEFACT in late March, the work of UN/ECE on trade facilitation has been widely recognized by the international trade community and in particular by multilateral organizations such as WTO. In the latter's Council meeting held in July 1997, the support for the ECE's work on this issue has been expressed by a number of delegations ranging from the European Union to Mexico, Nigeria and Egypt, among others. It depicts the global nature of CEFACT's activities. The present paper has been prepared to serve as a reference regarding the ongoing work being undertaken by the CEFACT secretariat with respect to the intersecretariat collaboration with WTO in the area of trade facilitation.

2. Background

In the WTO Singapore Conference in December 1996, Ministers directed the Council for Trade in Goods (CTG/WTO) to undertake exploratory and analytical work, drawing on the work of other relevant international organizations, on the simplification of trade in order to assess the scope for WTO rules in this area. (WT/MIN96/DEC) The importance of the issue was recognized by a number of delegations who indicated that the achievement of trade liberalization agreed in WTO is frequently minimized in practice owing to the unnecessary formalities encountered at customs, insurance, transport and administration level. Thus, liberalization and facilitation can be considered as two interdependent elements for the promotion of international trade. Viewed from the perspective of international markets, trade facilitation is an integral part of "market communication" which complements the other two aspects of the multilateral trading system: "market access" and "market presence". In effect, recently many regional economic fora have been attaching more importance to the trade facilitation issue, as exemplified by the APEC, EU, ASEM and NAFTA.

3. CEFACT/ WTO Intersecretariat Cooperation

- Council for Trade in Goods meeting of WTO on trade facilitation, 11 June 1997

The first comprehensive report on trade facilitation was prepared by the WTO Secretariat for circulation during the 11 June 1997 meeting of the CTG/WTO in which UN/ECE's activity was recorded together with other international organizations working in the area, such as UNCTAD, WCO, UNCITRAL, IMO, ESCAP, ICAO, OECD, ITC, the World Bank, and ISO. (G/C/W/80).

- Informal meeting on trade facilitation among WTO/ECE/UNCTAD/WCO/ICC, 16 July 1997

At the invitation of Mr. A. Hoda, Deputy Director-General of WTO, UN/ECE participated along with WCO, UNCTAD and ICC in an informal meeting to have an exchange of views on trade facilitation. The meeting was held at WTO on 16 July 1997. UN/ECE was represented by Dr. Carol Cosgrove-Sacks, director of the ECE Trade Division; Mr. Ray Walker, Vice-Chair of the CEFACT and Mrs. Christina Wallen-Rahlen, from the Steering Group of the CEFACT, respectively; and Dae-Won Choi, ECE Trade Division's liaison officer with WTO.

At this meeting, Mr. A. Hoda explained that the WTO is mainly concerned with broad principles such as transparency, most-favoured-nation treatment, non-discrimination among others, and does not at this time intend to carry out technical work in trade facilitation which could duplicate the work being undertaken in other international organization. In this connection, UN/ECE made a suggestion that a framework of cooperation among relevant international organizations be established in the future. This suggestion was welcomed by all participants in the meeting.

- Council for Trade in Goods meeting of WTO on trade facilitation, 21 July 1997

A broad range of issues on trade facilitation has been discussed by the WTO Members in this meeting. The following is the preliminary synopsis of the topics which were brought to the attention by the delegations such as the US, EU, Mexico, India, Korea, Nigeria, Canada, Hong Kong /China, Japan, Morocco, and Malaysia. Firstly, the discussion centred around the definition and scope of trade facilitation, in particular on the scope of trade procedures: whether its focus is on the international trade transaction (ITT) modelling issues, or also on other multilateral trading procedural issues. Secondly, the need for the use of electronic data interchange (EDI) and its international standard (UN/EDIFACT) was emphasised. Finally, the work of the WTO in this area was discussed on how to contribute to the existing work carried out by other international organizations by adding value and without duplicating the work.

- Communication on Trade facilitation from the European Communities

In the communication dated 5 August 1997, submitted by the Permanent Delegation of the European Communities to the WTO (G/C/W/85), the central role of the WTO has been suggested as adopting recommendations drawn up by the UN/ECE, particularly on standards on documentation and information. Other areas mentioned in the EU paper, which are relevant for future collaboration between UN/ECE and WTO in this context, are the provisions to increase the transparency of rights and obligations by authorities and traders; definition of a common data set to constitute the necessary information requirements for both import and export; and provisions to promote the acceptance of the use of information technology as an equivalent to paper-based procedures and international standards to facilitate the use of electronic data interchange.