

FIATA

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Position Paper

FIATA is a non-governmental organisation representing the interests of the vast majority of logistics and freight forwarding services enterprises. FIATA has consultative status with several United Nations bodies and is recognized by many inter-governmental, governmental and private organizations worldwide.

In the role they play as organizers of the supply chain and principals of customs transit procedures, our Members - approximately 40.000 companies employing around 8 to 10 million people in 150 countries - have a specific interest in the rules and procedures governing international transit.

FIATA took note of the progress in the WTO Doha Trade Facilitation negotiations relating to freedom of transit, as shown in the last review of the draft consolidated negotiating text (document TN/TF/W/165 Rev2 dated 4 May 2010).

FIATA's Members were surprised that a number of issues, which should be considered as achieved on the basis of Article V of the GATT 1994, are now marked as unresolved (in square brackets). These include:

- The possible out-scoping of consignments being transhipped (Para. 1.4);
- The possible introduction of exceptions to the application of the non-discrimination principle exception on the basis of bilateral or multilateral agreements (Para. 2.1);
- The possible introduction of the "need of protection and maintenance of transit infrastructure" as a ground for restricting transit freedom (Para. 3.2)
- The possible introduction of the right to divert from non-discrimination principles for commercial reasons (Para 3.3 (a))
- The possibility of 'suspending' customs duties instead of exempting them ((Para. 4.3 (a))

FIATA encourages the negotiating partners, in their mutual interest and in the interest of trade and welfare, to make further steps in the liberalisation of transit. The proposed inclusion of simplified and expedited treatment at border crossings (Para. 5.3) as well rules on guarantees (Para 6), in our opinion, are an illustration of how one can move in the right direction. Overall, however, the document unfortunately exudes little ambition.

We are also of the opinion that questioning consolidated principles of facilitation is indirectly creating the conditions for protectionism to re-emerge. As we all know protectionism is the greatest temptation in trading relations and the greatest danger to nations' wealth created by free trade. It is very important that UN bodies and all international organisations maintain their policy action well above these temptations that would eventually push our society backwards.

Glattbrugg, July 5, 2010 JCD/Sa