



**United Nations
Conference
on Trade and
Development**

Distr.
LIMITED

TD/L.387
17 June 2004

Original: ENGLISH

Eleventh session
São Paulo, 13–18 June 2004

**TRADE AND TRANSPORT FACILITATION:
BUILDING A SECURE AND EFFICIENT ENVIRONMENT FOR TRADE**

Interactive Thematic Session

17 June 2004 – Summary prepared by the UNCTAD secretariat

1. The session was chaired by His Excellency Enrique A. Manalo (Philippines). The high-level panel that provided an introduction to the topics consisted of:

- **H.E. Dato' Ahmad Husni Mohamad Hanadzlah**, Deputy Minister of International Trade and Industry, Malaysia;
- **Mr. Jayson P. Ahern**, Assistant Commissioner, Office of Field Operations, US Customs and Border Protection;
- **Mr. Issa Baluch**, President, FIATA and CEO, Swift Freight International, Dubai, United Arab Emirates;
- **Mr. Kunio Mikuriya**, Deputy Secretary-General, World Customs Organization;
- **Mr. Marc Juhel**, Transport and Logistics Advisor, World Bank.

2. In his intervention, the Deputy Minister of International Trade and Industry, Malaysia, underlined the importance of adequate transport services for the development of foreign trade and stressed the high quality of transport infrastructure and services available in his country. He also referred to the need to meet both national and international security requirements in the transport area.

3. The representative of US Customs and Border Protection explained the most recent developments with regard to US security requirements, in particular the 24-Hour Advance Manifest Rule, the Trade Act of 2002, the Container Security Initiative (CSI) and the Customs-Trade Partnership Against Terrorism (C-TPAT). He stressed the importance of improved risk management in all areas of trade and transport security.

4. The President of FIATA stressed that government regulations and backing are important to a nation's economy and to its trade logistics systems. He indicated that to become competitive and stay competitive in the global economy, a nation must have the ability to support global supply chains in an environment of minimal red tape and bureaucracy. Governments must change their paradigms:

instead of tightly regulated systems, business should have the freedom to operate and the encouragement to grow.

5. The Deputy Secretary-General of the WCO particularly emphasized the need for cooperation with other players. Customs alone cannot achieve trade facilitation, and need the involvement of other border agencies and stakeholders in the supply chain. Cooperation is badly needed in the area of transit, as it is vitally important for landlocked countries. Regarding the recent security initiatives, he said that global cooperative arrangements were necessary in order to avoid the marginalization of developing countries from the global trading system and that security measures should not unduly compromise the trade facilitation gains already achieved by customs. Security concerns could make customs procedures more efficient and effective, and thus benefit trade facilitation as well.

6. The representative of the World Bank focused his presentation on the importance of coherent national, regional and global cooperation for the effective implementation of trade logistics and facilitation measures. He briefly described the Global Facilitation Partnership for Transportation and Trade (GFP). The joint GFP/UN Trade Facilitation web platform today comprises approximately 200 partners – international organizations, national public and private bodies such as ministries and chambers of commerce, international professional associations, and companies.

7. The panellists emphasized that physical and procedural obstacles hindering the competitiveness of export industries need to be reduced to the greatest extent possible so that developing countries can achieve economic development through international trade. Limited transport availability and excessive transaction costs not only constitute major barriers to foreign markets and to a greater integration of developing countries into the global economy, but also represent a major impediment to attracting foreign direct investment to least developed countries. Trade and transport facilitation measures can reduce transaction costs through simplified procedures and the use of modern technology. This task has become more complex in the light of increasing security concerns. Complying with new security regulations by putting in place the necessary procedures and equipment should be accompanied by the necessary trade facilitation measures to provide both a more secure and a more efficient trade environment for all international partners. This is a major challenge for least developed, landlocked and small island developing countries.

8. Developing countries wishing to build a secure and efficient environment for trade now have a wide choice of instruments and institutional structures. Multilateral efforts should be coordinated to help developing countries take advantage of each and every potential partner's role and competence as part of knowledge-building, action-oriented machinery.

9. In summing up, the Chairman said that the establishment of global initiatives would assist in providing access to the current variety of trade facilitation measures designed and implemented at the multilateral, regional, national and local levels. The GFP, launched by the World Bank with UNCTAD and other development partners, aims at fostering export-led growth and poverty reduction by promoting trade facilitation, and by bringing together all interested parties, public and private, national and international, who want to help achieve significant improvements in transport and trade facilitation in developing countries and countries in transition. Concrete activities of the partnership include the preparation of trade and transport facilitation audits with related action plans, development of performance indicators, design of software to measure customs clearance time, a number of distance-learning programmes, support to dissemination efforts, and research on the cost and impact of trade and transport facilitation measures. The success of these activities will be the result of contributions from all sectors and countries, just as a secure and efficient global trade environment will be to the benefit of transport users and service providers in developing and developed countries alike. The Chairman stressed the desirability of keeping member States of UNCTAD informed on a regular basis of future developments with regard to the GFP. This information should be provided in the context of normal reporting procedures.
