



3rd September, 2014

Mr Wyatt Roy MP
Chair
Joint Standing Committee on Treaties
Parliament House
Canberra ACT

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Dear Mr Roy

The Australian Industry Group thanks the Committee for the opportunity to make this submission to its inquiry into the WTO Agreement on Trade Facilitation.

International trade is central to growth in the national and global economies and since the global financial crisis, trade growth has remained sluggish. Immediate economic benefits would result from making trade flows easier, faster and more efficient.

The negotiation of the Trade Facilitation Agreement at the Ninth Ministerial Conference of the WTO in Bali in December 2013 was a major milestone in WTO trade negotiations. It demonstrated that the WTO was still the world's major trade negotiating forum. It promised new vigour to the Doha Round of multilateral trade negotiations begun in 2001.

The Agreement comprises practical, realistic provisions to facilitate global trade between all WTO countries. Cutting red tape surrounding customs procedures and introducing streamlined, transparent procedures would reduce the costs and delays in border crossings for exporters and importers. With the participation of the 159 WTO members, the Agreement promised to operate globally.

The last minute derailment of the Agreement demonstrates how fragile the WTO consensus was and how difficult any progress in the Doha Round remains. Ai Group profoundly regrets that not all WTO members ratified the Agreement by the deadline of 31 July. Because a small number of members sought to reopen parts of the package, the vast majority of members are missing out on a unique opportunity. Ai Group encourages all members of the WTO to actively examine ways to save the deal and get the multilateral trade agenda back on the road.

Ai Group recommends that Australia should not wait for all other WTO members to take formal action to ratify the Trade Facilitation Agreement. Australia should lead the way by approving the measures and implementing them as soon as possible.

- 2 -

The trade facilitation sections and the assistance provisions of the Agreement operate together. The Agreement's promises to support developing countries to build trading skills, institutions and infrastructure, need to be honoured. Providing they have the capacity to take advantage of them, developing countries in particular will benefit from provisions for advance rulings, review procedures, discipline on fees and charges, release and clearance of goods and freedom of transit. The universal publication of requirements will contribute to addressing corruption and irregular payments. The creation of "single window" systems through which traders can process documentation for different agencies, will speed up regulatory compliance. Introduction of a common framework for these "single window" operations will in turn, facilitate movement towards use of electronic documentation.

Ai Group welcomes the Australian Government's commitment to support developing and least-developed countries, particularly in the region, in tackling the constraints which hinder them from gaining access to new markets.

Ai Group, along with its affiliates represents the interests of 60,000 businesses in an expanding range of sectors including: manufacturing, engineering, construction, automotive, food, transport, information technology, telecommunications, call centres, labour hire, printing, defence, mining equipment and supplies, airlines and other industries. Ai Group sees real benefit flowing from the trade facilitation measures to small, medium and large businesses across this range of industries.

Ai Group recommends that even if there is no early formal adoption of the Trade Facilitation Agreement by the WTO, its provisions for expediting the movement, release and clearance of goods, and its provisions aimed at helping developing countries to build trading capacities should be agreed by Parliament.

Yours sincerely, *f*

Innes Willox
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