



# Delivering the benefits of global commerce: trade facilitation essential



*As the ninth World Trade Organization (WTO) Ministerial Conference approaches, the American Chamber of Commerce to the European Union (AmCham EU) wishes to commend WTO leaders for renewed efforts to restore confidence in the multilateral system, and ensure both a constructive agenda and productive outcome in December in Bali. Facilitating global trade, stimulating economic growth and creating jobs are priorities shared by consumers across the globe and businesses of all sizes, and AmCham EU is confident that the WTO holds the key to unlock the potential of modern, global trade.*

## **A fresh approach to the governance of international trade**

Today's international trading landscape brings growth prospects to WTO members at a critical time. Understanding the role of 'trade in value added', and the fact that goods are now often 'made in the world' has constituted an important step toward effective reform of the multilateral agenda. Intermediate goods now account for approximately 60% of global commerce. The future success of international trade resides in a timely and effective response to this shift, and the ability of the WTO to cater to the growing need for global value chains. This means moving beyond a traditional approach to trade negotiations, and embracing new frameworks for success, such as agreements that focus on specific sectors or trade themes.

## **Now is the time for a trade facilitation agreement**

As the need for companies of all sizes to engage in global trade increases, so does the importance of the supply chain as a competitive strength. A well-managed supply chain can lower costs, decrease cycle times in bringing new products to market, reduce uncertainty and increase customer satisfaction. The WTO Trade Facilitation Agreement presents a critical opportunity to reduce and remove the supply chain barriers that continue to limit the potential for trade.

AmCham EU urges leaders to conclude a trade facilitation agreement this December that effectively addresses the modernisation and transparency of customs processes, securing the means for expedited shipments, immediate release, domestic and crossborder transit, establishing clear standard for release times and improving inter-agency coordination. All WTO members stand to gain from such an agreement; increased trade as a result of comprehensive trade facilitation is estimated to be worth GDP increases of \$520 billion for developing countries and \$440 billion for developed countries.

## **Harnessing the benefits of a new generation of trade agreements**

The WTO should seek to adopt the benefits of plurilateral trade agreements, harnessing the progress they have made for the benefit of all actors in the multilateral arena. The Trade in Services Agreement, if effectively developed, could provide the WTO with its next major accomplishment, opening markets to the provision of foreign services, and enabling the international trading platform to meet both current and future needs.

AmCham EU urges leaders to maintain their steadfast commitment to reaching an agreement on the trade facilitation, agricultural and development priorities which have been established. As Director General Azevedo stated in his inaugural speech in September this year, 'The multilateral trading system remains the best defence against protectionism and the strongest force for growth, recovery and development'. AmCham EU strongly supports this approach, and stands ready to support WTO leaders as they galvanise multilateral trade.

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*AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled €1.9 trillion in 2012 and directly supports more than 4.2 million jobs in Europe.*

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