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Committee on Trade Facilitation

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**PROMOTING THE IMPLEMENTATION OF WTO TRADE FACILITATION AGREEMENT
THROUGH DIGITAL REVOLUTION AND INTELLIGENCE TECHNOLOGIES**

COMMUNICATION FROM CHINA

The following communication, dated 6 March 2023, is being circulated at the request of the delegation of China.

1.1. Recognizing the success achieved since the implementation of the Trade Facilitation Agreement (TFA) especially when facing the shock of COVID-19 on global supply chains, more and more WTO Members have realized that the comprehensive and high-quality implementation of the TFA is of positive significance in effectively dealing with major emergencies, promoting economic recovery and enhancing the resilience and safety of supply chain.

1.2. Disruptive Technologies such as digitalization, big data, smart algorithms, block-chain and Internet of Things are profoundly changing the pattern and way of international trade, presenting new opportunities and challenges to the implementation of TFA.

1.3. We encourage WTO Members to positively embrace the new opportunities of trade facilitation brought about by intelligent technology. Through the new generation of intelligence technology, we can actively carry out institutional innovation, improve the quality of control and administration of customs and other border agencies, promote the joint efforts to build smart borders and realize the connectivity among Members across borders. We can improve the quality of TFA implementation through the construction of "Smart Customs, Smart Border, Smart Connectivity", so as to upgrade the transparency and predictability of the business environment for cross-border trade, as well as enhance the stability, resilience, facilitation and safety of the international supply chain.

1.4. Considering the diverse innovations and practices of WTO Members in the implementation of the TFA according to their own circumstances, in order to facilitate the in-depth implementation of the TFA, narrow the digital divide and prepare for development of TFA in the future, we suggest the Committee on Trade Facilitation stimulate discussions and encourage Members to exchange their experiences, best practices as well as challenges on the following issues, including but not limited to:

I. Article 1 Publication and accessibility of information

- Accelerate digitalization of trade information, promoting border agencies to try to publish additional trade-related information besides Article 2.1 of TFA through the internet in electronic format.
- Establish and maintain "online" and "offline" enquiry points and explore the possibility to provide the Internet mobile "fingertip services", with a view to rendering more intelligent and convenient consulting services to governments, traders and stakeholders for the accessibility of trade-related information.

II. Article 7 Release of goods and customs clearance

- Allow traders to declare goods in advance through electronic data interchange, pay customs duties and other taxes or fees by e-payment, and minimize the requirements for the submission of paper documents as much as possible. We also encourage members to explore the establishment of a paperless customs clearance environment to facilitate the clearance of goods.
- Adopt AR (Augmented Reality), AI (Artificial Intelligence), Big Data and other advanced technologies with a view to optimizing the pattern of customs risk management and customs control, including but not limited to automatic collection, identification comparison of information and documents of means of transport, containers cargoes and personnel as well as remote contactless monitoring and non-intrusive inspection.
- Promote customs and other border agencies to connect with traders by intelligence technology. Examples would include the connectivity of customs information system with enterprises ERP systems, which enables automatic data comparison between customs supervision and enterprises logistics, capital flow and information flow, and generate real-time warning, the application of online validation observing and consultation during the process of mutual recognition of authorized operators (AOs).

III. Article 8 Border Agency Cooperation

- Coordinate and optimize border supervision functions, with a view to establishing a governance system with online and offline collaboration between customs and other border agencies, and exploring the possibility of setting up a public service platform supported by the block chain technology to facilitate supervision data sharing across regulatory authorities.
- Strengthen cooperation among Members who share common borders by means of information technology, including but not limited to such areas of information exchange on goods and conveyance entering and leaving the common border, so as to facilitate the coordination of relevant procedures & formalities and accelerate border clearance.

IV. Article 10 Formalities Connected with Importation, Exportation and Transit

- Encourage the harmonization of data elements and data processing among Members as far as possible by adopting international standards, and promote the electronization of documents required for import, export and transit especially through the establishment or maintenance of "single window".
- Expand the range of the adoption of "single window" used in customs clearance processes besides declaration of goods and conveyances, and explore the possibility to promote the inter-connectivity of single windows across Members.

V. Article 11 Freedom of Transit

- Use electronic systems for transit procedures to support the early submission and processing of electronic transit documents and data prior to the arrival of transit goods with a view to improving the efficiency of transit clearance.
- Adopt ICT (information and communications technology) tools, in accordance with its laws and regulations, to exchange information on transit goods and conveyances at the places of departure, destination and transit, as well as simplify and coordinate procedures and documentation requirements in transit process involving multiple Members.

VI. Article 12 Customs Cooperation

- Strengthen the intelligent inter-connectivity and cooperation among customs through electronic means. Explore possibilities of enhancing information sharing among authorities, private sectors, especially small and medium-sized enterprises, research

institutions, and other trade facilitation stakeholders at both the technical and strategic levels through electronic means, including block chains and decision-making advisory mechanisms.

1.5. Taking into account the differences in development levels among Members and regions, especially the challenges faced by developing and least-developed Members, we believe that promoting the implementation of the TFA through institutional innovation driven by digital and intelligence technologies should be one of the prioritized areas for technical assistance and capacity-building support, which should focus on the special needs of developing Members, especially the least-developed Members, in terms of participating in relevant seminars and activities formulating and implementing relevant measures with the aim to narrow the digital divide.
