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The WCO, the main regulator of Customs

TARIFF PROFILES AROUND THE WORLD: THE LATEST VERSION OF THE WCO

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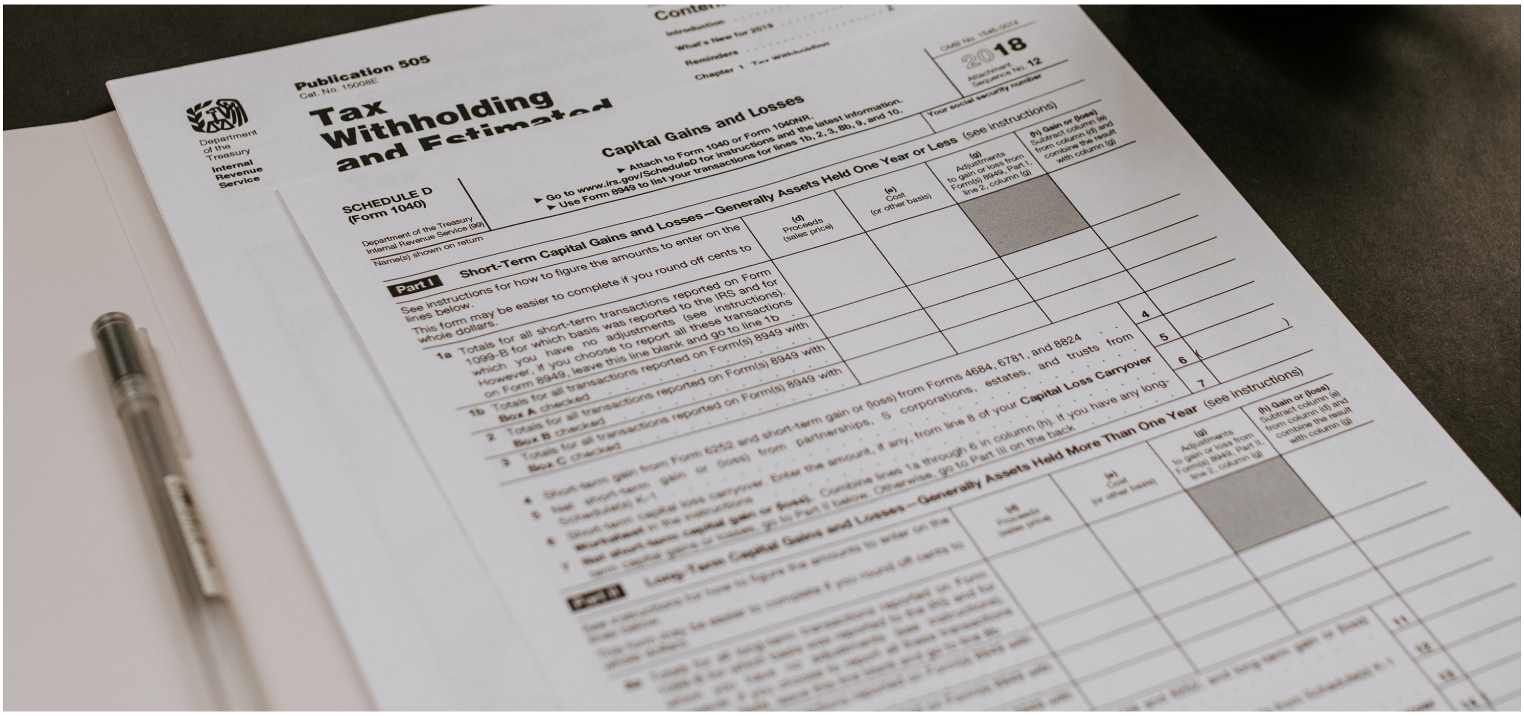
Tariff profiles around the world: the latest version of the WCO

In this article we will present the different sources of detailed information that provide more information on the tariffs applied by over 170 economies.

The World Tariff Profiles are a joint WTO, ITC and UNCTAD source on market access for products. This annual publication contains a range of information on market access for goods and other countries and customs territories.

The summary tables allow you to analyse across countries, and compare the average "bound" or maximum duty that each country can impose on its imports with the average duty rate it actually applies. A one-page summary for each nation provides more detailed information, with tariff data broken down by category of goods.



Using data from UNCTAD's Trade Analysis and Information System (TRAINS), this chapter examines three indicators of the use of non-tariff measures: the periodicity index, the take-up rate and the prevalence rate.

These indicators reveal the percentage of products covered by non-tariff measures, the share of trade covered by non-tariff measures and the number of measures applicable to a particular group of goods. The chapter shows that almost 60% of imported goods are subject to at least one form of non-tariff measure. In terms of trade value, around 80% of imported products are subject to NTMs.

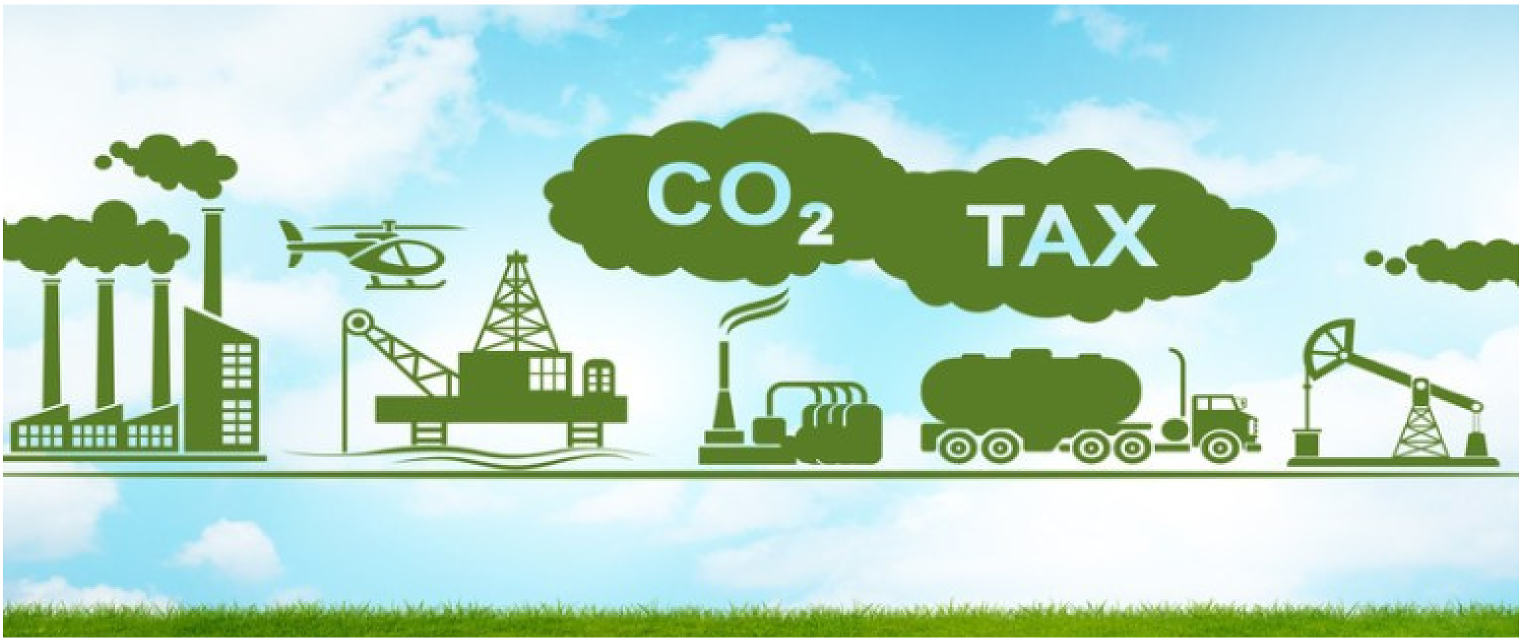
Each economy's profile also shows the tariffs imposed on its exports by its main trading partners via a summary table that provides information on the import and export profiles for each economy. These indicators on non-tariff measures by economy and product group complement the tariff data.

The EU proposes a carbon tax at borders, a world first

A new EU proposal could well change the way companies source certain resources.

The reasons

This border tax should be introduced gradually from 2026, and would concern imports of steel, aluminum, cement, fertilizers and electricity with high carbon emissions. The aim is for Europe to achieve its new climate objectives and to protect European industries from foreign competitors. Indeed, some can produce at lower cost because they are not charged for their carbon output.
Therefore, a transitional phase starting in 2023-25 will require importers to monitor and report their emissions through the purchase of digital certificates representing the tonnage of CO2 emissions. As a reminder, carbon prices in the EU, on which the price of certificates will be based, have reached record levels of over €58 per ton this year.



A difficult context

Most analysts expect prices to continue to rise through 2030, spurred by the prospect of reforms that the Commission has also proposed to meet climate change targets. Some 64 carbon pricing instruments are in use around the world, including in China and some U.S. states, including California. But they cover only 21 percent of global greenhouse gas emissions, according to a May report by the World Bank. Prices under these schemes also vary widely. The commission has said the border carbon measure would be consistent with World Trade Organization rules, but the idea has received a hostile reception from trading partners, including China and Russia.
However, the tax remains a way to regulate unbridled globalization, and opting for more eco-responsible sourcing seems to be the way to go in the coming years. Companies are more and more subject to CSR standards and consumers are more and more careful about the origin of their products. This tax is ultimately an interesting tool in the battle against global warming, and companies should reconsider their sourcing choices.

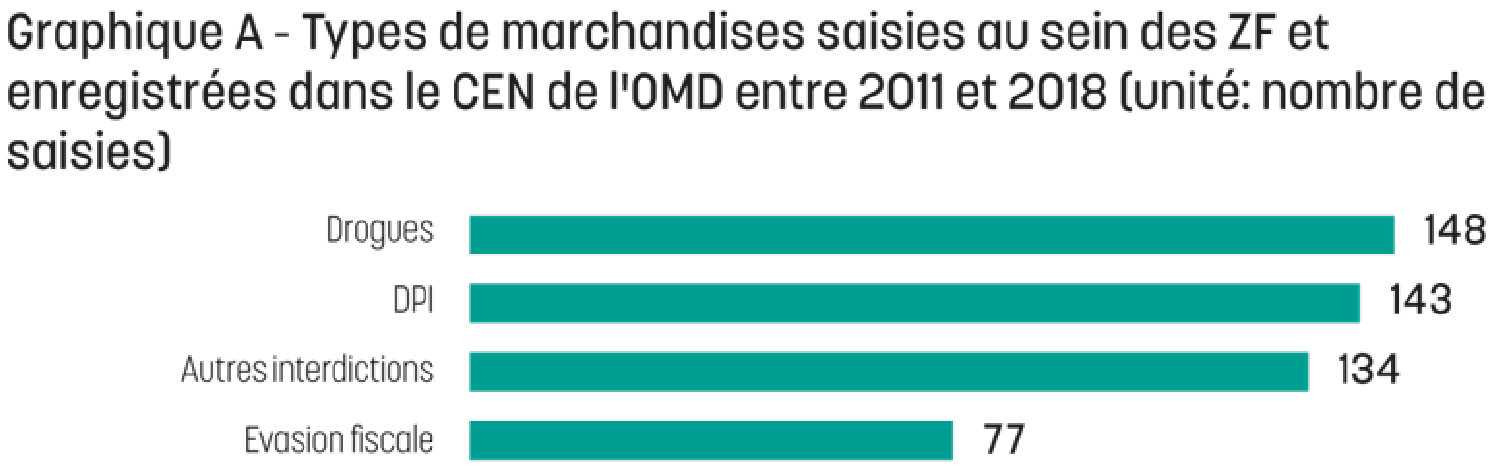
The WCO develops the TENTACLE project

The TENTACLE Project, led by the WCO Secretariat, aims to mobilize Customs, Financial Intelligence Units (FIUs) and law enforcement agencies in the fight against money laundering schemes and terrorist financing.

The starting point

Money laundering and terrorist financing are a threat to global security. The International Monetary Fund estimates that between $1.6 trillion and $4 trillion is laundered each year. Customs is the first line of defense at the border and is responsible for thwarting the flow of illicit goods. Recognizing Customs' role in this fight, the WCO therefore created the TENTACLE project.

In January 2019, the WCO organized an Asia-Pacific regional workshop, bringing together 19 Customs agencies, INTERPOL and the FIU. As a result of the workshop, an operation led to several arrests, seizure, and confiscation of more than $5 million in cash and gold, which criminals were smuggling across international borders. The success of Operation TENTACLE Asia Pacific led to the creation of Project TENTACLE.



Dedicated tools

Tools dedicated to this fight have emerged. For starters, the FinCRIME online library contains information on money laundering schemes, such as the peso black market. It highlights new money laundering trends and mechanisms. It draws attention to significant events related to seizures of cash, coins, gems and precious metals, etc. Secondly, the Customs - FIU Cooperation Manual, which aims to improve joint measures taken at the global level against money laundering. It also aims to help customs and FIUs around the world create stronger anti-money laundering structures and improve financial crime intelligence.

There is a lot of work being done to stop money laundering on a global scale. One would think that if these efforts were replicated by all these countries to simplify customs procedures, world trade would be that much more dynamic. This is not always the case, as is the case with doctrines such as protectionism and the trade war between China and the United States.