

PACER Plus

Promoting Efficient Customs Procedures

Pacific island country trade costs are among the highest in the world when measured as a proportion of total trade values. This burden negatively impacts Pacific traders and domestic industries by discouraging direct investment and limiting options to participate in global and regional value chains.

To some degree, high costs reflect circumstances that cannot be changed such as geographical isolation and small market size. But they also

reflect circumstances that can be changed such as the efficiency of border processes.

Reducing trade costs through faster and more efficient clearance of goods is an important element of PACER Plus to facilitate trade and people movement. The long-term objective is for the Pacific Island countries to adopt and implement modern customs processes and procedures that contribute to increased trade and strengthened border security.

10%
**Reduction
on Trade
Costs**

In many economies around the world, inefficient border processes, unnecessary bureaucracy and redundant procedures add to the time and cost of border compliance. Overall trade costs could be reduced by 10% and considerably more for low and low-middle income economies by implementing basic trade facilitation measures, like harmonizing and simplifying documents and automating processes and risk management.

Benefits

- PACER Plus will impose no substantive customs valuation obligations on World Trade Organization (WTO) members. Parties that are not WTO members will be required to apply the WTO Agreement on Customs Valuation only to the extent of their capacity. Assistance will be available to promote this reform.
- PACER Plus will strengthen and modernize customs systems in the Pacific.