



THE SECRETARY GENERAL

Mr László Kovács
Member
European Commission
200, rue de la Loi

B-1049 Brussels

26 May 2008

Dear Commissioner,

I am writing to you to express BUSINESSEUROPE's concerns about the implications the revision of the EU customs code will have for bilateral trade relations with neighbouring non-EU countries. The proposed introduction of new safety and security measures would constitute serious obstacles in our bilateral trading relations without considerable security benefits, but still causing traffic hold-ups at the borders and significantly higher administrative costs for both companies and customs administrations inside and outside the EU. This would hamper trade between companies and inner-company trade alike.

In particular the bilateral relations between the European Union and Switzerland would strongly suffer from the introduction of the new customs code provisions. Switzerland is a landlocked country in the centre of Europe, surrounded by EU Member States which constitute a safe and secure area. In 2006, bilateral traffic amounted to 23,000 lorries a day crossing the Swiss-EU border by road, and 4,400 freight wagons per day by rail. Switzerland plays a key role as a transit country for companies operating all over Europe.

Under the new provisions, any new border crossing would require up to 30 risk-relevant data to be transmitted electronically to the customs office in advance – one hour for road transport operations and two hours for rail transport. A shorter time limit for the pre-arrival and pre-departure notification would not be sufficient. The significant administrative costs due to the submission of additional data would persist, as would additional traffic hold-ups since the risk analysis would have to be performed when the shipments arrive at the border. Moreover, at this stage many customs offices at the EU borders do not have the necessary infrastructure to deal with electronic data.

Similar issues would arise in the trade relations with Norway, even though they would be less accentuated due to its different geographical situation. Approximately 80% of the Norwegian exports go to the EU and 70% of the imports come from it. More than 50% of the lorries coming to Norway are of EU origin (46% of Norwegian origin), with 14.8 million tonnes of goods being transported by lorries. However, it should also be

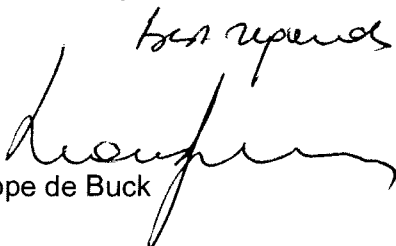
borne in mind that most of the goods between Norway and EU are transported by ship which counts for 133 million tonnes.

These figures underline that tailor-made solutions will have to be found to tackle the individual challenges in the relation between the European Union and each EFTA country. The possibility of applying for the Authorised Economic Operator (AEO) status, which would allow companies to benefit from certain facilitations, is not a real solution for many small and medium sized enterprises due to the high costs.

BUSINESSEUROPE supports all initiatives to enhance trade security as long as they are proportional. The introduction of the proposed additional security and safety measures would not give any additional safety and security benefit, but significantly hamper efficient flow of goods between those economies. Switzerland and Norway have similar security and safety standards to the European Union. BUSINESSEUROPE calls upon the European Union to take these high levels into account in the implementation of the revised EU customs code.

I trust that you will give consideration to these points in the implementation of the new EU customs code. A copy of this letter is being sent to Mr Hans-Rudolf Merz, Federal Councillor of the Swiss Federal Department of Finance, and Norwegian Minister of Finance, Ms Kristin Halvorsen.

Yours sincerely,


Philippe de Buck