



Customs Modernization & RKC

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Lee Sang-Hyup
WCO, ROCB

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Customs Modernization

- Technical development
- Implication for Customs
 - * Transaction costs



| Changes | First Globalization (1800~1914) | Second one (1945~2007) | Third one (???) |
|---------------------------------------|--|-------------------------------|--------------------------|
| Changes In Technology | | | |
| Changes in Customs & Trade | | | |
| Challenges to Customs | | | |

| Changes | First Globalization (1800~1914) | Second one (1945~2007) | Third one (???) |
|---------------------------------------|--|---|--|
| Changes In Technology | <ul style="list-style-type: none"> - Telegram - Steamship - Rail - Canal | <ul style="list-style-type: none"> - Internet - Computer - Modern trans. - Jet, Auto | <ul style="list-style-type: none"> - New ICT? -Flying ships, -UFO (?) |
| Changes in Customs & trade | <ul style="list-style-type: none"> - Specialized Customs Org. -Keeping pace? | <ul style="list-style-type: none"> - Trade Facilitation - Automation - Partnership - AEO, CBM | <ul style="list-style-type: none"> - Global SW? - Global Customs? |
| Challenges to Customs | <ul style="list-style-type: none"> - Trade volume - Duty collection - Fair System (?) | <ul style="list-style-type: none"> - More volume - JIT - Added duties | <ul style="list-style-type: none"> - Complexity - Interconnected |

Customs & technology

- The technology mostly affecting Customs operation ?







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Big changes; steamships





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Revolutionary change : The Box





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Happy except Customs

- IM/Exporters
 - Cheaper transportation, less damage, lower pilferage and insurance
- Ship owners
 - Bigger ships staying less in port
- Truckers & Rail
 - No waiting at the port
- Port authorities
 - Boost traffic

What does this mean?



Changes in Trade/Transport

| Before | After |
|--|-------|
| ▪ Selected few items | ❖ |
| ▪ Labor intensive; no scale | ❖ |
| ▪ Factories near harbor (Disastrous for landlocked) | ❖ |
| ▪ Many sub-transactions to final delivery | ❖ |
| ▪ High cost/time delayed | ❖ |
| ▪ No schedule, accidents | ❖ |

Changes in Trade/Customs, OGAs

| Before | After |
|--|-------|
| ▪ Unpredictable delivery | ❖ |
| ▪ Good times for Customs - Easy going - Duty collection only | ❖ |
| ▪ Manifest shows | ❖ |
| ▪ Smuggling in collaboration with Crew | ❖ |
| ▪ No need for a change | ❖ |

Barbie Doll



Hair from Japan

Plastic from
Taiwan

Dying materials
from U.S.A.

Textile and Labor
from China

⇒ U.S.A, Europe,
Japan...

Challenges to Customs



- Trade volume with JIT requirements
- No increase of staff, added mission
- No idea of what's inside...

Standardization/Cooperation

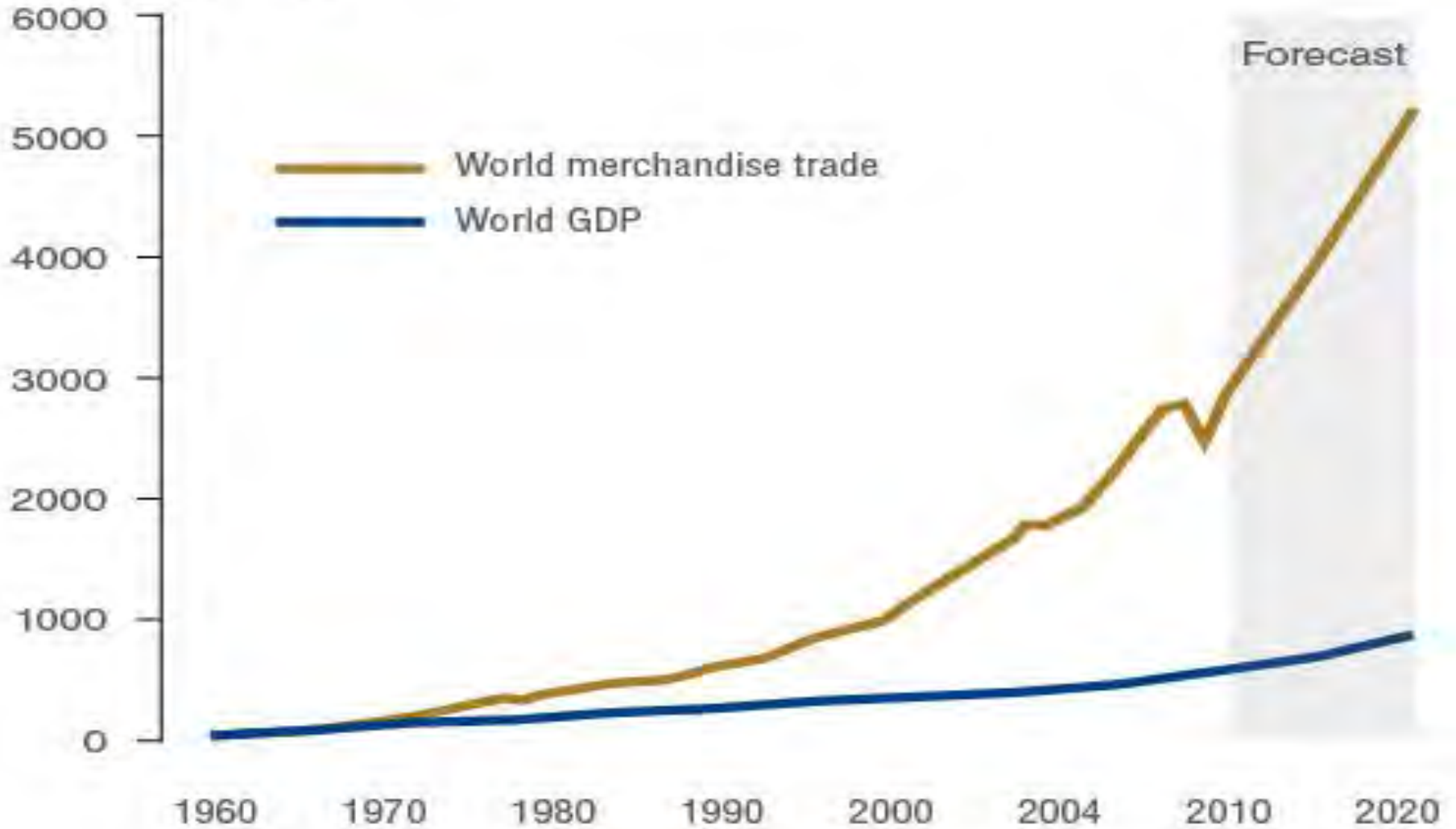


WCO Standard Instruments

- Revised Kyoto Convention
- SAFE Framework & AEO
- HS convention & others
- WCO Data Model & UCR
- Time-Release Study
- Revenue, Orientation, EC Packages
- Preparation for the Future (DDA)

Chart 3.4: World trade and GDP

Index 1960 = 100



Key themes : Transaction costs !



Reduction of trade costs

Increased competitiveness of firms

Improved export performance and expansion of FDI

More trade can create jobs and income opportunity, and increase government revenue

Economic growth and competitiveness

Poverty reduction

Kyoto Compliant ?

Contribute



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For improvements

- Risk Management (minimum control)
 - smuggling trends and others
- Use of ICT
- Audit based control
- Cooperation with trade



Many
Thanks !



SangHyup, Lee
WCO Technical Attache, ROCB
leesagh2@rocbap.org