

17th Customs Cooperation Committee Meeting

5-6 September, 2018
Ashgabat, Turkmenistan

Pakistan

(Latest Developments and Progress on CCC Priority Areas)

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Sequence

- ❑ Pakistan's Vision for Trade Development and Priorities
- ❑ TFA– Implementation Overview
- ❑ Status of National Committee on Trade Facilitation (NCTF)
- ❑ CCC Priority Areas – Latest Developments
- ❑ Progress under Regional Improvement Of Border Services Project (RIBS)- ITTMS
- ❑ National Single Window
- ❑ CITA – Pakistan Proposals

Pakistan's Trade Development Vision and Priorities

Strategic Trade Policy Frame work

- Trade Facilitation
- Enhancing trade through strengthening regional connectivity and modernization of infrastructure
- To enter into global value chain (Emerging Pakistan)
- Institutional Development

Role of Pakistan Customs

- Pakistan customs endeavors to facilitate legitimate trade without compromising enforcement and essential regulatory requirements
- Lead agency in the implementation of WTOs Trade Facilitation Agreement
- The crux of trade facilitation reforms and implementation of TFA is to transform the trade ecosystem by reducing time and cost of doing business

TFA- Current Implementation Status

- **In Bali Package, Pakistan Commitments under TFA**
*Category A - **26 %** | Category B - **43%** | Category C - **31%***
- **Implementation Status**
 - **Category A – Implemented**
 - (Article 1: Publication and Availability of Information, Article 11: Freedom of Transit)
 - **Category B: Mostly Implemented**
 - (Article 12: Customs Cooperation, Article 1.3: Establishment of Inquiry Points., Article:4, Procedure for appeals & review. Article 6.3.6: Penalty disciplines. Article 7: Electronic Payment, Article 7.9.1: perishable Goods)
 - **Category C: Under implementation**
 - (Article 3: Advance Rulings, Article 10.4: Single Window, Article 7.4: Risk Management, Article 7.5: Post Clearance Audit, Article 7.7: TF Measures for Authorized Operators)

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- Currently, **60 percent** commitments under TFA are implemented and remaining **40 percent** (mostly Category C) commitments are to be implemented within 2018-2023
- National Committee on Trade Facilitation (NTTFC) has been constituted

Status of National Trade Facilitation Committee

- **NTTFC has been constituted** – A Standing Committee with the name National Trade and Transport Facilitation Committee (NTTFC), a requirement under Article 23.2 of TFA, has been constituted on 21st February, 2018.
- **Composition** – Lead Economic/Trade Ministries, Financial Institutions and Trade Representative Bodies (20 Members)
- **Secretariat** – Established at WTO Wing of Ministry of Commerce, Islamabad.
- **TORs** – Developed Implementation policies for TFA , TIR Convention 1975, Identify issues and problems of Trade, coordination amongst various trade organizations etc.

CCC Priority Areas

CCC Priority Area	Pakistan's update/status
<p>1. Simplification /Harmonization of customs procedures – to facilitate trade through harmonized and simplified procedures for customs processing at the borders</p>	<ul style="list-style-type: none"> ▪ Pakistan have acceded to the Revised Kyoto convention ; ▪ Contracting party to the WCOs Harmonized System Convention; ▪ Member of WTO and is the lead agency implementing TFA that includes explicit and implicit provisions on simplification and harmonization of customs procedures (Category A, B & C commitments have been notified)
<p>2. ICT for customs modernization and data exchange / single window interoperability – coordinated ICT development in the regions customs organizations initiated to institutionalize data exchange across borders for faster processing, better enforcement of laws and regulations, and increased cooperation and integration</p>	<ul style="list-style-type: none"> ▪ Pakistan Customs has automated its customs clearance procedures. More than 90 percent of imports/exports/transit cargo is currently being handled under the automated WeBOC system. ▪ Several bilateral arrangements are being explored for Electronic Data Interchange, specially with Afghanistan and China for better enforcement and trade facilitation

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CCC Priority Area	Pakistan's update/status
<p>3. Joint Customs Control/One Stop Inspection – <i>pilot testing of joint border procedures including the establishment of an independent monitoring mechanism to quantify and qualify the benefits of joint processing resulting from the pilot testing</i></p>	<ul style="list-style-type: none"> • Pakistan has recently become a TIR operational country and thus accepts customs controls of other member countries for TIR consignments. Supports an early development of CATs for CAREC countries • Moreover, Pakistan has notified Article 8: Border Agency Cooperation as a Category 'C' commitment. Efforts shall be made to make progress in this matter
<p>4. Risk Management and Post Entry Audit – <i>assist participating customs administrations in implementing risk management and post-entry audit programs</i></p>	<ul style="list-style-type: none"> • Risk Management software tools have been integrated into Pakistan Customs automated clearance system – WeBOC. Both Risk Management (Article 7.4) and Post Clearance Audit (Article 7.5) have been notified as Category 'C' TFA commitments.

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CCC Priority Area	Pakistan's update/status
<p>5. Regional Transit Development - to reduce delays and cost for transit traffic by strengthening national transit system and the international TIR Transit System; to address issues related to TIR as an immediate goal; and to explore the possibility of introducing a regional transit system as a medium-term or long-term goal</p>	<ul style="list-style-type: none"> ▪ Pakistan has been notified as a TIR operational country in April, 2018. A pilot TIR operation between Iran and Pakistan was also successfully conducted in July, 2018 . WeBOC software module to handle TIR operation was also tested. ▪ Pakistan customs managed national transit system facilitating transit to Afghanistan is now fully automated and is being trekked enroute upto Afghan border. ▪ Article 11: Freedom of Transit of TFA has been notified as a Category 'A' commitment ▪ Pakistan customs is actively supporting development of other regional transit systems to facilitate trade

Progress on RIBS- ITTMS

- ITTMS under Regional Improvement of Border Services Projects (RIBS) is a trade related infrastructure development project at land border crossings of Wagah (Pak-India), Torkham (Pak- Afg), and Chaman (Pak-Afg)
- \$ 300m project, jointly funded by Government of Pakistan and ADB (CAREC)
- Expected to facilitate both bilateral and transit trade
- ITTMS project included in the Federal government's development program since January, 2017

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- A Project Management Unit (Customs) has been established since January, 2017
- Land acquisition is mostly complete at the three border customs stations
- All infrastructure designs are being evaluated
- Contractor for execution of the project has been selected. However, the offered bid is being reviewed by the steering committee/ADB – cost revisions are expected – **contract award deadline is December, 2018**

National Single Window

- Establishment of National Single Window (NSW) - A Category 'C' commitment
- Implementation timeline of five years (2017-2022)
- **Current Progress**
 - Pak Customs has been designated lead implementing agency for establishing NSW (April, 2017)
 - PMO established in Oct, 2017
 - Situation/Gap Analysis has been carried out by Crimson logic consultants. Report submitted in Feb, 2018
 - Strategy document containing road map, implementation plan and blue print has been formulated by Consultants (Cost estimates US\$164 million) in April, 2018

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- **Current Progress**
 - Prime minister has approved the Steering Committee in May, 2018 with the mandate to formulate policy implementation of the recommendations of strategic document
 - Planning Commission (CDWP) has approved the concept document in July, 2018
 - Presently, PC-1 is under preparation
- One of the potential areas for inclusion in CITA 2030 – A request for the provision of technical assistance grant for design stage has already been forwarded to ADB
- Funding financial assistance required at development stage

CITA – Pakistan’s Proposals

- CITA is , generally, aligned with the pillars of Government of Pakistan’s Strategic Trade Policy Framework
- **Important Potential Areas for Inclusion in CITA**
 - Establishment of authorized economic operator program (AEO)
 - Legislation to provide legal basis has been carried out
 - Presently stakeholders consultations are underway
 - Funding requirements at design / development stage.
 - Establishment of WCO certified Training Institute

THANKS