

WCO Tools for Trade Facilitation

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July 27, 2005

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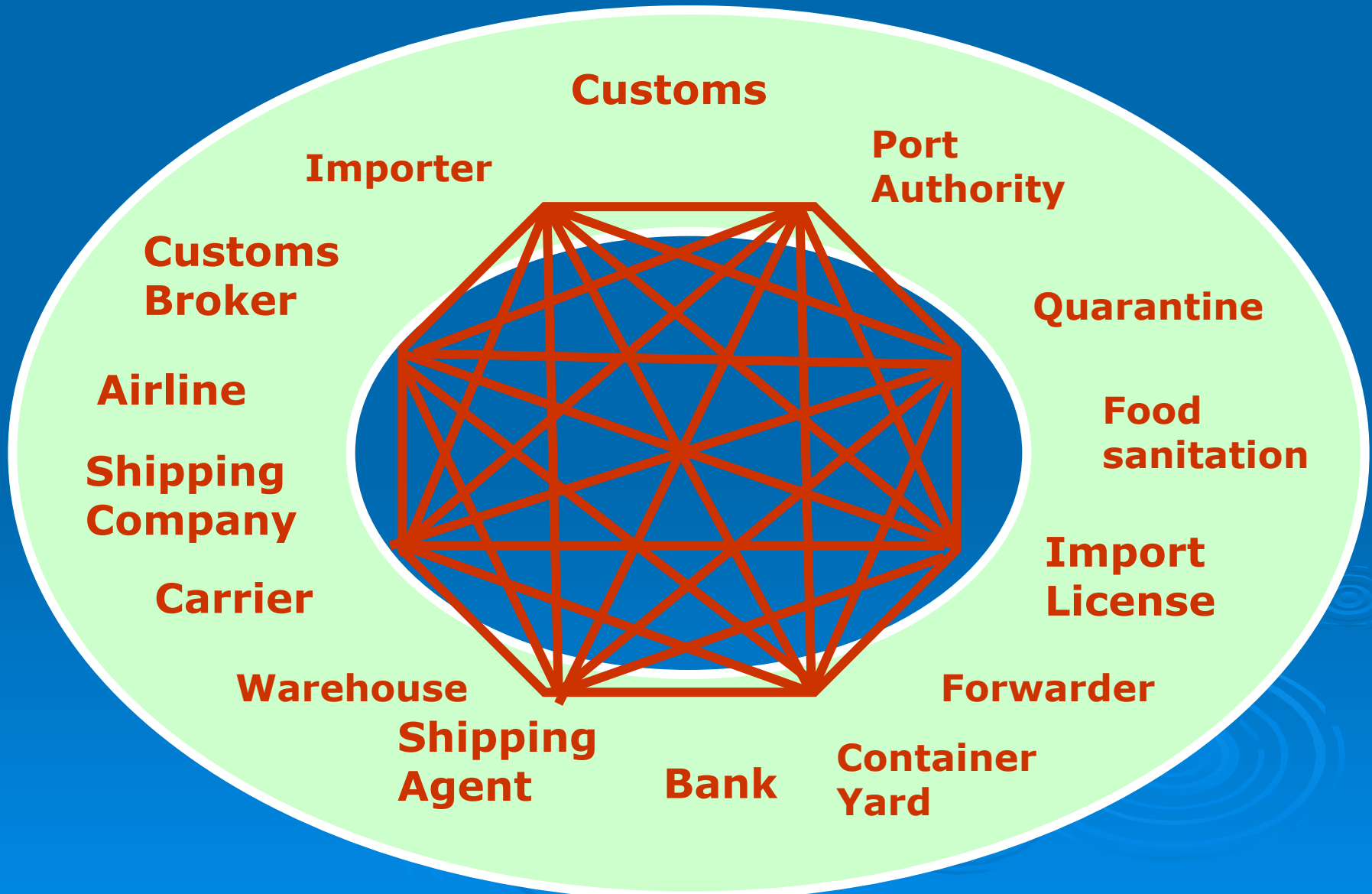
Contents

- **WCO and Trade Facilitation**
- **Revised Kyoto Convention**
- **WCO Data Model**
- **Time Release Study**
- **Framework of Standards**
- **Regional Office for Capacity Building**

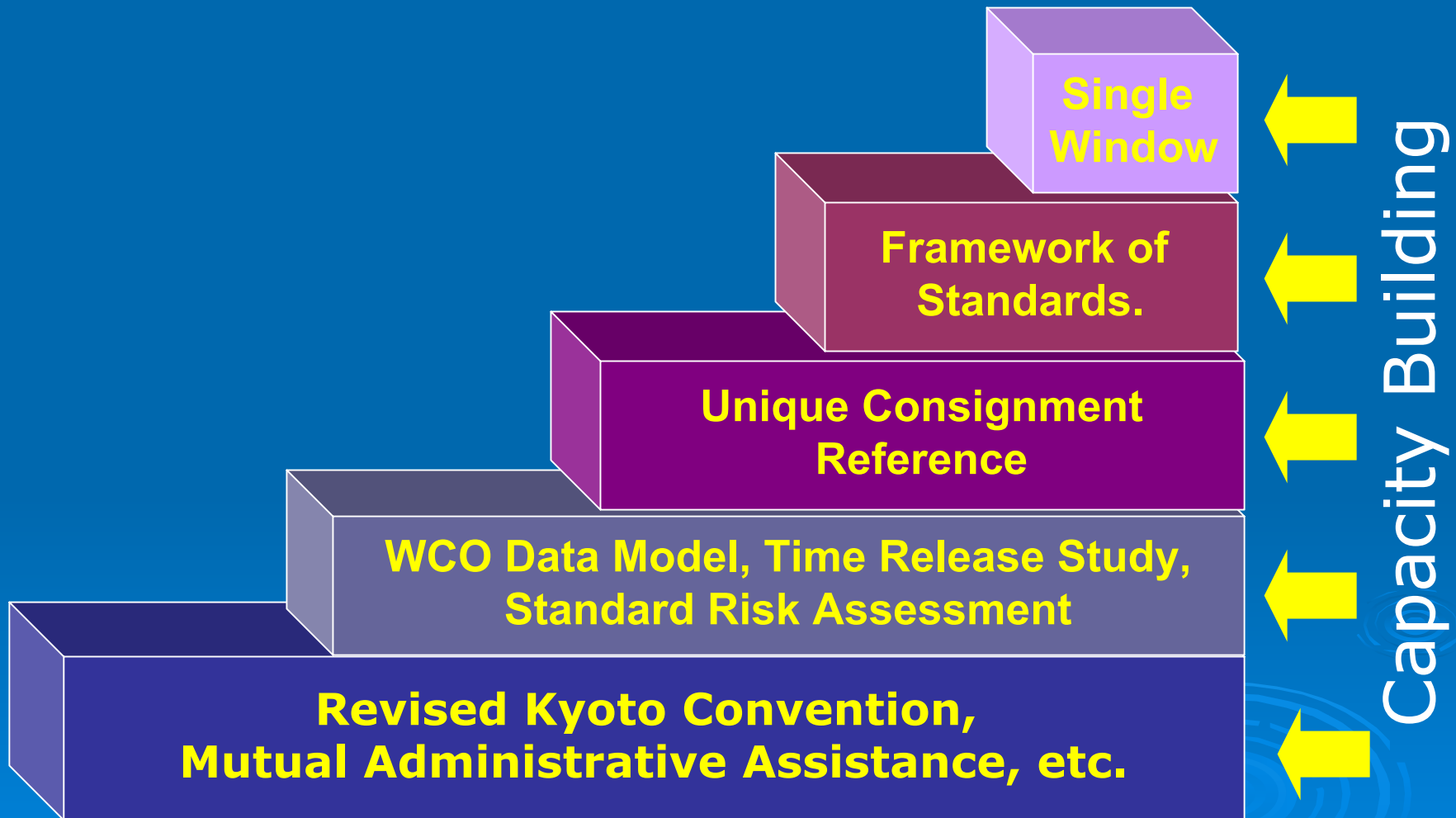
Necessity of the Trade Facilitation

- **Global gains for TF are estimated USD 40 billion (OECD)**
- **Amount of world trade: around USD 8.9 trillion (2004)**
- **Global trade growing rapidly than that of global GDP**

Parties involved in Trade



WCO Tools for TF



Revised Kyoto Convention

- International Convention on the Simplification and Harmonization of Customs Procedures, 1973
- Revised in 1999, come into effect on October 2005
- Body, General Annex, and Specific Annexes
- Core principles are binding commitments

General Annex Chapter 3.3 (Standard)

- **Where Customs offices are located at a common border crossing, the Customs administrations concerned shall correlate the business hours and the competence of those offices.
(to be implemented within 36 months)**

General Annex Chapter 3.4 (Transitional Standard)

- **At common border crossings, the Customs administrations concerned shall, whenever possible, operate joint controls
(to be implemented within 60 months)**

General Annex Chapter 3.5

(Transitional Standard)

- **Where the Customs intended to establish a new Customs office or to convert an existing one at a common border crossing, they shall, wherever possible, cooperate with the neighboring Customs to establish a juxtaposed Customs office to facilitate joint controls.**

(to be implemented within 60 months)

General Annex Chapter 3.35

(Transitional Standard)

- **If the goods must be inspected by other competent authorities and the Customs also schedules an examination, the Customs shall ensure that the inspections are co-ordinate and, if possible, carried out at the same time.**

(to be implemented within 36 months)

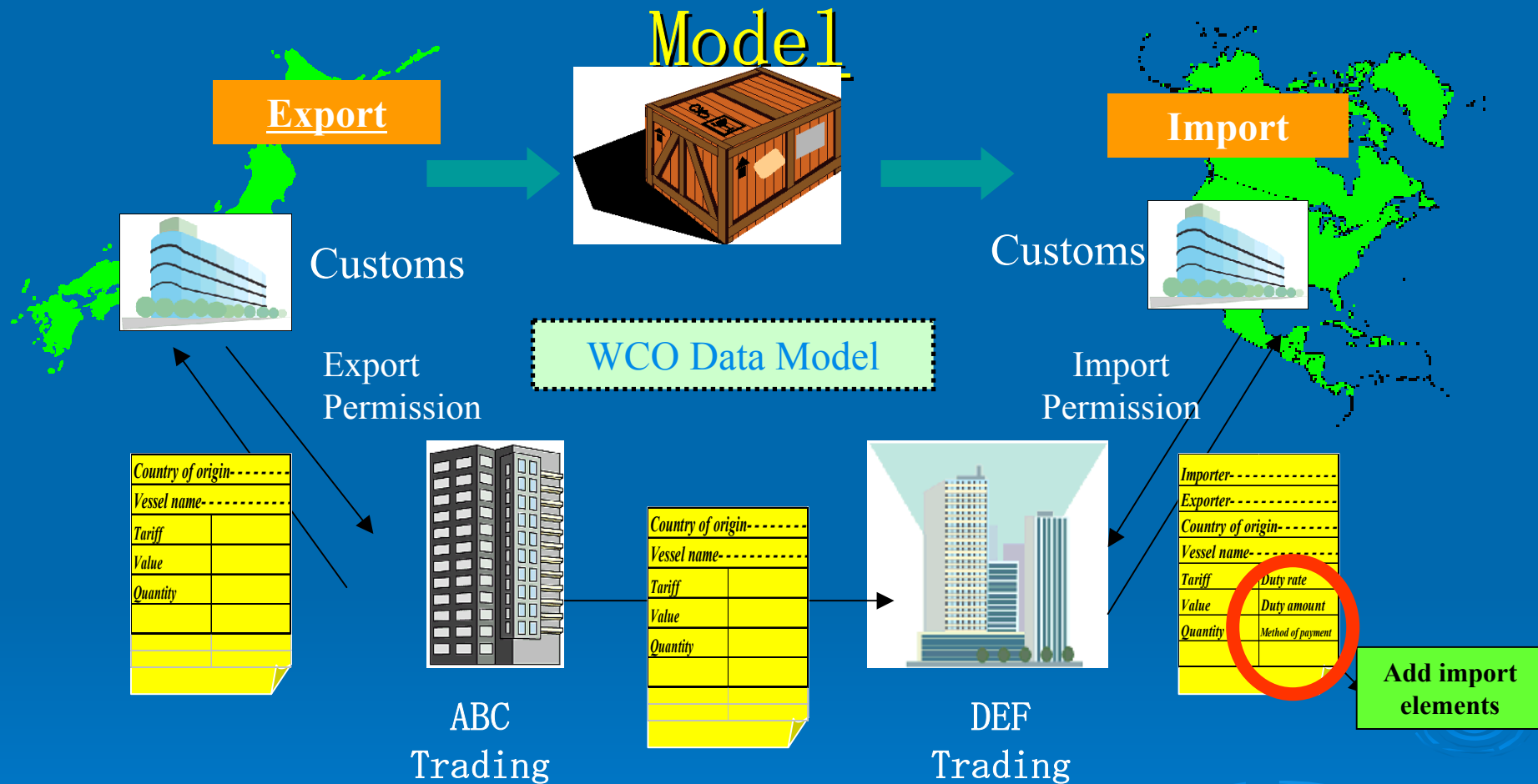
WCO Customs Data Model

- Common data sets and uniform electronic messages for cargo report, import, and export declarations for the clearance of “ordinary goods”
- Maximum data requirements for the routine exchange of information between Customs and the trader
- Countries to require as little information as necessary for Customs control purposes
- Release on minimum information

WCO Customs Data Model

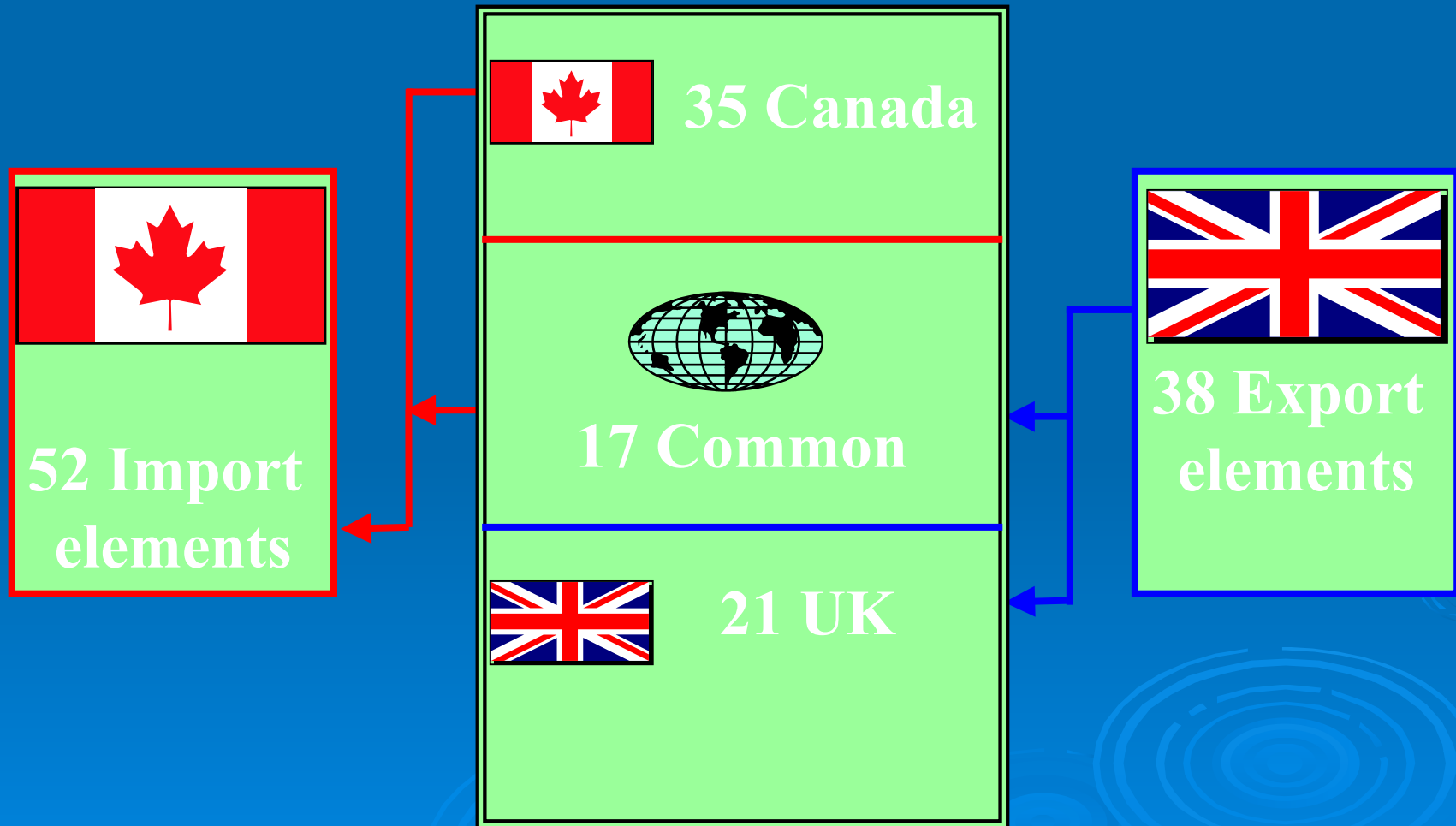
- Harmonized maximum data sets for import, export and transit
- Common electronic messages based on EDIFACT; XML to follow
- International code standards (WCO, ISO, UN, others)
- Version 1 (2002) = G7 Initiative
- Version 1.1 (2003) = G7 + Security
- Version 2.0 (June 2005) = WCO + OGA

Image of Application of WCO Data



Seamless Data Flow

Canada UK Prototype



Unique Consignment Reference Number (UCR)

- **Reported to Customs at any point during a Customs Procedure**
- **Applied to all international goods movements for which Customs control is required**
- **Used only as an access key for audit, consignment tracking and information reconciliation purposes**
- **Unique at both national and international level**
- **Applied at consignment level**
- **Issued as early as possible in the international transaction**

Time release study

- To assist Customs administrations to measure the average time taken between the arrival of the goods and their release, and at each step
- Useful tool:
 - to identify problems and bottlenecks; and
 - to stimulate efforts to improve the efficiency and effectiveness



IT Software is available
in co-operation with World Bank

Time Release Study (image)



Consumed
by
Shipping company
Shipping agent
Port Authority, etc.

Consumed
by
Importer,
Customs broker
Container Yard
OGAs, etc.

Consumed
by
Customs

Consumed
by
Port Authority
Container Yard
Warehouse,
Forwarder, etc.



Ship Arrival

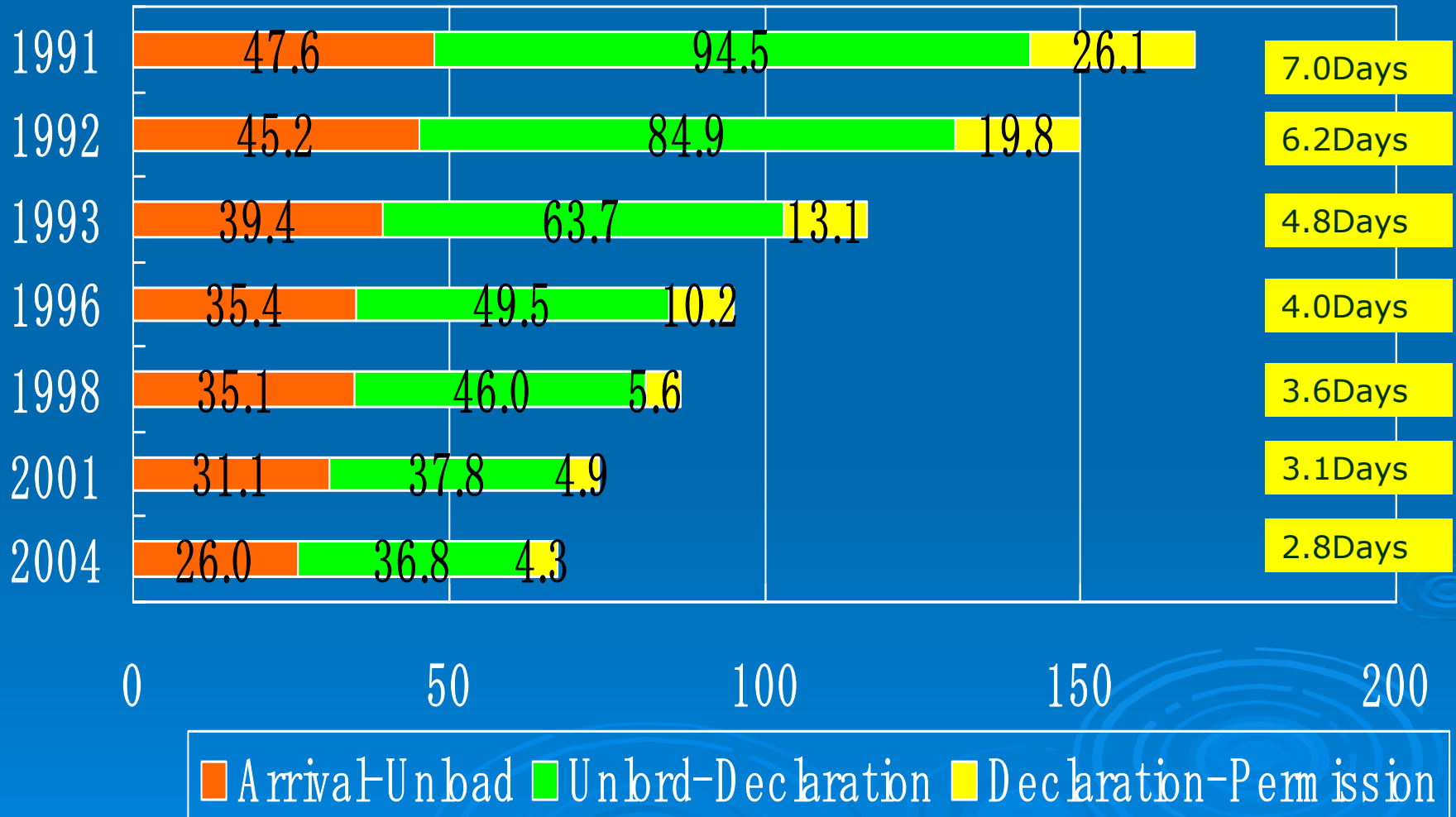
Unloading

Declaration

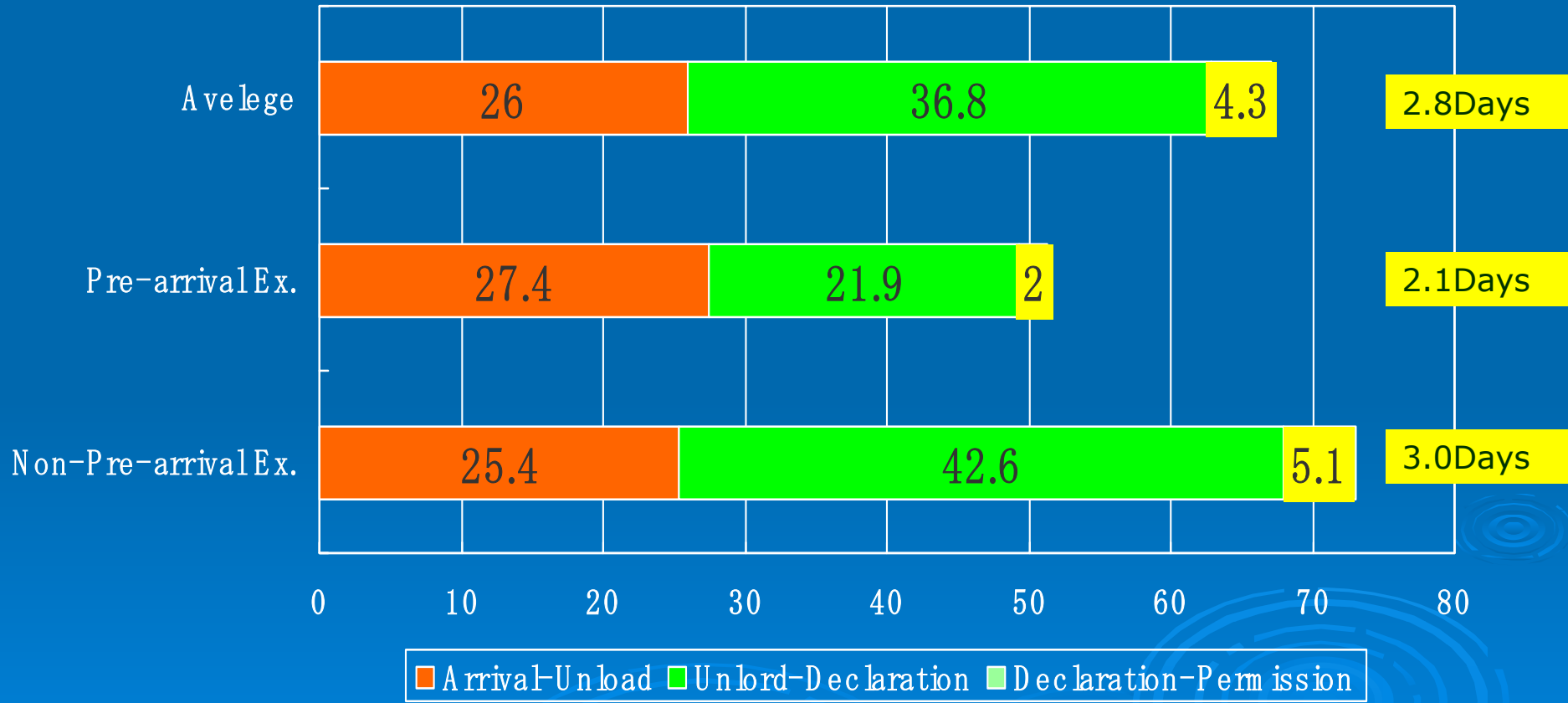
Permission

Delivery

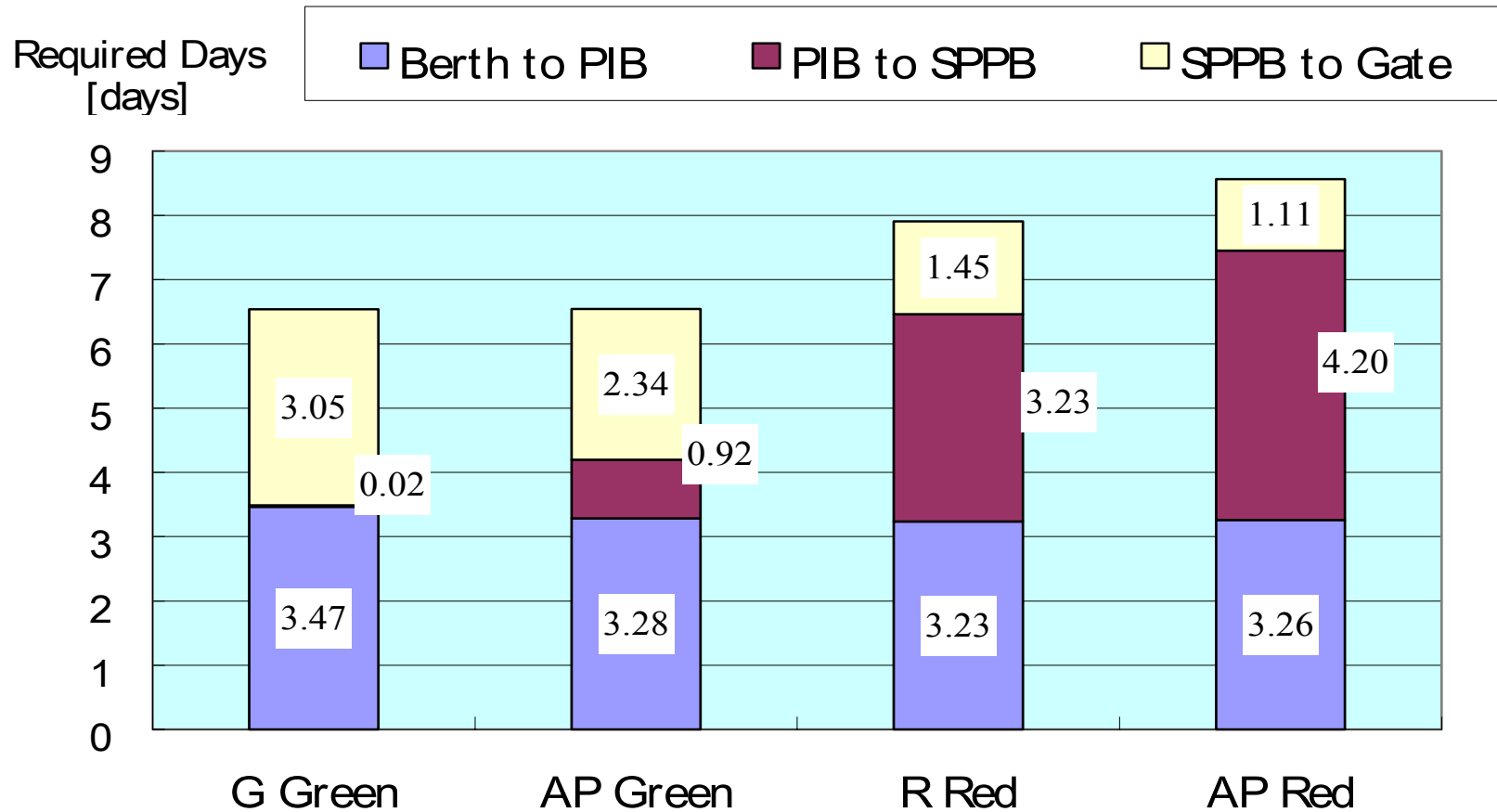
TRS in Japan



Pre-Arrival Examination Regime (result of 7th RTC)



Result of TRS (Country I)

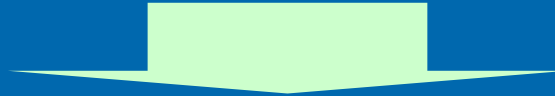


PIB: Import Declaration

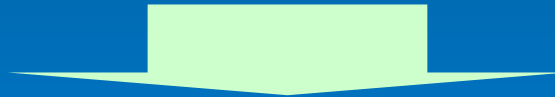
SPPB: Import Approval

Vulnerability of International Trade

- International Trade is an essential driver for economic prosperity.



- If attacked, cause severe damage to the entire global movement of goods.



- Make huge negative impact to the globe economy.



Structure of Framework of Standards

➤ Four Core Elements

➤ Customs-to-Customs Pillar

- 11 Standards

- Annex 1 (technical specifications)
- Appendix to Annex 1

➤ Customs-to-Business Pillar

- 6 Standards

- Annex 2 (technical specifications)

Four Core Elements of Framework of Standards

- Harmonizing advance electronic cargo information to allow risk assessment
 - Inbound, outbound, transit
- Using a consistent risk management approach
- Using non-intrusive detection equipment to effect inspections
 - Outbound inspection
- Leading to defining benefits for nations, customs and business

Two Pillars of Framework of Standards

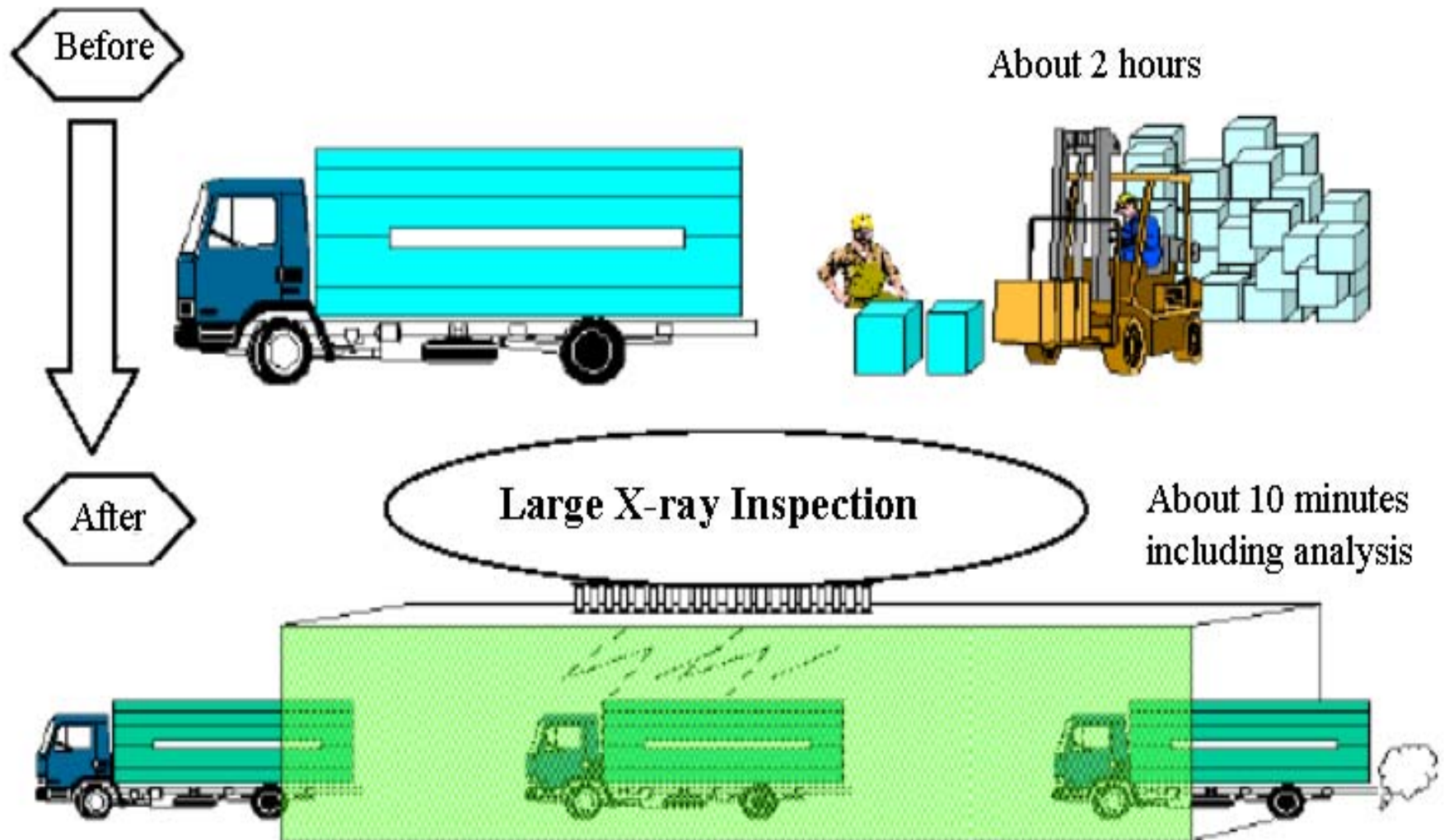
➤ Customs-to-Customs pillar

- Encourage cooperation among Customs administrations on the basis of common and accepted standards
- Use of advance electronic information to identify high-risk cargo

➤ Custom-to-Business pillar

- Establish partnership
- Identify business with a high degree of security guarantee as “Authorized Economic Operator” (AEO)
- Tangible benefits to AEO
 - Quicker movement of low-risk cargo, uniformity and predictability, etc.

Introduction of Large X-ray Inspection



Implementation of the WCO Framework of Standards

➤ Phased approach

- In accordance with the each administration's capacity

➤ Capacity building

- Use of diagnostic tools
 - Self-assessment tool
- Political will and Integrity should be exist
- Cooperation with Donors

Benefit for Nations, Customs, and Business community

➤ Nations/Governments

- Economic growth and development

➤ Customs

- Enhance information exchange between Customs and improve the ability of Customs risk management

➤ Business Community

- Secure international trade as well as facilitate global trade.

Establishment of ROCB

- WCO Capacity Building Strategy and its Regional Approach.



- Head of the Customs Meeting WCO Asia Pacific Region (March 30 –April 1, 2004)

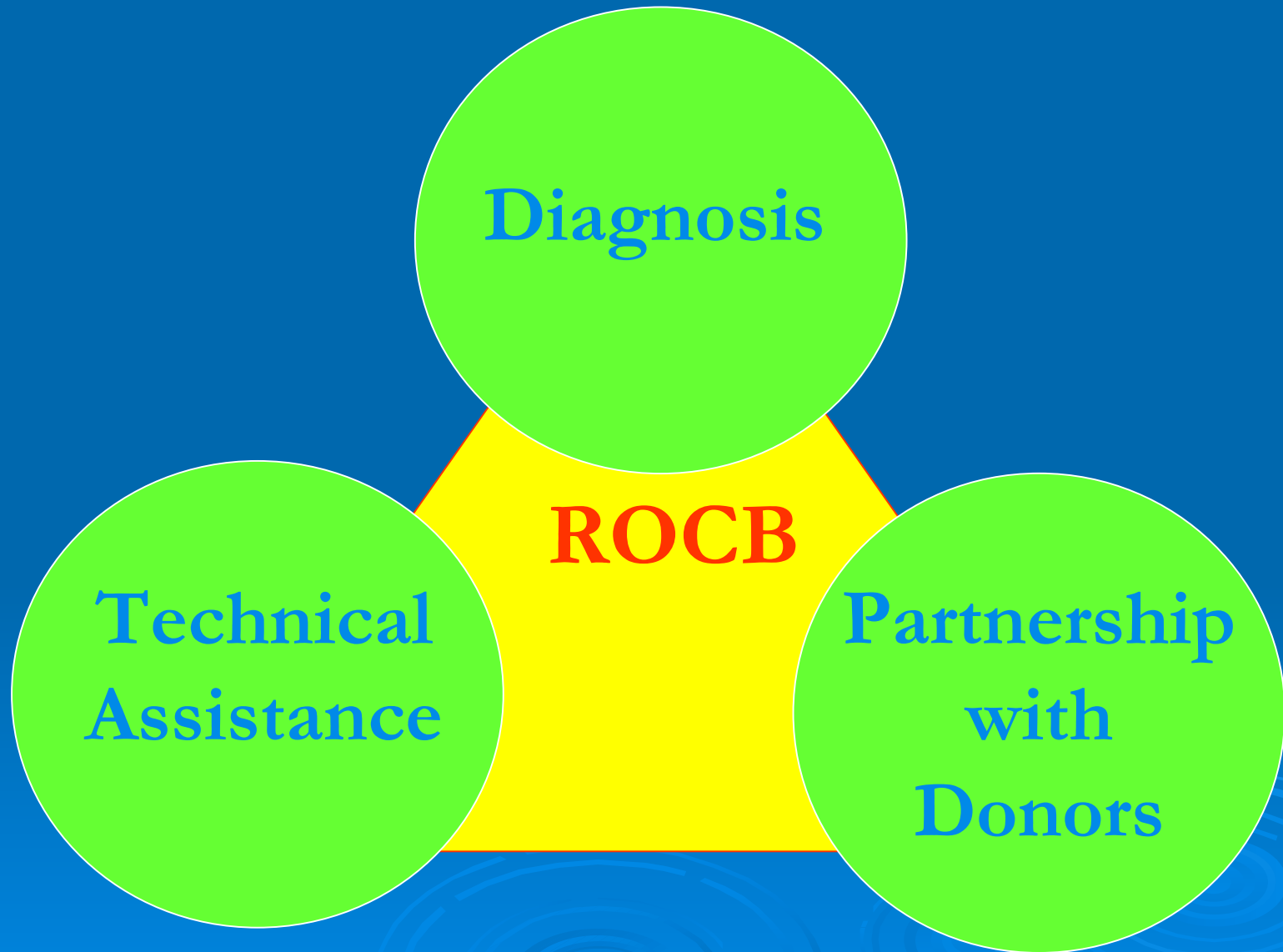


- WCO Council Session (June 2004)



- Approval of Thai Cabinet (September 7, 2004)
- Opening Ceremony (September 28, 2004)

Missions of ROCB



Thank you

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