

**Central-South Asia Regional Business
Roundtable Preparatory Meeting
3-4 November 2005, Kyrgyz Republic**

**Regional Trade Facilitation Program
Opportunities and Challenges for the
Business Community**

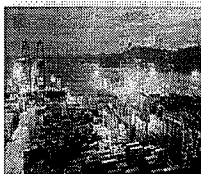
by
Mr. Jeffrey Liang
Principal Trade Economist
Governance, Finance, and Trade Division
East and Central Asia Department



Presentation Outline



- Overview
- Activities & Achievements



- Implications of the Program for
● the Business Community

- Trade facilitation as a driver for
improving the business environment
- Potential trade facilitation opportunities



- Conclusions



Part 1 An Overview

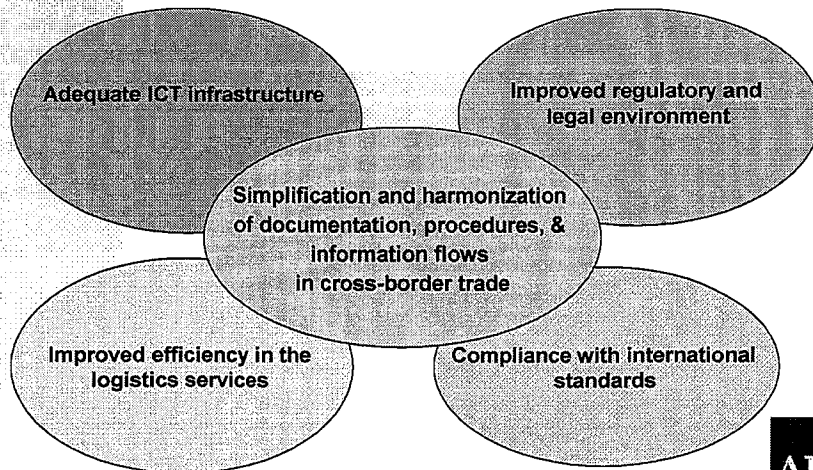
Regional Trade Facilitation Program

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Introduction

Trade Facilitation ... a broad concept



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Program Objectives

Short-term

- promote concerted customs reforms & modernization, and
- serve as regional forum to address common issues

Long-term

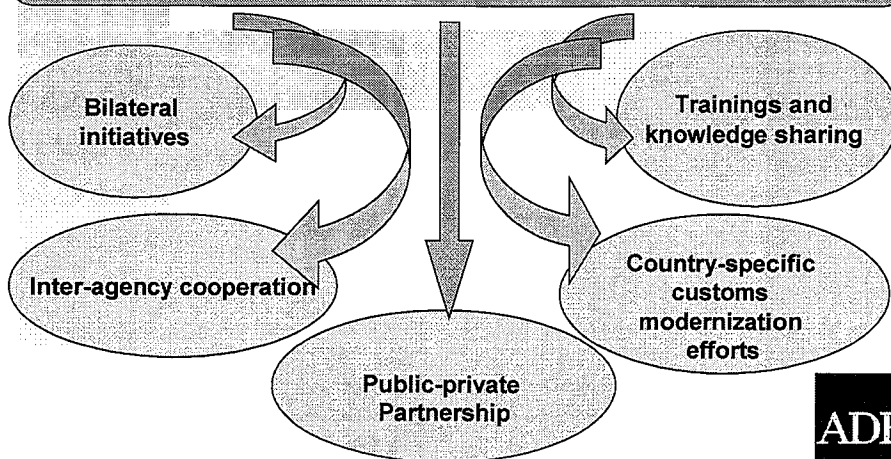
- promote an integrated trade facilitation approach towards one stop shop/single window services for the business community

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Program Approach

our mantra -- think broadly, act pragmatically



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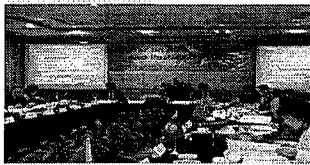
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Coordination Mechanism

Customs Cooperation Committee (CCC)



- CCC consists of Heads of Customs Administrations of participating countries

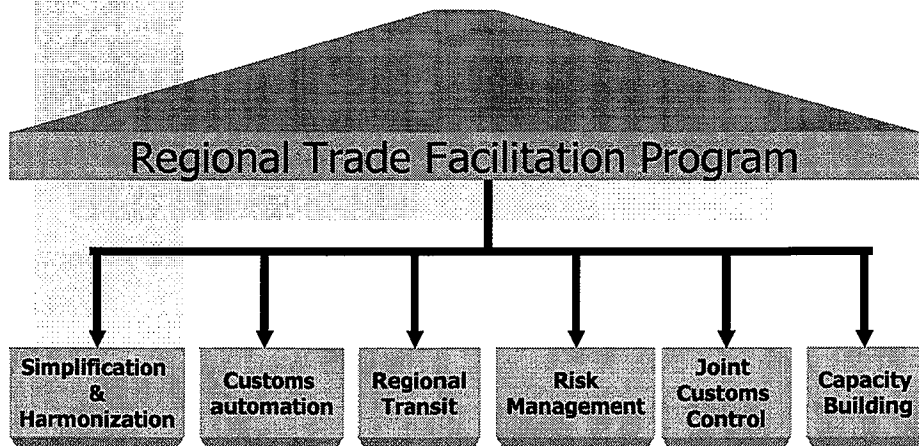


- Coordinates and supervises implementation of initiatives under the Program



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Priority Areas



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Part 2 Activities and Achievements

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Activities/Achievements

- **Harmonization of customs legislation and procedures**
 - Revision of Customs Codes: Kyrgyz Republic Kazakhstan (May 2003), (Jul 2004), Tajikistan (Nov 2004),
 - Harmonization of cargo manifests and mutual recognition of customs inspections/seals: pilot test by People's Republic of China and Kazakhstan

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Activities/Achievements_(cont.)

- **Customs Modernization, reengineering, and infrastructure development**
 - Development of Unified Automated Information System and customs border post infrastructure (\$18.2 million for Kyrgyz Republic and Tajikistan)
 - Needs assessment for Mongolia; ICT master plans for Kyrgyz Republic and Tajikistan; logistics development strategy for Xinjiang, PRC

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Activities/Achievements _(cont.)

- **Data exchange**
 - Uzbekistan's proposal to create an electronic platform for data exchange and pilot test it with the Kyrgyz Republic
- **Joint customs control**
 - Pilot testing by Kazakhstan and Kyrgyz Republic at the Kordai-Akzhol border crossing (Jul 2004) and Ak-Tilek-Karasu (Nov 2005)
 - MON/PRC to initiate joint customs control

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Activities/Achievements (cont.)

- **Capacity building and knowledge sharing activities on international best practices and country experiences**
 - Trade facilitation and private-public partnership for customs modernization
 - Customs automation and data exchange
 - Risk management and post clearance audit
 - Single window and one stop service
 - TIR customs transit system
 - Forthcoming activities
 - E-governance in S.Korea
 - Customs modernization issues in Japan
 - study tour for KGZ and TAJ in Singapore



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Activities/Achievements (cont.)

- **Bilateral customs cooperation**
 - Transit agreements: KGZ/TAJ(July 2004); KAZ/KGZ (March 2004)
 - Exchange of customs statistics: KGZ/PRC (Sept 2004); KAZ/PRC(2003)
 - Mutual administrative assistance and cooperation: AZE/PRC (March 2005); AZE/KGZ (Dec 2004); KGZ/MON (March 2004); PRC/UZB (Aug 2005)



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Part 3

Regional Trade Facilitation Program

Implications for the Business Community



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Implications for the business community



- **Trade Facilitation is an important driver for economic development**
 - **A tool to help improve the overall trade and investment climate**
 - **Reduced costs for businesses, increase competitiveness**
 - **Increased predictability and transparency**
 - **Better revenue collection, improved security and control**



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Private-Public Partnership is important

- Customs Automation, Data Exchange, & Joint Customs Control
 - Integrated master plan development for customs modernization requires close consultation/coordination between government and private sector especially ICT industry
- TIR Customs Transit System
 - TIR System's controlled access requires close cooperation between customs authorities and private transport associations
- Risk Management
 - Introduction of risk management requires a change in corporate mindset from one of "control" to "compliance facilitation" or "informed compliance"



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Potential Trade Facilitation Opportunities for the business community



- Customs Automation, Data Exchange, & Joint Customs Control
 - Development & implementation of customs automation/modernization master plans
- TIR Customs Transit System
 - Transportation services including trucking
 - Transit guarantees/insurance services
 - Logistics services including infrastructure, operation and maintenance
- Risk Management
 - operation of cargo inspection technology
 - testing & certification



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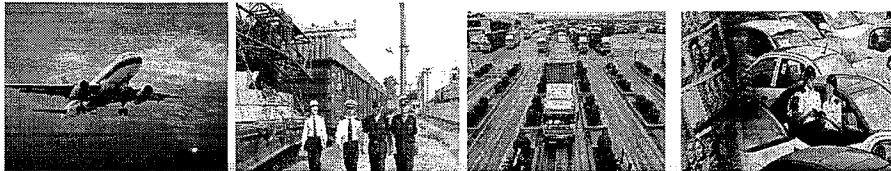
Part 4 Conclusions

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Conclusions



- Trade facilitation leads to benefits to the business community
- Trade facilitation offers opportunities and areas for involvement by the business community
- To realize benefits and opportunities, increased participation of the business community is needed
 - identifying trade facilitation issues and developing appropriate measures to address these
 - ongoing trade facilitation negotiations under the World Trade Organization

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