



ADB Seminar on Single Stop / Joint Border Processing for Central Asia

Keynote Speech

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Recent evolution of customs environment (1)

■ **Information Technology**

- E-commerce: doing business electronically (paperless)
- Information management (availability, accessibility, partnership)
- E-customs

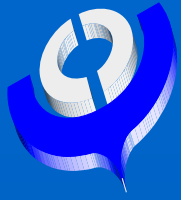
■ **Global production & distribution system**

- Reduction of tariff level
- Transaction cost (border formalities)
- Transparent, predictable & expeditious border procedures
- Investment climate, national competitiveness
- WTO Doha Development Agenda (Trade Facilitation negotiations)



Recent evolution of customs environment (2)

- **Terrorist threats, organized crime**
 - 9/11 and supply chain security
 - Drug trafficking, counterfeiting
 - Integrated border management
- **Regional integration**
 - Geographic proximity as natural basis for trade integration
 - Free trade agreements
 - Complementary to global trading system
- **Capacity building**
 - Trade as main avenue of development policy



Evolution of customs

Revenue Collection of import taxes (duties & excise)

Protection of Economic Interests
(domestic industry)

Protection of Society <health, safety>
(drug trafficking, firearms, environment, counterfeit etc.)

Economic Development <trade, investment>
(trade facilitation, regional integration)

Security <terrorism>
(shifting focus to entire supply chain)

Customs function



Challenge for customs

- **Achieve effective and efficient control in a wide range of mission areas**
 - Revenue, protection of society, security
 - Shift and difference in emphasis, depending on development stage
- **Respond to the growing needs for trade facilitation**
 - A major issue for improving national competitiveness
- **Balanced and integrated approach**
 - Risk management (selective control)
 - Use of Information Technology
 - Partnership with trade
 - Enhance cooperation with other government agencies
 - Organizational change



Tools for customs to address the challenge

■ **International standards**

- WTO Trade rules, UN standards
- WCO standards

■ **International cooperation**

- Exchange of information
- Sharing best practice
- Global and regional level

■ **Capacity building**

- WCO Capacity building strategy
- Diagnostic tools for customs reform & modernization
- Regional approach



Major WCO standards

- **WCO Revised Kyoto Convention**
 - Blueprint for modern customs to achieve effective and efficient control while ensuring facilitation for legitimate trade
 - Complementary to the WTO rules, UN standards
- **WCO Framework of Standards to secure and facilitate global trade**
 - Adoption at the WCO Council in June 2005
 - Risk management using advance information
 - Based on the WCO Revised Kyoto Convention and other WCO tools
 - Complementary to existing regional & bilateral initiatives



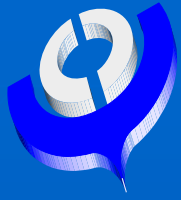
International cooperation

■ **Exchange of information**

- Customs Enforcement Network (CEN)
- Regional Intelligence Liaison Office (RILO)
- Advance electronic information
- Legal basis (WCO Johannesburg Convention, bilateral agreement)
- Trust & maintained networking

■ **Sharing best practice**

- Basis for future standards
- Regional forum: EU, APEC (Asia Pacific Economic Cooperation), ASEAN etc.
- Inter-region: ASEM (Asia Europe Meeting)



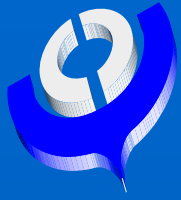
Capacity building

- **Customs Capacity Building Strategy**
 - Political will
 - Ownership approach by customs management & personnel
 - Sustainable human and financial resources
 - Integrity
 - Accurate diagnosis
 - Donor coordination
- **Diagnostic and integrity tools available**
 - WCO's role at diagnostic, action planning and evaluation
 - Pool of facilitators
 - Recipient customs in charge of Implementation of programs



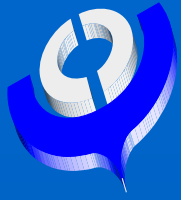
Time Release Study

- **Measure the average time**
 - Between the arrival and the release of goods
 - Each step of border crossing
- **Useful tool to**
 - Identify problems and bottlenecks, including those caused by customs, other border agencies and trade;
 - Seek solutions; and
 - Stimulate efforts to improve the efficiency and effectiveness
- **WCO guide**
 - Software developed in cooperation with the World Bank



Single stop / Joint border processing

- **Standards available**
 - Revised Kyoto Convention – joint controls at common border crossings, transit, simplified & harmonized procedures
 - Framework of Standards – consistent risk management
- **International cooperation**
 - Human network at management & field level
 - Sharing best practice of regions
- **Capacity building**
 - Ownership approach with political support
 - ADB financial support in cooperation with WCO
 - Regional cooperation



Thank you very much!

For more information, please visit

WCO Web-site: www.wcoomd.org