

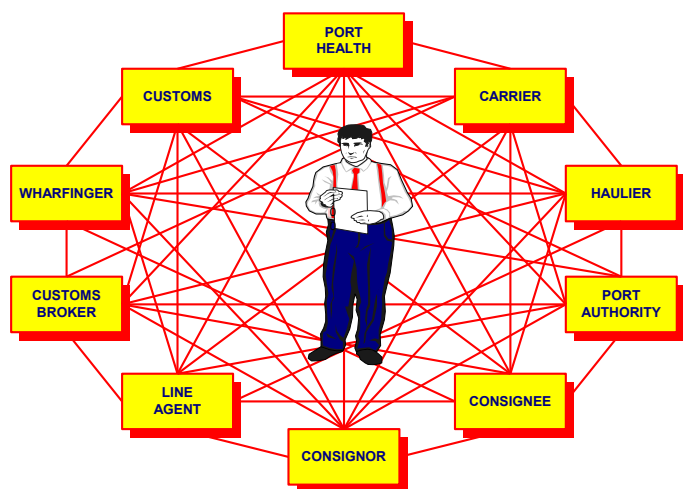


# **Engagement with the Private Sector for Effective Trade Facilitation – SASEC Perspective**





# Regulatory environment at Borders



- Enforcement
  - Customs
  - Border Guards
  - Police
  - Coast Guard
  - Navy
  - Tax

## Trade Facilitation

- Customs
- Other Regulatory Agencies
- Licensing Authority
- Custodians
- Banks

Coordination required for -

- Addressing security threats and regulatory challenges
- Ease of doing business and improved service quality
- Enhancing national competitiveness

Private sector stakeholders





# Global Outlook



WCO tools and WTO Trade Facilitation Agreement has elaborate provisions to promote transparency, consultation and coordination



# WCO SAFE Framework

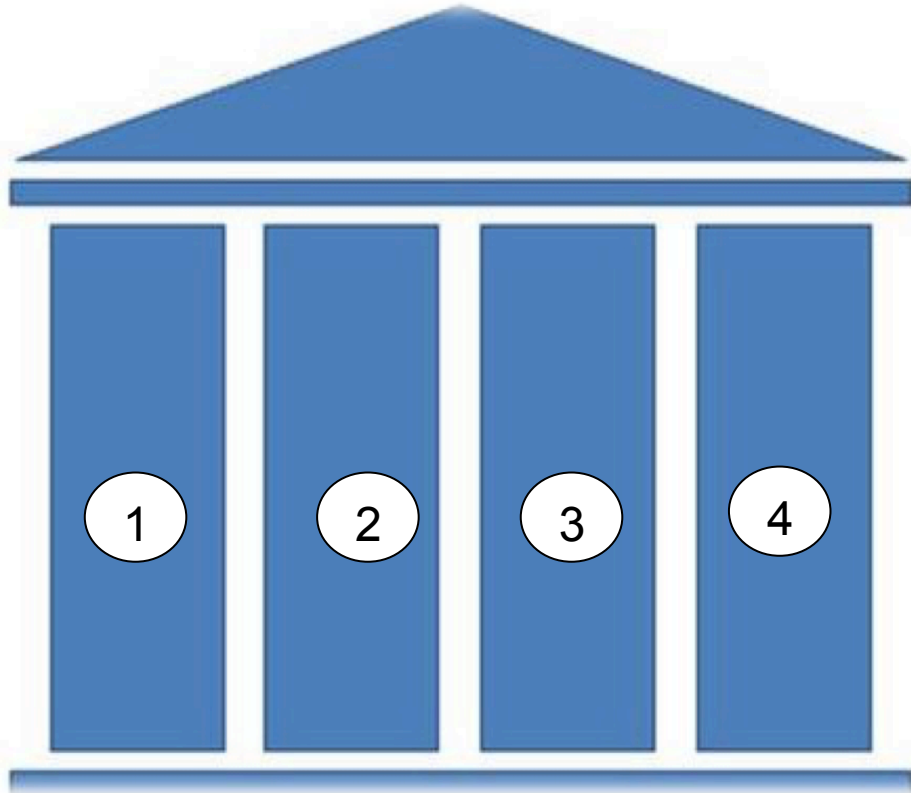
- **The SAFE Framework of Standards to Secure and Facilitate Global Trade**
  - Adopted in 2005; non-binding instrument
  - Pillar 3 - Fosters **close cooperation between Customs and other government agencies**, for effective supply chain security
  - Promotes **cooperation between customs and the business community** through the authorized economic operator concept
  - Champions seamless movement of goods through secure international trade supply chains.





# WTO TFA

## - Key Pillars for Implementation



1

**Transparency and Consultation**  
(Access to Information and prior discussion)

2

**Technology**  
(Digital, non-intrusive technologies and analytics)

3

**Procedures**  
(Simplification, Harmonization and Risk based approach)

4

**Infrastructure**  
(Augmentation in Ports, Airports, Railways, Roads, Dry Ports, Land Borders)

**Coordination**  
(Private Sector and Inter-Agency)



**SA-SEC**  
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# National Committee on Trade Facilitation (NCTF) - Basis

Article 23.2 of Section III  
of WTO TFA:



*National Committee on  
Trade Facilitation:*

*Each Member shall establish and/  
or maintain a national committee  
on trade facilitation or designate  
an existing mechanism to facilitate  
both domestic coordination and  
implementation of the provisions  
of this Agreement.'*





# Institutional structures for stakeholder engagement

| Country Name | Status   |
|--------------|--|
| Bangladesh   | National Trade Facilitation Committee (NTFC) headed by the Minister, Ministry of Commerce.   |
| Bhutan       | National Trade Facilitation Committee (NTFC) set up in 2015;<br>Better Business Council (BBC) established in 2014 to stimulate dialogue between public & private sectors   |
| India        | National Committee on Trade Facilitation (NCTF) set up headed by Cabinet Secretary; with a supporting steering committee and adhoc working groups; Local level committees set up for facilitation of cargo clearance |
| Maldives     | National Trade Facilitation committee chaired by Minister of Economic Development - to identify work to be carried out by various government agencies to eliminate barriers to trade                                 |



# Institutional structures contd/...

| Country Name | Status   |
|--------------|--|
| Myanmar      | National Trade Facilitation Committee set up – with Deputy Minister for Commerce and Deputy Minister for Planning and Finance as the Chairman and Joint Chairman   |
| Nepal        | NCTF set up under chairmanship of Secretary, Ministry of Industries, Commerce and Supplies with private sector participation; Customs Trade Facilitation Committees also set up at national and local levels |
| Sri Lanka    | NTFC was established in April 2016 with Secretariat at the Ministry of Development Strategy and International Trade; and meets every 3 months at the office of the Director General of Customs               |







# Engagement with Private Sector – Institutional arrangements

- National Committee on Trade Facilitation
- Facilitation Committees (local level)
- Time Release Surveys
- Authorized Economic Operator (AEO) program





# National Trade Facilitation Committee

A central consultation mechanism

- Consists of senior representatives of all key departments, major trade bodies, association of customs brokers, freight forwarders, exporters etc.
- Discusses issues of wider ramification and makes policy recommendations on trade facilitation
- Institutional mechanism for implementing WTO TFA
- Supported by a secretariat





# Effectiveness of NCTF

TFA requires multiple stakeholders to come together for better coordination and for better implementation of TFA

**Coordination**

**Decision Making  
Authority**

**Flow of  
Information**

**Public and Private  
Ownership**





# NTCF model

In India, a Three-Tier mechanism implemented

**National Committee on Trade Facilitation (NCTF)** chaired by Cabinet Secretary

**Steering Committee**  
co-chaired by Revenue Secretary & Commerce Secretary

Ad-hoc **Working Groups** to assist with specific provisions.



# Customs Clearance Facilitation Committee

A local level consultation mechanism

## ➤ Objective

- Institutionalizing at the individual seaports, airports, dry ports and Land Custom Stations, an administrative mechanism with responsibility of
  - expeditious clearance of imported and export goods and
  - resolving related trade grievances in a time bound manner.





# General Mandate

- Ensuring and monitoring expeditious clearance of imported and export goods;
- Identifying and resolving bottlenecks, if any, in the clearance procedure of imported and export goods;
- Conducting Time Release Studies for improvement in the clearance time of imported and export goods;
- Having internal consultations to speed up the clearance process of imported and export goods and recommending best practices to H.Q; and
- Resolving grievances of members of the trade and industry on clearance process





# TRS as a consultative tool

## Key Objectives of TRS

- Analyze Business Processes and practices followed by regulatory agencies, logistics service providers and traders to identify bottlenecks and inefficiencies in international trade
- Publication of Cargo Release Time at Ports, Airports and Land Customs Stations
- Develop evidence-based work plan for implementing further trade facilitation reforms to bring down cargo release time





# TRS under SASEC

- TRS conducted by SASEC countries at major customs locations
  - Chattogram
  - Colombo
  - Mumbai (JNCH), Chennai
  - Male
  - Biratnagar
  - Phuentsholing
  - Asia World Port, Yangon Aerodrome and Muse Border Check Point

## India

- National Trade Facilitation Action Plan (NTFAP) sets target of clearance within 24 hours for sea cargo and 12 hours for air cargo
- TRS at major ports, airports, ICDs and land borders in 2 phases –
  - 7 locations in August 2019
  - 8 locations in September 2019







# **Inter-Agency Coordination**



# GLOBAL INSTRUMENTS AND TOOLS

TOOLS



# Revised Kyoto Convention

## 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-ordinated and, if possible, carried out at the same time.*
- Inspection of goods should take place in coordination with other competent authorities.
- Customs should establish effective communications with other competent authorities for this purpose.





# WTO TFA – Border Agency Cooperation

## Article 8

1. Each Member shall ensure that *its authorities and agencies* responsible for border controls and procedures dealing with the importation, exportation and transit of goods *cooperate with one another and coordinate their activities in order to facilitate trade.*

2. Each Member shall, to the extent possible and practicable, cooperate on mutually agreed terms *with other Members* with whom it shares a common border with a view to coordinating procedures at border crossings to facilitate cross-border trade. Such cooperation and coordination may include:

- a) alignment of working days and hours
- b) alignment of procedures and formalities
- c) development and sharing of common facilities
- d) joint controls
- e) establishment of one stop border post control





# Need for Border Agency Cooperation

- Multiplicity of agencies
- Duplication of work
- Excessive compliance requirements
- Effective enforcement
- Customs and border agencies need to find the right formula to work together
- Everyone wants to “coordinate” – no one wants to be “coordinated”





# Inter-Agency Coordination – Institutional arrangements

- National Committee on Trade Facilitation
- Customs Clearance Facilitation Committees (local level)
- Time Release Surveys
- Single Window environment
  - Data Harmonization
  - Integrated Risk Management
- Co-location and sharing of regulatory facilities - ICPs
- Joint Inspections





# NSW and Data Harmonization

- One of the most complex system for integration of Government - Business processes
- to accomplish formalities for import, export, transit and release of goods, means of transport and persons in international trade.
- Leveraging Technology
- Standardized and harmonized sets of data for submission by Trade to Customs and other agencies
- Enables better coordination & interoperability





# Data Harmonization

- Standardized and harmonized sets of data for submission by Trade to Customs and other cross-border regulatory agencies
  - to accomplish formalities for import, export, transit and release of goods, means of transport and persons in international trade.
- Enables coordination & interoperability between systems of regulatory agencies
- Leads to better coordination and cuts down duplication.





# Degree of Cooperation among border agencies

- Coexistence



- Communication



- Cooperation



- Co-ordination



- **Collaboration**

- Degree of formality is important  
–informal / personal arrangements are not sustainable
- Process: The work of Customs, other government agencies and Trade needs to be understood in terms of interactive processes and shared ownership





# Engagement with Private sector - Lessons learnt

- Political will and buy-in
- Clarifying expectations
- Sustainable mechanism
  - Institutionalised with clear mandate and placement
  - Staffing and allocation of resources (incl. financial)
- Central, local (*multi-tiered*) consultation mechanisms
- Appropriate representation (including MSME, Sectoral)
- Follow up action





## **Lessons learnt contd/...**

- Predictability and transparency highly desired by Private sector
- Use of technology - Trade Portals, paperless processing etc.
- Partnership approach
- Key deliverable is to promote voluntary compliance through outreach



**SASEC**  
South Asia Subregional Economic Cooperation

**Thank you.**

