

Opening Remarks
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Distinguished Country Delegates, Colleagues from Philippine Customs, Private Sector Representatives, Ladies and Gentlemen,

It is a great pleasure for me to welcome you and deliver the opening remarks at this important gathering. On behalf of ADB, let me thank the Philippines' Bureau of Customs for hosting this event and providing extensive administrative support and expertise. I have no doubt that this will be a Forum to showcase the Philippine Customs' great success in leveraging private sector strength to accelerate its customs modernization program.

The presence of so many senior officials here today reflects the importance that member countries attach to trade facilitation and regional customs cooperation. I would like to particularly acknowledge Honorable Minister Babaev, Deputy Minister Sahibov, Deputy Minister Malabekov, and heads of the Kyrgyz Republic, Tajikistan and Turkmenistan customs, Mr. Kulmatov, Mr. Rahmatov and Mr. Muhametkuliyev. Regional cooperation is one of ADB's major themes, and your leadership and collective efforts have made the Regional Customs Cooperation initiative increasingly

recognized as a flagship program of ADB's Central Asia Regional Economic Cooperation Program.

I would also like to recognize Mr. Alan Ng, representative from the Government of Singapore, whose recent efforts have resulted in financial support from the Government of Singapore for a study tour planned for next year. Our member countries are looking forward to broadening their learning experiences and gaining insight into how best to engage the private sector joining the global competition for knowledge transfer and customs modernization.

I am particularly delighted with the presence of women professional staff in this Forum. As you are aware, promotion of women in development is a focus of ADB. I was not surprised when Mr. Jeffrey Liang told me that participation of women professional staff is a key factor for the success of the customs cooperation program and the source of productive meetings in the past. In this regard, I thank the customs management of Kazakhstan and the People's Republic of China for supporting the participation of women professional staff in customs cooperation activities and I encourage other member countries to do likewise.

I would like to extend a special welcome to the private sector representatives present in this Forum, and acknowledge the support of SGS for this event. The theme of the Forum reflects the importance of the private sector in customs modernization. And your presence bodes well for a broadened focus in the future.

Modern customs services rely on strong partnership between customs administrations and the private sector. For example, the reforms of the customs legal frameworks require close consultation with the trade community and other private sector partners. This is a key principle of the Revised Kyoto Convention and the WTO Agreements. Kazakhstan, the Kyrgyz Republic and Tajikistan provide excellent models in establishing consultative relationships with the private sector for reforms and modernization of customs services.

Another example is the introduction of risk management to facilitate trade while maintaining effective customs control on illicit trade. The increased application of risk management in customs control reflects a fundamental change in modern customs services as well as in the relationship between the public and private sectors. Increasingly, government is becoming a catalyst for private sector development, and customs administrations are adopting the role of "informers" and "facilitators" of customs rules and procedures for the private sector. Without nurturing informed-compliance of traders and cooperation in data-sharing between customs and the trade community, "high-risk" traders cannot be separated from "low-risk" traders, and the risk management technique cannot be effectively implemented.

Last but not the least, the private sector can play a major role in the entire process of development of an automated customs information system, from conceptualization to financing. Customs administrations are constrained by limited financial resources and significant overhead. However, the private sector has great

incentive to invest in electronic data interchange systems and “add on” to the Customs’ systems to facilitate trade and improve customs control. Therefore, partnership can be forged if Customs focuses on its core business and outsource some of the non-core functions to the private sector. As an example, the Philippine Customs and the Philippine Chamber of Commerce and Industry (PCCI) forged a partnership to develop an integrated Information System at Manila International Container Port. Customs benefited by private sector-financing and benefited from faster customs clearance of containers at the port.

Ladies and Gentlemen, the growing emphasis on public-private partnership will affect the way we conduct “customs business”. Therefore, a comprehensive master plan for customs modernization must include a strategy for managing change, and consulting with private sector stakeholders. The emphasis on “change management” and “public-private partnership” will be two features of your three-day Forum.

I hope the Forum will generate a lot of new ideas and proposals on how the customs and the private sector can effectively work together to accelerate trade facilitation and customs modernization. The Philippines’ experiences with modernization will provide a good reference point for developing and updating your master plans for customs modernization.

As the secretariat, ADB is happy to be a facilitator of your modernization effort and an honest broker for forging partnership between the Customs and the private sector.

I wish you success in your deliberations.

Thank you.