

Opening Remarks
by
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**Customs Cooperation Committee Regional Meeting on
Development of Simplified Transit Systems
21-23 February 2004, Bishkek, Kyrgyz Republic**

Thank you, Mr. Duishaliev, for the warm welcome.

Distinguished Country Representatives,
Resource Persons,
Ladies and Gentlemen,

It gives me great pleasure to join Mr. Duishaliev in welcoming you all. I would like to thank the Department of Customs Services for hosting this meeting and serving as the chair to spearhead this important CCC initiative of developing simplified transit systems. A viable regional transit arrangement is vital for countries in the region, as it will help turn geographical disadvantages such as land-lockedness into advantages, transforming the region into a “land-bridge” between East Asia and Europe for accelerated trade and economic growth. I hope this meeting will contribute to the development of some of the “building blocs” for the development of a regional transit system. And I am honored to be part of this important deliberation.

We are not alone in the endeavor

In searching for a transit arrangement for the region, we must bear in mind that we are not alone in this endeavor. The deliberations on this important regional issue are taking place in several regional and international forums participated in by broad-based stakeholders and development partners. For example, the United Nations organized a “High-level Conference” last August in Almaty and adopted an “Almaty Declaration” to spur international support for land-locked and transit developing countries to overcome their critical development constraints. In the Ministerial Conference of Central Asia Regional Economic Cooperation last October in Tashkent, the Ministers recognized the development of simplified transit system as a key challenge and instructed the CCC to consider drafting a regional transit agreement in the near future. Therefore, our CCC effort is an integral part of broad regional and global effort and we must embrace all the development partners to galvanize concerted support for our endeavor. In this regard, I am pleased that representatives from EC and the USAID are present in this meeting, and I thank these two organizations’ support for the CCC activities in the past.

Regional effort must be supported by individual countries’ efforts

We must also recognize that there is no quick fix and easy solution to transit development, as most of the transit issues reflect deep-seated development issues and challenges confronting our CCC member countries. As a long-term development goal, the development of a regional transit system would very much depend on whether there is concerted effort in customs reforms and modernization among the CCC member countries to provide the enabling soft- and hardware infrastructure for a regional transit system. Therefore, regional

effort must be complemented by individual countries' trade facilitation and customs modernization programs involving

- (i) customs legal and regulatory reforms,
- (ii) modernization of customs physical infrastructure, and
- (iii) promotion of customs services intermediaries such as brokers' and forwarders' associations.

A "National Working Group" or "Committee" should be established, as recommended by the Kyrgyz Republic and Tajikistan and endorsed by the Ministers in the Ministerial Conference in Tashkent, to coordinate with the relevant Ministries and stakeholders involved in transit development.

Ladies and Gentlemen, ADB as the CCC secretariat stands ready to support your pursuit of developing an alternative regional transit arrangement, and individual countries' effort in customs reforms and modernization. In line with our member countries' customs reforms and modernization programs, ADB's three-pronged strategy aims to assist the member countries in

- (i) modernizing customs infrastructure—including customs legal framework and physical infrastructure,
- (ii) developing customs-supporting infrastructure through fostering brokers' associations and various private-public partnership initiatives, and
- (iii) supporting regional customs cooperation initiatives to promote concerted efforts in customs modernization and address issues of common concerns such as data-sharing and transit movement.

Besides the CCC initiative, this strategy rendered phased support for some CCC member countries (e.g., Tajikistan and the Kyrgyz Republic) to first promote broad-based customs legal and regulatory reforms, followed by support for customs physical infrastructure development—including introduction of (i) a Unified Automated Information System and (ii) Border-post development—to reinforce the ongoing reforms and improve the efficiency of customs services. We are currently exploring the possibility of extending such assistance to other CCC member countries so as to promote concerted effort in customs modernization and build the enabling infrastructure for a regional transit system.

Ladies and gentlemen, the recent progress in reaching an agreement on transit between Kazakhstan and the Kyrgyz Republic is a positive development in support of the CCC initiative. I hope this meeting could build on the momentum and explore the possibility of extending such transit agreement to other CCC member countries. We should also actively promote the development of the insurance industry and a regional guarantee arrangement in support of the use of national vehicles for transit movement. In conclusion, I would like to thank all of you for taking time out to attend this Meeting. With your active participation and expert advice from our distinguished resource persons, I am confident that this meeting will achieve its intended objective. I look forward to fruitful discussions in the coming days and wish you all a successful conclusion to the deliberations.

Once again, on behalf of ADB, I would like to express my sincere gratitude for your participation and strong support for this meeting.

Thank you.