

Seminar on Implementation Challenges in Joint Customs Control, Risk Management and
Post-Entry Audit
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Keynote Speech
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Mr. Chavalit, Director General, The Royal Thai Customs,
Ms. Noy, Director, Asian development Bank,
Ladies and Gentlemen,

I should begin by thanking the ADB for inviting me to this important meeting and the Royal Thai Customs for hosting and sharing their experiences. Bangkok always provides an excellent environment for this group to make a progress in regional cooperation, thanks to the hospitality and friendship of our Thai colleagues.

While the understanding of key standards in customs has been deepened, addressing their implementation challenges was identified as the pressing topic for this group at the last Customs Cooperation Committee held in Astana, Kazakhstan last October. This is exactly what the WCO has been asked to help member customs administrations in building their capacity to implement the WCO standards, with much focus on regional cooperation. Recognizing this need, the Royal Thai Customs took a far-sighted initiative in establishing the Regional Office for Capacity Building (ROCB) in 2004 under the leadership of Mr. Chavalit. It is my great pleasure to see the initiator of regional capacity building here in Bangkok. I am sure that he will be as supportive as his predecessor Dr. Sathit for the Central Asia Regional Economic Cooperation (CAREC), which is reflected in the agenda.

Joint customs control has gained prominence in development policy in many regions, including Central Asia. To illustrate this point, let me share my recent experience in the World Economic Forum in Davos, Switzerland where 2400 business leaders and policy-makers gathered to shape the global agenda at the end of last month. In one of the sessions, a panel of dignitaries, including British Prime Minister Tony Blair, South African President Thabo Mbeki, and Bill Gates, discussed the effective way to deliver aid in Africa. Interestingly, efficient border crossing was identified as one of the priorities for promoting much-needed investment in Africa. Actually, one panelist emphasized the importance of improving border posts, which would provide solutions to bottlenecks in moving goods across the borders and therefore promote economic development. After the session I talked to the panelist and informed her that the customs community was implementing joint border control to contribute to national and regional economy. Obviously such a project requires strong political commitment and a lead agency, normally customs, as it involves domestic

interagency and international cooperation. We desperately need good internal and external communication to realize this goal. In addition, it is necessary to ensure the effective use of resources, including common border facilities, as well as the use of international standards. This is what I presented as “Integrated Border Management” at the last CCC meeting in Astana. I see an excellent opportunity for this regional forum to enhance cooperative ties, which should serve as a basis for implementing joint customs control. We are fortunate to have a prominent academic in trade facilitation, as well as the Royal Thai Customs who will kindly share their experience.

Always in the context of the World Economic Forum, I also participated in another session of transport and logistics leaders to speak about streamlining cross-border procedures. Together with the WTO Director General Pascal Lamy, I addressed the meeting the need to support customs in applying the principles of modern customs operations. The WTO is expected to provide political support to implementing the WCO standards in this regard. The heads of multinational transport companies appreciated the contribution made by the WCO and renewed their commitment to support the efforts in breaking barriers. Needless to say, the core of modern customs principles is risk-based and audit-based control. This will provide the smooth flow of cargo for the benefit of legitimate and honest business, but also measures to effectively control the movement of goods in the trade supply chain for the benefit of customs. In order to discharge a range of responsibilities, including revenue collection, customs authorities assess the risk of non-compliance for each goods, based on intelligence, and ensure compliance by post-entry audit. The latter is also a major source of information for risk assessment and enhanced control. The WCO has developed best practices which the ROCB will share based on its regional experience. I also value the experience of the Royal Thai Customs as providing concrete examples.

The trade ministers’ informal meeting that took place in Davos on the occasion of the World Economic Forum gave a more positive tone to the WTO Doha round negotiations. While I do not know for sure what course the world trade talk would take, I am certain that the implementation of modern customs principles is a must in integrating national economy into the global economy for both current and prospective WTO members. Moreover, regional economic integration works as a driver of economic development, in parallel to globalization. The stake is therefore high for customs to actively participate in and contribute to this regional and global integration process. In this respect, I hope this seminar will advance CAREM trade facilitation program by developing an action plan for customs authorities.

Finally, I would like to reiterate my commitment to working together with this forum as regional cooperation is the most effective basis for implementing the WCO standards.

I wish you a fruitful discussion. Thank you for your attention.