

PROCEEDINGS

Seminar on Customs Automation 23-25 May 2007, Beijing, People's Republic of China

I. Introduction

1. Co-sponsored by the General Administration of Customs, People's Republic of China (China Customs) and Asian Development Bank (ADB), the seminar focused on recent developments in business processes and data harmonization, including those of international organizations and countries belonging to the Central Asian Region. The program included Working Group discussions and bilateral consultations to develop an action plan to advance the bilateral initiatives in the area of customs automation. A field visit to China Customs's E-Port and Information Center allowed the participants to exchange views with customs officials and learn more about automated customs processes with the high-technology and modern customs facilities of the China Customs.

2. The seminar brought together 37 participants from the Central Asia Regional Economic Cooperation (CAREC) Program member countries and Turkmenistan, including, among others, Chairman of the State Customs Committee of Kyrgyz Republic; Vice Minister of the General Administration of Customs of the PRC; Deputy Chairman of State Customs Committee of Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan respectively; Deputy Head of Customs Service of Tajikistan; Deputy Director General of the Customs Department of Afghanistan; and senior customs officials from Mongolia.

3. Mr. Sun Songpu, Vice Minister of China Customs, delivered the welcome address. Mr. Klaus Gerhaeusser, Deputy Director General, East Asia Department, ADB, gave the opening remarks. Meanwhile, Mr. Wang Donghong, Deputy Director General, International Cooperation Department, China Customs, served as the chairperson of the seminar, together with Mr. Ying Qian, Principal Economist in ADB.

II. Seminar Outcomes

4. Mr. Gareth Lewis, technical officer from the World Customs Organizations (WCO), discussed WCO recommendations and guidelines on customs automation with emphasis on recent initiatives of the organization with respect to business process and data harmonization. He provided a detailed update on country experiences and lessons learned on customs automation and data model implementation outside the CAREC program as presented during the 2007 WCO IT Conference and Exhibition from 25 to 27 April 2007 in Veracruz, Mexico. In particular, he featured Canada's implementation of WCO Data Model; Ireland's utilization of internet in providing customs services; Pakistan's Customs Computerized System (PaCCS); and USA's Automated Commercial Environment (ACE) and International Trade Data System (ITDS).

5. Mr. Dietmar Jost, a senior associate from Booz Allen Hamilton in Germany, provided a detailed presentation about the need and the necessary steps towards business process and information modeling, which he defined as the process of optimizing and streamlining business processes and designing/developing information systems. Accordingly, modeling is a preparatory to information and communication technology (ICT) development which can also be applied to customs administration. He introduced frameworks of several widely-used models, including Unified Modeling Language (UML) and the UN/CEFACT Modeling Methodology

(UMM), and briefly enumerated WCO UML business process models. Finally, he called for the development of a data model for CAREC member countries, which could lay out the framework of standards, harmonized data sets, and electronic messaging guidelines to be used in sharing information between and among customs and trade partners within the region. Notwithstanding the vast potential gains from adopting a regional data model, the cost of implementing this system can be large and a great deal of work is required to ensure that new methods, technologies, and standards are adopted in compliance with national laws and regulations, and done consistently across region. To mitigate these concerns, it is therefore necessary to work closely primarily with trade stakeholders and to take advantage of international standards and best practices.

6. The seminar noted with great interest the developments in the China Customs administration in the area of ICT, and in particular, the application of ICT for risk management. China Customs has established the 3E Structure comprising E-administration, E-customs, and E-port. E-administration is composed mainly of H2000 Clearance System and Logistics Supervision System, which covers all business of Chinese Customs and provides services such as clearance procedure, duties management, etc. E-port allows exchange and sharing of data and information among Customs, enterprises and other departments. E-administration provides Customs leaders with timely, accurate and reliable data support for decision making. Benefits arising from this initiative include, among others, increase in trade, suppression of smuggling, and rise in customs revenue. In the future, China Customs intends to set up a unified risk database and propagate the application of risk targeting and selectivity system, among others.

7. Delegates provided updates and progress reports about their development in the area of ICT. To this end, it was noted that countries in the CAREC region made particular progress in the following two areas, which are regarded to be essential enablers for greater government-to-government (G2G) cooperation and information exchange:

- Application of internet and web technologies to establish an e-Customs environment, often as part of a larger national e-government program.
- Application of risk management and audit-based controls to enhance the balance between control and trade facilitation.

8. With the presence of high-level customs officials, the seminar provided an opportunity for substantive bilateral talks for the following countries to further discuss bilateral initiatives on data exchange and joint customs control:

- Kyrgyz Republic-Uzbekistan
- Tajikistan-Kazakhstan
- Mongolia-PRC

9. The meeting discussed the next steps towards a CAREC action plan on customs automation and the necessary training capacity building needs to achieve the goals of the action plan. The following measures were discussed with the view to:

- Start developing a CAREC business process and information model for the transit customs procedure, based on the Revised Kyoto Convention and the Data Model of the WCO;
- Increase efforts to implement the revised Kyoto Convention as essential preparatory step towards modern application of information and communication technology; and

- Ask the TFCC ICT Working Group to accelerate the regional development process of harmonized and interoperable IT systems.

III. Conclusion

10. The seminar effectively combined knowledge sharing, policy forums and bilateral consultations to provide participants with the opportunity to learn more on customs automation while centering on modern best practices, success factors and implementation challenges, as well as to discuss outstanding issues on their initiatives in this area. The country delegates expressed their deep appreciation to ADB and China Customs for co-hosting this relevant and useful seminar and for the latter's hospitality that was extended to everybody.

11. To further support capacity building under the CAREC Trade Facilitation Program, delegates asked ADB to consider making provision in its technical assistance program for ICT related work and coordinate suitable date for a progress meeting within the next 12 months, preferably during the Sixth Meeting of the Customs Cooperation Committee, which will be held three months from now in Bishkek, Kyrgyz Republic.