

**Executive Summary<sup>1</sup>**  
**Customs DG-Commissioner Meeting on Trade Facilitation**  
**ADB Institute, Tokyo, Japan**  
**13-15 February 2007**

1. The Customs DG-Commissioner Meeting on Trade Facilitation was held at the ADB Institute in Tokyo, Japan on 13 to 15 February 2007. Twenty-two senior officials from Afghanistan; Bangladesh; Bhutan; Brunei Darussalam; Cambodia; People's Republic of China; Fiji; India; Indonesia; Macao, China; Malaysia; Maldives; Mongolia; Nepal; Pakistan; Papua New Guinea; Philippines; Solomon Islands; Sri Lanka; Taipei,China; Thailand; and Viet Nam attended the meeting. The meeting was opened by Ms. Ursula Schäfer-Preuss, Vice President for Knowledge Management and Sustainable Development of the Asian Development Bank (ADB); Mr. Masahiro Kawai, Dean of the ADB Institute; Mr. Yukiyasu Aoyama, Director-General of the Customs and Tariff Bureau, Japan; and Mr. Kunio Mikuriya, Deputy Secretary General of the World Customs Organization (WCO). This 3-day high-level meeting focused on policy aspects of the World Trade Organization (WTO) Agreement on Trade Facilitation as well as ways of practical trade facilitation such as the use of information technology (IT), partnership with private sector, and regional cooperation. The meeting was the first international forum to discuss trade facilitation after the resumption of the WTO Doha Round negotiations.
2. In his keynote speech, Mr. Mikuriya highlighted the importance of the WTO trade facilitation agreement and welcomed the resumption of negotiations in Geneva. He emphasized that WCO instruments, such as the Revised Kyoto Convention, would be a significant basis for the agreement. He also encouraged inputs from the Customs perspectives into the WTO trade facilitation negotiations which would be essentially important to realize effective and efficient trade procedures. Capacity building for better implementation of the agreement would also be indispensable. The WCO has also placed priorities on security issues, as well as on rule-making processes in the WTO; the former has resulted in the development of the WCO SAFE Framework of Standards (FOS). As the FOS has facilitation aspects, capacity building for the FOS will also prove beneficial in terms of trade facilitation. The WCO Authorized Economic Operators (AEO) Guidelines also drew the attention of the participants.
3. Dr. Douglas Brooks of ADBI and Dr. Fan Zhai of ADB discussed the economic benefits of trade facilitation and the various costs related to trade. Their presentations provided the participants with an analytical framework for trade facilitation discussion. The fact that lagged trade facilitation impose a huge cost to trade and impede trade expansion and investment inflow was also underlined.
4. Mr. Teruo Ujiie of ADB and Mr. Takashi Matsumoto of WCO Asia Pacific Regional Office for Capacity Building (WCO/ROCB) outlined their respective programs for trade facilitation, customs reform and modernization and highlighted the importance of coordination between the two institutions. The participants welcomed these future initiatives.
5. Mr. Yukiyasu Aoyama of Japan Customs presented the on-going efforts for further trade facilitation by Japan Customs. Customs administrations are pursuing several common policy objectives, including revenue collection, ensuring effective border controls and trade facilitation. Finding the right balance among the necessary measures to achieve these objectives is a challenge for all involved.

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6. The discussions on “Trade Facilitation through IT”, “Trade Facilitation through Partnership with the Private Sector” and “Trade Facilitation through Regional Customs Cooperation” followed.

*Trade Facilitation through IT.* A well-planned IT is a tool for trade facilitation, revenue collection, enhancement of the quality of data, and better monitoring. IT-based risk management would also contribute to enhancing integrity of Customs administration and procedures. The participants also discussed ways for trade facilitation through IT, with focus on Customs clearance systems, National Single Windows (NSW), and the provision for a seamless trade data flow. This will be realized by the use of international standards established by the WCO, in particular, the Customs Data Model and Unique Consignment Reference (UCR). Strong commitment from Customs management, ensuring that there is solid coordination between related agencies, and backing from political leaders will be needed to promote automation in Customs procedures and NSW. The funding side of trade facilitation was also discussed; emphasizing that priority should be placed on trade facilitation during the formulation of national budgets, in particular, on expenses related to the installation and maintenance of IT. Customs administrations should be accountable to stakeholders for funds raised from their national governments, as well as funds from international donors. The discussion on seamless trade data flow was very informative, and the participants shared the view that linkage among NSWs would promote the Business to Business data flow across the borders. The meeting also encouraged the WCO to develop a standard on Integrated Border Management. The ongoing ASEAN Single Window, based on the NSW of member countries that is due to take effect in 2008, was expected to further facilitate trade among member countries.

*Trade Facilitation through Partnerships with the Private Sector.* Dialogue, consultation and cooperation with the private sector—including foreign investors—were reaffirmed as indispensable for enhancing the transparency, accountability and predictability of Customs administrations and procedures. This would in turn benefit trade facilitation. Actual consultations with the private sector from several countries, which would encourage similar initiatives in other countries were introduced. Valuable input from the perspective of the private sector was also presented, restating the importance of partnerships between Customs and the private sector in facilitating legitimate trade.

The participants also endorsed the view that full support from the private sector for the Revised Kyoto Convention (RKC), which encompasses the basis of trade facilitation measures, would enable Customs to accelerate their domestic legislation process for the ratification of RKC. The importance of the RKC in the WTO trade facilitation negotiations was also acknowledged, and it was therefore suggested that non-ratifying Customs administrations make every effort to ratify RKC.

It was also acknowledged that the establishment of a comprehensive Customs compliance program, through close consultation with stakeholders, and in accordance with the WCO AEO Guidelines is important. Customs administrations are faced with challenges such as criteria setup, identifying appropriate benefits, and verifying the compliance of economic operators.

*Trade Facilitation through Regional Customs Cooperation.* Multilateral, regional, sub-regional, and bilateral Customs cooperation were discussed and synergies among them emphasized. Effective cooperation at border crossing with equal partnership among Customs administrations to harmonize Customs procedures is one of the foundations of economic integration. Customs cooperation was addressed in the context of Regional Trade Agreements as well as Multilateral Trade Agreement. It was emphasized that regional Customs cooperation could also enhance global Customs cooperation, by adopting international rather than region-specific standards. Recognizing the spread of Customs cooperation in this region, the participants agreed that senior officials should monitor all activities to avoid unnecessary

overlap on cooperation. They should also work in harmony to complement and synergize with each other, and seek to enhance each other's effectiveness. It was also agreed that mutual trust at the Customs DG-Commissioner's level would strengthen Customs cooperation with equal partnerships. Policy dialogue among the Customs top management is an important vehicle for such cooperation, and such dialogue should be further explored.

7. The participants reaffirmed the Customs administrations' contributions to national economic development through trade facilitation. They also acknowledged the importance of high-level Customs policy dialogue in improving and coordinating border procedures. The meeting provided the 22 high ranking officials who play lead roles in developing, reforming and modernizing respective Customs administrations, with an ideal opportunity to exchange honest and frank views. All participants benefited from the Customs DG-Commissioner Meeting on Trade Facilitation.