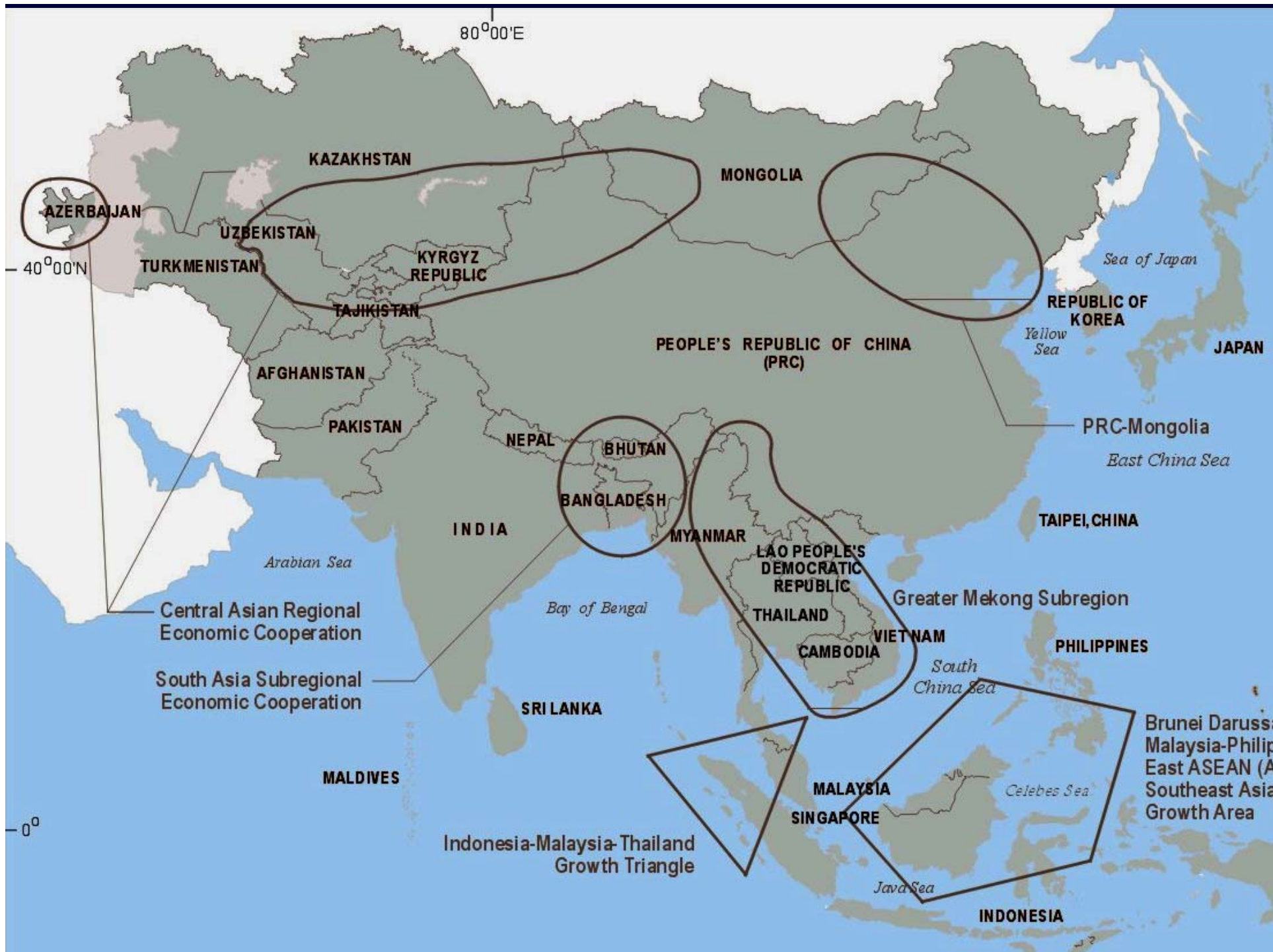


Trade Facilitation in GMS¹

Strategic Framework for Action on Trade Facilitation and Investment in GMS & GMS Customs Director Generals Meeting

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ADB's Regional Cooperation & Integration Strategy (Four Pillars)

- Regional and subregional economic cooperation
- **Trade** and investment cooperation and integration
- Monetary and financial integration
- Regional public goods

Primary Goals of Trade Facilitation in GMS

1. Realize a significant reduction in transaction costs and time by means of improving administrative efficiency; and simplifying, standardizing and harmonizing trade procedures and forms;
2. Encourage free movement of goods and business people; and
3. Enhance transparency of laws, regulations, procedures and forms, and share information on these and other trade issues.

Strategic Framework for Action on Trade Facilitation and Investment (SFA-TFI) Chronology

- **First GMS Summit (Phnom Penh), 2002**
The first proposal and endorsement to formulate an action plan for trade facilitation and investment
- **The fourth meeting of the GMS Trade Facilitation Working Group (TFWG-4), 2004**
Follow-up discussions on strategic direction and elements, and a request for ADB to support formulation of the plan
(ADB TA 6231-REG: Support to Development of SFA-TFI in the GMS)
- **Second GMS Summit (Kunming), 2005**
SFA-TFI endorsed

SFA-TFI

Purposes

- A blue print for action among the GMS countries, to realize the primary goals of trade facilitation, building further upon the Cross-Boarder Transport Agreement (CBTA)
- A guide for GMS countries in the further identification, prioritization and planning of specific trade facilitation and implementation procedures in the priority areas, tapping the full potential of regional cooperation
- Coordination and rationalization of relevant external assistance efforts

SFA-TFI

Priority Area 1: Customs Procedures

- Simplify customs procedures and develop a harmonized approach among GMS countries, in alignment with the key international standards (e.g., Revised Kyoto Convention, WTO Customs Valuation Agreement, and ASEAN Harmonized Tariff Nomenclature, etc.)
- Improve transparency of all GMS customs laws, regulations and procedures
- Reduce customs control at the frontier through the development of post-clearance / post-release control regimes
- Minimize the burden on legitimate trade and travelers, consistent with the principle of “single window” inspection (CBTA)

SFA-TFI

Priority Area 2: Inspection and Quarantine Measures

- Enhance compliance with multilateral rules - WTO's TBT and SPS agreements
- Alignment of quarantine and inspection laws, regulations and procedures with commonly agreed international standards and develop a harmonized approach
- Introduce transparency of all GMS technical standards, etc.
- Develop greater inter-agency cooperation at the national and GMS levels
- Minimize the inspection and quarantine-related burden on legitimate trade and travelers
- Encourage conclusion of the intra-GMS mutual recognition agreement(s)
- Establish a regional network for surveillance and reporting in trade facilitation related to human, animal and plant health

SFA-TFI

Priority Area 3: Trade Logistics

- Promote CBTA implementation
- Conduct an assessment and documentation of trade transaction costs along GMS economic corridors
- Improve and develop related facilities (e.g., multi-modal inter-charges, container depots, and freight distribution centers, etc.
- Undertake relevant capacity building activities

SFA-TFI

Priority Area 4: Mobility of Business People

- **Simplify formalities** of visa application and movement of natural persons
- Consider and develop the introduction of the **GMS business visa** schemes
- **Improve transparency** of relevant laws and regulations of business travelers
- Explore feasibility of expanding the **GMS business visa** schemes to the **third country nationals**

SFA-TFI

Implementation Arrangements

- **GMS trade facilitation focal points** for each country represented at TFWG meetings – ministries of commerce from Cambodia, PRC, Lao PDR, Thailand; Ministry of Trade from Viet Nam, and Ministry of Planning and Economic Development from Myanmar
- Timeline for implementation – **up to 2010**
- Implementation support by **ADB TA-6328: Support to Trade Facilitation and Capacity Building in the GMS**
- Next Step: **The fifth meeting of the GMS Trade Facilitation Working Group (TFWG-5), 24-25 April 2007 in Bangkok**

GMS Customs Director Generals Meeting 14-15 September 2006, Bangkok

- Senior customs DGs from GMS countries discussed issues of common concerns; and outline areas which warrant closer cooperation to facilitate movements of goods and people within and across the GMS
- Co-hosted by ADB; Customs Department of Thailand; and WCO Regional Office for Capacity Building

GMS Customs Digs Meeting Theme for Discussion

- Adoption of the **Revised Kyoto Convention**
- Implementation of **Framework of Standard to Secure and Facilitate Global Trade (FOS)** into the GMS area
- Definitions and implications of various **integrated border-crossing operation modalities** such as single window inspection, single stop customs inspection, and one stop service
- **Capacity building** of member customs administrations in GMS
- Establishment of the **customs cooperation mechanism** in the GMS to promote trade facilitation and ensure secured supply chain management

GMS Customs DGs Meeting Conclusions

- Heads of Customs Administration Meeting **endorsed as an annual forum**
- PRC and Thailand to offer **facility for capacity building & training**
- Identified areas for **leadership by individual countries**: risk management (Cambodia); legal framework and legislative issues (PRC); single stop inspection (Lao PDR); TIR and Istanbul Convention (Thailand); and single customs document (Viet Nam)
- **The second meeting** planned to take place in/around September 2007

Thank you.

ADB