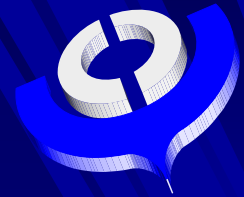


The logo of the Asian Development Bank (ADB) is displayed in white text on a dark blue rectangular background in the top left corner.

Customs DG-Commissioners Meeting on Trade Facilitation

Tokyo, Japan

13-15 February 2007

- 1 The views expressed in this paper are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank (ADB) or its Board of Directors or the governments they represent. ADB makes no representation concerning and does not guarantee the source originality, accuracy, completeness, or reliability of any statement, information, data, finding, advice, opinion, or views presented.



Trade Facilitation through Regional Customs Cooperation

J.K. Batra
Director General
Safeguards & Trade Facilitation
Central Board of Excise and Customs
India

Regional Customs Cooperation

- Customs and/or Economic Unions - a primary source of economic cooperation at regional level
- Endeavour to harmonize and standardize their Customs procedures to ensure maximum trade facilitation
- WCO Regional set up is a critical catalyst in promoting Regional Customs Cooperation
- In the recent past there have been a multiplicity of regional trade agreements
- Customs cooperation is increasingly becoming an important aspect of these agreements

Trade Facilitation Initiatives of WCO Asia Pacific Region

- Development of a Regional Strategic Plan
- Initiatives under the RSP include
 - Exchange of information
 - Research and Experience Sharing
- These and other identified initiatives under the RSP directly or indirectly impact on trade facilitation
- Key areas are identified for these activities

Trade Facilitation Initiatives of WCO Asia Pacific Region

- Key identified areas to promote Trade Facilitation in the AP Region in the recent past as focused on
 - Capacity Building (Main contribution of ROCB)
 - Cooperation and Exchange of Information
- Both activities involve both regional and national workshops and seminars of the Members of the region

Multilateral Trade Agreements

- Multilateral attempt to trade seriously undertaken after II World War
- Setting up of GATT for a multilateral approach to trade and tariffs
- Customs issues addressed by the European Working Group (later became CCC)

Need for RTAs

- Regional trade normally higher than international trade
- Countries of a region have common economic and trade interests
- Regional agreements foster increase in regional trade
- Main focus on economic interests
- RTAs are WTO compatible instruments

Older Generation RTAs

- Focused on lowering tariff barriers
- Only addressed limited procedural issues for simplification and harmonization
- Rarely contained any provision to simplify and harmonize border trade procedures
- No focused Action Plan on enhancing Trade Facilitation

New Generation RTAs

- Recognize that border trade procedures are important
- Require a mechanism or agreement to encourage application of international standards
- High priority to trade facilitation

Border Procedures for Trade in goods

- Trade in goods a common factor of both multilateral and regional agreements
- Movement of goods across borders should be cost effective and efficient
- Regional partners with Trade Facilitative procedures benefit more from the RTAs

Essential Elements of Trade Facilitation

- Harmonization and standardization
- Transparency
- Risk management
- Advance Ruling
- Review and appeal
- Customs Business partnership
- Customs cooperation for improved compliance

Customs and Trade Facilitation

- Customs world over have common goals and functions
- Formerly focused mainly on duty collection and enforcement
- New shift to facilitation of Trade without compromising control
- All Customs agencies apply international standards
 - **Tariff based on HS,**
 - **Valuation Based on GATT Valuation Agreement**
 - **Documents based on UN Layout Key**
 - **Data standards of ISO, IMO, ICAO, UN/CEFACT**

Will Customs have different requirements for RTAs ?

- Customs function remains the same under both multilateral and regional Agreements
- Thus standardization assists both regional and multilateral trade and procedures
- Customs world over largely function applying international standards
- Only area of multiplicity or differing practices are related to origin based issues negotiated vis-à-vis tariffs

Benefits of Regional Customs Cooperation

- Regional bodies better geared to address measures to strengthen regional cooperation in providing for TF in Customs
- Smaller groups vs. 100+ Members at international levels with multilateral commitments
- Regional synergy for building capacity and assisting Members
- Easier to identify and address limited needs of Members in the region
- Easier to promote adoption of international standards
- Result regional trade facilitation

Benefits of Regional Customs Cooperation

- Regional Agreements foster basic principles of standards, practices and procedures
- Encourage adoption of international standards and principles
- Foster speedier standardization at regional levels
- Result in faster integration towards global standards

Thank You

Questions ?