

**Customs DG-Commissioner Meeting on Trade Facilitation
ADBI: Tokyo, Japan
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**Opening Remarks¹
by
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Introduction

1. Mr. Yukiyasu Aoyama, Director-General, Customs and Tariff Bureau, Ministry of Finance, Japan; Mr. Kunio Mikuriya, Deputy Secretary General, World Customs Organization (WCO); Ms. Ursula Schaefer-Preuss, Vice President for Knowledge Management and Sustainable Development, Asian Development Bank; distinguished guests; participants; ladies and gentlemen. On behalf of the Asian Development Bank Institute (ADBI), I would like to welcome all of you to Tokyo and the Customs DG-Commissioner Meeting on Trade Facilitation. I am very pleased to see this conference held here in our Institute.

2. I would like to express our sincere gratitude to our partners, the Government of Japan, the World Customs Organization (WCO), and ADB Headquarters as well as the people behind the scene for making this conference possible.

Asian Development Bank Institute's Focus

3. Let me start by introducing the Asian Development Bank Institute (ADBI) to you. The Institute is a subsidiary of the Manila-based Asian Development Bank, which, as you know, works for economic development, poverty reduction and the improvement of standard of living of the people in Asia and the Pacific. ADB lends \$5 billion to \$6 billion annually to its developing member countries. In addition, the Bank catalyzes external

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resources for infrastructure investment and other projects, provides technical assistance for capacity development and policy advice, and facilitates regional cooperation for collective action.

4. ADBI was established in 1997 to help ADB developing member countries (DMCs) identify effective development strategies and improve the management capacity of their agencies and organizations. It attempts to accomplish this through research and capacity building. The Institute is currently focusing on four priority areas—poverty reduction, regional cooperation, private sector development and governance. From this perspective, the trade issue, including trade facilitation, is an important component of research and capacity building for ADBI.

Emerging Issues and Challenges

5. As you may know, in the summer of 2004, the General Council of the World Trade Organization (WTO), the highest decision-making body of the organization, decided to include trade facilitation in the Doha Development Round (DDR) of multilateral trade negotiations as a new area under the so-called “July 2004 Package”. Trade facilitation is essential for trade expansion: Trade facilitation—which attempts to ensure smooth and expeditious movements of goods traded across borders—often plays a more important role than trade liberalization in reducing costs of trade. If the Round is completed, WTO members must implement all the trade agreements under the “single undertaking” commitment, but implementing the lengthy agreements, with their detailed provisions, would be burdensome to many WTO DMCs, particularly their customs authorities.

6. Therefore, as stipulated in the “July 2004 Package for Modalities of Negotiation on Trade Facilitation,” there is a need to provide DMCs with technical assistance for capacity development to help both promote effective negotiation on trade facilitation and implement trade facilitation agreements. The negotiation will aim to clarify and improve relevant aspects of Article V (freedom of transit), Article VIII (fees and formalities connected with importation and exportation), and Article X (publication and administration of trade regulations) of the 1994 General Agreement on Tariffs and Trade (GATT) with a view to further expediting the movement, release and clearance of goods.

7. The provision of technical assistance and support for capacity building are vital for developing and least-developed countries to enable them to fully participate in, and benefit from, the DDR negotiations. Also, the technical

assistance and support should be provided to help these countries implement the commitments resulting from the negotiation.

8. For some time, progression of the DDR has been frozen. Once the Round resumes, however, a first draft agreement on trade facilitation is expected to be tabled. Therefore, it is quite appropriate to provide capacity development support to customs administrations of WTO DMCs so that they can prepare for the smooth implementation of the Agreement on Trade Facilitation in a timely manner.

Expectation for the Customs DG-Commissioner Meeting on Trade Facilitation

9. I understand that the conference today and tomorrow will focus on various policy aspects of the Agreement on Trade Facilitation—such as the political importance of the agreement for the multilateral trading system, and the economic benefits from implementation of the agreement. I strongly believe this opportunity will contribute to capacity building of Asian DMCs' customs authorities, promotion of active trade in goods, greater inflows of foreign direct investment and, hence, enhancement of the region's competitiveness.

ADB's Work on Trade Issues

10. ADBI is now conducting research on trade and investment issues from the viewpoint of regional cooperation and integration—such as **“infrastructure's role in reducing trade costs”** and **“consistency between regional trade agreements and the multilateral trading system.”** We will continue to pursue research in trade and FDI-related areas, in collaboration with our partners from within and outside of Asia. In addition, I hope our support to this conference will be the modest beginning of our capacity building work in the trade and investment area.

Conclusion

11. I wish you all fruitful deliberations during the conference. Also, I hope your participation will result in beneficial implementation of the Agreement on Trade Facilitation in the future, leading to better and more effective customs administration in your own countries, and thus contributing to trade expansion, economic development and poverty reduction.

Thank you very much for your attention.