

GMS – Trade and Investment Facilitation Action Plan (Draft)

BACKGROUND

At the mid-term SOM held in June 2002, P. R. China proposed to formulate a plan to promote trade and investment in the Greater Mekong Sub-region (hereafter referred to as GMS). The purpose of the initiative is, through such measures as facilitation, information sharing and capacity building, to achieve the mutual advancement of and sound interaction between GMS economic cooperation and China-ASEAN Free Trade Area. The initiative was endorsed by the mid-term SOM and the 11th GMS Ministerial Conference. The first GMS Summit held in 2002 also called on GMS member states to work out an action plan in this regard.

For the past two years, GMS members have made great efforts in trade and investment facilitation by streamlining customs procedures, increasing administrative efficiency and improving legal framework, among others. Progress has also been made in the area of information sharing and capacity building. However, due to the lack of a set of clear guidelines and an action plan, advancement in trade and investment facilitation in GMS countries varies. Greater efforts are therefore needed to tap the full potential of cooperation. Against this background, China proposes that a long-term and systematic action plan on trade and investment facilitation be developed to enable GMS members to reach their goal in a coordinated manner.

Goal

The Trade and Investment Facilitation Action Plan involves adopting and implementing concrete action steps in the areas of customs procedures, inspection and quarantine procedures, trade logistics, mobility of business people, investment promotion and capacity building. The Action Plan

aims at:

- a. Achieving common development and prosperity by creating favorable environment for trade and investment.
- b. Realizing a significant reduction in transaction cost by simplifying procedures and improving efficiencies.
- c. Enhancing the free movement of business people;
- d. Improving administration and management through capacity building.

PRIORITY AREAS for Action

1. Customs procedures

Objective – To promote simplification, harmonization and transparency in customs procedures with a view to reducing trade barriers and minimizing transaction costs.

Actions –

- a. Align and harmonize the trade and custom laws/regulations with WTO and WCO standards;
- b. Increase the transparency of customs laws/regulations;
- c. Accelerate the application of one stop customs inspection;
- d. Promote the standardized and simplified documentation, including paperless systems;
- e. Collect and disseminate the information on rules of origin in respective GMS countries.

2. Inspection and Quarantine Measures

Objective – To promote the utilization of the harmonized inspection and quarantine measures based on the international standards, guidelines and recommendations of relevant international organizations among GMS members, for the sake of the protection of the environment, the quality of export product, the life and health of human, animals and plants, and the prevention of fraud and the disguised restriction on regional trade.

Actions –

- a. Enhance the communication and cooperation in the area of WTO TBT/SPS agreement among GMS members, as well as the alignment of the technical regulations, standards and conformity assessment procedures with TBT agreement, the sanitary and **phytosanitary** measures with SPS agreement among GMS members;
- b. Strengthen the communication and cooperation in the area of national border health quarantine and establish the regional declaration and monitoring network of epidemic diseases;
- c. Increase the transparency of inspection and quarantine laws and regulations;
- d. Strengthen the cooperation of relevant authorities in the area of the sharing and exchange of electric inspection and quarantine information/data;
- e. Harmonize the inspection and quarantine clearance mode and simplify the clearance procedures so as to enhance the clearance efficiency;
- f. Explore the feasibility of one-stop inspection and quarantine mode at the border crossings of GMS members.

3. Trade Logistics

Objective – To simplify and harmonize of the transport regulations/procedures so as to increase the efficiency in the delivery of goods and reduce transaction costs.

Actions –

- a. Accelerate the finalization and implementation of the Agreement for the Facilitation of Cross-Border Transport of Goods and People;
- b. Where appropriate, review and simplify the transport regulations/procedures;
- c. Improve the trade infrastructure in GMS member countries, such as navigation channels, ports and land roads, including opening temporary airline and railway transport to counter seasonal shortages, in order to establish a more convenient network of

trade logistics.

4. Mobility of business people

Objective – To enhance the mobility of business people who are engaged in the conduct of trade and investment activities in GMS.

Actions –

- a. Streamline the formalities for business travel and temporary stay;
- b. Increase the transparency of relevant laws/regulations;
- c. Enhance the use of information and communication technology(ICT) to facilitate the movement of business people across borders.

5. Investment Promotion

Objective – To improve the GMS investment environment so as to enhance the investment flows.

Actions –

- a. Increase the transparency of investment laws/regulations;
- b. Promote investment flows by means of seminars, workshops and investment exhibitions, etc;
- c. Strengthen the coordination and information sharing between and among the agencies responsible for regulating in GMS member states;
- d. Encourage one-stop investment services.

6. Capacity building

Objective – To strengthen the technical assistance(TA) and improve the human resource development(HRD) with a view to upgrading the professional skills of concerned government officials in implementing trade and investment facilitation measures.

Actions –

- a. Identify the special needs and determine the more appropriate measures for implementation;
- b. Develop the partnership with private sector, academic community,

- other international development organizations and interested donors;
- c. Conduct training programs and workshops to facilitate the sharing of best practices among the concerned officials and leverage their resource to enhance capacity building in trade and investment facilitation.

Framework for Implementation

1. The Action Plan will be submitted for consideration at the 13th ministerial conference to be held in December 2004 and for approval by the 2nd summit in 2005;
2. The implementation of the Action Plan will be reviewed annually and reported to the Summit biennially;
3. The GMS Trade Facilitation Working Group(TFWG) shall be responsible for the review and implementation of the action plan;
4. The Asian Development Bank will work with TFWG in stimulating and coordinating progress in the above priority areas.