

CAREC's Trade Facilitation Initiatives Gain Momentum in 2005

The Central Asia Regional Economic Cooperation (CAREC) Trade Facilitation Program in 2005 has so far focused on four priority areas: (i) information technology for automated customs services and data exchanges; (ii) promotion of risk management and post-clearance audit; (iii) joint customs control and single-window practices; and (iv) regional transit development. Four regional events have been organized in these priority areas.

On 7-9 September, the customs heads of the CAREC member countries will convene at the 4th Meeting of Heads of Customs Administrations in Ulaanbaatar, Mongolia to take stock of the progress and endorse the work plan for 2006. Two major studies on trade facilitation strategy and trade logistics were launched to broaden the CAREC Trade Facilitation Program. Consultant teams were fielded in Mongolia and will be sent to three other CAREC member countries to help them draft their trade facilitation plans.

In Azerbaijan and Mongolia, assistance focuses on gap analyses and formulation of customs modernization strategies. In the Kyrgyz Republic and Tajikistan, assistance centers on business process reengineering and design of customs information systems plans.

The highlights of these activities are as follows.

The *Forum on Trade Facilitation and Customs Modernization* was held in Singapore on 26-28 January to address issues and challenges in developing a unified automated information system (UAIS). Automating customs services through UAIS is recognized as a major trade facilitation measure that helps improve efficiency and reduce corruption. The forum highlighted Singapore's experiences and addressed issues like flexibility in the architecture design and interoperability of the UAIS among member countries. The Asian Development Bank (ADB) published a pa-

per on *Singapore's TradeNet System* in March 2005 to disseminate Singapore's experience and lessons learned from the automation efforts.

ADB approved the Regional Customs Modernization and Infrastructure Project in November 2004 to help the Kyrgyz Republic and Tajikistan launch the UAIS. Other CAREC member countries are at varied stages of implementation and upgrading of their UAIS.

The regional *Seminar on Risk Management and Postentry Audit* was held in Shenzhen, cosponsored with the PRC Customs.

Regional cooperation for customs data exchanges is a key condition for an effective risk management system. Recognizing this, a one-day working group meeting was held to discuss Uzbekistan Customs' proposal to establish a platform for data exchange among the member countries. The Uzbekistan Customs was also encouraged to pilot test the proposal with a CAREC member country. To facilitate the initiative, ADB prepared a paper on *World Customs Organization Customs Data Model* in May 2005, which suggests data requirements for cargo manifests and export and import declaration.

The *Seminar on Trade Facilitation and One-Stop Service*, cosponsored with the Thailand Customs Department and the World Customs Organization, was held in Bangkok on 27-29 July. It aimed to support the joint customs control that Kazakhstan and the Kyrgyz Republic initiated and to promote single-window practices. Joint customs control allows neighboring countries to process customs clearance together while a single-window facility enables traders to submit all the trade requirements in one stop. The seminar presented the trade facilitation and customs modernization program of Japan and Thailand and their efforts to encourage inter-agency cooperation to provide one-stop or single-window services.



CUSTOMS MODERNIZATION A customs official in Shenzhen briefs delegates on customs control techniques

The *Forum on Regional Transit Development* will be cosponsored by ADB and the PRC Customs tentatively in late October 2005 in Shanghai. The forum aims to support PRC's accession to the Transport Internationaux Routiers (TIR) Convention and will address issues related to the implementation of the International TIR Customs Transit System. PRC's accession to the TIR Convention offers a potential solution for transit trade through Central Asia and Mongolia. The forum will also focus on regional transit arrangement as being promoted by Kazakhstan, Kyrgyz Republic, and Tajikistan through bilateral transit agreements.

The study on the *CAREC Trade Facilitation Strategy* will review the CAREC's trade facilitation initiatives against major international benchmarks (such as efforts to align customs laws and procedures according to the Revised Kyoto Convention). It will identify issues and challenges in the context of ongoing trade and development discussions and efforts to introduce trade facilitation into the negotiation agenda of the World Trade Organization. It will also introduce a broad trade facilitation agenda for the CAREC Program, recognizing the interconnection between customs and other trade-related agencies and the private sector.

The study on *Trade Logistics Strategy for PRC's Xinjiang Uygur Autonomous Region* will help promote Xinjiang's regional transit role for the CAREC member countries and support the joint initiative of the PRC and Kazakhstan in promoting the Horgos-Xorgos border-crossing area as a major regional logistics center. Needs assessments and recommendations will be made for the PRC's accession to the TIR and the use of the international transit system. ■