

Barry J. Hitchcock
Country Director, ADB's Mongolia Resident Mission
Opening Remarks
Finalization Workshop on the Customs Modernization Assessment
9 February 2006, Ulaanbaatar, Mongolia

Good Morning Mr. Battumur, Deputy Director General of MCGA, Representatives from KIPA, Korea Customs Services, and KTNET, Members of ADB Consultant Team and staff from MCGA,
Ladies and Gentlemen.

It is a great pleasure to join Mr. Battumur to chair the Finalization Workshop on Customs Modernization Assessment sponsored by ADB and led by MCGA Management. I like to congratulate MCGA Management and our Consultant Team for the successful conclusion of the Assessment. ADB is honored to be your partner in your customs modernization efforts.

Reforms and modernization of customs services is at the heart of a broad trade facilitation agenda, and a key step for fighting against corruption and enhancing revenue generation. Yesterday's consultation meeting on the Trade Logistics Study shows that Mongolia's business community wishes to have a "clean" and more efficient customs administration in order to strengthen their competitiveness and transform Mongolia from a land-locked country into a land-bridge, or a transit country. In this regard, I like to extend our congratulation to the MCGA Management for recent accomplishments in customs modernization, including –

- Completion of the first draft of the Revised Customs Law that is currently be reviewed by relevant government agencies and private sector stakeholders;
- Efforts to introduce risk management as part of its automated GAMA system; and
- Launch of a joint customs control initiative with the Customs Administration of the People's Republic of China.

However, much more needs to be done in order to meet the expectation from the business community. Business perception on customs services is still poor partly because of weak infrastructure that cannot cope with increased trade volume and adapt to modern customs practices based on risk management.

Ladies and Gentlemen, customs modernization assessment is the starting point for preparing a major customs modernization initiative. I hope the Assessment will provide a sound basis for the MCGA Management to articulate a vision, a multi-pronged strategy, and a phased investment and implementation plan, as requested by the Ministry of Finance on last Tuesday, that will receive broad-based support from the Government agencies and private sector stakeholders.

This workshop demonstrates the MCGA Management's leadership and commitment in developing and implementing such a major customs modernization program.

I wish you success in your deliberation.