



Trade and Transport Facilitation

Building a Secure and Efficient Environment for Trade

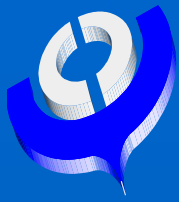
UNCTAD XI
Sao Paulo, Brazil, 17 June 2004

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World Customs Organization (WCO)



WCO in brief

- **Intergovernmental organization with 162 member customs administrations**
(established in 1952, Brussels)
- **Effectiveness and efficiency of customs administrations**
 - Standard setting & maintenance for customs procedures
 - Promotion of international cooperation
 - Technical assistance & capacity building



Trade facilitation - background

- Trade liberalization → Increased awareness of trade transaction costs
- Technological developments → Global trading and production practices
- Modern logistics = Accuracy, predictability, speed
- Improving efficiency and reducing the cost of border procedures = Improving competitiveness of national economy
- Competitiveness of industries, inward investment
- Integrity of people in the public & private sectors
- Combined efforts of efficient trade and good governance



WCO standards

- Built upon best practice from around the world
- Developed in close cooperation with business
- Consistent and complementary to WTO rules and other international standards
- Respond to the needs of developing countries
 - Legitimate policy objectives (revenue collection, protection of society etc.)
 - Global standards and capacity building tool for customs modernization
- **Revised Kyoto Convention on simplification & harmonization of customs procedures (1999)**
- Customs Data Model for electronic transfer
- Unique Consignment Reference etc.



WCO revised Kyoto Convention

■ Principles for modern customs procedures

- Partnership with trade
- Transparency and predictability
- Use of modern technology
- Risk management (better resource allocation)
- Specially simplified procedures for authorized traders (compliance with Customs requirements)

■ Blueprint for customs to

- Implement effective and efficient controls; and
- Facilitate legitimate trade

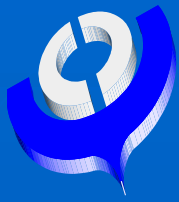
■ Implementation

- Guidelines and best practice constantly upgraded
- Ratification in progress (32 signatories and more)



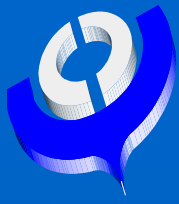
Trade facilitation in cooperation with all players

- **Delay in clearance caused by other actors**
 - Time release study to identify bottlenecks and solutions
 - Need for standards for other border agencies based on best practice in Customs
 - Single window / integrated border management
- **Transit: need infrastructure of transport, communication, banking system**
 - UN Ministerial Meeting on Transit Cooperation in Almaty (August 2003)



Security concerns

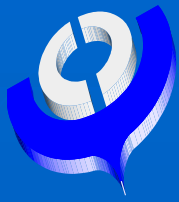
- **Customs environment after terrorist attacks**
 - Awareness of the need for enhanced border control
 - Refocus control strategy from mainly import to the entire supply chain incl. export
 - Enhanced cooperation with border agencies / trade
- **Need for global cooperative arrangements**
 - Complementary to regional, bilateral initiatives
 - Avoid the marginalization of developing countries
- **Trade facilitation for legitimate trade**
 - Efficient & effective customs procedures
- **Integration with existing enforcement programs**
 - Fraud, drug trafficking, counterfeit etc.
 - Terrorist funding



WCO initiatives on Security & facilitation of trade supply chain

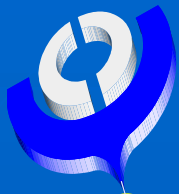
- **Risk management based on information provided at an early stage of supply chain**
 - **Electronic transfer of Customs Data Model including essential data to identify high-risk goods**
 - **Advance cargo information**
 - **Cooperation with business**
 - **Use of technology: non-intrusive physical examination**

- **Built upon the revised Kyoto Convention**
- **Predictability and less theft, increased opportunities for facilitation of legitimate trade**
- **From guidelines to standards**



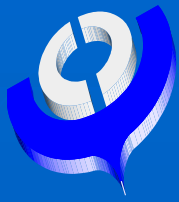
Progressive implementation of “Authorized Supply Chain”

- Traders (exporter, transport operator, importer etc.) applying physical and information security standards described in the authorization
- Closer cooperation among Customs and with the business community
- Mutual recognition of authorized traders
- Integrated simplified Customs treatment from origin to destination (facilitation)



Capacity building

- **Crucial for implementing global standards**
 - Integration of developing countries to global trading system
- **Customs Capacity Building Strategy**
 - Importance of customs role in national economy
 - Sustainable human and financial resources
 - Integrity as the cornerstone for customs reform
 - Support from all stakeholders required
- **Customs Capacity Building Diagnostic Framework**
 - Identification of needs and country-specific programs
 - World Bank Customs Modernization Handbook
- **Regional approach**
 - Synergy with regional initiatives



Partnership based on trust

- **Enhanced cooperation and coordination**
 - Governments, regional entities, lending institutions, donors, international organizations, private sector
- **Global Facilitation Partnership for Transportation and Trade (GFP)**
- **For more information: www.wcoomd.org (WCO)
www.gfptt.org (GFP)**