Introduction

1. The fifth meeting of the ASEM Procedures Working Group was held on 26-27 April 2001 in Bangkok, Thailand and was chaired by the Republic of Korea. The meeting aimed to address the issues identified by the previous ASEM Customs Directors-General and Commissioners' Meetings and issues of customs procedures in the ASEM Trade Facilitation Action Plan (TFAP). The meeting was attended by customs officials from Austria, Brunei Darussalam, the Peoples Republic of China, the European Commission, Finland, France, Germany, Indonesia, Ireland, Italy, Japan, the Republic of Korea, Malaysia, Netherlands, the Republic of Philippines, Singapore, Spain, Sweden, Thailand, the United Kingdom and Vietnam and a representative from the World Customs Organization (WCO). (The list of participants is attached as Annex I)

Chair's Opening Remark

2. The Chair extended his warm welcome to all delegates. He thanked the Thailand Customs for the excellent arrangements that had been made for the 2nd ASEM Seminar on Simplification and Harmonization of Customs Procedures and this meeting. He also expressed his sincere appreciation for the Asian Development Bank (ADB)’s contribution to holding the seminar.

3. The chair addressed the enhanced ASEM’s position in the world economy in terms of the GDP and trading capacity of the ASEM partners. He expressed the view that although much progress had been made in simplification of customs procedures so far, ASEM Customs administrations would have to make utmost efforts to overcome such problems in customs procedures as lack of transparency in laws, excessive regulations and complicated procedures, as pointed out by the private sector.

Adoption of the Agenda

4. The attached agenda was adopted (Annex II : Agenda of the 5th ASEM Procedures Working Group Meeting). The agenda for the meeting was mainly as follows:

   - Report on other ASEM meetings related to the Procedures Working Group

   - Update of the work undertaken in other international bodies in regard to simplification and harmonization of customs procedures

   - Discussion on ways to implement deliverables 2000-2002 of ASEM Trade Facilitation Action Plan (TFAP) in customs procedures area
Report on other ASEM meetings

5. Addressing the main points of instructions given to the working group by the 3rd ASEM Customs DG-Commissioners’ meeting, the Chair pointed out major issues that should be discussed in this meeting such as the current status of implementation of the TFAP deliverables in preparation for the 4th ASEM Customs DG-Commissioners’ meeting. He also presented major points agreed at the 4th meeting of this working group and the status of its implementation.

6. Korea reported on customs-related matters among the results of the 6th Senior Officials Meeting on Trade and Investment (SOMTI VI) and the 3rd Asia-Europe Meeting (ASEM III) held in Seoul in May and October, 2000 respectively. The working group noted that SOMTI VI pointed up considerable progress of deliverables 1998-2000 in the area of customs procedures and that the consolidated and prioritized list of major generic trade barriers was established at the meeting. It also recognized that ASEM III approved the TFAP deliverables/concrete goals for 2000-2002 that had been prepared in order to sustain the momentum for facilitating trade between the two regions. The chair pointed out that the working group should play a key role in implementing the TFAP, as it had been mandated to implement, monitor, and report on the TFAP as a result of the 3rd DG-Commissioners’ meeting.

7. Japan reported on the results of the 3rd ASEM Finance Ministers Meeting, which was held in Kobe in January 2001, in the area of customs cooperation. The working group noted that Finance Ministers welcomed the holding of the 1st ASEM Customs Seminar and the establishment of the ASEM Customs Procedures Database. The working group recognized that Finance Ministers urged the work on trade facilitation, including harmonization of customs data elements, taking into account the outcomes of the G7 Experts’ work, to be enhanced and encouraged Customs authorities to strengthen their cooperation.

8. Austria reported on discussions made in the area of customs procedures in the 5th Asia-Europe Business Forum (AEBF V) held in September 2000. The working group took note that the forum recommended the relevant authorities to process the possibility of paperless trading on the basis of modern information technologies thoroughly and speedily within a period of 2-3 years. The working group acknowledged that the interests of the private sector such as paperless trading should be discussed and taken into account at the working group meeting in the future.

Update of the work undertaken in other international bodies in regard to simplification and harmonization of customs procedures

9. Italy reported on the developments in the G7 initiatives in harmonizing elements for customs clearance procedures. G7 Customs Group has completed the development of data sets and standardized electronic formats for customs declaration to be applied in the initial implementation, and G7 countries will implement their prototypes on their respective schedules. In
addition, it was noted that G7 members recognized the WCO could be the most appropriate organization to manage the simplified data sets and standardized electronic formats in order to enhance international use of the data sets and therefore they considered the possibility of handing over the work to the WCO. Italy announced that it had been reviewing the possibility of reducing half of the computer data by reducing the two-step procedures of import and export declaration to one-step in order to refine the G7 data sets. The working group recognized that harmonized elements on customs procedures should be adopted by as many countries as possible in order to maximize their benefits. In this regard, the ASEM Customs administrations were encouraged to commence appropriate efforts to introduce the G7 data sets to their customs clearance procedures.

10. The United Kingdom reported on the status of WTO discussions for establishing rules on trade facilitation in accordance with the Singapore mandate to assess the scope for WTO rules in trade procedures. Noting that trade facilitation would contribute to the expansion of trade by not only reducing costs to traders but also helping improve efficiency of the customs administrations, it stressed that a coherent and worldwide approach should be taken in establishing a rule-based system for trade facilitation in order to maximize its benefits. It was also noted that the technical assistance programs and a staged approach for developing countries could be within the scope of the WTO discussion on trade facilitation. The working group took note that a WTO workshop concerning technical assistance and capacity building on trade facilitation and an ASEM conference on the WTO's trade facilitation agenda would be held in Geneva on 11-12 May, 2001 and in Kuala Lumpur on 28-29 June, 2001, respectively. The representative of the European Commission (EC) said that the European side considered a coordinated approach to trade facilitation as vital. He stressed that the European Union was ready to take into account the concerns and interests of the developing countries and that it would support all capacity-building efforts. He also underlined that the benefits of trade facilitation would be especially great for small and medium-sized enterprises and traders in developing countries for whom the costs of compliance with trade procedures are proportionally high. A transparent and simple trade regime would also be a key component in attracting inward investment. The working group agreed that ASEM partners would exert their utmost efforts for trade facilitation with a view shared on the importance and usefulness of trade facilitation. It was recognized that more information on the status of WTO discussions for trade facilitation would be provided to all ASEM partners.

11. China reported on the results of the APEC Sub-Committee on Customs Procedures (SCCP) meeting held in Beijing in February 2001 and its current major activities. SCCP decided to concentrate its efforts throughout this year on some major issues, including trade facilitation, evaluation of implementation of collective action plans, pursuit of paperless trading, and enhancement of integrity. It was noted that China would plan to prepare a dialogue between the Customs and the business sector in Shanghai this August in an effort to promote interaction and outreach with the private sector. It will continue to implement technical assistance programs on collective action plans including integrity and paperless trading.

12. Vietnam reported on the outcomes of the 8th ASEAN Customs Directors-General Meeting and the 6th Meeting of the Experts Committee on Customs Matters (ECCM), held in Myanmar in July 2000 and in Indonesia in November 2000, respectively. It was reported that the ASEAN Customs made progress in the various projects under the ASEAN Customs Policy Implementation and Work Program (PIWP) including the post-clearance audit, customs valuation, automation, etc. The working group noted that the issue of integrity would be included in the ECCM and that the ASEAN Customs Administrations had been discussing with the business community on customs.
13. Japan reported on the ASEM TFAP deliverables/concrete goals for 2000-2002 in the customs area approved at ASEM III and current status of their implementation of ASEM partners. It was agreed that Japan, as the Asian TFAP facilitator, would report the progress made in customs area of TFAP to SOMTI VII in consultation with ASEM partners. In addition, the working group agreed that ASEM partners should push hard to implement the deliverables within the target period as they contained major elements for pursuing trade facilitation and they were developed in agreement with ASEM partners.

14. EC reported on the status of efforts for concluding the Customs Cooperation and Mutual Administration Assistance (CCMAA) Agreement between the European Union and Asian partners aimed at promoting cooperation and mutual assistance in customs matters between Asia and Europe. The working group noted the interests underlined by the EU in concluding such agreements.

15. Japan reported on the status of ASEM Customs Procedures Database together with its problems and improvements to be made. Participants welcomed the establishment of the Database and expressed appreciation to the Japanese Customs. The working group agreed that the ASEM partners would link their Customs websites to the ASEM database while Japan would inform the AEBF of its establishment. It was agreed that ASEM partners would provide information necessary for updating and improving the Database in accordance with Japan's proposal.

16. Thailand reported on the results of the 2nd ASEM seminar on simplification and harmonization of the customs procedures held prior to this working group meeting. The agenda of the seminar included the impact of simplification and harmonization of the customs procedures on the ASEM trade and investment, trade facilitation, good governance, cooperative relation between the ASEM customs authorities and the businesses, and impact of the information technology revolution on customs procedures. The working group shared the view that the seminar had provided a good opportunity for the ASEM customs authorities and the private sector to discuss customs' roles and possible ways of cooperation between both parties toward trade facilitation. Expressing appreciation to the Thai Customs and the ADB for their co-hosting the seminar, the working group noted the results of the seminar including implementation of the TFAP deliverables within the target period and holding the third seminar. The working group agreed that it would continue discussions on follow-up measures in relation to the results of the seminar and that Thailand would report on the seminar at the 4th ASEM DG-Commissioners' meeting to be held in Sweden in July, 2001.

17. WCO reported on the status of accession to the revised Kyoto Convention and achievements made in the works of technical assistance program aimed at encouraging accession. China, a Contracting Party to the convention, reported on its experience of adoption of the convention. It was reported that China considered in the process of accession that the adoption of the
convention would be beneficial for improving the transparency of the Customs-related laws and regulations and promoting the reform and modernization of China customs. ASEM partners acknowledged that the principles of the convention provided a set of standard for simplification and harmonization of the customs procedures by way of using modern information technology and that it had the potential for contributing to trade facilitation. The working group recommended that ASEM partners introduce the principles of the convention to their Customs and accept the convention as early as possible.

18. Germany reported on a new approach to the fight against corruption and the measures to be taken in order to deal with risk of corruption in the public sector, laid down in the federal government's guidelines for corruption prevention. It underlined the importance and usefulness of establishing contact partners for corruption prevention in the customs administration and ensuring that staff members have free access to them. Malaysia reported on the experiences in establishing a code of conduct aimed at enhancing integrity of customs officials and its main elements such as ethics and personal conduct attributes. The working group recognized that enhancing customs’ integrity was a key element in facilitating international trade. The working group agreed that each ASEM partner would develop a code of conduct on integrity, appropriate to its circumstances, by 2002. In addition, it was agreed that ASEM partners would try to input substance on enhancing integrity in the customs area into their report to the SOMTI VII on measures to remove trade barriers.

19. Italy reported on the concept of Single Window for cargo clearance procedures and its experience of establishing one. It was shared that establishing a single window, which was in a broader perspective recognized as one government agency in charge of processing all trade related documents such as customs, agriculture or other government agencies' requirements simultaneously, was a government-wide issue. The working group took note that G7 initiative for standardization of data for other government agencies' requirements could pave the way for a single window. ASEM partners agreed to study the possibility of establishing a single window for cargo clearance procedures for the convenience of traders and for more rapid release of cargo.

20. Sweden made a presentation on the measures taken in the customs area to facilitate trade. The working group recommended that ASEM partners report their measures to remove trade barriers in the customs area to SOMTI VII via the appropriate channel in accordance with the requirements of TFAP deliverables.

21. Germany made a presentation on the activities of harmonizing data elements within the G7 for the simplification and harmonization of customs procedures. Since the use of standardized data elements in international trade could bring great benefits to the customs authorities and the market participants, it was suggested that the ASEM partners consider the results of the G7 initiative. The working group agreed to follow up on a regular basis the developments of the G7 data sets at its future meetings. It was recommended that ASEM partners individually study the G7 data set in order to examine the possibility of using the common data elements for customs declaration.

22. The working group shared the view that technical assistance and training programs were important for all the partners in simplifying and harmonizing their customs procedures. The working
group recognized that it would be desirable to compile and analyze the information on the supply of, and the demand for, technical assistance and training programs within the ASEM region. This would be helpful for the donor countries in establishing the programs reflecting more properly the demands of recipient countries. In addition, the working group would be able to discuss on how to proceed further on the issue of technical assistance and training programs, based on the result of analyzing such information. The chair would continue to consult with ASEM partners on this issue, and the result would be reported to the next ASEM DG-Commissioners' meeting.

23. Japan suggested to discuss the possible informal meeting among ASEM volunteer partners, where information and experiences of implementing customs-related WTO agreements, i.e. the agreements on customs valuation, TRIPS, and rules of origin, could be shared among ASEM partners. It was agreed that such a meeting would be desirable and that Japan, in consultation with ASEM partners, would seek the most favorable date and venue.

24. The working group was reminded that TFAP deliverables 2000-2002 also contained implementation of HS 2002 version tariff nomenclature, improvement in consistency in interpretation of the rules, and improvement of predictability through publication and clarification upon request of customs regulation and procedures in force. The chair expressed his view on the possible actions to implement these 3 deliverables. As the result, the working group agreed that at the next meeting ASEM partners would voluntarily report on concrete measures taken to implement the deliverables.

Others

25. The working group agreed that the Chair would summarize the results of the 4th and 5th working group meetings and report them at the 4th DG-Commissioners' meeting. With regard to the TFAP deliverables, it was agreed that the progress of two sets of TFAP deliverables 1998-2000 and 2000-2002 would be reported as well.

26. A contact points list of the working group was distributed to each ASEM partner (Annex III: The List of Contact Points). ASEM partners were requested to immediately notify any changes in their contact points to the Chair, if any.

27. According to the result of the 2nd DG-Commissioners' Meeting that Asia and Europe rotate in taking the chairmanship for 2-year term, it was agreed that the EC would be appointed as next chair of the working group at the 4th DG-Commissioners' Meeting.

28. It was agreed that the next working group meeting would be held in Europe on a date in 2002 to be decided.