



1st ASEM Procedures Working Group (PWG)

Brussels, Belgium | 21-22 March 1997

1. The first meeting of the ASEM Procedures Working Group was held on 21-22 March 1997 in Brussels to address the issues identified by the ASEM Customs Directors General and Commissioners Meeting in its statement issued in Shenzhen on 21 June 1996. The Working Group noted its mandate as specified in the Shenzhen statement, namely, to follow up on the- discussion of the Shenzhen meeting and identify specific areas and methods of operation, including cooperation with other relevant authorities and appropriate private organizations in the field of Custom procedures, and to look into how training programs, technical assistance, and the exchange of human resources can be promoted and intensified.
2. The agenda, adopted by consensus consisted of four broad element: (i) follow-up to recent international developments in the areas of Customs procedures in both Asia and Europe, (ii) identification of areas for technical cooperation in order to simplify and harmonize Customs procedures, (iii) promotion of training programs and the exchange of human resources, and (iv) establishment of channels for information exchange between Customs authorities.
3. In initiating its work the Working Group noted several factors affecting the environment in which ASEM Customs administrations operate. The first is the dramatic increase in trade volume in recent years. In the period 1980-1995, trade value increased four-fold in Asia and two and a half times in Europe. The increase in the share of intra-regional trade both in Asia and Europe is particularly noteworthy; increasing from 28.7 per cent to 36.7 per cent in Asia and from 52.2 per cent to 61.1 per cent in Europe. The economic interaction between the two regions is also increasing steadily. The second factor is the diversity of the economic situations of the various ASEM member countries, particularly in Asia. The pace of economic development, growth in per capita income, and economic systems and institutions differ significantly, although all member economies are in the process of integrating with the global economy, albeit at different speeds. The third factor is the importance of the two regions in the world economy. Ten Asia ASEM member economies account for 23.2 per cent of the world output in the terms of GNP, while the 15 European member economies account for 30.2 per cent; together they account for 53.4 per cent of the world total. Cooperative efforts in the two regions would, therefore, have a significant influence on the global economy. Customs cooperation as discussed in the Procedures Working Group could play a particularly useful role in this context and would therefore draw a great deal of attention from other ASEM fora add from broader international economic circles.

4. Taking into account these factors, the Working Group agreed that closer cooperation on Custom procedures should be pursued through:
 - learning from experience gained in coping with the rapid integration of national economies with the regional and global economies;
 - sharing information regarding the best practices;
 - exchanging expertise; and
 - together taking an active role jointly in the worldwide efforts to improve methods wherever appropriate.

5. The Work Group also noted that such efforts should be pursued from a medium-term perspective, taking into account evolving technological developments and the view of the private sector, which plays an active role in trade and investment. In this connection the Working Group noted that ASEM Customs administrations should participate in and support the work on the revision of the Kyoto Convention, and the need to work closely with the Enforcement Working Group, since the issues of simplification and harmonization of Customs procedures are interwoven with the issues of effective enforcement.

Recent developments in international Customs cooperation

6. The Working Group reviewed recent developments in international efforts in the area of Customs procedures in Asia and Europe. First, Europe members presented a report on the division of responsibilities in this area between the European Commission and the individual Customs administrations. The Working Group found this report useful, as it helped clarify the roles of individual Customs administrations in a rapidly integrating economic region. Presentations were also made on some members' recent experience of adjusting Customs-related laws and regulations when acceding to the European Union. The European members also explained the "Customs 2000" initiative and the Stockholm Declaration, wherein the European Union member countries envision the future role of Customs. The Working Group was also briefed on the current status of Customs cooperation of the European Community with the European Free Trade Association (EFTA) in the context of the European Economic Area (EEA), with the countries of Central and Eastern Europe and with North America, which was viewed as relevant and useful in this context. Another presentation was made by the European side on the Single Administrative Document (SAD).

7. The Working Group then reviewed developments in regional cooperation in Asia. Primary attention was focused on the Asia-Pacific Economic Cooperation (APEC) forum, established in 1989. APEC's Sub-Committee on Customs Procedures (SCCP) is recognized as one of the most active fora in APEC and has been dealing with the issues of simplification and harmonization of Customs Procedures. The SCCP initially identified nine areas as being of primary importance and included them in the "Common Action Plan". They include technical assistance programs in such fields as valuation and TRIPS, as described a paragraph 11. In addition, a brief report was made on the outcome of the fifth Conference of Customs Administrators of the Pacific Basin Meeting (CCAPB) held in Manila, in October 1996 which is a forum for the Heads of Customs administrations in the Pacific region.
8. The Asian members also briefed the European members on developments in ASEAN. It was reported by ASEAN members that, in an efforts to cope with the globalization and liberalization of trade, and the need to strengthen intra-ASEAN Customs cooperation, the ASEAN Finance Ministers signed the ASEAN Agreement on Customs on 1 March 1997, which was recommended by the ASEAN Directors General of Customs. The Agreement establishes the legal basis for Customs cooperation in ASEAN and includes harmonized tariff nomenclature, Customs valuation and Customs procedures, reflecting the "CASTEM" principle. CASTEM stands for consistency, appeals, simplicity, transparency, efficiency and mutual assistance of Customs. The Working Group was also briefed on the ASEAN Common Customs Form.
9. The Working Group then reviewed developments regarding regional cooperation affecting Asia and Europe. It was also briefed on other ASEM activities affecting its work. In this connection, the Working Group noted that a Trade Facilitation Action Plan for ASEM was being developed and that this kind of work would be a useful input when addressing the Working Group's tasks in the context of overall Customs cooperation. Since preparatory work on the Action Plan has identified valuation, origin and a number of questions relating to Customs procedures as suitable areas for examination, it was agreed to recommend to the Directors General and Commissioners that, in order to contribute to the ASEM process and to avoid duplication, as this plan is to be formulated, the task to address it be assigned to this Working Group.
10. The issue of computerization in the field of Customs was widely discussed. It was felt that computerization assists in the process of simplification of Customs procedures in general but that the computerization in itself does not necessarily lead to the simplification of the underlying procedures. In order to achieve a true simplification of Customs procedures, careful examination including legal, organizational, training and other operational aspects would be necessary. In addition, harmonization of data for cargo clearance would be a vital element. Therefore, it was suggested that the Working Group continue addressing this issue further, and that this issue be placed as a regular agenda item in its future meetings.

Areas for future Customs cooperation

11. The Working Group noted, with appreciation, that there were various existing technical cooperation programs extended to Customs administrations in developing countries by many ASEM Customs authorities that promote the development of a modern Customs system and working methods. In this connection, the Working Group was briefed on the APEC's on-going SCCP technical assistance activities, which cover a number of Customs areas, including Customs valuation, TRIPS border enforcement, the UN/EDIFACT, improved access to Customs information, advanced classification rulings, and the Kyoto Convention. In addition, the SCCP is developing technical assistance on such programs as the Harmonized System, temporary importation facilities and appeal provisions. Further programs in such areas as risk management, and common data elements for cargo clearance procedures are also under consideration.
12. The Working Group was also briefed on the European Union's and its Member States' programs of technical assistance, including those available to third countries, in particular, PHARE, TACIS and MEDA. The Working Group was informed of the development of the European Community's MATTHAEUS Program, which was established by a Decision of the Council in 1991, following two years of pre-pilot and pilot actions. This program provides for exchange of officials between Member States' Customs administrations, for training seminars (both for Customs officials having operational and managerial responsibilities and for trainers from national administration), and for the development of common training material. It was noted that in recent years the MATTHAEUS Program has been opened up to limited participation by official from the associated countries of Central and Eastern Europe. The experience of this new activity may be helpful in the consideration of further developments in ASEM Customs cooperation.
13. The Working Group noted the SCCP's initiatives and exchanged views on possible areas of technical cooperation. There was general agreement that the Working Group should consider its mandate from a long-term perspective in order to avoid duplication of work in this field being undertaken by relevant international fora and organization. At the same time, it was felt that the Working Group should explore ways to make complementary efforts, since technical assistance in identified areas constitutes a fundamental element in effective implementation of key Customs areas in ASEM developing members. Such efforts could be pursued, for example, regarding closer cooperation in response to the computerization of Customs procedures. This might include prototype experimental schemes arranged between specific countries.
14. The Working Group recognized the importance of identifying ways to reflect the views of the private sector when pursuing its tasks. It was suggested that the Working Group would offer its services to the Directors General and Commissioners Meeting to explore the possibility of organizing a seminar on the future direction of simplification and harmonization of Customs procedures involving the participation of private sector representatives from both regions as well as those interested international and regional institutions. It was agreed that the Working Group would seek guidance from the Directors General and Commissioners in the second meeting.

15. The Working Group was briefed in detail on the existing training programs of many members. It was agreed that information about such programs should be shared by all ASEM members, and that all ASEM members should be recognized as potential beneficiaries. It was also agreed that a summary of existing training programs be compiled and presented to the Second Directors General and Commissioners Meeting. Thailand, on behalf of the Asian members, and the European Commission, on behalf of the European members, volunteered to coordinate the compiling of such information by the end of May 1997. To this end, those members who offer such programs are requested to send the necessary information to the relevant coordinators by 15 May this year.
16. As discussed at the first Directors General and Commissioners Meeting, the Working Group reconfirmed the desirability of establishing channels for information exchange between Customs authorities concerning inquiries on Customs procedures and ways to deal with concrete cases. It was agreed to create contact point lists either by category, such as (1) Customs classification; (2) valuation; (3) post-entry audit; (4) clearance procedures; (5) training; (6) information technology, or by appointing particular contact persons. To this end, Malaysia, on behalf of the Asian members, and the European Commission, on behalf of the European members, volunteered to coordinate the compiling of such information and present it to the Second Directors General and Commissioners Meeting, taking account of the list developed by the Enforcement Working Group. All members agreed to submit such a list to the relevant coordinators by 15 MAY 1997. The ways to update the list on a regular basis should be explored.

Plans of Action

17. It was agreed that Japan, as chair of the Procedures Working Group, will make a report to the Second Directors General and Commissioners Meeting scheduled for June 1997.
18. There was broad agreement that it was necessary for the Working Group to address further the assigned tasks on a continuing basis. To this end, the Working Group agreed to recommend to the Directors General and Commissioners Meeting that it agree to another meeting at an appropriate time and place.

The Directors General and Commissioners are asked to review the findings above and endorse the conclusions at the relevant paragraphs.