THE 8TH ASEM PROCEDURES WORKING GROUP MEETING
Singapore, 27-28 April 2005

INTRODUCTION

The 8th Meeting of the Asia-Europe Meeting (ASEM) Procedures Working Group (PWG) was held on 27-28 April 2005 in Singapore and chaired by Ms Teo Siew Lan from Singapore. The Meeting was attended by representatives from *Belgium, Brunei Darussalam, China, Finland, France, Germany, Indonesia, Italy, Japan, Korea, Luxembourg, Malaysia, Myanmar, the Netherlands, Poland, Singapore, Sweden, Thailand, Vietnam, the United Kingdom and the European Commission*.

ADENDA ITEM 1 – OPENING REMARKS

2 The Director-General of Singapore Customs gave an opening address highlighting the importance of the ties between Asia and Europe especially in an interdependent world. The need for a multinational effort to reap the benefits of globalisation while countering adverse effects such as terrorism and diseases was emphasised. The DG noted that ASEM contributes to a more balanced political and economic world order by engaging members in dialogue and deepening the ties between the two regions. Touching briefly on what the PWG does, he expressed confidence that the ASEM PWG would move towards more cooperative measures to facilitate trade.

3 In the opening remarks, the Chair acknowledged Asia and Europe's differences, but highlighted that the diversities of the two regions enable them to strengthen cooperation and understanding through frank dialogue. Briefly outlining the progress of activities in trade facilitation in Asia and Europe, it was especially noted that the Trade Facilitation Action Plan is now broader in scope, with member countries making significant progress towards achieving the deliverables. The importance of Information Technology in facilitating and speeding up customs procedures was emphasised.

AGENDA ITEM 2 – ADOPTION OF AGENDA

4 **The Netherlands** proposed to add an agenda item on the outcomes of the ASEM Deputy Finance Ministers Meeting that was held in April 2005. The Meeting agreed to adopt the agenda with this item added as Agenda Item 3.4. The updated agenda appears as Document No. 1.

AGENDA ITEM 3 – REPORT ON OTHER ASEM MEETINGS RELATED TO THE PWG MEETING

Item 3.1 – The 7th PWG Meeting, 10-11 December 2003, Jakarta (**EC**)

5 The Meeting noted the report of the 7th ASEM PWG Meeting held on 10-11 December 2003 in Jakarta, Indonesia. The **EC** noted that the work already on-going in the PWG should be continued and highlighted some pertinent issues to discuss at the 8th PWG Meeting, notably, the Trade Facilitation Action Plan (TFAP), Single Window and Time Release Survey, and that the results from this Meeting would be presented to the 6th ASEM Customs DG-Commissioners Meeting in June 2005.

Item 3.2 – The 5th ASEM Summit, 7-9 October 2004 **(Vietnam)**

6 The Meeting noted the outcomes of the ASEM Summit on setting out directions and measures for strengthening ASEM economic cooperation. On the enlargement of ASEM, the Meeting noted the Leaders' comments that the participation of the 13 new members would provide greater dynamism, and on the need to assist and facilitate the active engagement of the new members into the ASEM process. **Finland** expressed that they are honoured to host the next ASEM Summit and would provide further details to ASEM members later. This report appears as Document No. 2.

Item 3.3 – The 6th Customs DG/Commissioners Meeting, 26-30 June 2005: State of Play of Preparations **(United Kingdom)**

7 The **United Kingdom** briefed the Meeting on the preparations for the 6th ASEM Customs Directors-General and Commissioners Meeting to be held on 26-30 June 2005 in Peebles, Scotland, and gave an introduction to the venue, social activities and planned programme. The main agenda items would include reports from the ASEM Procedures Working Group (PWG) and ASEM Enforcement Working Group (EWG). Two top priorities highlighted were the promotion of international customs standards and a commitment to tackle trade in counterfeit goods. Member countries were requested to contribute further comments or suggestions on the agenda as well as presentations to the **United Kingdom**. This presentation appears as Document No. 3.

Item 3.4 – Outcomes of the Meeting of the Deputies of Ministers of Finance, April 2005 (**The Netherlands**)

8 **The Netherlands** reported that the Meeting of the deputies of Ministers of Finance, held in April 2005 in China, had agreed to a suggestion by **The Netherlands** in respect to supply chain security. The suggestion was aimed at making supply chain security a priority in the ASEM context against the background of the probable adoption of the Framework by the WCO Council Sessions in June 2005 and the intense discussions between the US and the EU about trans-Atlantic implementation of the framework. The deputies have suggested that the Ministries include a short reference to their recognition of the importance of supply chain security in their final communiqué as well as a request to the Customs working groups to study the issue. No discussion of the issue by the Ministers is foreseen at this stage. The Meeting noted that this subject matter is gaining importance and would likely be tabled as a discussion item during the upcoming DG-Commissioners Meeting for possible follow-up.

AGENDA ITEM 4 – UPDATE OF THE WORK UNDERTAKEN IN OTHER INTERNATIONAL BODIES WITH REGARD TO SIMPLIFICATION AND HARMONISATION OF CUSTOMS PROCEDURES

Item 4.1 – Update of Developments of WCO in the Standardisation and Simplification of Customs Procedures **(EC)**

9 The Meeting noted the on-going developments in the WCO in the areas in the standardisation and simplification of customs procedures, including the use of instruments such as the WCO Customs Data Model, the Unique Consignment Reference and the

Revised Kyoto Convention. There is also a time release study, based on the WCO methodology, to identify bottlenecks at entry points, especially those due to Customs limitations.

10 The EC mentioned further the importance of the WCO draft Framework of Standards to Secure and Facilitate Global Trade, which the High Level Strategic Group was reviewing. The EC is committed to the success of this work and suggest that the following principles should be reflected:

(a) Apply to all areas of transport

(b) Ensure a balance between security and trade facilitation

(c) Reciprocity

Item 4.2 – Review of the Status of Discussion on trade Facilitation in the WTO (**EC**)

11 The Meeting noted the status review provided by the **EC** on trade facilitation in the WTO covering various issues including transparency, modernisation, simplification of customs procedures, effective cooperation between Customs authorities and technical assistance and support for joint capacity building. The Meeting noted the status report provided by the EC on the on-going work in the WTO on trade facilitation, especially the work of the Negotiation Group, which held its first meeting in Sep 2004. The agreed modalities for negotiations set out aims concerning:

(a) Transparency of trade regulations

(b) Simplifying, standardising and modernising import, export and customs procedures

(c) Conditions for transit

(d) Enhancing technical assistance

(e) Effective cooperation between Customs authorities

12 The EC has (and will in the coming months) set out a number of papers with a comprehensive set of ideas on facilitation and trade, with a view to advancing on a series of agreed commitments. These papers are arranged around the existing WTO themes covered by GATT Articles V, VIII and X.

13 The Meeting noted that Customs administrations can play a more active role in formalising of national positions with regard to trade facilitation negotiations in the WTO. The Meeting also noted in this context that the revised Kyoto Convention is an important instrument for trade facilitation. The Chair urged member countries to give it serious consideration since only two more signatures are needed for the Convention to come into force.

Item 4.3 – Report on the 1st APEC SCCP Meeting, 22-25 February 2005, Seoul, Korea **(Korea)**

14 The Meeting noted the significant progress at the 1st APEC Sub-Committee on Customs Procedures (SCCP) Meeting in 2005. Notably, the 1st SCCP Meeting adopted 2 new Collective Action Plan (CAP) items – the "Time Release Survey" and the "Implementation of APEC Framework based on the WCO Framework of Standards to Secure and Facilitate Global Trade". This Meeting also noted that the SCCP also continues to fully and faithfully implement the APEC Transparency Standards, which includes, among others, the prompt publication and online availability of customs procedures, to enhance the efforts on transparency and integrity. This report appears as Document No. 4.

Item 4.4 – Report on the 12th ASEAN Directors-General of Customs Meeting, 2-4 June 2004, Hanoi, Vietnam **(Vietnam)**

15 The Meeting noted the progress report on the 12th ASEAN Directors-General of Customs Meeting, during which the Vientiane Action Program on Customs was endorsed and the Strategic Plan of Customs Development (SPCD) was adopted. The SPCD is the customs blueprint for year 2005-2010 to harmonise and simplify customs procedures among the 10 ASEAN Member Countries, and also to narrow the developmental gap of the new ASEAN Members for the realisation of the ASEAN Customs Vision 2020. This report appears as Document No. 5.

Item 4.5 – Report on Outcome of the The International Conference on Customs Harmonisation in East Asia, 27-28 May 2004 **(Korea)**

16 The Meeting noted the progress of the Seoul Initiative on Customs Harmonisation and Economic Cooperation in East Asia. The Meeting also took note of the Seoul Initiative Action Plan (SIAP) and that this Action Plan would be reported to the 6th ASEM Customs DG/Commissioners Meeting in June 2005. **Japan** expressed strong support for the SIAP and would continue cooperating with **Korea** on it. **Korea** informed the Meeting that **Japan** had proposed to include a short term initiative on the issuing of electronic certificate of origin to be included in the draft SIAP. **Korea** also invited members to provide comments on the draft Action Plan within two weeks so that they could present the updated version of the SIAP to the 6th ASEM Customs DG-Commissioners Meeting in June 2005. This report appears as Document No. 6.

AGENDA ITEM 5 – TRADE FACILITATION ACTION PLAN (TFAP)

Item 5.1 – Report on Deliverables 2002-2004 of the ASEM TFAP in Customs Area **(Japan)**

17 **Japan**, the Asia Coordinator for ASEM, reported on the progress made by the ASEM partners on the TFAP deliverables for the period 2002-2004. This report appears as Document No. 7.

Item 5.2 – Report on New TFAP Deliverables 2004-2006 **(Japan)**

18 The Meeting noted the report by **Japan** on the proposed TFAP deliverables for 2004-2006 which was endorsed inter-sessionally in Jun 04 by member countries. The draft TFAP was further deliberated and the Meeting agreed to the following changes:

(a) Item 3-(2) was rephrased to read as "Ensure prompt access and publication of customs procedures";

(b) Item 4-(2) "Strengthening cooperative relations with business partners by signing MOUs or other forms of cooperative instruments" was deleted; and

(c) Item 9 was rephrased to read as "Provision of a single entry point for fulfilment of regulatory formalities related to the release and clearance of goods", sub-item 9-(1) was rephrased to read as "Provision of one-stop shop for receipt of documents and/or information and dissemination" and sub-item 9-(2) was rephrased to read as "Provision of a single automated system for submission of electronic information in a single application for processing and approval."

The Meeting expressed its will to continue works on revision of TFAP deliverables 2006 - 2008 to include other important WCO facilitation and harmonisation instruments. Japan will take this issue forward in consultation with other ASEM countries when developing the new TFAP.

19 With respect to item 9-(2) on the single automated system, the Meeting noted the information from **EC** that this could only refer to the individual EU member states and not to the European Community as a whole. The revised TFAP deliverables 2004-2006 appears as Document No. 8.

Item 5.3 – Status Report of the ASEM Database & ASEM PWG Homepage **(Japan)**

20 The Meeting noted the status report by **Japan**. The ASEM PWG website (http://www.customs.go.jp/asem/asem.htm) contains information on the various customs procedures for each ASEM customs administration. **Japan** noted that the section in the website on the ASEM Customs Procedures Database contained too little submitted data, and that it was burdensome for members to maintain the text in this section. **Japan** suggested to remove this section, but would continue to maintain the website links to respective member countries' homepage, which also contains the same information. Member countries were invited to provide prompt updates on their customs procedures to **Japan** and also to inform them of any changes to their website links. This presentation appears as Document No. 9.

AGENDA ITEM 6 – CUSTOMS APPROACHES TO TRADE FACILITATION ISSUES

Item 6.1 – Customs Enforcement Working Group: State of Play of Preparations of the 8th EWG Meeting on 30-31 May 2005 in Brussels **(EC)**

21 The **EC** updated the Meeting on the state of play of preparations for the 8th Enforcement Working Group (EWG) Meeting to be held on 30-31 May 2005 in Brussels, Belgium. They urged members who have not responded to invitations to do so. The Meeting would discuss the two action plans – "Fight against fraud" and "Security Facilitation and Border Control Methods". **EC** informed the Meeting that the 8th EWG would be split into two sub-working groups, to be co-chaired by an Asian and a European country to discuss about fraud and security issues. An invitation for an Asian country to take up the co-chairmanship role was made. Member countries were invited to give inputs on the draft agenda to the EC. As the 9th EWG Meeting would be held in Asia, the **EC** also invited interested Asian countries to consider taking up chairmanship.

Item 6.2 – Sharing Best Practices of Paperless Trading **(Singapore & Sweden)**

22 **Singapore** and **Sweden** shared their experiences on paperless trading. The Meeting noted the immense benefits that businesses and governments can realise through having paperless trading. **Sweden** highlighted their commitment to computerisation through the Stairway® system, its sub-module, the StairSec® and the importance of consultative committees between Customs and trade to discuss further development. **Singapore** highlighted its TradeNet™ system, e-filing facilities, paperless Cargo Clearance System, Advanced Clearance for Couriers and Express Shipments Systems (ACCESS), and its ongoing work to further streamline and simplify procedures. This joint presentation appears as Document No. 10.

23 **Sweden** and **Singapore** also explained that the use of information technology does not compromise customs control, but enhanced customs control through better risk management.

Item 6.3 – Experience Sharing by Japan on Developing a Single Window Mechanism **(Japan)**

24 **Japan** shared on its clearance system, Nippon Automated Cargo Clearance System, which uses the single window mechanism. **Japan** explained the difference between one-stop service and single window mechanism. The presentation appears as Document No. 11.

Item 6.4 – Experience Sharing by the Netherlands on Developing a Single Window Mechanism **(The Netherlands)**

25 **The Netherlands** shared its successful implementation of the single window mechanism in the Amsterdam Schipol Airport and the Port Infolink system in the Rotterdam port. It also shared information on a joint initiative between the Dutch government and trade and industry community – the information and communication technology (ICT) and Administrative Cost Reduction programme, ICTAL for short. The

programme includes a Government Transaction Portal with the primary goal of single submission and multiple usage of data required from businesses. Supplementary material for this presentation appears as Document No. 12 and **the Netherlands** also circulated a brochure on its ICTAL.

Item 6.5 – Sharing of Findings of "Time Release Survey" Conducted by Japan **(Japan)**

26 Japan presented the findings of the Time Release Survey, which was conducted using interviews and questionnaires to quantify the savings of reducing time required for the release of importing sea cargo. The analysis of the economic impacts revealed that stock and cost reductions are significant, especially for cargo owners. This presentation appears as Document No. 13.

Item 6.6 – Presentation of the Time Measurement Results ("Laufzettel" Exercise) in the Baltic Sea Region **(Poland)**

27 **Poland** presented the Border Crossing Time Measurement results in the Baltic Sea region completed in 2001 and 2003 before the enlargement of the EU. This Laufzettel exercise was done in cooperation with various countries, including Germany, Finland, Sweden and the EC, to identify bottlenecks at Customs points. Both measurements found that the time needed for Customs formalities was a fraction of border crossing time, so other non-Customs related factors had to be improved upon.

28 The Meeting noted that time and certainty are essential to traders in the clearance of goods. After hearing both presentations by **Japan** and **Poland**, the Meeting agreed on the usefulness of "Time Release Survey" as a tool to identify problems and bottlenecks in Customs procedures, and to accelerate customs clearance facilitation. Member Countries are encouraged to conduct similar studies in their countries, in the light of the sharing of the two presentations. This presentation appears as Document No. 14.

Item 6.7 – EU Enlargement Exercise **(Belgium)**

29 **Belgium** shared the Belgian Customs' experience in dealing with the enlargement of the European Union (EU), during which special efforts were made to evaluate the potential security risks and additional workload, take the necessary actions and reposition themselves to deal with the accession challenge. **Belgium** also shared that the transition for **Belgium** and the other new EU countries was smooth. This report appears as Document No. 15.

30 **Poland** shared that the number of Customs declarations handled by Polish Customs dropped by 75% when they joined the EU, indicating that most of their imports/exports trade was with EU countries. Polish Customs had taken on new responsibilities to compensate the reduction of the number of Customs declarations.

Item 6.8 – Integrated Clearance Project Based on e-Port Enforcement System **(China)**

31 **China** presented its Integrated Clearance Project launched in 2001 under the auspices of the State Council. The E-Port Enforcement System is the integrated public

data centre and data-exchanging platform for this project. The Meeting noted China's success in the Integrated Clearance Project that boosted the efficiency of processes at their ports-of-entry for all forms of transportation. The Meeting also noted that China Customs would continue to take positive and concrete actions to promote security and facilitation of international trade. This presentation appears as Document No. 16.

AGENDA ITEM 7 – CAPACITY BUILDING IN ASEM

Item 7.1 – Consideration of Joint ASEM Capacity Building Projects **(Japan)**

32 **Japan** updated the Meeting on the progress of the ASEM Joint Capacity Building Projects. The report appears as Document No. 17. The Meeting noted that there were no joint ASEM Capacity Building projects through this channel so far.

33 **EC** informed the Meeting that the EC's technical assistance is offered to individual countries and there is currently no technical assistance package to ASEM as a whole. EC welcomed countries to approach the EC on an individual basis if they require technical assistance. However, if ASEM countries would like to explore a ASEM technical assistance programme, a proposal could be made to the ASEM DG/Commissioners Meeting for discussion.

34 The Meeting noted the clarification from **The Netherlands** on the difference between Capacity Building and Technical Assistance. Capacity Building is wider and could also include customs reform and modernisation.

35 **China** informed the Meeting of its role as the WCO Asia Pacific Vice-Chair and the setting up of the Asia Pacific Regional Office of Capacity Building in Bangkok with the efforts of Japan and Thailand. China also informed the Meeting that the Shanghai Customs College has been recognised as a regional training centre and offered the use of the College for ASEM training activities.

36 The Meeting agreed on the need to have an overview of ASEM countries training needs in order to better match the technical assistance programme. In this regard, the Meeting agreed to circulate a questionnaire to compile information on ASEM customs' areas of strengths where member countries can provide expertise on, and areas of needs where member countries may need assistance. Japan agreed to draft the questionnaire in consultation with the EC. The questionnaire would be disseminated to the Asian and EU member countries by 20 May 2005. Member countries are requested to respond by 10 June 2005.

37 The Meeting noted that Japan would present the progress update of ASEM Joint Capacity Building Project, using inputs from the questionnaire survey results, to the 6th ASEM DG/Commissioners Meeting in June 2005.

Item 7.2 – Facilitation of Administrative Procedures Linked to International Trade Between Korea and France **(France)**

38 **France** made a presentation on the e-Trade paperless integrated system launched by Paris e-Commerce International, a public/private association, in connection with

Germany, UK and Korea. The Meeting noted the recommendation of having the Electronic Single Window systems to benefit governments and their trading communities. This presentation appears as Document No. 18.

AGENDA ITEM 8 – OTHERS

Item 8.1 – Update of Contact Points List

39 The list of contact points was circulated among members in attendance for updating. Singapore would email members who were absent for any updates. An updated version would be sent to all ASEM partners subsequently. The list updated at the Meeting appears as Document No. 19.

Item 8.2 – Nomination of the Next Chair

40 **Poland** volunteered to take over the chairmanship of ASEM PWG for the next two years, and expressed great pleasure to continue the good work of the PWG. The Meeting thanked **Poland** for the offer to take on the chairmanship.

Item 8.3 – Date and Time of the Next PWG Meeting

41 Poland informed that the next PWG is likely to be held in the 2nd half of 2006. The exact details on the date and venue would be communicated to all ASEM countries later.

AGENDA ITEM 9 – ADOPTION OF THE REPORT OF THE MEETING

42 The Meeting adopted the report of the 8th ASEM PWG Meeting as above.