

**2015 APEC CUSTOMS-BUSINESS DIALOGUE (ACBD)  
“Facilitating Trade and the Role of Customs”**

**25 August 2015  
Marco Polo Hotel, Cebu City, Philippines**

**REPORT SUMMARY**

The 2015 APEC Customs-Business Dialogue (ACBD) was held on 25 August 2015 in Cebu City, the Philippines. Around 250 participants from customs administrations, private sector, international organizations attended the Dialogue.

**Sub-Committee on Customs Procedures (SCCP) Chair Agaton Teodoro O. Uvero** (Bureau of Customs, the Philippines) introduced the keynote speaker for the Dialogue, **Commissioner Alberto D. Lina** (Bureau of Customs, the Philippines).

The keynote address delivered by Commissioner Lina, highlighted the significance of micro, small and medium enterprises (MSME) in overall economic development and the necessity for strengthened collaboration between customs and the private sector.

The ACBD discussed and exchanged views on the following topics: WTO Agreement on Trade Facilitation, E-Commerce, Stronger Customs-Business Partnership and Authorized Economic Operator. Atty. Vincent Philip Maronilla (Bureau of Customs, the Philippines) moderated the Dialogue.

**SESSION I: WTO-ATF IMPLEMENTATION**

**Mr. Toshihiko Osawa** (WCO) presented the World Customs Organization Mercator Program. The program better positions the WCO to consolidate and promote its efforts in the area of trade facilitation support under a specific new branding. The Mercator Programme aims to achieve more effective cooperation amongst all stakeholders, especially in terms of raising the level of political will to take joint actions to progress the trade facilitation agenda, bringing together all relevant government agencies and encouraging, for instance, efficient coordinated border management, including meaningful trade partnerships.

**Ms. Trudy Witbreuk** from the Organisation for Economic Co-operation and Development (OECD) presented on the OECD Trade Facilitation Indicators (FTIs) which are evaluation tools to measure the impact of trade facilitation on trade flows and costs following the structure of the WTO Trade Facilitation Agreement. The FTIs measure the performance of over 150 countries around the world over the full spectrum of policy areas and measures included in the WTO Trade Facilitation Agreement.

**Ms. Moniek Sagita** of Conference of Asia Pacific Express Carriers (CAPEC) represents the Express Delivery Services (EDS) Industry in Asia and works closely with the government to create a conducive business and regulatory environment for EDS and its customers. As part of their commitment to trade facilitation, CAPEC, in partnership with APEC, supports the WTO Agreement on Trade Facilitation (ATF). Implementing the WTO-ATF will increase opportunities for MSMEs to integrate into global value chains (GVC) by removing administrative burdens. CAPEC applauds APEC commitment to accelerate the ratification of the WTO ATF by the end of 2015.

**Chairman Edgardo Abon** (Tariff Commission, the Philippines) presented on the Enhanced Philippine Tariff Finder (EPTF), a free online facility hosted on the Philippine Tariff Commission's website, which provides access to information on MFN and FTA tariff rates and rules of origin at a detailed product-level. The development of the EPTF complements and contributes to the development of regional-level platforms to share trade information (e.g. ASEAN's ATR) and national-level platforms (e.g. Philippine National Trade Repository) as a response to multilateral (WTO-ATF) and regional (ASEAN) commitments, and as a domestic EODB (ease of doing business) initiative. Chairman Abon successfully conducted a live demonstration of the EPTF.

**Discussions:**

There should be a balance between enforcement and trade facilitation through a strong partnership between Customs and private sectors. Customs must lead trade facilitation measures by streamlining regulations, educating stakeholders of its process and adapting international best practice of customs administration.

**SESSION 2: LEVERAGING E-COMMERCE TOWARDS GROWTH OF MSME TRADE**

**Undersecretary Nora Terrado (Department of Trade and Industry of the Philippines)** discussed on how the e-commerce has developed as well as the rapid growth in the usage of internet in relation to the population statistics. The speaker also discussed on the need of the MSMEs to carry out e-commerce as its growth accelerator as it also affects the growth of the gross domestic product of a country.

**Mr. David Fong Tai-wai (Assistant Commissioner of Hong Kong Customs)** discussed on how e-commerce has revolutionized the trading environment and how Customs responds to those new changes in order to safeguard this new land for budding of MSMEs. Mr. Fong pointed out that customs should strike a balance between trade facilitation and law enforcement and that there should be a protection on legitimate trade irrespective of multinational corporations or domestic partnerships. Mr. Fong concluded that there should be a coordinated border management, exchange of information, and bilateral and multilateral cooperation in addressing the e-commerce challenges.

**Discussions:**

Mr. Fong explained that as Hongkong, China is a freeport economy, they employ strategies to enforce the law and to facilitate trade. In the booming trend of E-Commerce in the Asia Pacific, balance must be made to ensure that while business is not impeded, prohibited articles must also be intercepted. SCCP Chair Uvero said that enforcement vis a vis trade facilitation is not a push and pull thing and does not go to opposite directions. Usec. Terrado added that it is really difficult to apprehend the exporter or the seller of the goods thus, we are still in the process of formulating policies for that in cooperation with other enforcement groups. While the growth of e-commerce is a welcome development for all, it must be ensured that steps are taken to minimize if not eliminate its susceptibility in the illegal drug trade. Also, the issues relating to trademark infringement on the internet have their special features which develop and change rapidly with the continuous innovations of e-commerce. Infringement in e-commerce is an area worth of long-term attention by all concerned as to how to properly enforce the law in the internet environment to build a healthy legal environment for e-commerce.

### **SESSION 3: MAXIMIZING TRADE OPPORTUNITIES: EASING DOING BUSINESS IN APEC**

**Ms. Lee Ju Song (ICC)** presented the ATA Carnet System as a possible solution to promoting trade without compromising security and customs interests. The main thrust of the ATA Carnet is to assist in trade facilitation in a secured manner by allowing the duty-free temporary admission of exhibition items, professional equipment, and commercial samples based on the international security chain of guaranteeing organizations appointed by customs administrations. To achieve this end, it was recommended that a Customs-Chamber Implementation Committee be set up to provide the technical expertise to help and encourage Customs to adopt the system, as the Philippines is one of the few countries who have yet to adopt the ATA Carnet.

**Mr. Manasvi Srivastava** (Microsoft, India and Southeast Asia) presented on “Maximizing Trade Opportunities: Easing Doing Business in APEC”, emphasizing the symbiotic relationship between trade facilitation and economic prosperity. The presentation identified the global trading indices of several Southeast Asian countries in relation to key areas/opportunities that could be further developed to reduce barriers to business within the Asia-Pacific region, including, but not limited to: (1) reduction of technical barriers to trade (licensing, alignment with GATT), (2) simplification and transparency of processes (implementation of a single window), and (3) time predictability of customs procedures.

**Mr. Raymond Yee** (DHL Express Asia Pacific) presented on “Maximising Trade Opportunities: What Businesses Want from Better Trade Facilitation”, which is a report on how border administration impacts the cost of trade/business. He highlighted that trade facilitation should be the cornerstone of policy and rule-making to create a conducive business environment beneficial to all stakeholders involved. Understanding the voice of business must be done from a multi-faceted and holistic approach aimed at leveling the playing field by balancing the interests of government control with trade facilitation. To realize this, customs administrations must adopt reforms through the implementation of international customs best practices, creation of more inter-agency cooperation and partnerships between the public and private sector, and elimination of unnecessary “beyond-the-border” requirements and improve the trust relationship between customs and businesses.

**Ms. Marie Sherylyn Aquia** (Department of Trade and Industry, the Philippines) presented on the “Boracay Action Agenda to Globalize MSMEs: Fostering Participation of MSMEs in Global and Regional Markets”, which is the centerpiece of the APEC 2015 Theme, “Building Inclusive Economies, Building a Better World”. The BAA was endorsed by the APEC Trade Ministers at their meeting in May 2015 in Boracay, as an action-oriented initiative that supports APEC’s on-going work to address the barriers faced by business in international trade and facilitate their access to regional and global markets with a strengthened focus on micro and small enterprises. It identified priority areas for cooperation and action on trade facilitation, e-commerce, financing and institutional support to collectively support direct participation of MSMEs in global and regional markets. To progress the BAA to more concrete actions and deliverables, an Implementation Plan is being developed by APEC on the relevant committee and sub-fora work streams and indicators to gauge success towards achieving BAA goals.

#### **Discussions:**

Ms. Song further explained the ATA Carnet System by citing specific examples of implementation in other economies. Mr. Srivastava recommended that statistics and data index in the form of matrix should be provided by economies/countries to determine factors that affect

global trade and ease of doing business. Ms. Aguia explained that APEC does not intend to “monitor” trade but the priority instead is trade facilitation. In conclusion, the Dialogue moderator stated that FTAs always contain dispute settlement /resolution provision and interested parties may approach the DTI for more information on this.

#### **SESSION 4: AUTHORIZED ECONOMIC OPERATORS**

**Mr. Seo Young-Ju** (Korea Customs Service, Republic of Korea) presented on how South Korea implemented the AEO Program to achieve goals of trade security and facilitation, with limited human resources of customs administrations, in an economy where the trade volume has grown significantly. Thus, the Korea Customs Service authorizes companies as AEO companies when they comply with laws faithfully and manage cargos safely. Mr. Seo Young-Ju concluded by providing statistics on the positive trade facilitation effects of AEO Adoption Program after the conclusion of a Mutual Recognition Agreement.

#### **Discussions in the open forum:**

The Dialogue moderator informed the attendees of the excellent efforts of South Korea on the AEO Program. Ms. Song shared that ICC has an international issuance standard through a verification website that is based in Paris. The open forum was concluded by the statement that the SCCP will be recommending efforts to adopt the South Korean AEO model.

#### **CLOSING SESSION**

**Ma. Teresa Chan (Cebu Chamber of Commerce)** cited the day’s discussions and topics as critical to further enhance the relationship between the government and the business community. Ms. Chan also emphasized further work on the APEC community to reach the goal of inclusive growth and improved quality of life. She expressed gratitude for the conduct of the APEC-Customs Business Dialogue in Cebu City.