



**Asia-Pacific
Economic Cooperation**

2022/SOM1/CTI/028

Agenda Item: XI

Sub-Committee on Customs Procedures Convenor's Report

Purpose: Information
Submitted by: SCCP Convenor



**First Committee on Trade and Investment
Meeting
18-22 February 2022**

SCCP CONVENOR'S SUMMARY REPORT TO CTI1 2022

1. How the forum's work contribute to CTI's objectives, including taking forward the [Aotearoa Plan of Action](#), as we pursue the [Putrajaya Vision 2040](#):

a. Support for the Multilateral Trading System

"...Growth of international trade flows in the region become more stable and predictable including with increased coverage of WTO rules, through APEC members' effective and transparent implementation of existing and future commitments..."

SCCP always attaches its importance to the Multilateral Trading System, especially WTO rules and regulations. It is evidenced that accelerating implementation of the WTO Trade Facilitation Agreement (TFA) has been identify as the SCCP priority in 2022-2025. Besides, one of the key areas where CTI would like SCCP as a sub-fora to pursue according to the APEC Ministers Responsible for Trade (MRT) Joint Statement is a SCCP's effort on accelerating the implementation of the WTO Agreement on Trade Facilitation to help facilitate trade in the region.

All SCCP projects and initiatives are basically founded to support the multilateral trading system. Specifically, in order to promote existing multilateral rules and standards, SCCP highly encouraged every member to implement customs elements of the WTO TFA. In the SCCP1 meeting, members economies, the Oceania Customs Organisation and Colombia presented an update on their implementation of WTO TFA and latest notification status as well as experiences and challenges that economies faced in the WTO TFA implementation process. Learning from each other's experience could beneficially help to identify technical assistance and political support needed for each economy.

Furthermore, SCCP is working on ***the initiative on WTO TFA Implementation Acceleration: Priorities and Channels for Adoption of Customs Related Chapters*** proposed by New Zealand. The objective of the initiative is to undertake a targeted stock-taking of the status and priorities of economies that currently have not yet fully implemented customs related WTO TFA articles. The initiative also aims to create avenues for SCCP economies to connect to existing capacity building projects that are best match their implementation priorities. In addition, the project seeks to find the gap on TFA capacity building which can use for SCCP's future work in assisting members to attain the necessary capabilities to fully implementation of WTO TFA within the timeframe.

b. Regional Economic Integration

- *"...APEC's trade and investment environment is free, open, fair, non-discriminatory, transparent and predictable..."*
- *"...further advance the Bogor Goals and economic integration in the region in a manner that is market-driven, including through the work on the Free Trade Area of the Asia-Pacific (FTAAP) agenda which contributes to high standard and comprehensive regional undertakings..."*

To advance APEC's Economic Integration in the Asia Pacific region agenda, SCCP is determined to work towards its priority in "Enhancing Supply Chain Predictability and Connectivity in the APEC Region". Highlights of SCCP projects and initiatives regrading this matter are:

- **Guidelines for Paperless Trade:** New Zealand has successfully developed Guidelines for Paperless Trade that could be served as an informative resource to support SCCP members enabling paperless trade in their economies. The guidelines benefit APEC members in reducing trade transaction costs, simplifying customs procedures, increasing access to global supply chains, and enhancing the effectiveness of border agencies on risk management.
- **The Future of Trade and Border Management – to 2030:** Australia developed APEC Border Management Dashboard which is a live platform contained a number of useful and up-to-date information regarding international trade and border management. The dashboard sets out the building blocks for member economies to consider in four pillars: (1) Policy and Regulation; (2) Technology and Information Communication Technology (ICT); (3) Industry and Supply Chains; and (4) COVID-19 Response. The dashboard could also serve as an excellent resource for APEC policy makers in dealing with border management challenges.

c. Trade Facilitation and Connectivity

“...promote seamless connectivity, resilient supply chains and responsible business conduct, APEC economies will improve physical, institutional and people-to-people connectivity...”

In accordance with the CTI’s objective on Trade Facilitation and Connectivity, the SCCP has committed to create more connected, secure and resilient global supply chains across the APEC region, as stated in the SCCP Strategic Plan 2022-2025. The SCCP, thus, set out its priorities this year for “Contributing to Economies’ Responses to and Recovery from the COVID-19 Pandemic”.

Since the COVID-19 pandemic outbreak has significantly disrupted global supply chains and trade flows everywhere around the globe, Customs administrations have a vital role in facilitating and expediting the movement of all goods especially COVID-19 medical supplies and essential goods across borders while ensuring import/export compliance at the same time.

Regarding this matter, SCCP has undertaken a number of initiatives to address trade facilitation and connectivity in the APEC region. Some of the key activities are as follow;

- **Trade Facilitation Measures to Mitigate Trade Disruptions: COVID-19 Lessons and Response Toolkit** by New Zealand: The project is built upon the Statement on COVID-19 by APEC Minister Responsible for Trade (MRT) with an objective to identify trade facilitation measures adopted by APEC customs administration during the pandemic. The outcome of the project includes (1) a framework of measures that could be permanently adopted to increase resilience against the disruptions; and (2) a toolkit of measures that can be deployed to respond to mitigate the disruptions. Such outcomes could be served as a manual for Customs agencies to draw on in order to minimize any future disruption, not only the pandemic.
- **Best Practice Guidelines to Facilitate the Distribution of COVID-19 Vaccines and Related Goods** by New Zealand: The Guidelines provided an operational and practical measures for Customs administrations to manage the complex distribution of COVID-19 vaccines and related goods which will lead to a safe, timely and efficient rollout of such goods across the APEC region. The Guidelines was endorsed by SCCP in April 2021 and by CTI in May 2021

respectively. This marks a successful achievement of SCCP as the Guidelines was welcomed by APEC Ministers Responsible for Trade (MRT) and APEC MRT committed to advance the implementation of the Guidelines in respective economies.

- **Draft Best Practice Guidelines on Customs Control for COVID-19 Related Goods** by Thailand: The Guidelines is an instrument that APEC economies could use as a reference administrative tool for drafting Customs control policy as appropriate according to their political and strategic contexts. The Guidelines comprises of three elements: (1) customs control principle; (2) risk management and trade facilitation; and (3) cooperation and awareness raising.

Also, member economies actively exchanged their experiences and best practices in response to COVID-19 and supply chain resilience. Canada shared its domestic initiative in the SCCP1 meeting called “*E-Longroom Initiative*” which is a new service that automates and expedites the process for commercial clients to declare goods and pay applicable duties and taxes. It is also beneficial in coping with COVID-19 with low overhead and quick turnaround.

Moreover, the SCCP chair has encouraged economies to support the Trade Facilitation actions stated in 2020 Declaration on Facilitating the Movement of Essential Goods by the APEC Ministers Responsible for Trade (MRT), for examples:

- to expedite and facilitate the flow and transit of essential goods;
- to enhance coordination, efficiency and transparency of the border clearance of essential goods;
- to endeavor to expedite the release of essential goods upon arrival; etc.

d. Innovation and Digitalization

- *“...To empower all our people and businesses to participate and grow in an interconnected global economy, we will foster an enabling environment that is, among others, market-driven and supported by digital economy and innovation.”*
- *“...strengthen digital infrastructure, accelerate digital transformation, narrow the digital divide, as well as cooperate on facilitating the flow of data and strengthening consumer and business trust in digital transactions.”*

The work of SCCP could greatly contribute to Innovation and Digitalization as declared in its priority “Exploring the use of new technology and innovative solutions to secure supply chains”.

- Australia presented a new self-funded Project Proposal on **Measures used to secure Cargo Containers from Tampering**: The project aims to seek information on how technologies such as Smart Security Devices are being used by Customs Agencies of member economies to detect and identify at risk containers in order to prevent container tampering. The project may help shed light on successes that Customs Agencies have experienced in reducing and detecting contraband trafficking and contribute towards policy development that will improve supply chain security and connectivity within the APEC region.
- The World Customs Organization (WCO) updated the meeting on **the Use of Disruptive Technologies by Customs** which mainly focuses on 7 group of technologies – blockchain; internet of things (IoT); artificial intelligence (AI) and machine learning (ML); biometrics;

drones; virtual, augmented and mixed reality; and 3D printing. To promote the use of disruptive technologies by Customs, WCO has developed two important papers.

- 1) *The Study Report on Disruptive Technologies* provides the information on the importance of using disruptive technologies in Customs works and also provided some practical examples and uses cases from WCO members.
 - 2) *The joint WCO-WTO paper on "Customs use of Advanced Technologies to Facilitate and Secure Cross-Border Trade"* contains the result of the WCO survey on the use of disruptive technologies by Customs administrations of WCO members focusing on three groups of technologies; Blockchain, Internet of Things (IoT), Artificial Intelligence (AI) and Machine Learning (ML).
- Such papers would be beneficial for SCCP members in exploring the feasibility on the application of disruptive technologies in the area of Customs in the future.

Furthermore, several SCCP members shared their experiences and best practices on the use of technology that have been carried out in their economies namely,

- Korea shared the implementation of *Korea Customs Service (KCS) Big Data Strategy*;
- Thailand presented the implementation of *the Cross-Border Data Exchange of the Electronic Phytosanitary (e-Phyto) Certificate* to allow traders exchanging information between Customs and other control agencies internationally;
- China shared their initiative on *"3S – Smart Customs, Smart Border and Smart Connectivity"* focusing on the application of the latest information technology to transform customs administration towards a digital and modern Customs;
- The United States made a presentation on *Modernizing the Supply Chain into the 21st Century*

e. Sustainable and Inclusive Growth

- *"Advancing inclusive policies, including under the economic drivers of trade & investment, and innovation and digitalization, to promote sustainable economic growth opportunities and improve quality of life..."*
- *"...develop, encourage and exchange best practice policies, and promote capacity building programs, that address all environmental challenges - including climate change - and support sustainable growth, such as through trade, including APEC's work on facilitation of trade in environmental goods and services"*

The work of SCCP supports Sustainable and Inclusive Growth according to its priority on "Promoting Inclusion and Fostering Capacity Building in the International Trading Environment". On this matter, the SCCP has committed to enable a more inclusive customs environment that supports access to trade for all and will continue to promote equality and inclusion in the region. During the SCCP1 meeting, SCCP introduced and advanced certain initiatives that are mainly focused on "Gender and Customs".

- The World Customs Organization (WCO) updated the meeting on ***Gender Equality and Diversity in Customs***. WCO conducted a variety of initiatives and activities to help promote Gender Equality and Diversity in Customs. For instance,
 - promoting gender equality through WCO Gender Equality Organizational Assessment Tool (GEOAT) which is a self-assessment tool for customs

administrations to assess their internal/external current policies, practices, and activities on gender equality;

- establishing the virtual working group on gender equality and diversity in order to raise awareness of the GEOAT;
- developing and publishing the Declaration on Gender Equality and Diversity in Customs and the Compendium on Gender Equality and Diversity in Customs which provide showcase examples from 17 Customs administrations around the world;
- hosting the virtual workshop to create the floor of discussion and experience exchange twice a year since 2017.

The outcome of WCO's efforts has resulted in the findings of 2021 WCO annual survey that the number of women working in Customs has been increasing.

- New Zealand concluded the Summary of SCCP2 2021 **'Gender and Customs' Panel: Key Observations and Possible Future Directions** with the key highlights that empowering women's access to capital and markets is the area that economies are doing well. Besides, the possible work areas regarding 'Gender and Customs' for SCCP in 2022 could be as follows;
 - 1) exploring a SCCP statement that echoes the WCO's Declaration on Gender Equality and Diversity in Customs to suit the APEC region's customs context;
 - 2) developing a set of metrics across administrations to enable us to monitor progress for women involvement in Customs and reviewing and recasting our support for Micro, Small, and Medium Enterprises (MSMEs) to include gender perspectives;
 - 3) designating training on gender bias and harassment for staff across Customs, particularly border and recruitment staff.

For the next step, SCCP members – led by New Zealand, the U.S. and other interested economies, will develop an initiative regarding gender equality in APEC Customs to put in practice the discussions held at SCCP2 2021.

2. Forum Main Objectives/Deliverables expected for 2022

Please provide a brief list of the forum's 2022 objectives and expected outcomes/deliverables.

- To endorse Best Practice Guidelines on Customs Control for COVID-19 Related Goods
- To hold APEC Customs Business Dialogue 2022, focused on Customs and Green Economy: Enhancing Economic Development and Environmental Sustainability (SOM3)
- To implement two Self-Funded Projects, which are 1) Measures Used to Secure Cargo Containers from Tempering by Australia; and 2) Workshop on the effective Tax/Duty Collection and Risk Management for Imports of Low Value Goods under De Minimis Thresholds by Thailand
- To implement the Initiative: WTO TFA Implementation Acceleration: Priorities and Channels for Adoption of Customs Related Chapters by New Zealand
- To launch a Digital Dashboard in the APEC Website as part of Australia's Self-Funded Project (SCCP 01 2019S) "The Future of Trade and Border Management to 2030".
- To endorse the remaining outcome paper (part 1&2) as part of New Zealand's Paperless Trade Self-Funded Project (SCCP 02 2021S)
- To develop a workstream regarding Gender and Customs

3. Planned private sector engagement in 2022

Please provide a list of planned private sector engagement in 2022

SCCP generally works in collaboration with private sector to ensure that the outcomes of SCCP work could truly respond and serve the needs from the business community. To this end, the APEC Customs Business Dialogue (ACBD) is scheduled to held annually in order to provide an opportunity for SCCP members and private sector to meet and discuss on international trade matters.

In 2022, the APEC Customs Business Dialogue (ACBD) will be held under the theme “*Customs and Green Economy: Enhancing Economic Development and Environmental Sustainability*”. Throughout the dialogue, the private sectors will be invited to address what and how they have done so far in relations to the Green Economy. Also, they will be welcomed to provide the recommendation on how public sectors, especially Customs administrations can facilitate private sectors to overcome regulation’s challenges.

Since the topic of Green Economy has recently been widely known as the model for sustainable development trend, APEC Customs Business Dialogue this year will be an international platform for Customs to make a vital contribution to promote sustainable economic growth and development by ensuring an effective and equitable transition towards a more inclusive, sustainable and greener supply chain. It is also expected that APEC Customs Business Dialogue 2022 will bring up many good ideas and serve as an incubator that create more and more understanding and connected green supply chain among public and private sector across APEC region.

4. Planned cross-fora collaboration in 2022

Please provide a list of planned cross-fora collaboration in 2022

The SCCP will support the Digital Economy Steering Group (DESG) for its effort to promote the APEC regional digital trade transformation and connectivity as one of their urgent priority agendas for post COVID-19 recovery with an aim to promote APEC and global standards for digital trade transactions and processes and supporting ecosystem. In this regard, DESG was invited to present it self-funded project under the above issue at the SCCP1 meeting.

5. Main outcomes from most recent plenary meeting

Please provide in list format

Day 1:

- SCCP took note of the Workplan 2022 and the initiatives that will be carried out by members during the year
- SCCP supported the APEC Customs Business Dialogue 2022 theme “Customs and Green Economy” which will take place in the margins of SCCP2 (SOM 3)
- SCCP took note of the CTI tasking to SCCP 2022 regarding the implementation of the MRT Statement and the AMM Declaration 2021, which is focused in two workstreams: vaccine supply chains and movement of essential goods.
- SCCP supported the implementation of the Aotearoa Plan of Action (APA)
- SCCP took note of the Final Report of the “Customs Officer Management During the COVID-19 Pandemic”, prepared by Japan and Mexico which was endorsed intersessionally by SCCP on 11 February 2022. SCCP members will disseminate the results of the Report within Customs

agencies. When necessary, SCCP should update or renew its contents and information and to share best practices on this matter.

- SCCP members will continue to implement measures to build up resilience to the ongoing COVID-19 pandemic. In this context, New Zealand encouraged members to use and disseminate within Customs agencies the “Trade Facilitation Measures to Mitigate Trade Disruptions: COVID-19 Lessons and Response Toolkit”, endorsed by SCCP in November 2021 and published in the APEC website (SCCP 01 2021S).
- SCCP members will continue to implement the “Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods”, endorsed by the SCCP in April 2021 and CTI in May 2021 and welcomed by APEC Ministers Responsible for Trade (MRT) as an operational and practical contribution to facilitate the distribution of COVID-19 vaccines and related goods (APEC MRT Joint Statement 2021).
- SCCP took note on the draft “Best Practices Guidelines on Customs Control for COVID-19 Related Goods” by Thailand. The draft will be circulated for member’ comments and endorsement with the aim to be recognized by the MRT in May 2022.

Day 2:

- Following up on the discussions held at SCCP2 2021, SCCP took note that New Zealand will undertake a targeted stock take at the SCCP-level of the status and priorities of economies who have not yet fully implemented customs related WTO TFA articles. The initiative aims to create avenues for these economies to connect to existing capacity building opportunities that best match their implementation priorities. The proposal will be circulated intersessionally for members consideration.
- SCCP took note of the update of New Zealand’s Self-Funded Project “Guidelines on Paperless Trading”, that a set of “Guidelines on Paperless Trade” (APEC Digital Publication) was endorsed in November 2021 by SCCP and CTI. SCCP will continue to discuss on this matter and will endorse intersessionally the Final Report of the Project.
- SCCP took note on Thailand’s Self-Funded Project Proposal “Workshop on the Effective Tax/Duty Collection and Risk Management for Imports of Low Value Goods under De Minimis Thresholds”, which will be circulated for members comments and endorsement intersessionally. The Workshop will take place in May 2022 (virtual event) and will develop an APEC Publication on this matter.

Day 3:

- SCCP took note that with the support from SCCP members, Australia plans to launch the final version of the “Digital Dashboard on Future and Border Management” in the APEC Website (SCCP 01 2019S). The Dashboard is meant to be a live platform to build capacity in APEC economies regarding policy and regulation, technology and ICT, industry and supply chains as well as APEC economies’ response to COVID-19
- SCCP took note on Australia’s presentation regarding a Self-Funded Project Proposal on “Measures used to secure Cargo containers from tampering”, which will be circulated for members comments and endorsement intersessionally. A Survey on this matter will be disseminated for member’s completion during March and the results will be presented at SCCP2 2022.
- The SCCP Chair reiterated the importance of member’s implementation of La Serena Roadmap to progress in the integration and empowerment of women in the economy. He suggested that to reflect this idea, SCCP must help promoting and enabling an environment actively

supports gender equality and women's empowerment and diversity not only for Customs but for global trade as well.

- SCCP took note that SCCP members – led by New Zealand, the U.S. and other interested economies, will develop an initiative regarding gender equality in APEC Customs to put in practice the discussions held at SCCP2 2021.

6. Was quorum reached at the most recent plenary meeting?

Please advise how many economies participated in the most recent plenary meeting.

The quorum reached at the most recent plenary meeting. The 1st SCCP Meeting was attended by all 21 economies during 15-17 February 2022.

7. What is your Forum doing to maintain/increase its relevance to APEC member economies and increase participation from its members?

Please provide a brief list of planned efforts to increase participation from members

Due to COVID-19 pandemic, this year the SCCP1 meeting was held virtually via Microsoft Teams. This provides the opportunity for every economy to easily attend in the meeting regardless of their travel restrictions. Although there were some technical difficulties occurred during the meeting such as signal loss, echo sound, delay picture; overall the meeting went smoothly.

Additionally, to minimize the difficulty caused by time zone different, in some agenda items, presenters who were unable to show their presence at that time recorded their video presentation and submitted to SCCP for broadcasting in the meeting.

The SCCP1 meeting could draw great attention and participation from economies. This is because the SCCP priorities truly reflected the mutual interest to all APEC economies. Every member then enthusiastically expressed their thoughts and inputs to the floor according to their topic of interest. Besides, the SCCP members were encouraged to exchange their views and also share their best practices and experiences throughout the meeting. This benefits to all SCCP member economies as they can learn from each other which could bring about new idea toward better cooperation in the future.

8. Decision points needed from CTI

- Seek CTI's endorsement of the SCCP Convenor's Report.
- The SCCP asked CTI to note the *Draft Best Practice Guidelines on Customs Control for COVID-19 Related Goods* proposed by Thailand. The draft will be circulated to SCCP for comments and endorsement. Subsequently, the SCCP endorsed version will be submitted to CTI for endorsement and to be mentioned in the MRT Statement 2022 as an important piece of work from SCCP this year.
