

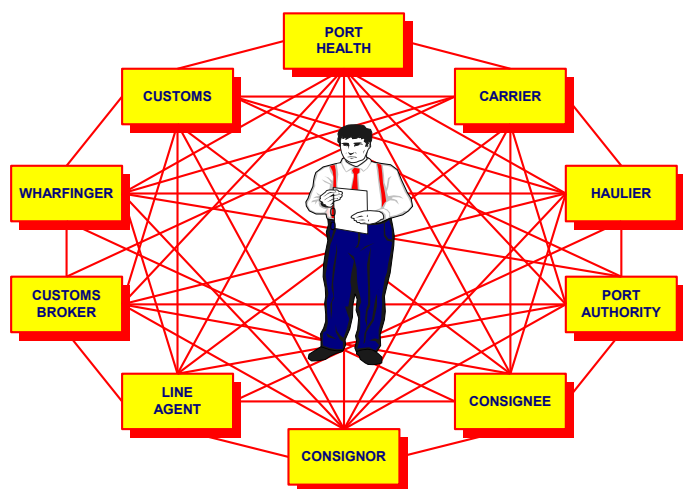


Engagement with the Private Sector for Effective Trade Facilitation – SASEC Perspective





Regulatory environment at Borders



- Enforcement
 - Customs
 - Border Guards
 - Police
 - Coast Guard
 - Navy
 - Tax

Trade Facilitation

- Customs
- Other Regulatory Agencies
- Licensing Authority
- Custodians
- Banks

Coordination required for -

- Addressing security threats and regulatory challenges
- Ease of doing business and improved service quality
- Enhancing national competitiveness

Private sector stakeholders





Global Outlook



WCO tools and WTO Trade Facilitation Agreement has elaborate provisions to promote transparency, consultation and coordination



WCO SAFE Framework

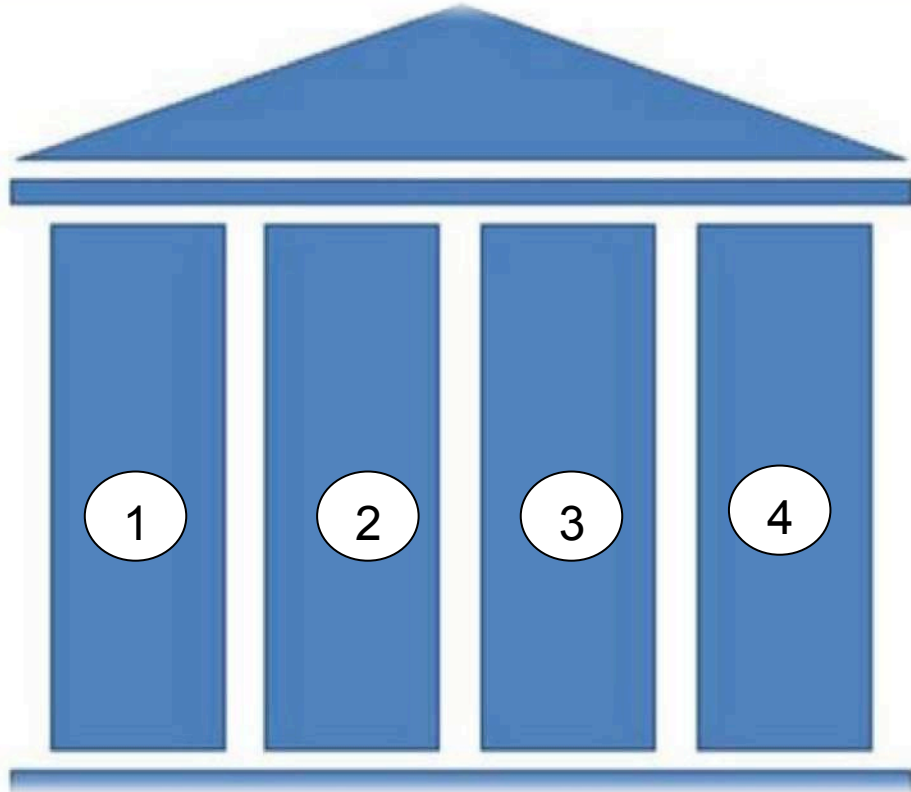
- **The SAFE Framework of Standards to Secure and Facilitate Global Trade**
 - Adopted in 2005; non-binding instrument
 - Pillar 3 - Fosters **close cooperation between Customs and other government agencies**, for effective supply chain security
 - Promotes **cooperation between customs and the business community** through the authorized economic operator concept
 - Champions seamless movement of goods through secure international trade supply chains.





WTO TFA

- Key Pillars for Implementation



1

Transparency and Consultation
(Access to Information and prior discussion)

2

Technology
(Digital, non-intrusive technologies and analytics)

3

Procedures
(Simplification, Harmonization and Risk based approach)

4

Infrastructure
(Augmentation in Ports, Airports, Railways, Roads, Dry Ports, Land Borders)

Coordination
(Private Sector and Inter-Agency)



SASEC
South Asia Subregional Economic Cooperation



National Committee on Trade Facilitation (NCTF) - Basis

Article 23.2 of Section III
of WTO TFA:



*National Committee on
Trade Facilitation:*

*Each Member shall establish and/
or maintain a national committee
on trade facilitation or designate
an existing mechanism to facilitate
both domestic coordination and
implementation of the provisions
of this Agreement.'*





Institutional structures for stakeholder engagement

Country Name	Status
Bangladesh	National Trade Facilitation Committee (NTFC) headed by the Minister, Ministry of Commerce.
Bhutan	National Trade Facilitation Committee (NTFC) set up in 2015; Better Business Council (BBC) established in 2014 to stimulate dialogue between public & private sectors
India	National Committee on Trade Facilitation (NCTF) set up headed by Cabinet Secretary; with a supporting steering committee and adhoc working groups; Local level committees set up for facilitation of cargo clearance
Maldives	National Trade Facilitation committee chaired by Minister of Economic Development - to identify work to be carried out by various government agencies to eliminate barriers to trade



Institutional structures contd/...

Country Name	Status
Myanmar	National Trade Facilitation Committee set up – with Deputy Minister for Commerce and Deputy Minister for Planning and Finance as the Chairman and Joint Chairman
Nepal	NCTF set up under chairmanship of Secretary, Ministry of Industries, Commerce and Supplies with private sector participation; Customs Trade Facilitation Committees also set up at national and local levels
Sri Lanka	NTFC was established in April 2016 with Secretariat at the Ministry of Development Strategy and International Trade; and meets every 3 months at the office of the Director General of Customs





Engagement with Private Sector – Institutional arrangements

- National Committee on Trade Facilitation
- Facilitation Committees (local level)
- Time Release Surveys
- Authorized Economic Operator (AEO) program





National Trade Facilitation Committee

A central consultation mechanism

- Consists of senior representatives of all key departments, major trade bodies, association of customs brokers, freight forwarders, exporters etc.
- Discusses issues of wider ramification and makes policy recommendations on trade facilitation
- Institutional mechanism for implementing WTO TFA
- Supported by a secretariat





Effectiveness of NCTF

TFA requires multiple stakeholders to come together for better coordination and for better implementation of TFA

Coordination

**Decision Making
Authority**

**Flow of
Information**

**Public and Private
Ownership**



NTCF model

In India, a Three-Tier mechanism implemented

National Committee on Trade Facilitation (NCTF) chaired by Cabinet Secretary

Steering Committee
co-chaired by Revenue Secretary & Commerce Secretary

Ad-hoc **Working Groups** to assist with specific provisions.



Customs Clearance Facilitation Committee

A local level consultation mechanism

➤ Objective

- Institutionalizing at the individual seaports, airports, dry ports and Land Custom Stations, an administrative mechanism with responsibility of
 - expeditious clearance of imported and export goods and
 - resolving related trade grievances in a time bound manner.





General Mandate

- Ensuring and monitoring expeditious clearance of imported and export goods;
- Identifying and resolving bottlenecks, if any, in the clearance procedure of imported and export goods;
- Conducting Time Release Studies for improvement in the clearance time of imported and export goods;
- Having internal consultations to speed up the clearance process of imported and export goods and recommending best practices to H.Q; and
- Resolving grievances of members of the trade and industry on clearance process





TRS as a consultative tool

Key Objectives of TRS

- Analyze Business Processes and practices followed by regulatory agencies, logistics service providers and traders to identify bottlenecks and inefficiencies in international trade
- Publication of Cargo Release Time at Ports, Airports and Land Customs Stations
- Develop evidence-based work plan for implementing further trade facilitation reforms to bring down cargo release time





TRS under SASEC

- TRS conducted by SASEC countries at major customs locations
 - Chattogram
 - Colombo
 - Mumbai (JNCH), Chennai
 - Male
 - Biratnagar
 - Phuentsholing
 - Asia World Port, Yangon Aerodrome and Muse Border Check Point

India

- National Trade Facilitation Action Plan (NTFAP) sets target of clearance within 24 hours for sea cargo and 12 hours for air cargo
- TRS at major ports, airports, ICDs and land borders in 2 phases –
 - 7 locations in August 2019
 - 8 locations in September 2019





Inter-Agency Coordination





GLOBAL INSTRUMENTS AND TOOLS

TOOLS



Revised Kyoto Convention

3.35. Transitional Standard

- *If the goods must be inspected by other competent authorities and the Customs also schedules an examination, the Customs shall ensure that the inspections are co-ordinated and, if possible, carried out at the same time.*
- Inspection of goods should take place in coordination with other competent authorities.
- Customs should establish effective communications with other competent authorities for this purpose.





WTO TFA – Border Agency Cooperation

Article 8

1. Each Member shall ensure that *its authorities and agencies* responsible for border controls and procedures dealing with the importation, exportation and transit of goods *cooperate with one another and coordinate their activities in order to facilitate trade.*

2. Each Member shall, to the extent possible and practicable, cooperate on mutually agreed terms *with other Members* with whom it shares a common border with a view to coordinating procedures at border crossings to facilitate cross-border trade. Such cooperation and coordination may include:

- a) alignment of working days and hours
- b) alignment of procedures and formalities
- c) development and sharing of common facilities
- d) joint controls
- e) establishment of one stop border post control





Need for Border Agency Cooperation

- Multiplicity of agencies
- Duplication of work
- Excessive compliance requirements
- Effective enforcement
- Customs and border agencies need to find the right formula to work together
- Everyone wants to “coordinate” – no one wants to be “coordinated”



Inter-Agency Coordination – Institutional arrangements

- National Committee on Trade Facilitation
- Customs Clearance Facilitation Committees (local level)
- Time Release Surveys
- Single Window environment
 - Data Harmonization
 - Integrated Risk Management
- Co-location and sharing of regulatory facilities - ICPs
- Joint Inspections





NSW and Data Harmonization

- One of the most complex system for integration of Government - Business processes
- to accomplish formalities for import, export, transit and release of goods, means of transport and persons in international trade.
- Leveraging Technology
- Standardized and harmonized sets of data for submission by Trade to Customs and other agencies
- Enables better coordination & interoperability



Data Harmonization

- Standardized and harmonized sets of data for submission by Trade to Customs and other cross-border regulatory agencies
 - to accomplish formalities for import, export, transit and release of goods, means of transport and persons in international trade.
- Enables coordination & interoperability between systems of regulatory agencies
- Leads to better coordination and cuts down duplication.



Degree of Cooperation among border agencies

- Coexistence



- Communication



- Cooperation



- Co-ordination



- **Collaboration**

- Degree of formality is important
–informal / personal arrangements are not sustainable
- Process: The work of Customs, other government agencies and Trade needs to be understood in terms of interactive processes and shared ownership





Engagement with Private sector - Lessons learnt

- Political will and buy-in
- Clarifying expectations
- Sustainable mechanism
 - Institutionalised with clear mandate and placement
 - Staffing and allocation of resources (incl. financial)
- Central, local (*multi-tiered*) consultation mechanisms
- Appropriate representation (including MSME, Sectoral)
- Follow up action





Lessons learnt contd/...

- Predictability and transparency highly desired by Private sector
- Use of technology - Trade Portals, paperless processing etc.
- Partnership approach
- Key deliverable is to promote voluntary compliance through outreach



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Thank you.

