



INFORMATION SHEET

CUSTOMS

APEC Trade Facilitation Initiatives

Background

Asia Pacific Economic Cooperation (APEC)

In November 1993, Papua New Guinea was admitted into the 21 member Asia Pacific Economic Cooperation (APEC) forum.

Established in 1989 to better manage the effects of growing interdependence in the Asia Pacific Region and sustain economic growth, it continues to play a significant role in the introduction of initiatives and measures, through the Committee on Trade and Investment (CTI) and its Sub Committee on Customs Procedures (SCCP), towards achieving the 1994 Bogor Goals of Trade and Investment Liberalisation by 2010 and 2020 by developed and developing economies respectively.

It has continuously been emphasised that trade facilitation was needed to complement trade liberalization in order that businesses and consumers could enjoy the benefits of trade. Trade Facilitation therefore remains a key objective of Customs administrations in the region, including PNG Customs in order for the country to work towards achieving the Bogor Goals.

How does APEC achieve its Trade Facilitation goals?

APEC Economic Leaders in 1995 identified trade and investment

facilitation as one of three key areas for APEC's future work program, which led to the adoption of the Osaka Action Agenda. The Osaka Action Agenda established the Common Action Plans (CAPs) and Individual Action Plans (IAPs) in 15 "core" trade facilitation areas including Customs Procedures.

The SCCP has so far adopted and in various stages of implementation, 16 Common Action Plans dealing with Customs Procedures based on the following Trade Facilitation Principles:

- **t**ransparency;
- **c**ommunication and consultation;
- **s**implification, practicability, efficiency;
- **n**on-discrimination; consistency and predictability;
- **h**armonization, standardization, recognition;
- **m**odernization and use of new technology;
- **d**ue process;
- **c**ooperation.

The 16 SCCP Common Action Plans deal with an aspect of Customs Procedure aimed at either enhancing or achieving one or several of the trade facilitation principles.

The SCCP adopted 5 Guiding Principles for this purpose:-

Facilitation, Accountability, Consistency, Transparency and Simplification to be the cornerstone of the SCCP's work plans.

What are these SCCP Common Action Plans?

The CAP items are divided into three categories based on the stages of completion of both the Technical Assistance funding under APEC and the planned phases of implementation.

Stage 1 consists of four (4) CAP items:-

- Accession to the International Convention on Simplification and Harmonisation of Customs Procedures (Revised Kyoto Convention)
- Common Data Elements
- APEC Framework of Standards to Secure and Facilitate Trade
- Time Release Survey

Stage 2 consist of seven (7) CAP items:-

- Harmonisation of Tariff Structure with the HS Convention
- Public Availability of Customs Information
- Paperless Trading
- Clear Appeals Provisions
- Risk Management
- Customs Integrity
- Customs Business Partnership

Stage 3 consists of five(5) CAP items:-

- WTO Valuation Agreement
- WTO TRIPS Agreement
- Advance Classification Rulings
- Provision for Temporary Imports
- Express Consignment Clearance

How do they assist in facilitating trade and investment?

When fully and properly implemented by Customs administrations in APEC, the SCCP

Common Action Plans can provide the legal and administrative infrastructure necessary to ensure that there is **facilitation** of trade and investment; there is **accountability**; there is **consistency**; there is **transparency** and that there is **simplicity** of Customs laws and regulations.

The Shanghai Accord of 2001 goes further to provide for the measurement of the benefits to the industry and the economy through ensuring that there is a reduction in "transaction costs".

APEC Economies must ensure that measures are taken to reduce transaction costs by 5% by the end of 2006. Full and proper implementation of a number of the above CAP items is intended to achieve this objective.

Papua New Guinea has continued to work towards implementation of the CAP items and Information Sheets are available on recent changes to legislation, policy and procedures directly linked to the implementation of the APEC CAP items.

This information is provided as a guide only.

For more information please contact the your nearest Customs office or write to The Commissioner of Customs, PO Box 777, Port Moresby, NCD or visit our website at

www.customs.gov.pg