



Asia-Pacific
Economic Cooperation

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Business facilities

Administrative simplified: Obstacles and barriers
Single Window of Foreign Trade

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General aspects

- ▶ The New Geography of Trade:
 - ▶ Global Economy
 - ▶ Communication developments.
 - ▶ Development of trade goods and services.
 - ▶ Reduction or elimination of tariffs and barriers to the commerce.
 - ▶ The Customs office and the means of transport play an important roll in the development of International trade.
 - ▶ The Customs office can also promote the IED and a greater competitiveness among the participating economies.

Why it is important to discuss the facilities of the commerce?

- ▶ The commerce operators must interrelate with other public organizations and other Customs offices.
- ▶ In an international transaction: there are 30 different parties, 40 documents and up to 200 informational data logs that are usually repeated.
- ▶ Over cost = 10% of the value of the goods.

*Source: Conference of the United Nations related to Commerce and Development – UNTACD.

Governmental organizations and the facilities involved in the framework

- ▶ In the 60s decade: Economic commission of the United Nations for Europe - CEPE, initiatives to simplify the export procedures and to help the governments to be more efficient, diminishing the obstacles to the commerce.
- ▶ In the 70s decade: OMA organized the Convention for the Facilitation of the international Trade related to the Simplification and Harmonization of Customs Procedures = Kyoto convention.

The facilities within the framework of the governmental organizations

- ▶ The Kyoto convention.
 - ▶ Key principles for the efficient dispatching of merchandise, without neglecting the customs control.
 - ▶ The following concepts are developed:
 - ▶ Harmonization and standardization.
 - ▶ Simplification and quickness.
 - ▶ Equal treatment.
 - ▶ Transparency.
 - ▶ Commercial consultations.
 - ▶ Procedures of independent appeals.
 - ▶ Few countries have subscribed to this agreement.

The facilities within the framework of the governmental organizations

- ▶ OMC: There are no specific legal provisions regarding commerce, but there are rules that in an ample way contribute to facilitate it: customs valuation, OTC, origin provisions, MSFS, etc.
- ▶ OMC regulations is the general frame of harmonization and facilities of commerce.
- ▶ The term of facilities of commerce was introduced in the Singapore conference in 1996. It is identified with the simplification of the customs procedures at the border.
- ▶ The interest is also the result of the technological advance that contributes to the transfer of information in an immediate way, as well as to the generation of businesses.

The facilities within the framework of the governmental organizations

- ▶ OMC: The Council of Commercial Merchandise CCM, identified a concern related to the customs aspects and transportation that are common to the countries:
 - ▶ Excessive documentation requirements.
 - ▶ Insufficient automatization and little use of information technology.
 - ▶ Little transparency.
 - ▶ Ambiguous requirements for import and export.
 - ▶ Lack of custom modernizations.

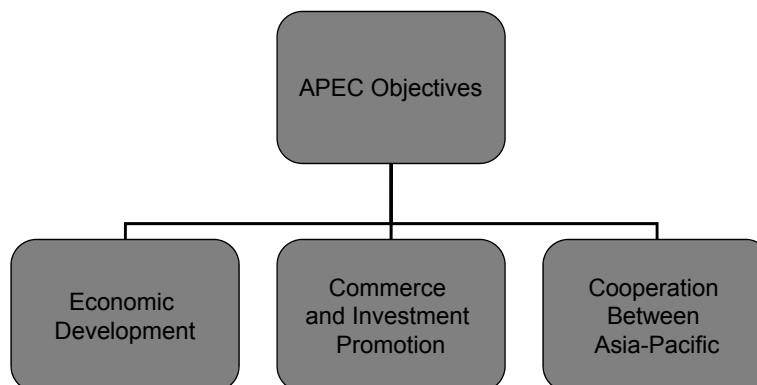
The facilities within the framework of the governmental organizations

- ▶ OMC – Current concern:
 - ▶ It is argued if the provisions regarding facilities of the commerce must be mandatory or not.
 - ▶ To favor: political commitment of multilateral character to carry out uniformly the proposed reforms.
 - ▶ In against: before creating new provisions it is necessary to assure the fulfillment of the laws already included in the OMC Agreement, mainly, in the areas of valuation, OTC and application of sanitary and fito-sanitary measures.

The framework of facilities within governmental organizations.

- ▶ APEC: Forum of Economic Cooperation Asia – Pacific
 - ▶ Objectives:
 - ▶ Consolidation of the liberation process of the commerce and investment.
 - ▶ Facilities in businesses by means the elimination of the administrative and bureaucratic limits.
 - ▶ Economic and technical cooperation.
 - ▶ Adopted principles:
 - ▶ Consistency with the OMC.
 - ▶ Non-application of limits to the commerce and the investments.
 - ▶ Non-discrimination.
 - ▶ Transparency.

The framework of facilities within governmental organizations.



Commerce facilities - Business facilities

- ▶ Concepts that can be indistinctly used.
- ▶ There is not a standard definition: "Unilateral or Multilateral Action to simplify the operational procedures, reduce or to eliminate the costs that affect the transactions and affect the circulation of the production factor"

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Reduction or elimination of the barriers that affect the free circulation of the goods, services, people and capitals.

Commerce facilities – Business facilities

- ▶ It includes 2 scopes:
 - ▶ Customs procedures: these contribute to the generation of businesses by reducing transactional costs and the creation of a more consistent atmosphere.
 - ▶ Transparency in the information delivered: commercial procedures and current regulations.

APEC and commerce facilities

- ▶ One of the APEC principles: is to facilitate the commerce.
- ▶ The Committee of Customs Procedures: "the commerce is affected by high transactional costs derived from non-customs matters: 46 billions are lost because of non-application of measures oriented to facilitate the commerce* "
- ▶ Normally, the problems occur at the border, which results in lost money and time.

* Source: Assessing APEC, Trade Liberalization and Facilitation - 1999 Update.

APEC and commerce facilities

- ▶ Main causes of over costs:
 - ▶ Incompatibility of the domestic regulation processes.
 - ▶ Lack of transparency in the administrative procedures.
 - ▶ Lack of general transparency of the requirements for import and export.
 - ▶ Lack of infrastructure, technical and administrative capacity.

APEC Instruments for the facilitation

- ▶ Individual Action plan - IAP: each country establishes its own plan of liberalization of the commerce and investments.
- ▶ Collective Action plan - CAPs: the economies jointly decide to approach each one of the 15 subjects. It involves a non-mandatory commitment of application.
- ▶ These instruments not also are oriented to the facilitation but also to the liberalization of the commerce and the investments.

Main advances in the matter of facilitation of the commerce in APEC

The facilitation of the commerce in APEC:

Simplification and harmonization of the customs procedures.

Main advances in the matter of facilitation of the commerce in APEC

- ▶ Introduction of a faster dispatching system and customs inspections.
- ▶ More consistent valuation and evaluations of custom procedures.
- ▶ Diffusion of procedures.
- ▶ Diffusion of the massive use of the electronic commerce.
- ▶ Reduction of paper in commercial proceedings.
- ▶ Structure of a more expeditious visa system and application of a card that facilitates business trips.

Main advances in the matter of facilitation of the commerce in APEC

- ▶ Uniformity in standards and control provisions.
- ▶ Facilitation of the public purchasing regime.
- ▶ Incorporation of women in the labor world.
- ▶ Compilation and publication of an inventory of restrictions
- ▶ Adoption of mechanisms of surveys to evaluate the customs procedures

Main advances in the matter of facilitation of commerce in the APEC

- ▶ The Great Goal:
Reduction of 5% of transactional costs as a result of applying the measures before mentioned.
- ▶ Pending task:
To continue with the reduction process of costs at an additional rate of 5% by the year 2010.

The most important subjects in the matter of facilitation

- ▶ Customs procedures.
- ▶ Harmonization of the conformity standards.
- ▶ Mobility of business people.

Customs procedures

- ▶ Significant advances in Australian, Chinese and Singapore customs offices.
- ▶ It is required to define the roll of the customs offices.
- ▶ Reengineering of its processes .
- ▶ To promote access to new information technologies.
- ▶ Modernization of customs offices by means of training the personnel.

Standards and conformity

- ▶ The challenge is focused in the lack of conscious coordination in infrastructure and facilities to evaluate the conformity
- ▶ To improve the infrastructure related to the technical regulations.
- ▶ The objective is to avoid the associated costs to non-customs barriers, avoiding they become mechanisms of protection of a specific group.

Mobility of the people

- ▶ In a global world, the growth of the commerce is related to the increase of the workforce and the physical capital, mainly, in less developed countries.
- ▶ It is required to simplify procedures for the mobility of business people by the use of a card for travelers that can be recognized by all economies.

Main measures of facilitation in customs matters

- ▶ Streamlining of the admission and temporary import procedures.
- ▶ Express dispatch of shipments in 6 hours.
- ▶ Simplified procedures for shipments of low value.
- ▶ Compatible systems of electronic interchange between the Customs and the private sector, as well as among the different customs.
- ▶ Adoption of the Harmonized System of designation and codification of merchandises - 1996.

Main measures of facilitation in customs matters

- ▶ Spreading of the customs information.
- ▶ Application of code of conduct to the customs employees.
- ▶ Analysis of risk selection methods in order to focus attention on merchandise and travelers of high risk, and to facilitate the dispatch and mobility of merchandise and people of low risk.

Main measures of facilitation in transparency matters

- ▶ Diffusion of:
 - ▶ Information of customs duties, anti-dumping measures, compensatory measures and commercial flows.
 - ▶ National practices of laws and technical regulations.
 - ▶ List of national contacts related to goods and services.
 - ▶ Procedures regarding the entrance of travelers.
 - ▶ Inventory of laws and regulations related to competition policies.
 - ▶ Mechanisms on solution of controversies.
 - ▶ Information of public purchases.

Peru and the measures of facilitation in customs matters

- ▶ Masterful plan of facilitation of International Trade.
- ▶ Law of facilitation of commerce.
 - ▶ Reduction of the customs dispatches: 48 hours
 - ▶ Fast deliveries: 6 hours.
 - ▶ Anticipated resolutions: valuation, classification, origin.
 - ▶ Regime of transit within the country.
 - ▶ Customs deposit procedure: 12 months.
 - ▶ Elimination of sanction of retention of goods to be exported.

Peru and the measures of facilitation in customs matters

- ▶ Law of Commerce Facilitation.
 - ▶ Pre-publication of customs legal projects.
 - ▶ Reduction from 12 to 6 hours to unload the merchandise.
 - ▶ Determination of requirements to act as arrival destination
 - ▶ Single Window of Foreign Trade.
- ▶ Law of Customs Simplification. (Law 29176)
 - ▶ Extension of 3 to 12 months for temporary exports.
 - ▶ Destruction of defective merchandise when the return is not mandatory.
 - ▶ Facilitation of the replacement in tax exemption procedures.

Peru and the measures of facilitation in customs matters

- ▶ Proposals to continue with the Facilitation of the Commerce.
 - ▶ Elimination of retention on imported goods
 - ▶ When the property of the merchandise is evident but it was not declared.
 - ▶ When loading merchandise by error.
 - ▶ Review of the gradual application of infringements and sanctions regimen.
 - ▶ Mechanisms in order the warehouses dispatch the merchandise in situation of legal abandonment and retention.

Single Window of Foreign Trade - VUCE

- ▶ Priority of the agenda of APEC on facilitation of the commerce. 2007 It was concluded the regional initiative with the presentation of the Strategic Plan of VUCE of APEC.
- ▶ The operators are forced to send the same information to several public organizations when importing or exporting.
- ▶ The VUCE arises as an alternative to reduce the cost of procedures.
- ▶ It consists of allowing the operators to send once the information required through an unique entry point, generally electronic.

Single Window of Foreign Trade - VUCE

- ▶ Peru leads the implementation process of the customs system, whose priority is: project of the VUCE.
- ▶ Peru: legal frame for the implementation of the VUCE, through the Law of Facilitation of Commerce.
- ▶ The Law of Facilitation of Commerce: simplification and uniformization of procedures, forms and terms of the proceedings.
- ▶ Chile is developing a VUCE.
- ▶ Peru is in process of implementation and Mexico is studying the process.

Conclusions

- ▶ Globalization does not only mean a greater development of the economies, but also it generates competitiveness that has put in evidence the cost of the logistics in the international trade.
- ▶ The competitiveness or not of an economy will also depend on how efficient its customs and ports are.
- ▶ Without efficient customs it is not possible to compete: Chinas Case.
- ▶ Inefficiencies in the customs and the ports can represent until 25% of the cost of an operation in international trade.

Conclusions

- ▶ The custom duties stopped being the element that affect the liberalization of commerce because currently there are barriers of different natures.
- ▶ The agenda of facilitation of the commerce has as an objective to establish measures orientated to the commerce of goods and services to be faster, cheaper and more reliable.
- ▶ For this reason, it is required faster and simple customs procedures, harbor efficiency, infrastructure, use of electronic commerce.
- ▶ The Customs must implement the new changes. It is expected it be effective in the control, efficient in the procedures, transparent and conscious of its roll as a promoter of investments



Thank you.