

ANNEX 3

Survey on APEC Member Economies' Readiness for Implementation of the World Trade Organization Agreement on Trade Facilitation (TFA) Summary Report on Survey Findings & Results

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Overview of Survey & Responses

- The survey's goal was to assess APEC Member Economies' progress in implementing key trade facilitation-related issues in line with the principles of the World Trade Organization's Trade Facilitation Agreement (TFA), in order to highlight gaps where work still needs to be done, to identify priority development and implementation objectives, within the APEC region, and to exchange information on best practices.
- Survey questions were in most cases addressed to both Member Economy governments as well as to key private sector stakeholders in APEC Member Economies. Certain questions were addressed primarily to public or private sector respondents, but respondents were free to provide a response to all questions. A full listing of survey questions is attached as Annex A.
- Survey results have been summarized in 38 key topic areas, each of which represents a particular area of focus in Articles 1 through 12 of the TFA
- Where multiple responses were received from the same Member Economy in a sector (e.g. government or private sector), and responses were divergent, the prevailing response was indicated in the topic summaries.
- Complete results, broken down by individual respondent, are included in Excel format in Annex B.

Type of Questions

1. Closed question format:

A limited set of predefined answers is provided for respondents to choose the most suitable one (e.g. Yes or No, Fully Implemented, Partially Implemented) or provide a pre-formatted input (for example, a date of implementation).

2. Likert Scale questions:

The respondent selects from a range, for example levels of impact on trade facilitation related to one or more TFA measures.

3. Open question format:

The respondents are requested to elaborate on their answers to a specific question by stating supporting information (e.g.: by stating issues identified, recommendations, examples, data, sources, references, webpage links to relevant documentation).

4. Additional Comments:

At the end of each set of questions, respondents are given the opportunity to make Additional Comments, intended to enable them to clarify or elaborate on their answers by including additional background, explanations, examples or any other relevant information.

Survey Main Definitions (I)

1. Fully Implemented (“FI”):

A measure is considered implemented when is in compliance with the referenced provisions of the TFA, is implemented in law and in practice, is available to essentially all relevant stakeholders nationwide, is supported by an adequate legal and institutional framework, including adequate infrastructure and financial and human resources.

2. Partially Implemented (“PI”):

A measure is considered to be partially implemented if an economy has relevant measures in place but at least one of the following is true:

- (1) the trade facilitation measure is not yet in full compliance with the referenced provisions of the WTO Trade Facilitation Agreement;
- (2) the economy is still in the process of rolling out the implementation of the measure;
- (3) the measure is practiced on an unsustainable, short-term or ad-hoc basis;
- (4) the measure is not implemented in all targeted locations (such as key border crossing stations);
- (5) not all targeted stakeholders are fully involved.

Survey Main Definitions (II)

3. Not Implemented (“NI”):

A measure is to be considered not implemented when neither of the previous two categories apply.

4. Best practice:

A set of actions, procedures or techniques that has demonstrated the ability to consistently produce positive results through experience and continuous evaluation, which can be used as a benchmark.

Survey Responses: Key Figures

- Number of Economies Responding*: 14
- Number of Survey Responses Received: 34
- Number of Surveys by Sector: Public=19 and Private=15
- Survey Response Collection Timeframe: 18th June- 20th July, 2016; extension granted for survey responses through August 30, 2016

* In some cases, responses were received from more than one public or private-sector respondent in a Member Economy; the 15 private-sector responses were received from 4 economies. Where more than one public/private sector response was received from an economy, results were amalgamated (averaged) for purposes of statistical analysis; differing responses within the same economy/sector were noted, and comments from all respondents were preserved for review.

SUMMARY OF KEY SURVEY FINDINGS

PUBLICATION AND AVAILABILITY OF INFORMATION

ARTICLE 1

Article 1: Topic 1- Publication, information available through internet, enquiry points

Figure 1. Implementation status

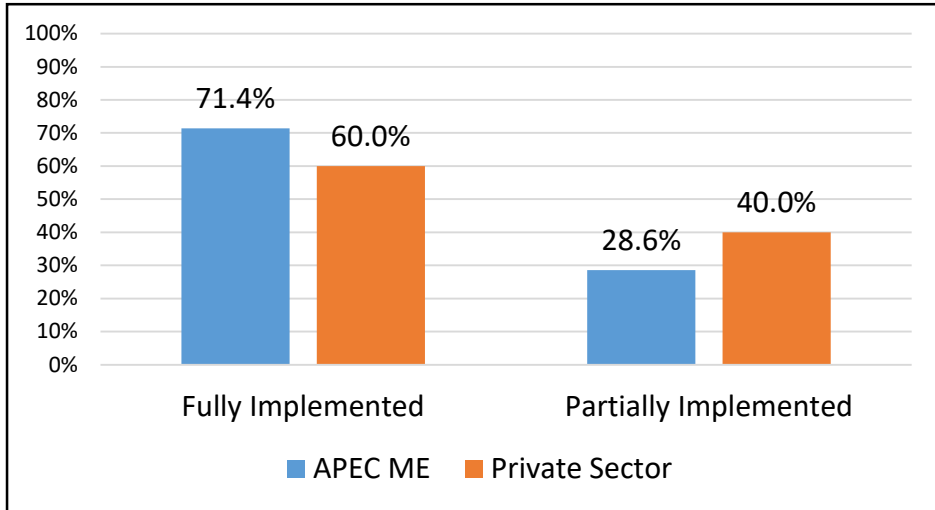
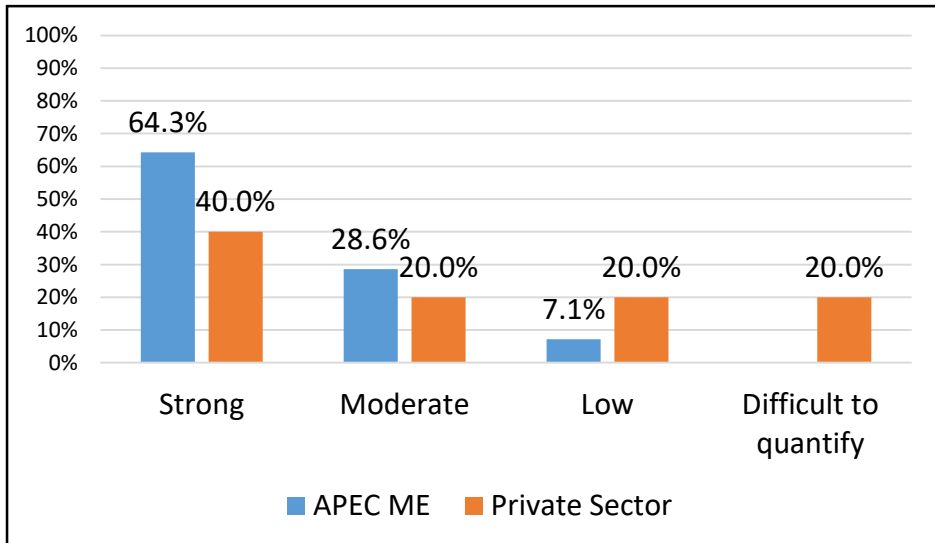


Figure 2. Impact



1. Summary of Findings:

- Almost all have implemented, in full or in part

2. Issues Noted:

- Multiple agencies put out laws and regulations which affect trade.
- Not all of them may comply, or comply in the same way, with the requirements of Article 1.
- Laws and regulations may be published on multiple websites.

3. Recommendations/Comments:

- Create comprehensive website covering all trade-related matters (problem—no funding or legal authority or overarching responsibility to do this).

OPPORTUNITY TO COMMENT, INFORMATION BEFORE ENTRY INTO FORCE, AND CONSULTATIONS

ARTICLE 2

Article 2: Topic 2-Opportunity to comment and information before entry into force

Figure 1. Implementation status

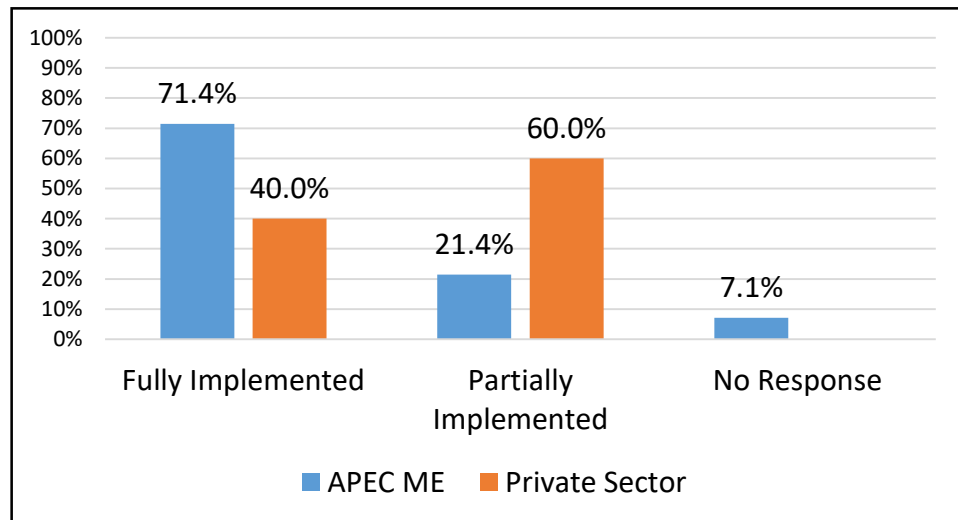
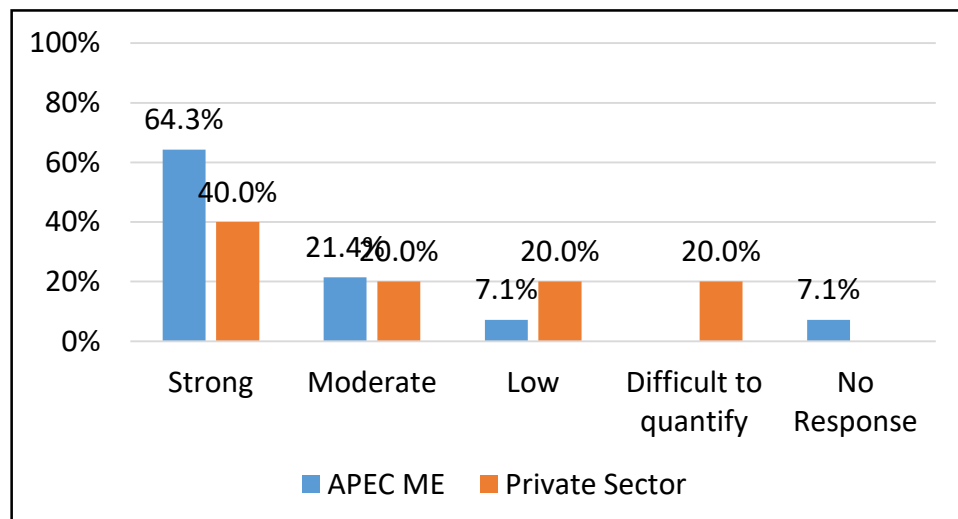


Figure 2. Impact



1. Summary of Findings:

- Ten of the 14 responding economies indicated full implementation (in some cases private sector groups gave a different assessment).
- Four economies have partially implemented (or did not respond).

2. Issues Noted:

Not all agencies:

- Followed prescribed or formal procedures.
- Use identical procedures in an economy.

Private sector sometimes fails to provide comments in advance, even though the opportunity exists.

3. Recommendations/Comments:

- Institutionalize standardized advance information/comment period across agencies within an economy
- Encourage private sector participation.

Article 2: Topic 3-Consultation between border agencies and trade stakeholders

Figure 3. Implementation status

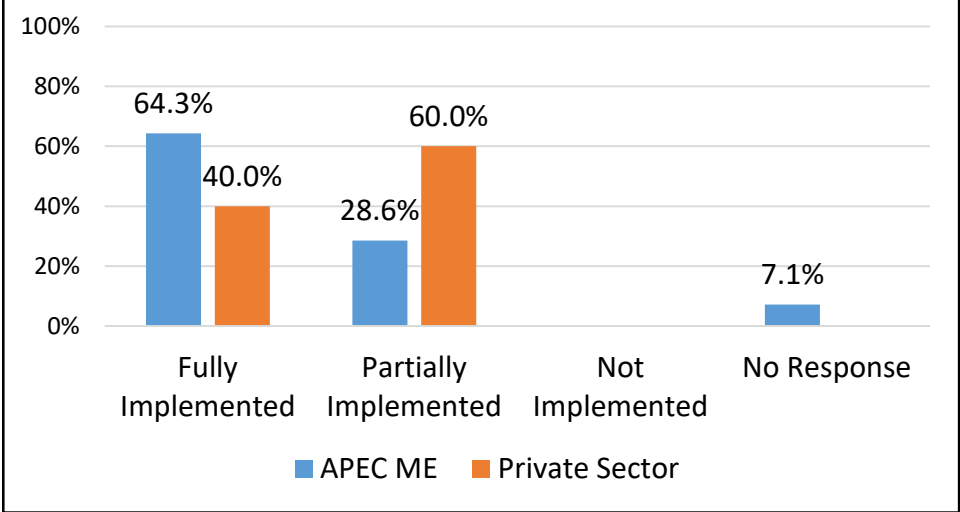
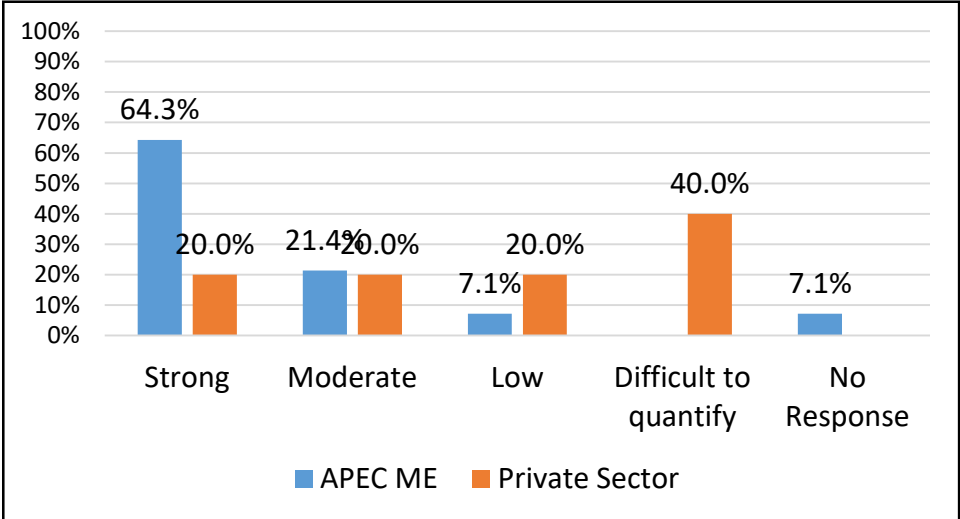


Figure 4. Impact



1. Summary of Findings:

- Nine economies report full implementation.
- Five economies reported partial implementation (or did not respond).
- In two economies, public and private views on implementation varied from one other.

2. Issues Noted:

- Lack of legislation or/and institutional framework enabling such consultations.
- Lack of interest of private sector.
- Need for better coordination (G2G / G2B).

3. Recommendations/Comments:

- Members noted a large number of recommendations for better coordination among and within agencies, improved communication, and better outreach by government to trade stakeholders

ADVANCE RULINGS

ARTICLE 3

Article 3: Topic 4 - Advance Rulings

Figure 1. Implementation status

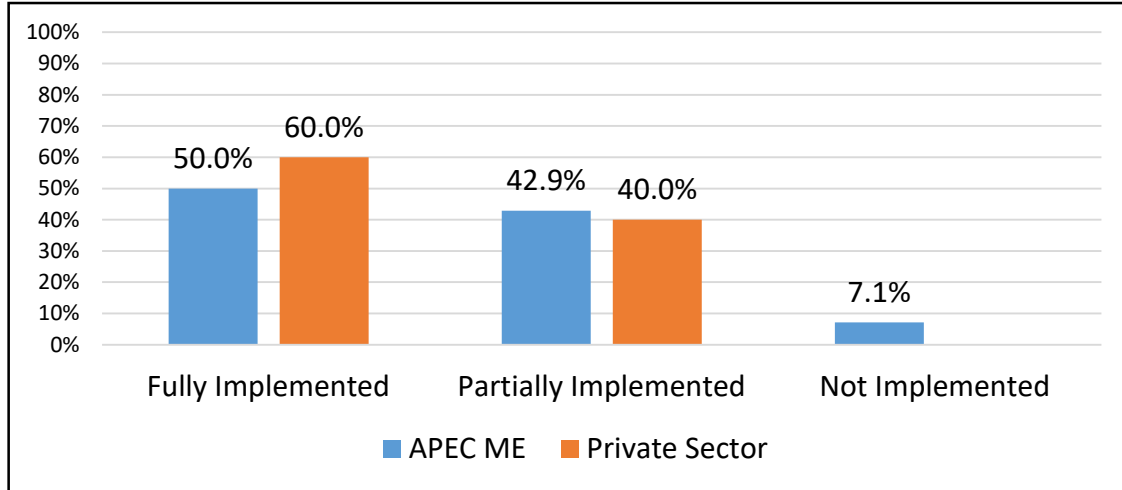
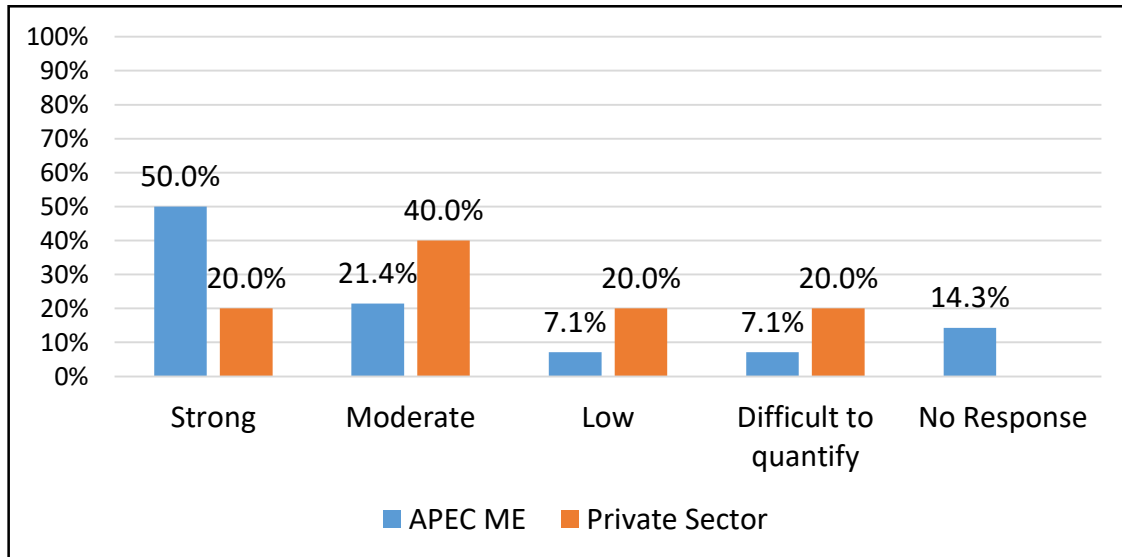


Figure 2. Impact



1. Summary of Findings:

- Nine economies have fully implemented.
- Four economies have partially implemented (in one case two governments agencies had diverging views on this).
- For one economy, due to its nature as a free port, response indicated that implementation of advance rulings was not necessary.

2. Issues Noted:

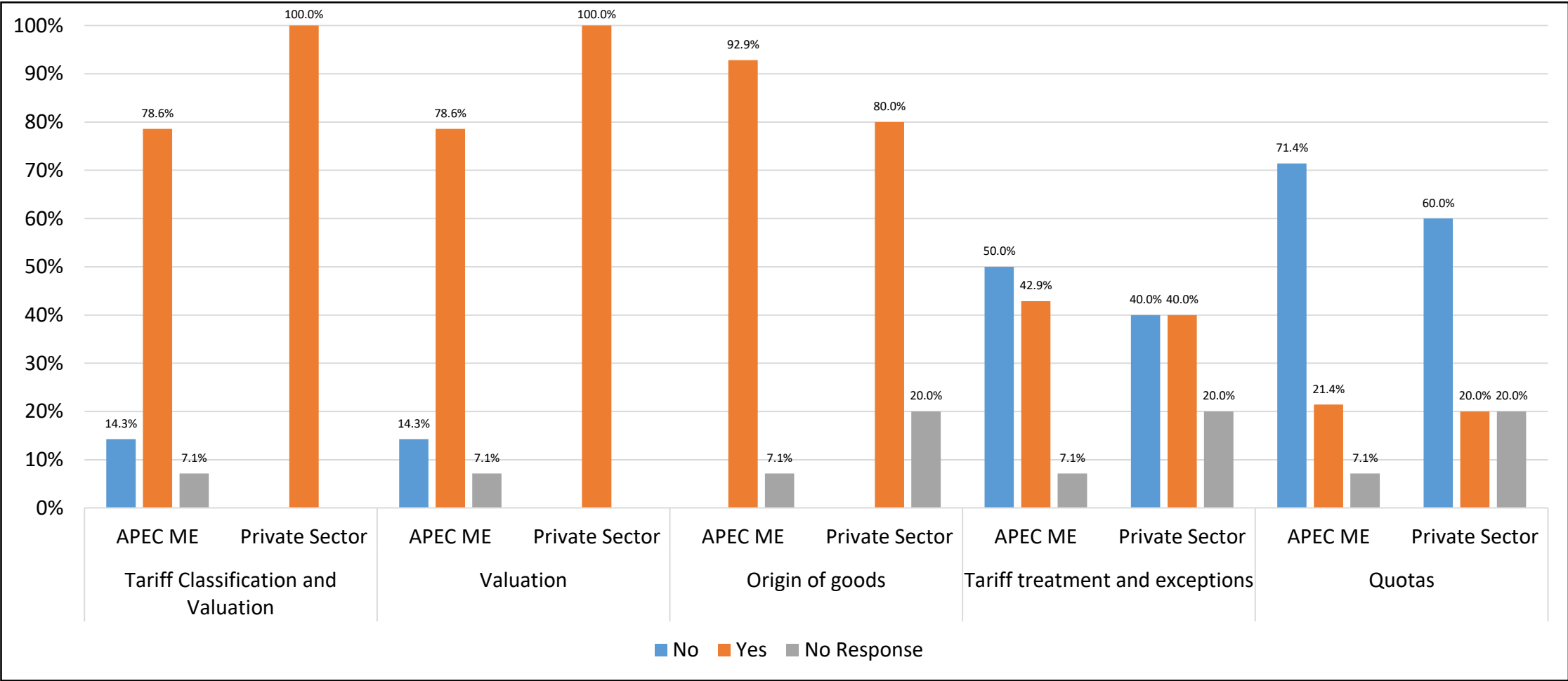
- Not all economies that issue rulings publish them.
- Business confidentiality is a concern.
- In some economies private sector stakeholders are not fully aware of ruling process and may apply for rulings at a late stage.
- The period for issuance of ruling is too long and limits the practicality of the procedure's use (some economies indicated that they were reviewing their process to ensure quicker responses).

3. Recommendations/Comments:

- Review ruling process to speed response time
- Two economies indicated they had best practices to share

Article 3: Topic 4 Advance ruling categories

Figure 3. Categories for Advance Rulings

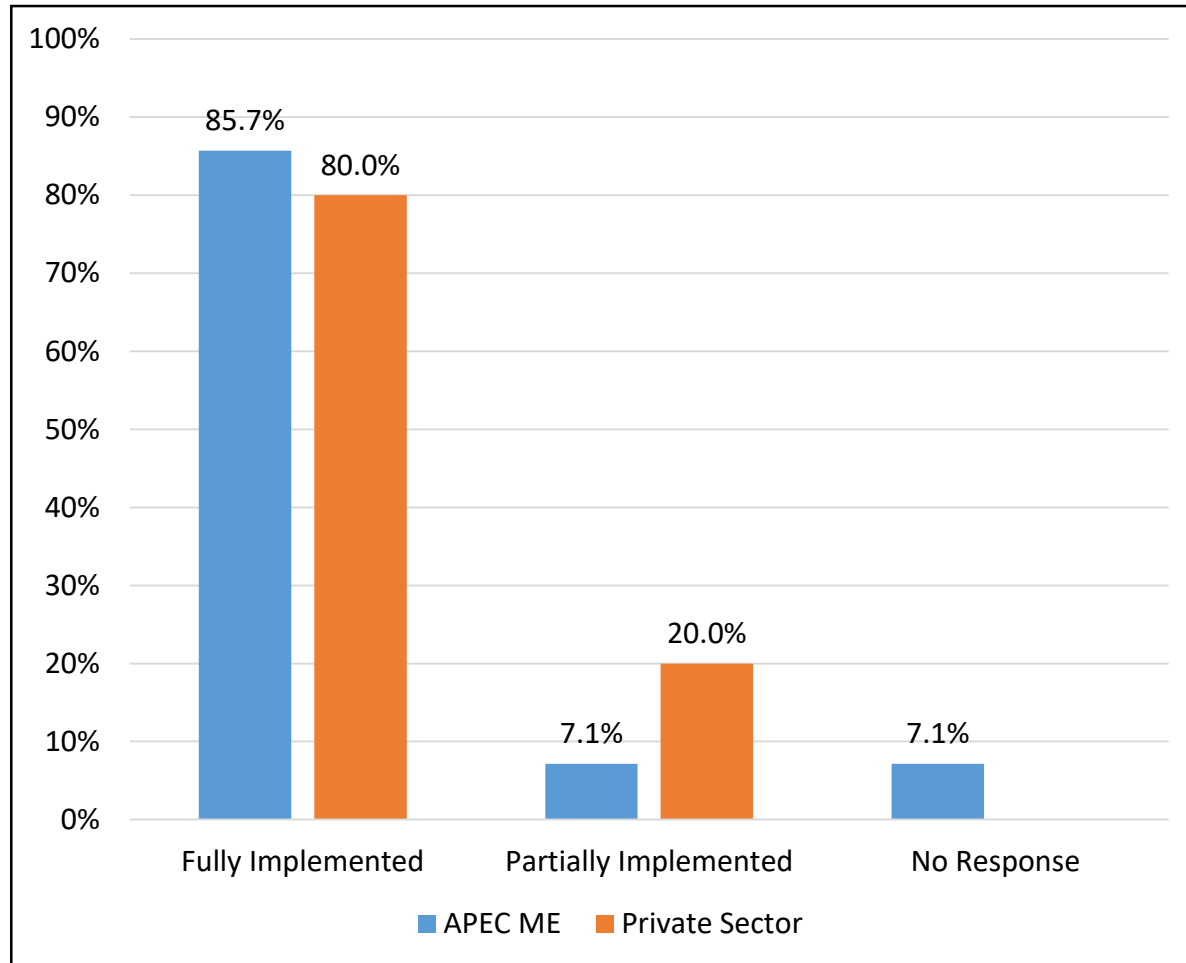


PROCEDURES FOR APPEAL OR REVIEW

ARTICLE 4

Article 4: TOPIC 5 Procedures for appeal or review

Figure 1. Implementation status



1. Summary of Findings:

- Twelve economies have fully implemented.
- One economy has partially implemented.
- One economy did not respond.

2. Issues Noted:

- Wide variations in appeal procedures due to the inherent differences in legal systems among the economies.
- Responses focused on appeals in Customs matters (not in context of other agency requirements).

3. Recommendations/Comments:

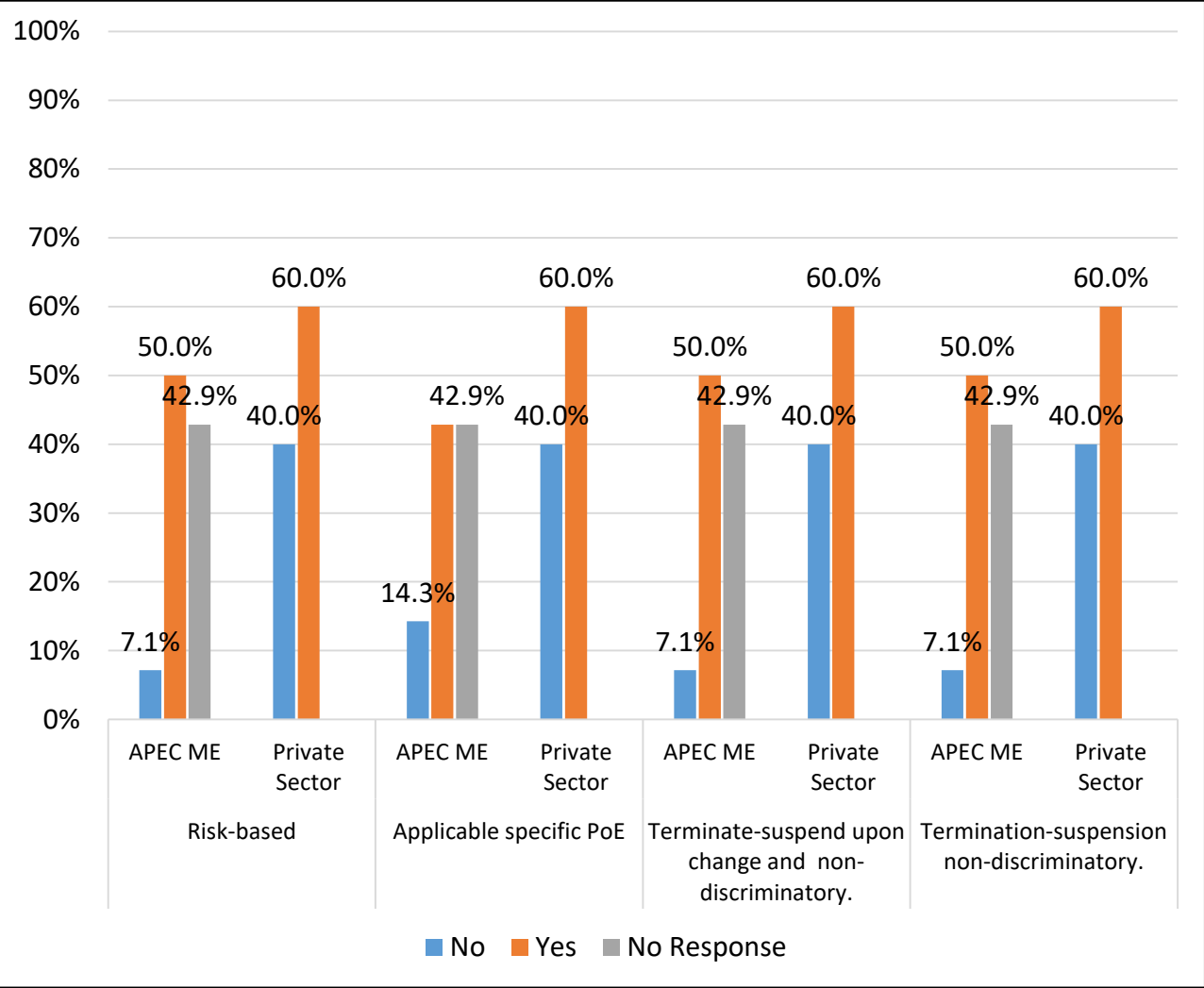
- Providing a better level of information to the public on rights of appeal and on procedures.

OTHER MEASURES TO ENHANCE IMPARTIALITY, NON-DISCRIMINATION AND TRANSPARENCY

ARTICLE 5

Article 5: Topic 6 – Notifications for enhanced control or inspections

Figure 1. System of issuing notifications guidance



1. Summary of Findings:

- Wide variations in responses among members.
- Six economies had in place measures aligned with 4 of the prescriptions in Article 5.
- The rest indicated that they only had a subset or none at all.
- Contrast between private sector and government responses indicated either a failure to understand the focus of the question or lack of information between authorities and private sector about what measures were in fact in place.

2. Issues Noted:

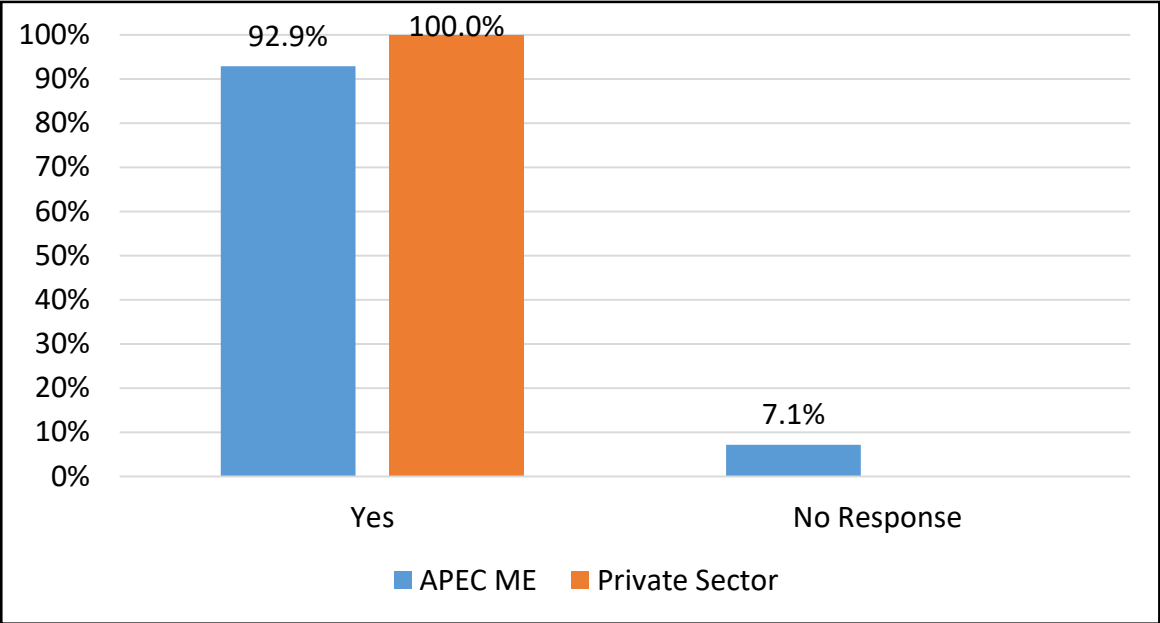
- Customs authorities generally had risk management in place, other agencies needed to be improved.
- This area appears to be a challenge for many members, and may warrant a closer look.

3. Recommendations/Comments:

- Technology-based solutions to enable and enhance better communication and coordination among government agencies

Article 5: Topic 7 – Information on detention to carrier/importer

Figure 2. Economy promptly informs carrier/importer



1. Summary of Findings:

- Virtually all members reported full implementation.
- One economy noted partial implementation.
- Customs is indicated as the agency with responsibility for detention notification.

2. Issues Noted:

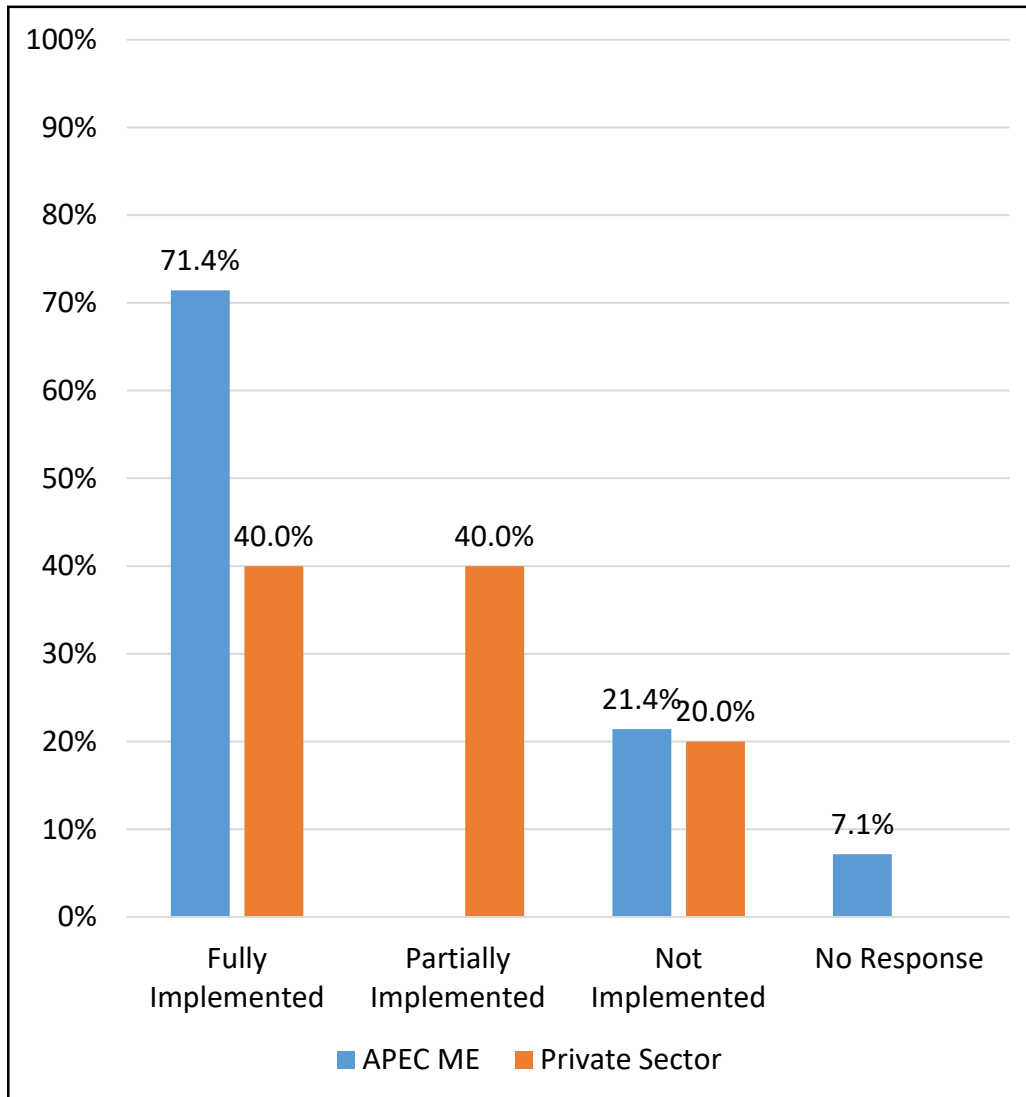
- None noted.

3. Recommendations/Comments:

- None noted.

Article 5: Topic 8 – Test procedures: second test option

Figure 3. Second test availability



1. Summary of Findings:

Ten members have full implementation.

- In some cases, members report partial (or even non) implementation, but the private sector noted full implementation (may be a result of misunderstanding/miscommunication).

2. Issues Noted:

One commenter indicated that the trade community needs to be better informed of their rights in this area.

3. Recommendations/Comments:

Details of approved test laboratories should be made publicly available on-line

Article 5: Topic 9 – Testing Laboratory Details Published

Figure 4. Implementation status

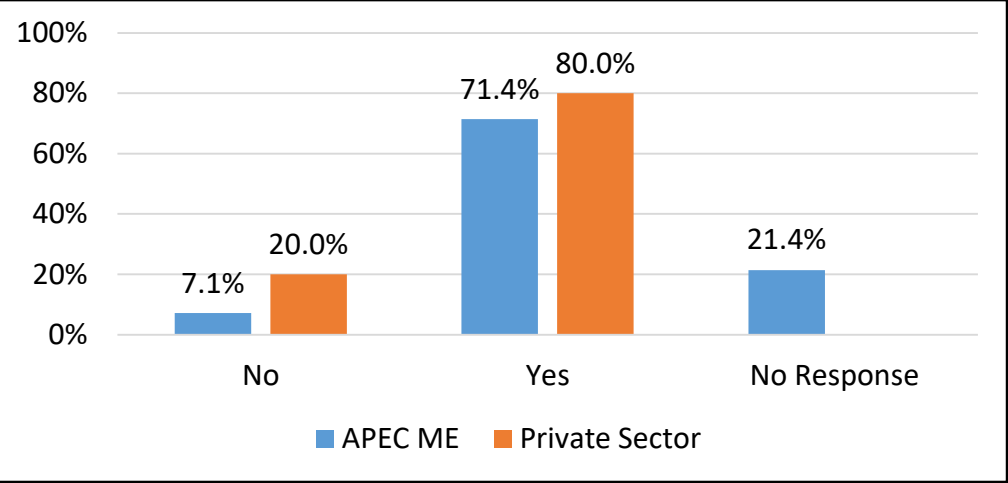
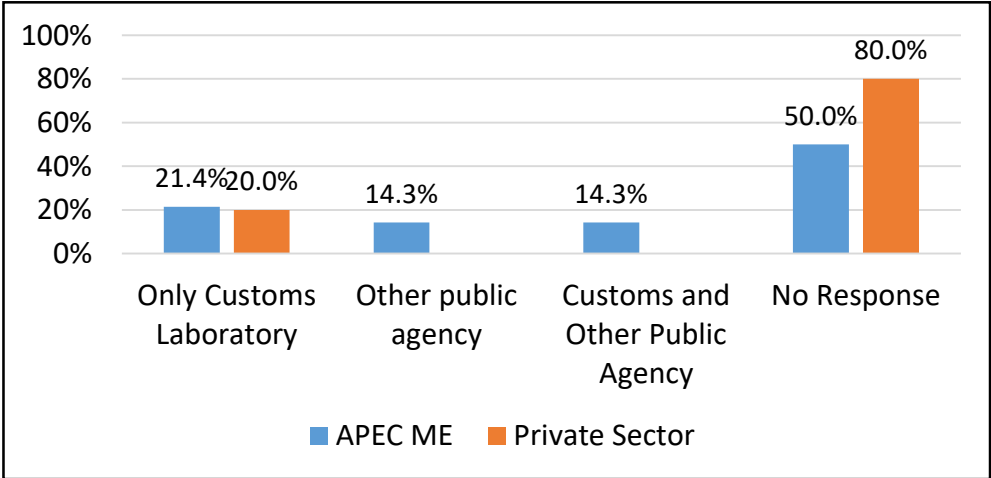


Figure 5. Laboratory type



1. Summary of Findings:

Ten members indicated that they published (Yes) a list of qualified test facilities where traders could go to get a second test.

- Other economies indicated that only government labs could be used, or did not respond.

2. Issues Noted:

No legal basis exists for a second test.

- Public communication of procedures needs improvement.

3. Recommendations/Comments:

Legislative changes

- Enhanced public outreach

**DISCIPLINES ON FEES AND CHARGES
IMPOSED ON OR IN CONNECTION
WITH IMPORTATION AND EXPORTATION
AND PENALTIES**

ARTICLE 6

Article 6: Topic 10 - General & specific disciplines on fees and charges imposed on or in connection with importation and exportation

Figure 1. Implementation status general disciplines:

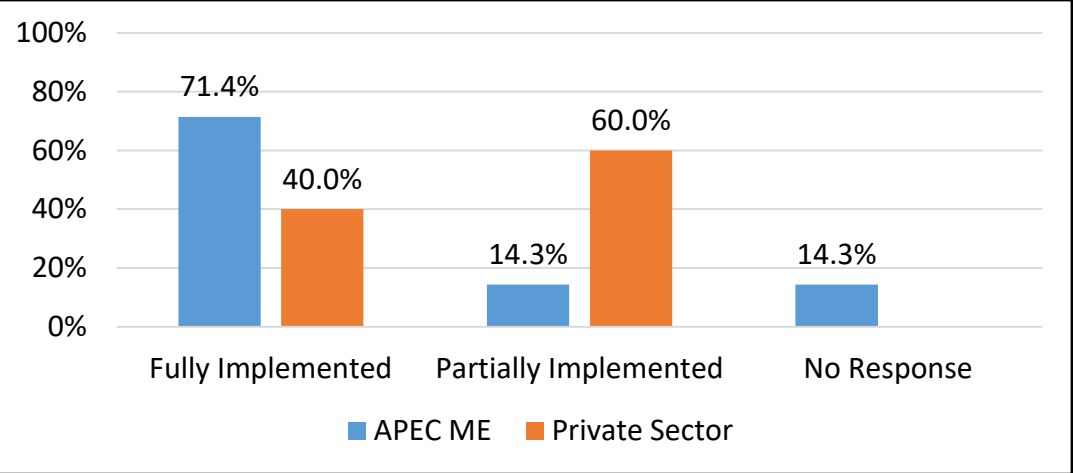
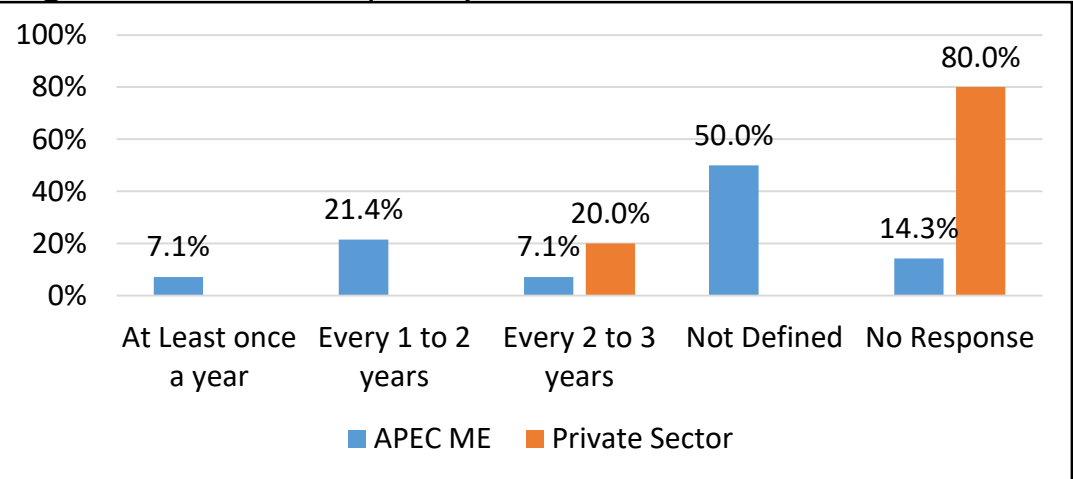


Figure 2. Review frequency



1. Summary of Findings:

- Ten responding economies indicated that Article 6’s disciplines on fees and charges imposed on or in connection with importation and exportation were fully implemented.
- Two indicated partial implementation.
- Two did not respond.
- One economy confirmed that it does not levy charges at all.

2. Issues Noted:

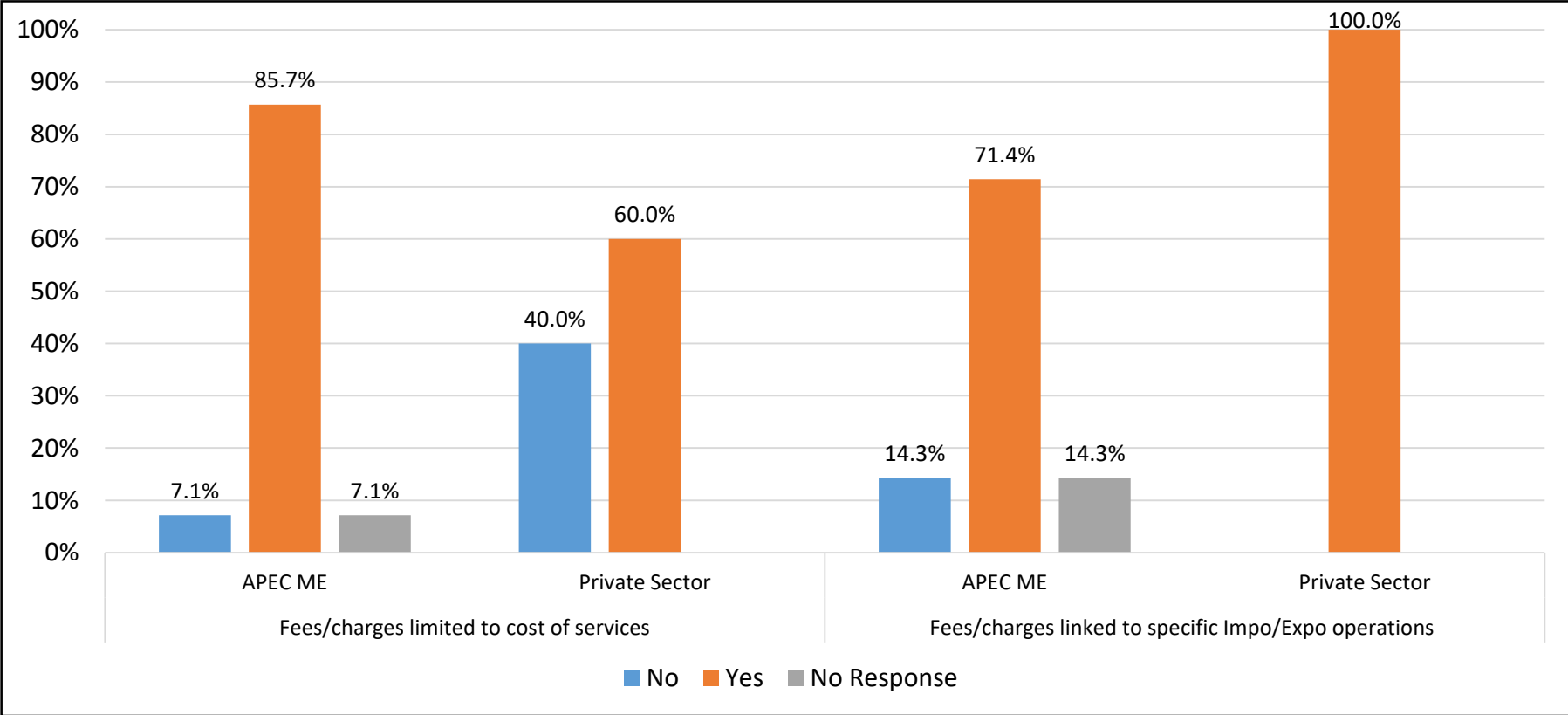
- While economies indicated that charges were linked to specific operations and related to the cost of the operation in virtually all cases, private sector respondents in the same economies did not always agree.
- In the case of some agencies other than customs, it may not be easy to locate the fee schedule.

3. Recommendations/Comments:

- All fees should be published in one place, preferably on a single internet site, with an English-language version available in order to improve transparency.
- Legislation should be implemented to require all agencies, not just customs, to follow the principles in this Article.

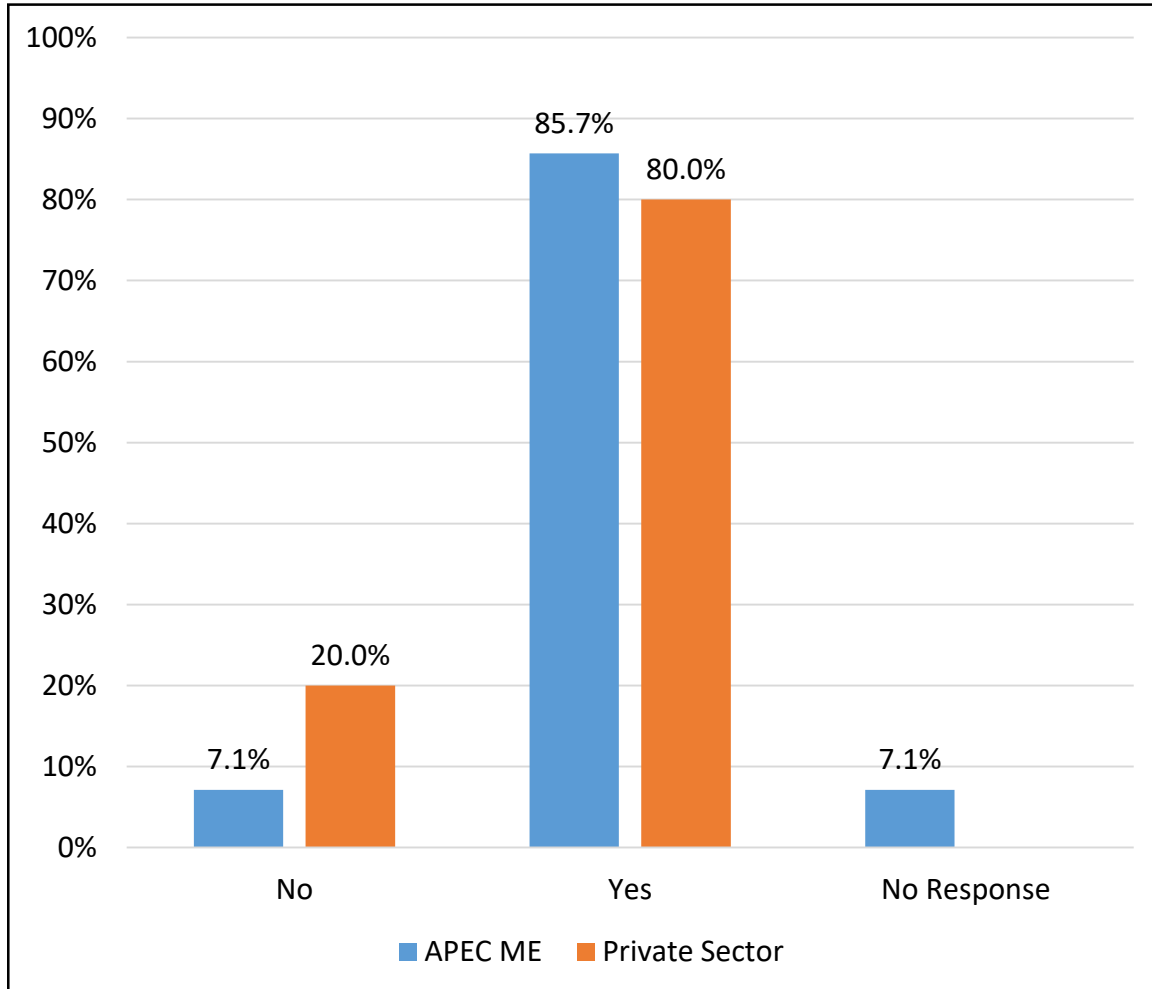
Article 6: Topic 10 - Specific disciplines on fees and charges

Figure 3. Implementation status



Article 6: Topic 11 – Disciplines on penalties

Figure 3. Penalties commensurate?



1. Summary of Findings:

- Twelve responding members indicated full implementation of Article 6’s prescription that penalties should be commensurate with the degree and severity of the breach.
- One indicated that this is not currently the case and another did not respond.
- The private sector responses did not always agree with those of the member governments, and in one case there were divergent responses within a member government.

2. Issues Noted:

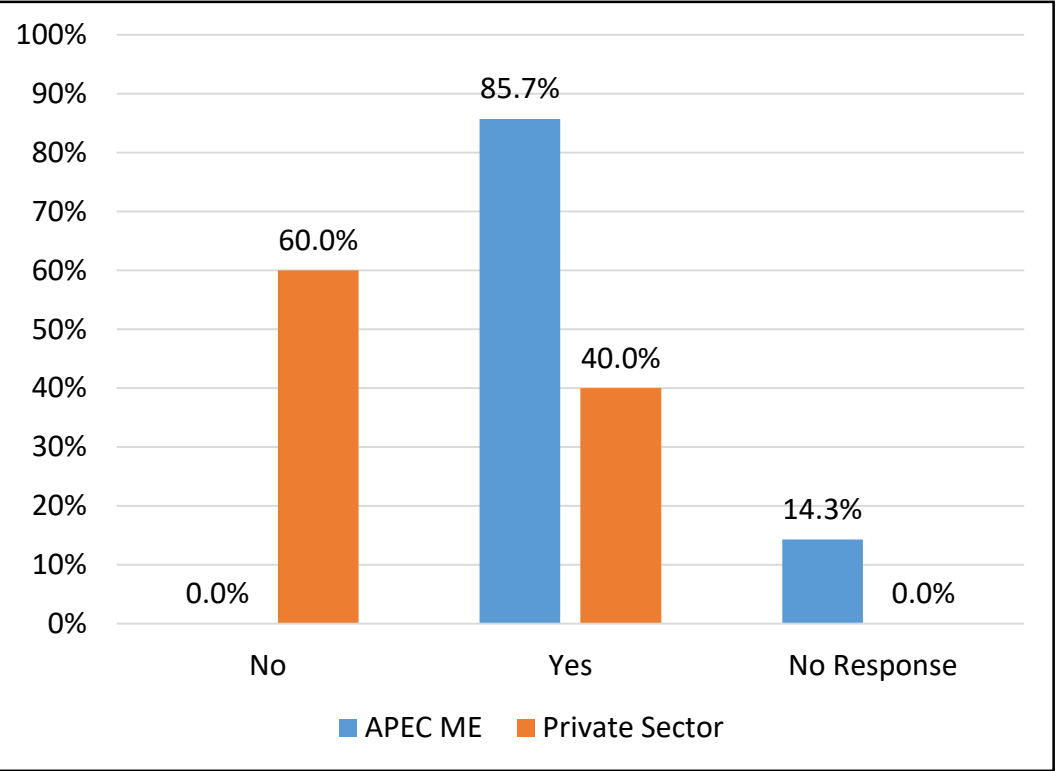
- In most cases Customs has institutionalized this concept, but more work needs to be done to ensure that other agencies with authority over import/export transactions were aware of and followed this principle.

3. Recommendations/Comments:

- National guidelines covering all points of entry needed to be strengthened to ensure that treatment was consistent across the board.

Article 6: Topic 12 – Prior Disclosure as Mitigating Factor

Figure 4. PD viewed as mitigating factor?



1. Summary of Findings:

- Almost all of the responding member economies confirmed that prior disclosure is considered a mitigating factor in the imposition of penalties for the related offenses, although there was some difference of opinion among the private sector.

2. Issues Noted:

- One member indicated that applicable law did not allow such mitigation

3. Recommendations/Comments:

- Several comments recommended that more work needed to be done on the legislative front to ensure that legal and regulatory provisions reflected this principle.

RELEASE AND CLEARANCE OF GOODS

ARTICLE 7

Article 7: Topic 13 - Pre-arrival processing

Figure 1. Implementation status

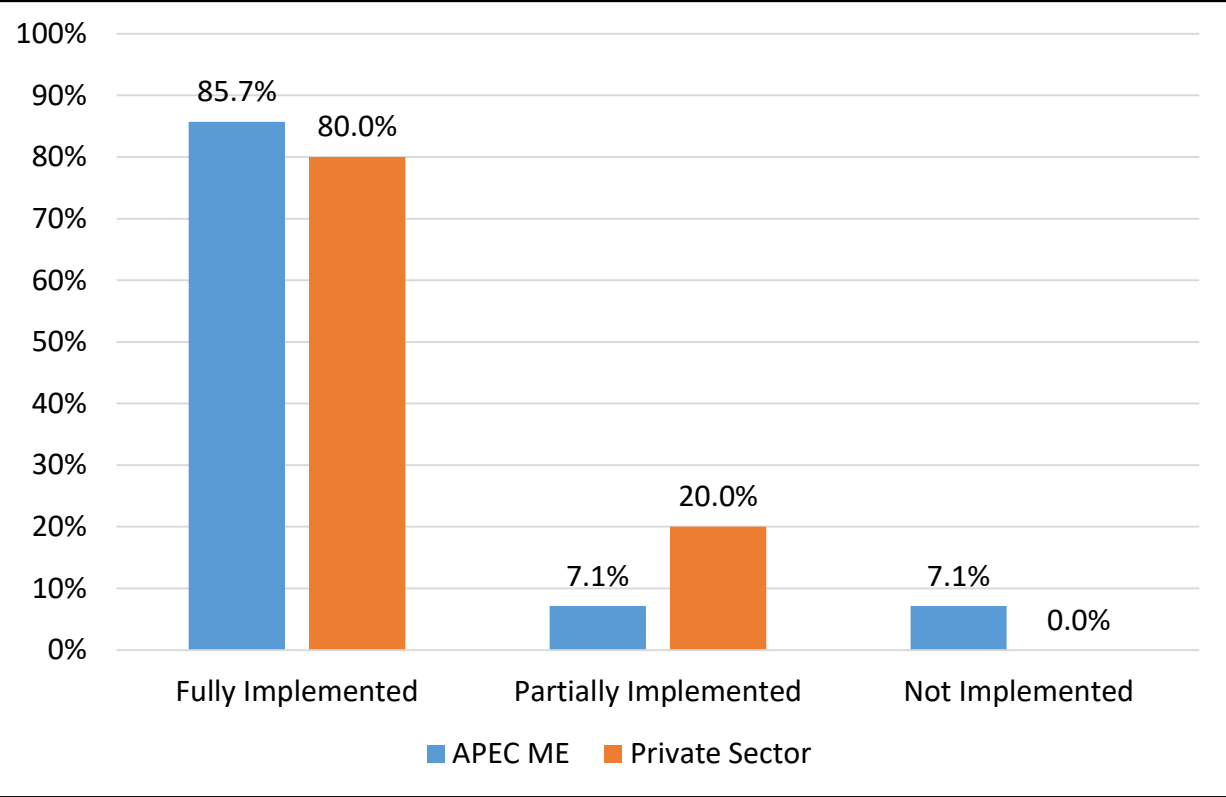
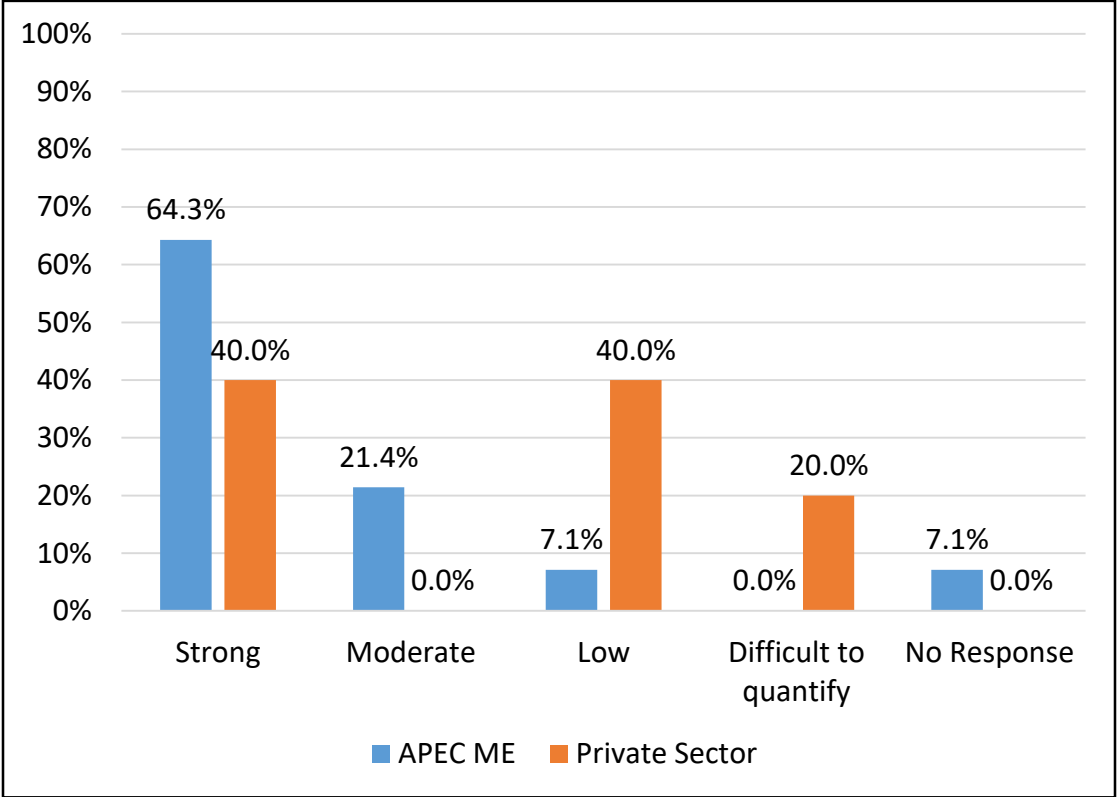


Figure 2. Impact



1. Summary of Findings:

- Almost all of the responding member economies confirmed that pre-arrival processing is fully implemented, with one member indicating that it is partially implemented and one responding that it is not implemented. In the case of one member economy which gave one government response indicating full implementation, another government response and several private sector respondents from the same economy indicated partial implementation.
- 9 members indicated that this measure had a strong impact on the trade facilitation environment, with several more noting a medium impact, and some noting a low impact or not responding at all. Private sector respondents had a wide range of opinions on impact, sometimes significantly divergent from the opinion of the member.

2. Issues Noted:

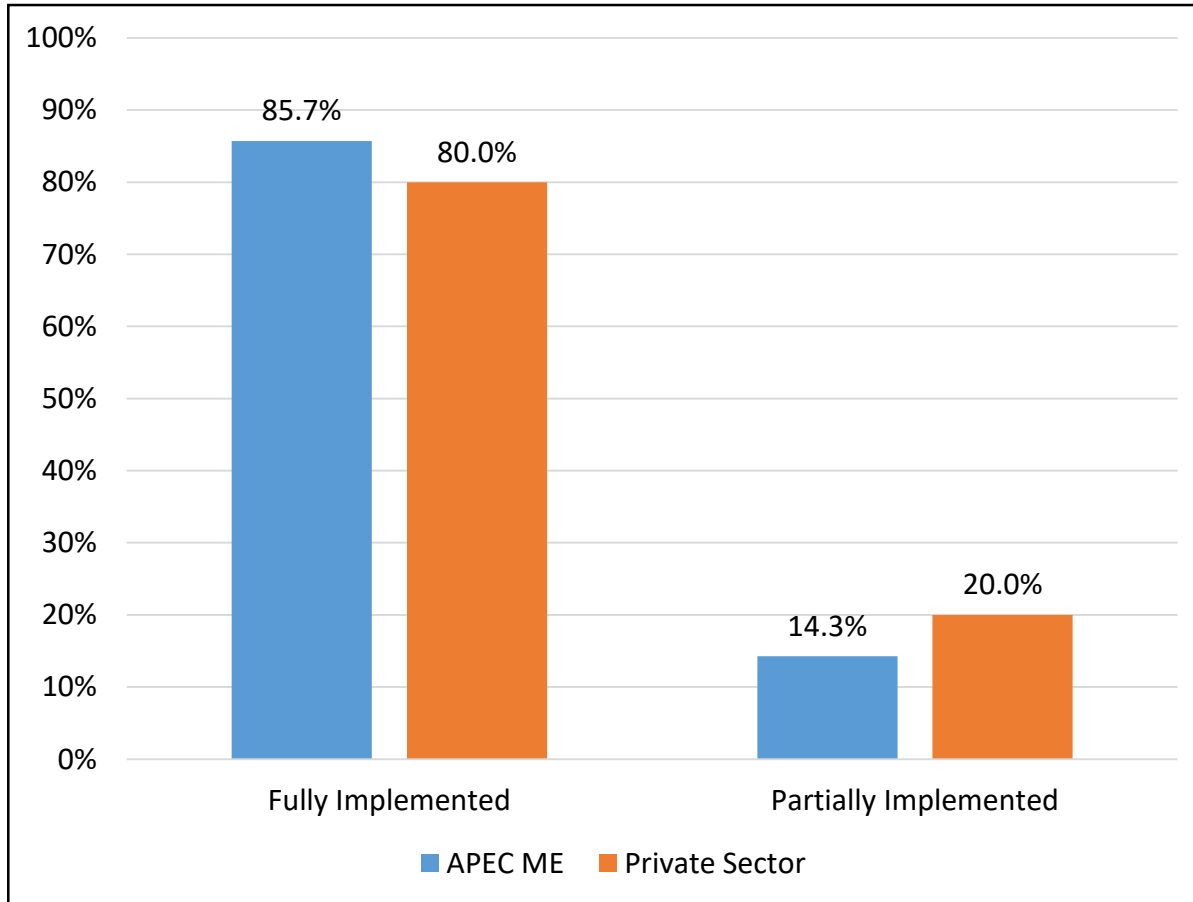
- Commenters indicated that not all traders are aware of the pre-arrival processing procedure, and do not take advantage of it.
- Issues noted were that pre-arrival processing is not available at all points of entry, that not all cargo types are eligible, and that port procedures, as a practical matter, may prevent traders from realizing the benefits of pre-arrival processing.

3. Recommendations/Comments:

- Recommendations included more publicity regarding the availability of pre-arrival processing, and of its benefits, to encourage more traders to use it. Other respondents noted that the procedures of other agencies need to be harmonized with those of customs.
- The responses related to time savings from pre-arrival processing range from the very impressive to the nominal; further exploration on this topic may be warranted.

Article 7: Topic 14 - Electronic payment

Figure 3. Implementation status



1. Summary of Findings:

- With the exception of 2 members with “partially implemented” responses, all indicated that electronic payment is fully implemented.

2. Issues Noted:

- Issues noted relate to what appear to be IT issues (e.g. downtime, delays in processing)
- One member noted that the electronic payment facility was not available in all areas, due to lack of access to the internet.

3. Recommendations/Comments:

- Recommendations were focused on better technology and on-line functionalities, and the ability to link in more banks and to use on-line payment methods (such as credit cards).

Article 7: Topic 15 - Separation of release from final determination of customs duties, taxes, fees and charges

Figure 4. Implementation status

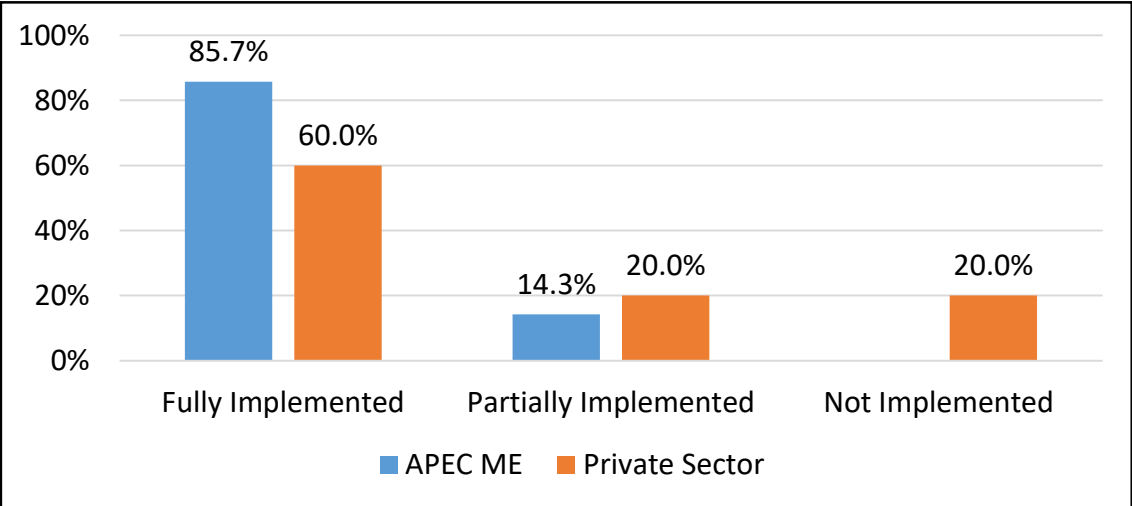
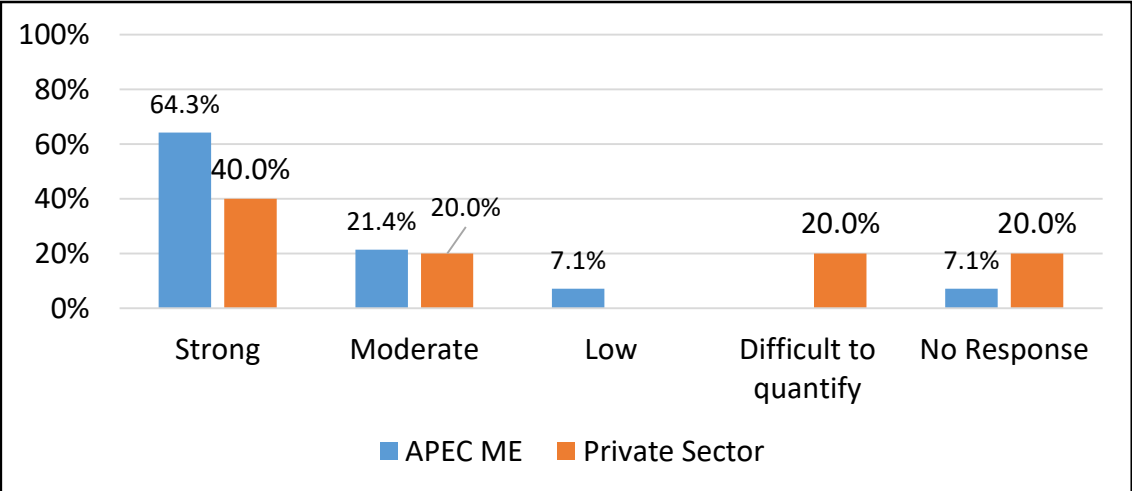


Figure 5. Impact



1. Summary of Findings:

- With regard to the implementation of procedures allowing the release of goods prior to final duty determination, all but two responding members (both “partially implemented”) indicated a status of full implementation;
- private sector responses largely matched the government responses on this question, with private sector respondents in one economy being an exception.
- 8 responding members indicated the impact on trade facilitation of these procedures as high, with 3 indicating “medium” and the remainder indicating low/difficult to quantify. Private sector responses largely tracked the responses from their governments.

2. Issues Noted:

- Respondent comments indicated that expedited release was not available for all categories of transactions
- Several noted the linkage between the release procedure and guarantees/bonds.
- One respondent indicated that the procedure was only available for qualified AEOs.

3. Recommendations/Comments:

- Respondents indicated that more work should be done to encourage traders to use the expedited procedures available.
- Two members indicated that they had national best practices to share in this area.

Article 7: Topic 16 – Guarantees for import charges

Figure 6. Guarantees required for import charges?

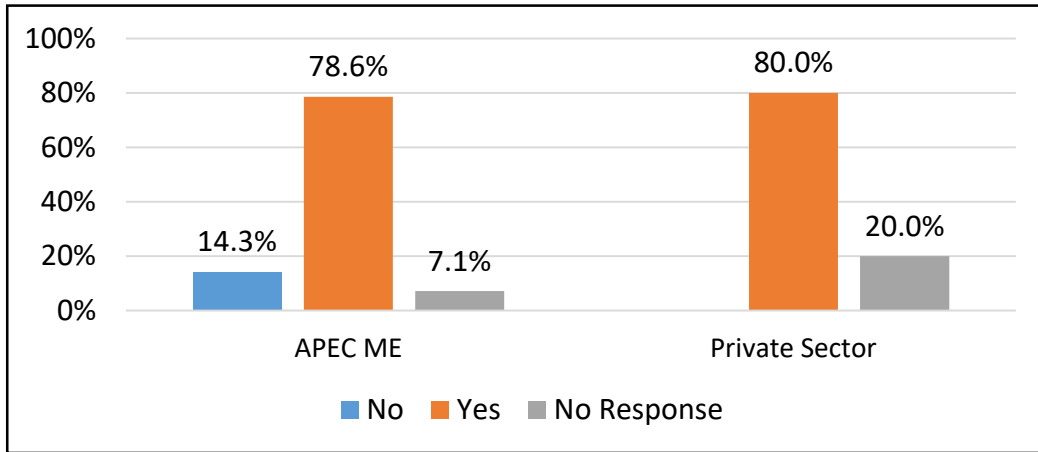
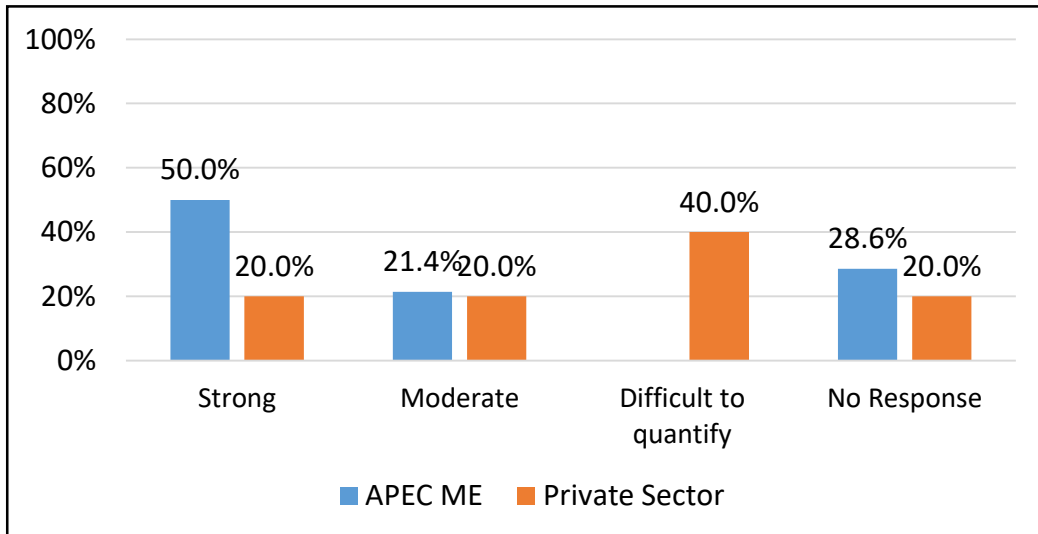


Figure 7. Impact



1. Summary of Findings:

- With three exceptions, all members responding indicated that they require a form of guarantee for duties, taxes and fees levied at import.
- In one case, one member government response on this question was divergent from the other response from the same government.
- Private sector responses in one member indicated that guarantees were not required, while the government maintained that they are.
- Respondents indicated that a range of different financial instruments/methodologies are employed in the various members to fulfill guarantee requirements.
- Approximately half of the member economies indicated that the guarantee facility had a high impact on the trade facilitation environment, three indicated a moderate impact and the remainder indicating difficult to quantify or no response.

2. Issues Noted:

- Bank processing may unduly delay issuance of guarantees.
- Private sector respondents' views on the trade facilitative impact of guarantees were notably less positive than those of the respective member economies

3. Recommendations/Comments:

- Members should monitor trader guarantee levels vis-à-vis their import activity to ensure that the guarantee covers the risk involved.

Article 7: Topic 17 - Guarantees for fines/penalties

Figure 8. Guarantees for fines/penalties

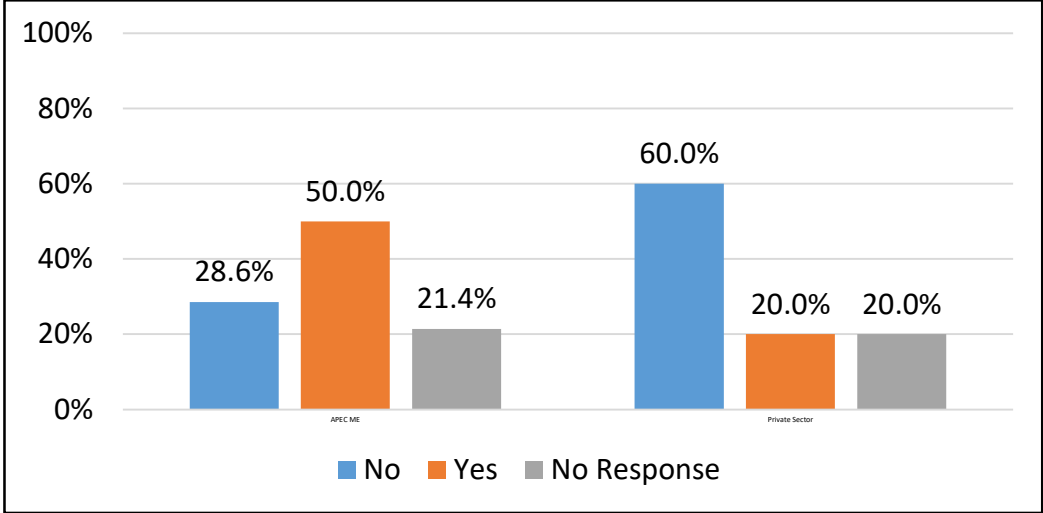
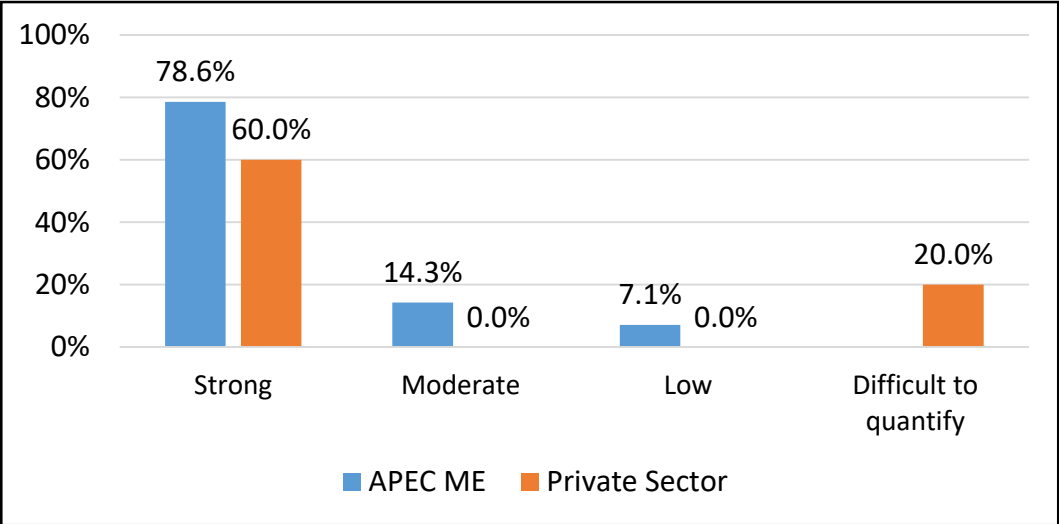


Figure 9. Impact



1. Summary of Findings:

- Only 7 member respondents indicated that they employed guarantees for potential fines and penalties, with the remainder indicating that they did not use them or not providing a response.
- Private sector respondents often indicated a different status on this point than did their member government.
- 7 members indicated that these measures had a strong impact on trade facilitation
- Three indicated a moderate impact and the rest indicated that the impact was difficult to quantify or did not respond.

2. Issues Noted:

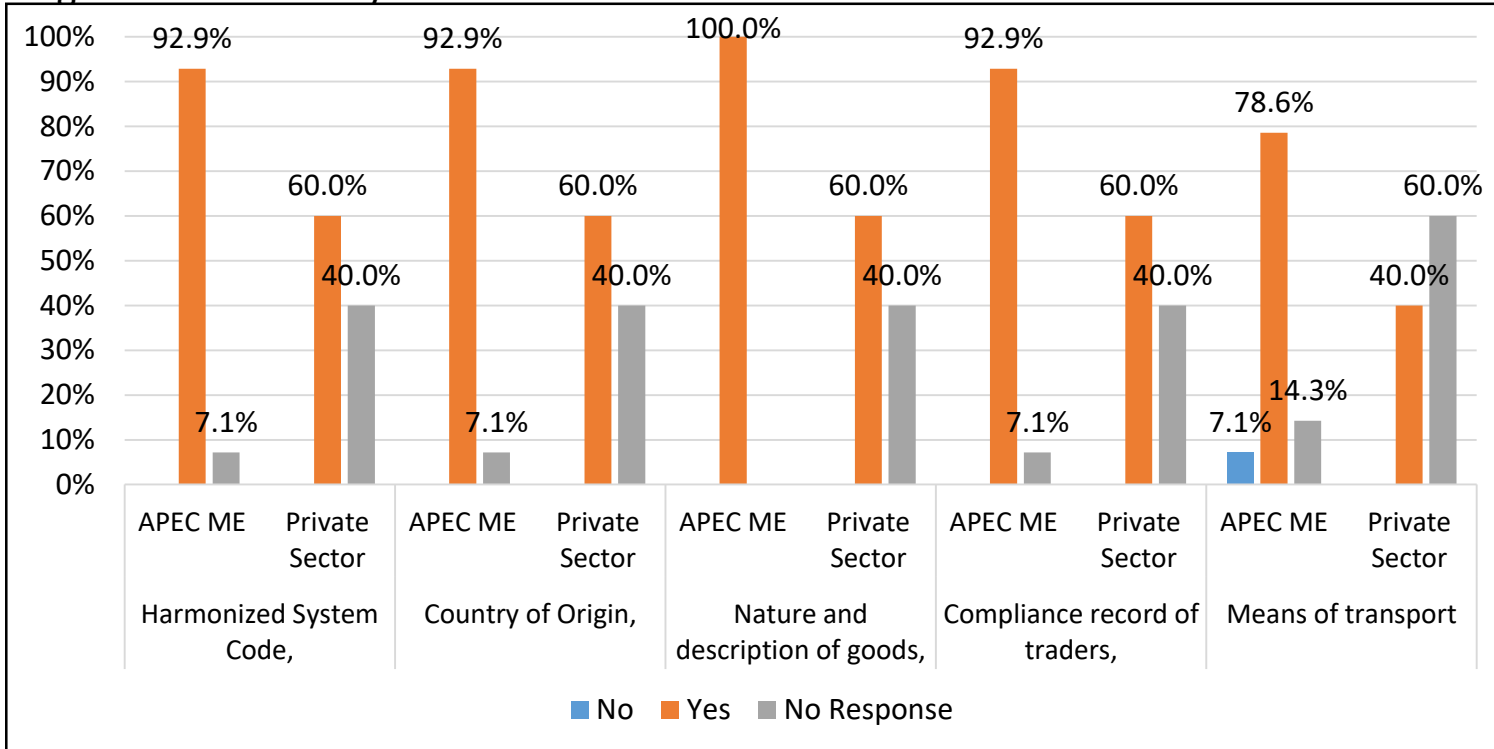
- None

3. Recommendations/Comments:

- None

Article 7: Topic 18 - Risk management

Figure 10. Selectivity Criteria



1. Summary of Findings:

- Virtually all respondents, public sector and private, confirmed that they had fully implemented risk management methodologies in their customs controls, in line with the prescriptions of Article 7(4).
- A single exception was from a member economy which submitted responses from more than one agency; in this case the other agency indicated only partial implementation.
- With the exception of two member economies, all indicated that these measures had a high impact on the trade facilitation environment (one member indicated a moderate, and one a low impact).
- In terms of selectivity criteria virtually all members indicated use of all listed categories, and some indicated use of additional ones as well.

2. Issues Noted:

- A number of respondents indicated ongoing challenges to improving risk management, including the need for better technology and targeting techniques, and the ability to analyze information at a more granular level.
- Private sector respondents in several economies gave a notably lower rating on the impact than did their counterparts in the public sector, and one indicated that the impact was difficult to quantify.

3. Recommendations/Comments:

- The large number of comments indicates a good deal of interest in this area among members, and this would appear to be a potentially fruitful area for member-to-member best practice exchange and discussion.

Article 7: Topic 19 – Expedited release for low risk consignments

Figure 11. Implementation

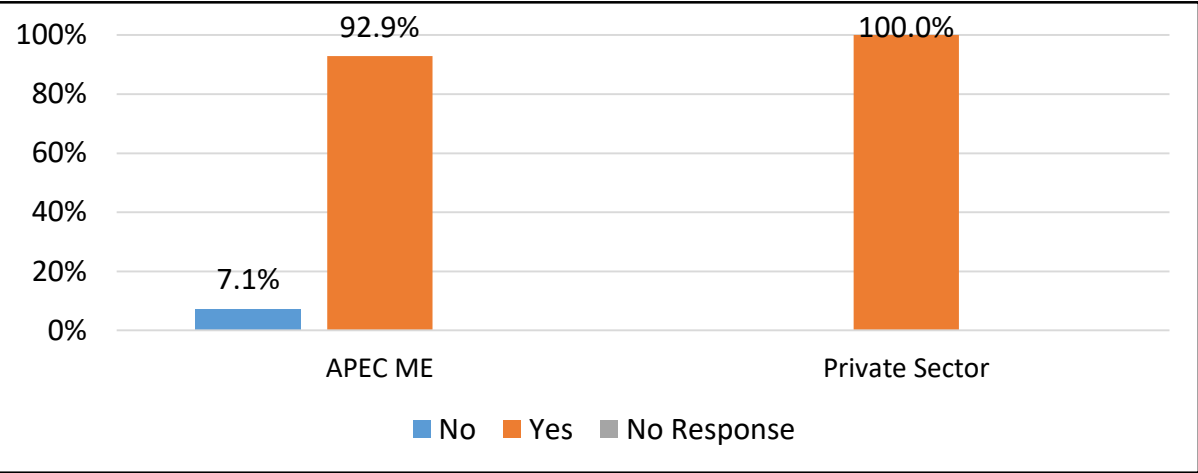
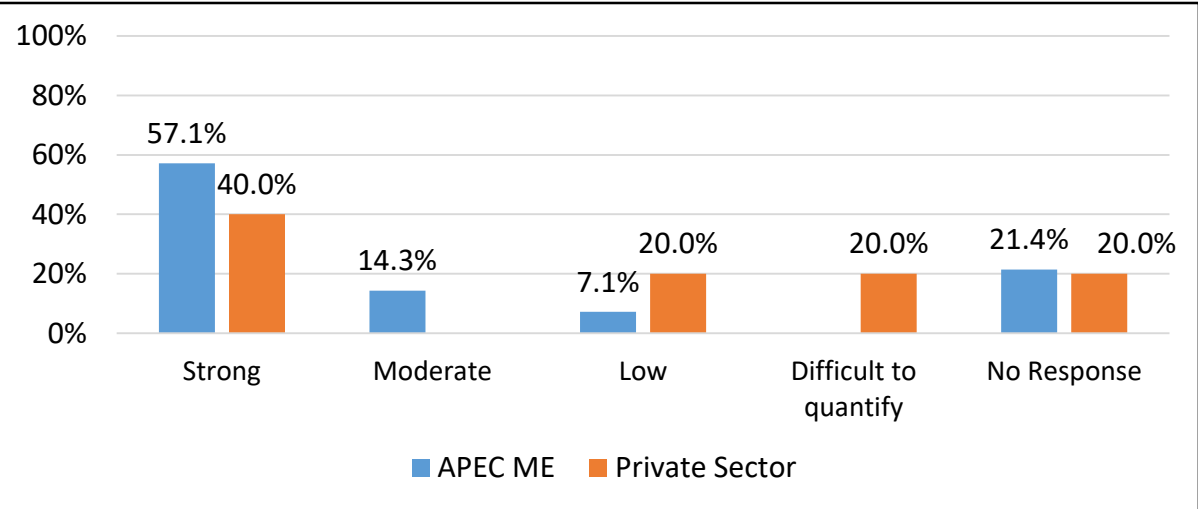


Figure 12. Impact



1. Summary of Findings:

- With the exception of one responding member economy, all indicated that expedited release was available for low risk consignments. 9 of the 14 economies responding indicated that this area had strong impact on the trade facilitation environment, with some disagreement on this evident in economies with more than one government entity responding.

2. Issues Noted:

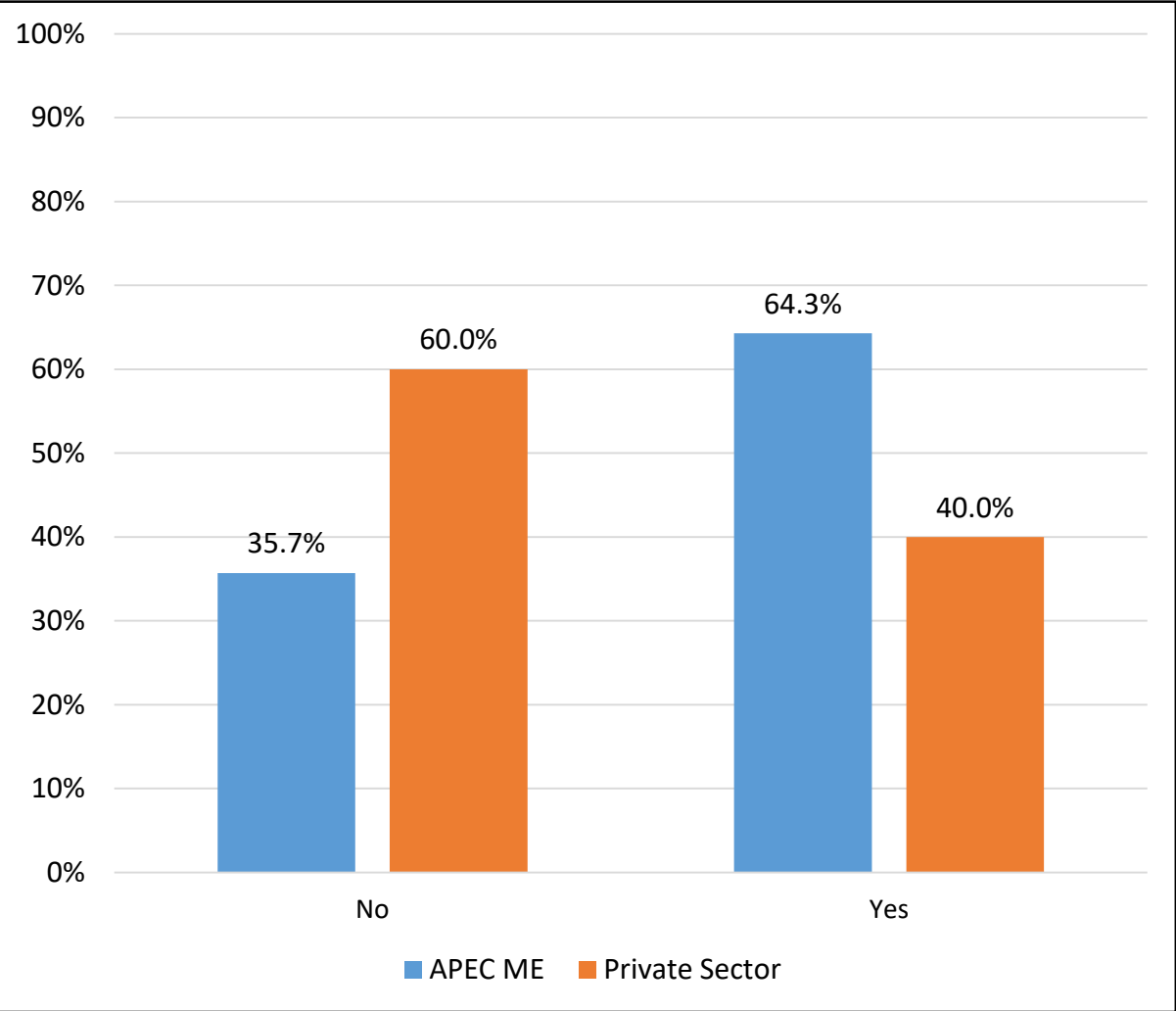
- Issues noted (both from member economies and private sector respondents) were overwhelmingly focused on import processes relating to agencies other than Customs, whose risk management principles may be applied differently, leading to situations where consignments deemed low risk by Customs were nevertheless delayed due to the requirements or concerns of other agencies.

3. Recommendations/Comments:

- More collaboration and better information sharing, including via better technology, between agencies was a focus of recommendations

Article 7: Topic 20 - Establishment and publication of average release times

Figure 13. Implemented?



1. Summary of Findings:

- 9 of the 14 responding members indicated that they measure average release times, while 4 indicated that they did not.
- With regard to frequency of measurement, responses ranged from “continually” to annually, to bi-annually, with the majority of respondents indicating bi-annual frequency.

2. Issues Noted:

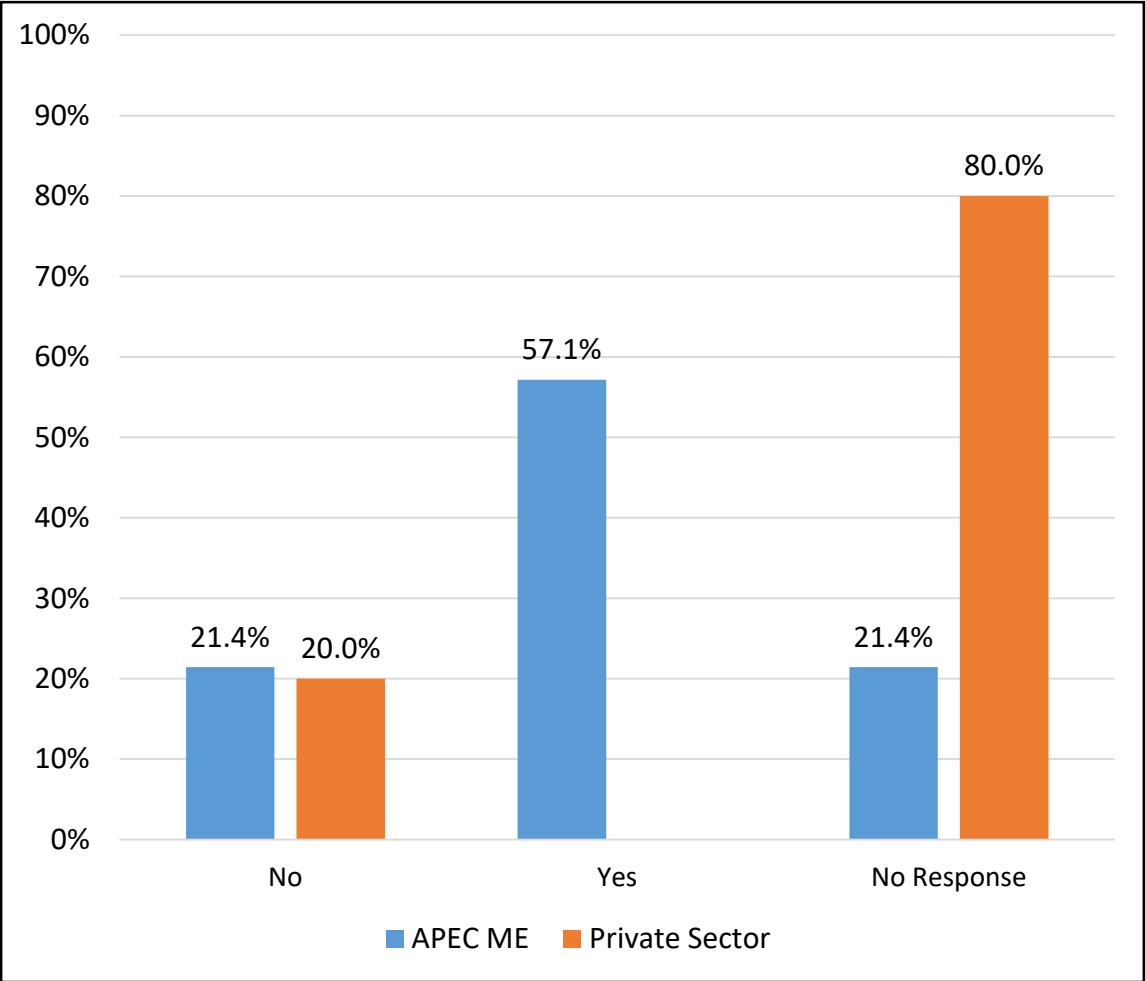
- Several members which measure release times commented that the measurements are not published publicly.

3. Recommendations/Comments:

- Some members commented on the importance of following WCO guidelines in this area
- One indicated that time release studies should extend to the entire cross-border process.

Article 7: Topic 21 – Use of WCO Time Release Study Tool

Figure 14. Use of WCO Time Release Standards



1. Summary of Findings:

➤ 8 of the 13 members responding indicated that they follow WCO time release standards in their measurement, while two said that they did not and the remainder did not respond to the question directly, although one of those indicated that they would shortly be conducting the first time release study in accordance with WCO standards and another indicated that while they do not perform time-release studies they do publish release time pledges.

2. Issues Noted/Recommendations/Comments:

➤ No significant comments relating to issues or recommendations were provided on this topic

Article 7: Topic 22 - Trade facilitation measures for authorized operators

Figure 15. Implementation status

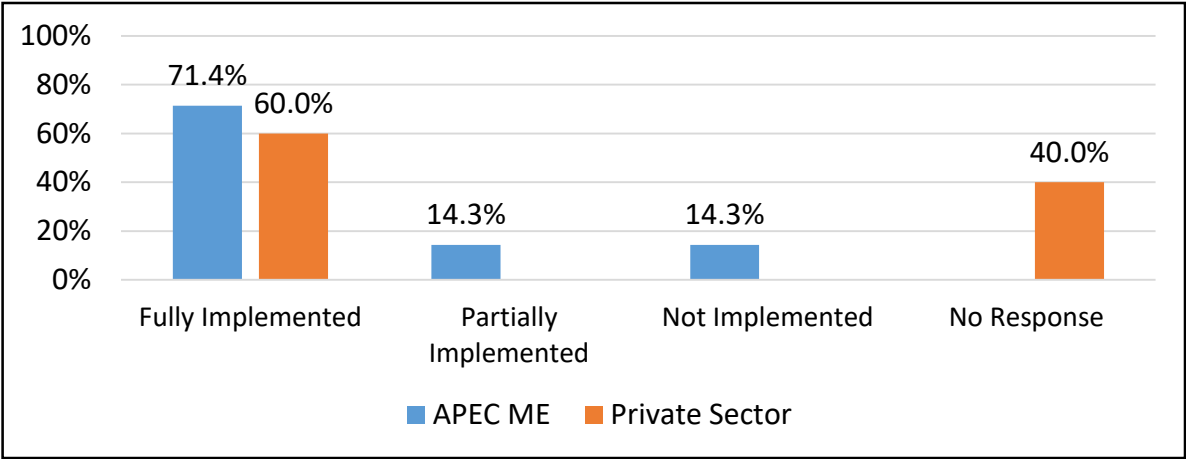


Figure 16. Impact

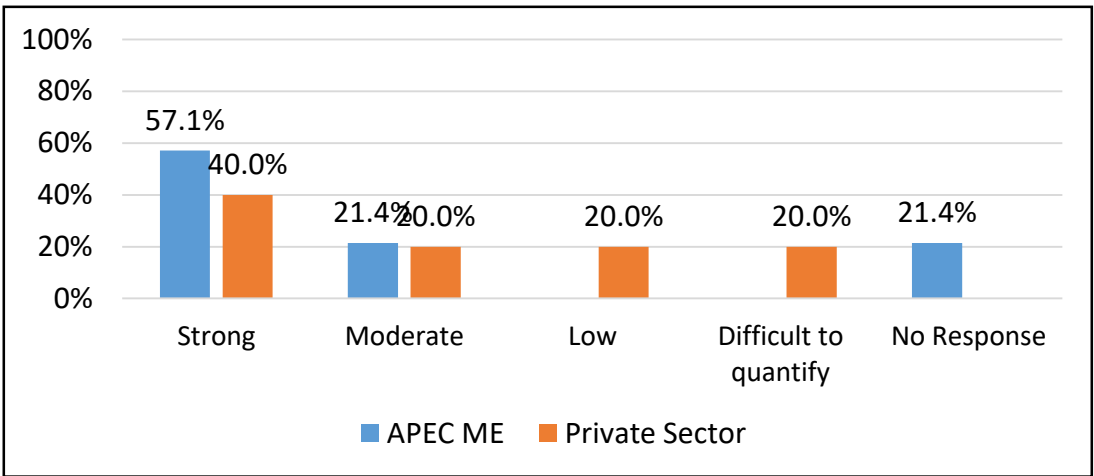
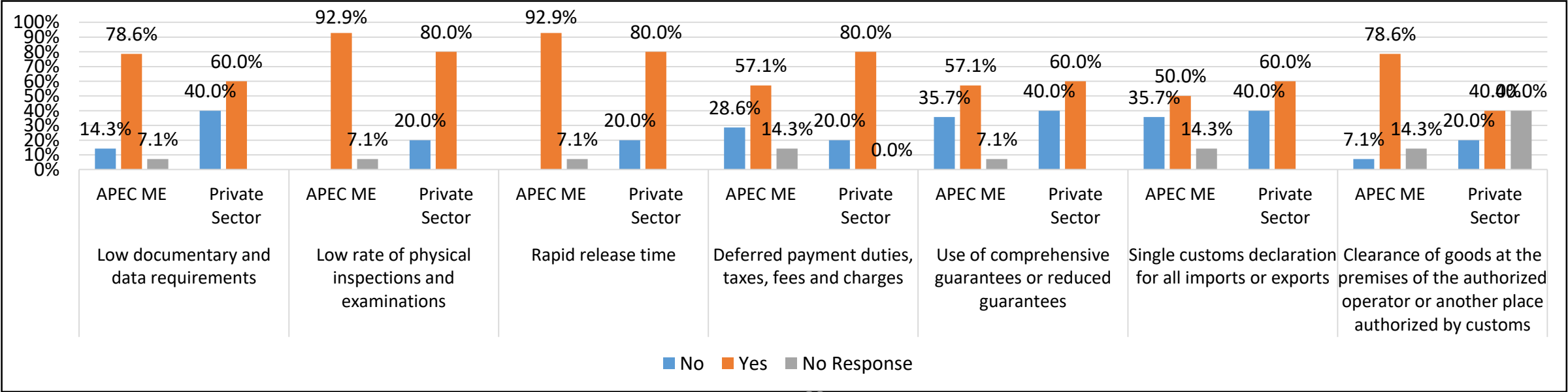


Figure 17. AO benefits



Article 7: Topic 22 - Trade facilitation measures for authorized operators

1. Summary of Findings:

- 10 of the 14 responding economies indicated that they had AO programs in place
- 2 responded they had partially implemented a program and two indicated that they had not yet done so.
- 7 member economies responded that AO programs had a high impact on their trade facilitation environment, with three indicating a moderate impact and the remainder stating it was difficult to quantify or not responding.
- In terms of minimum benefits, most member economies noted lower documentary requirements, expedited release, premises clearance, and a reduced rate of inspections for benefits, but fewer economies have implemented benefits in the areas of deferred payment, guarantee-related benefits, or a single/periodic customs declaration

2. Issues Noted:

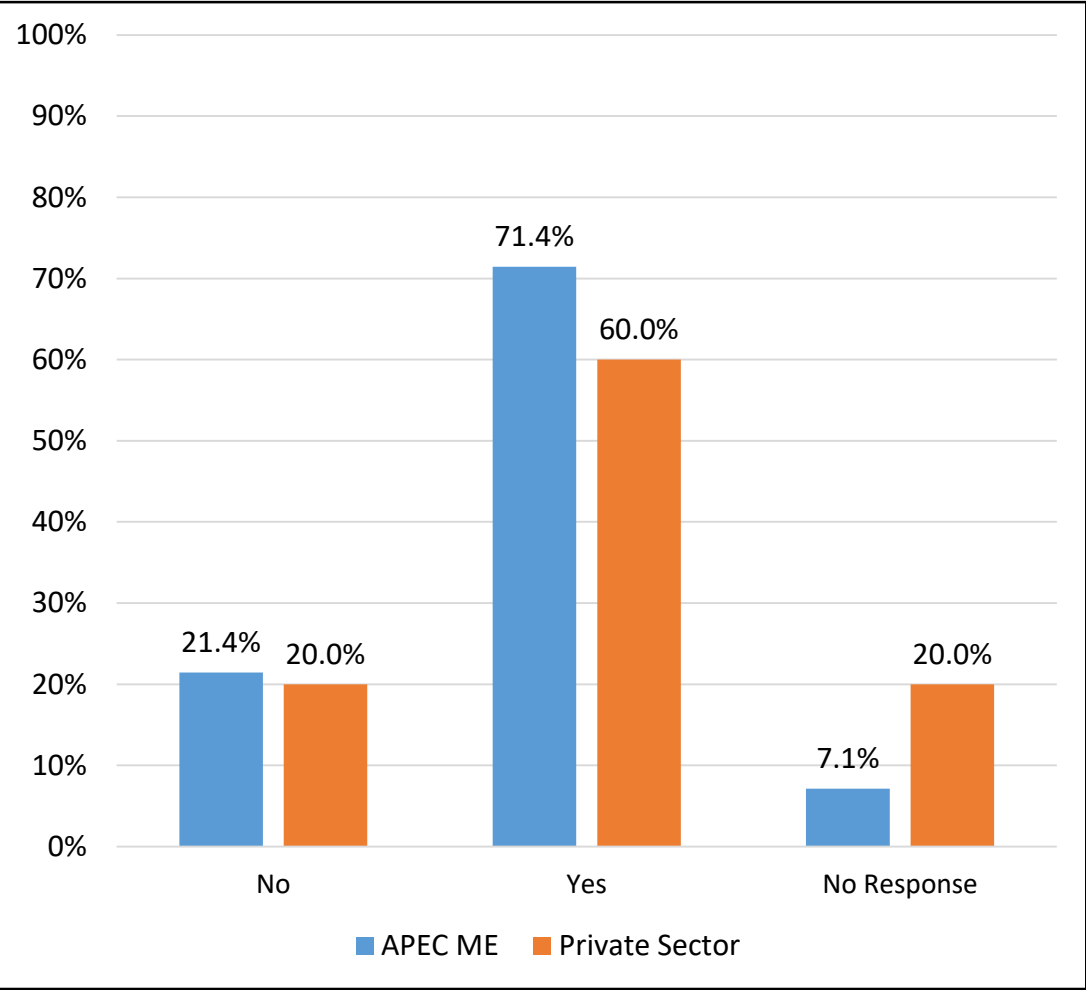
- Several critical comments (particularly from the private sector respondents) relating to AO, citing lack of benefits, or few participants, or an inadequate cost-benefit ratio as problems.

3. Recommendations/Comments:

- Outreach to bring in more participants in the programs
- Benchmarking of benefits between programs.

Article 7: Topic 23 – AO MRA

Figure 18. Status on AEO MRA



1. Summary of Findings:

- Three member economies indicated that they did not yet have a mutual recognition program for AO in place with another country
- 10 indicated that they do
- Members with MRA partners exhibited a notably large percentage with fellow members of the APEC group.

2. Issues Noted/Recommendations/Comments:

- No significant comments relating to issues or recommendations were provided on this topic

Article 7: Topic 24 - Expedited shipments

Figure 19. Implementation status

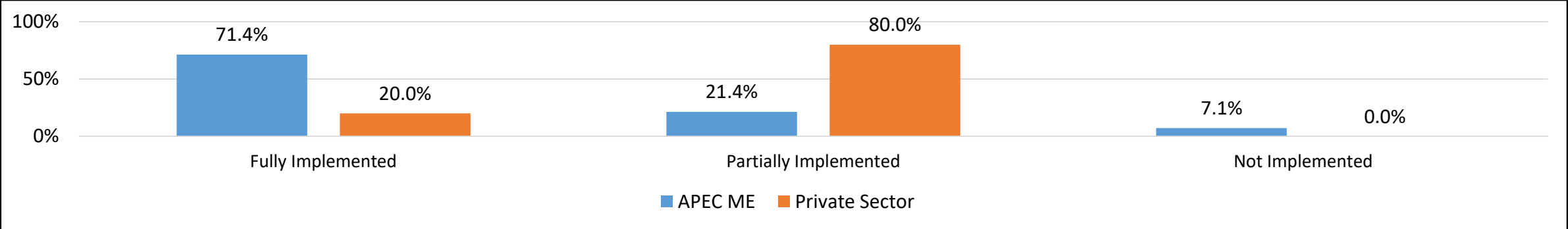
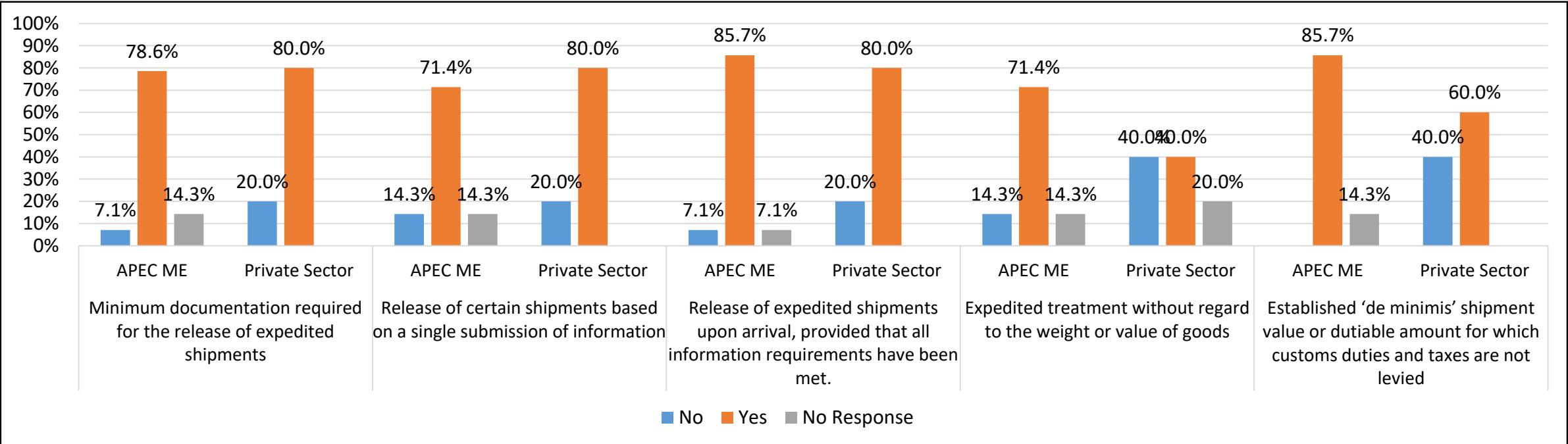


Figure 20. Expedited shipment processes implemented



Article 7: Topic 24 - Expedited shipments

1. Summary of Findings:

- 11 member economies indicated that they have import procedures implemented specifically for expedited shipments, with most of the remainder indicating partial implementation; one member indicated that no special procedures for expedited shipments are in place.
- In terms of the specific procedures surveyed for expedited shipments, responses from those members with implemented procedures were virtually identical in encompassing all such procedures, while those indicating partial implementation noted some gaps.

2. Issues Noted:

- Lack of legislation allowing special treatment for expedited shipments
- Inadequate port facilities do not allow separate handling of expedited shipments
- One respondent noted that the growth of e-commerce has led to expansion of expedited shipments, but also that these shipments present challenges for Customs control due to the fact that they can be used to hide illicit goods.

3. Recommendations/Comments:

- One member economy cited an excellent cooperative relationship between Customs and express consignment operators, to the benefit of both sides, representing a best practice

Article 7: Topic 25 - Perishable goods

Figure 21. Implementation status

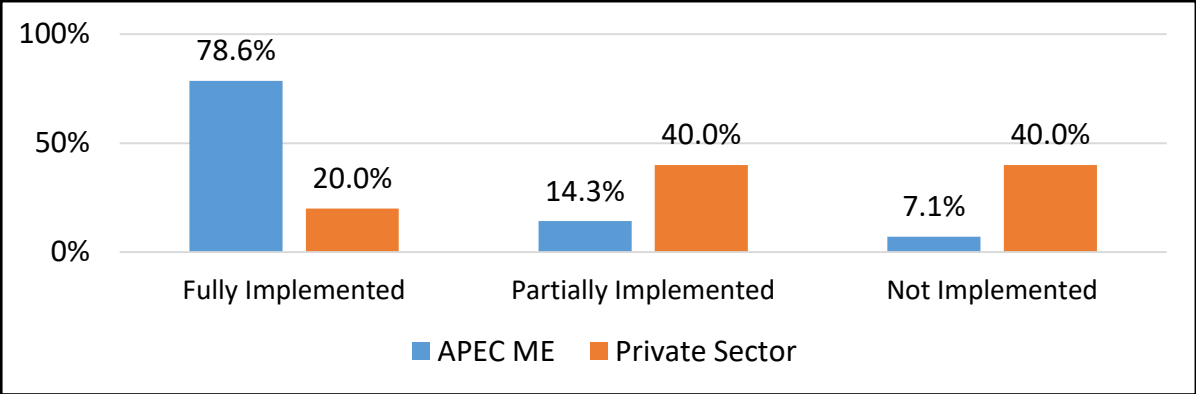


Figure 22. Impact

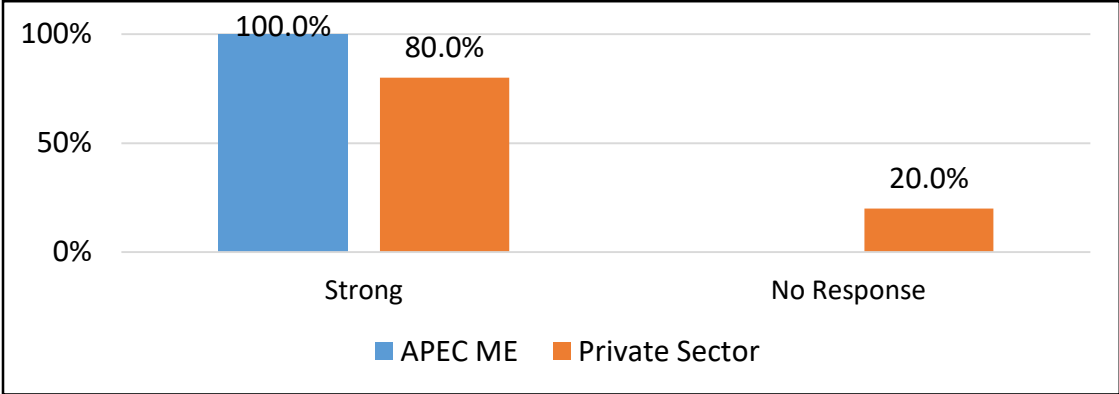
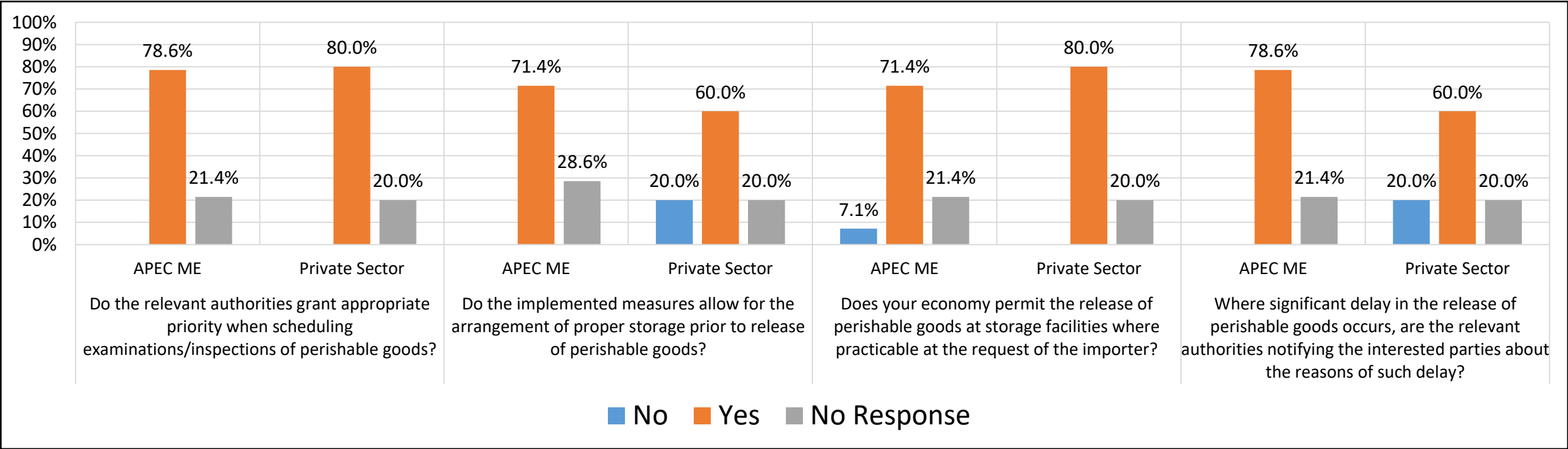


Figure 24. Measures on perishable goods



Article 7: Topic 25 - Perishable goods

1. Findings summary

- With regard to Article 7 (9)'s principles for treatment of perishable goods consignments, all responding members indicated full implementation, with the exception of two noting partial implementation and one indicating no implementation.
- In terms of specific measures implemented in regard to perishable goods consignments, almost all member economies which confirmed partial or full implementation confirmed that they had all of the listed measures implemented, although in some cases responses were not provided for all categories.
- All respondents indicated that these measures have a high impact on the trade facilitation environment

2. Issues Noted

- inadequate port infrastructure
- Inadequate personnel to handle perishable shipments.

3. Recommendation/comments:

- Customs and other agencies need to closely coordinate their activities (e.g. inspections) to ensure that quick release is effected.
- Commenters noted that this area is a very important one for the exchange of best practices.

BORDER AGENCY COOPERATION

ARTICLE 8

Article 8: Topic 26-Border agency cooperation

Figure 1. Implementation status

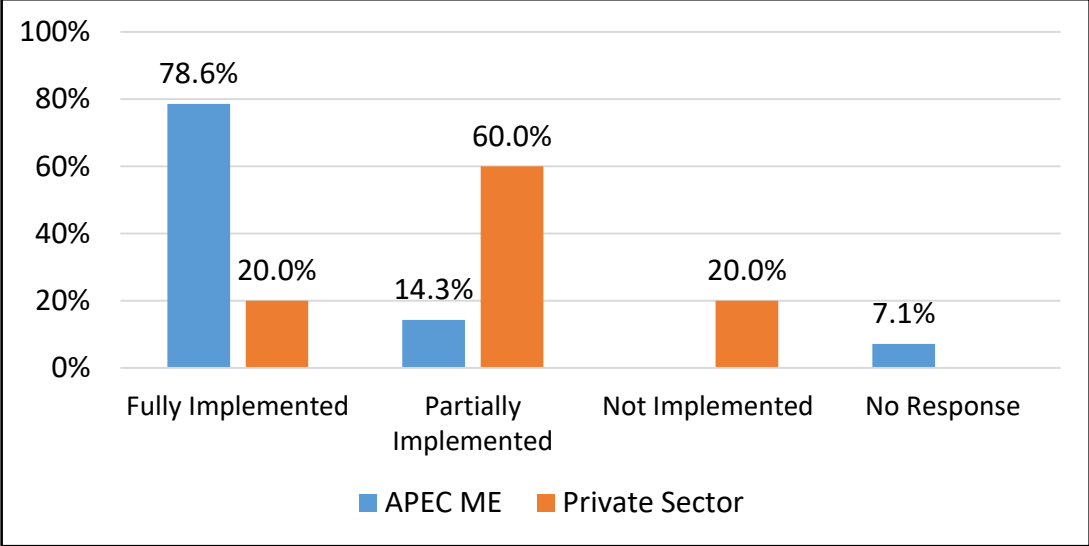
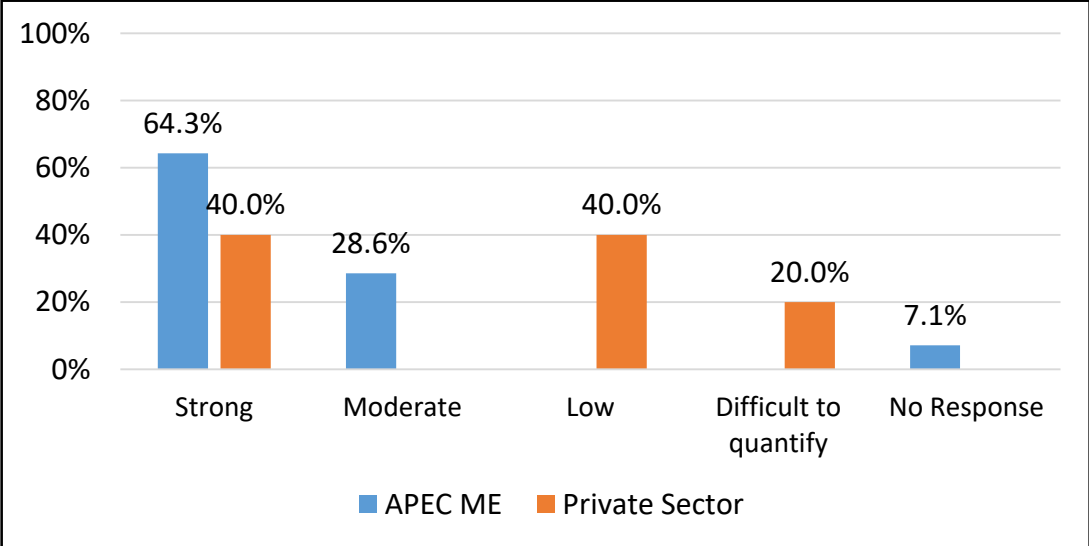


Figure 2. Impact



1. Summary of Findings:

- Member economy respondents indicated that they have achieved a good level of cooperation between border agencies, with 11 noting full implementation and 2 indicating partial implementation (one member economy did not provide a response). Private sector respondents tended to rate implementation status lower than their respective governments.
- Member economy respondents rated the trade facilitation impact of these measures as strong or moderate, while again private sector respondents' ratings were lower.

2. Issues Noted:

- Coordination between Customs/OGAs need to be optimized.
- Some economies mentioned regulations needed to be improved; however, others considered that the practical division of responsibilities varies from that prescribed in law and regulation in any case.
- In some cases, in particular for other agencies, infrastructure problems, human resources availability and technology gaps, and an inability to do "one stop" controls, were cited.

3. Recommendations/Comments:

- Better collaboration between border authorities and importer as and logistics providers is needed.
- Private sector respondents noted the need for more collaboration among border agencies and a reduction of document requirements (particularly for land transport)

Article 8: Topic 27. Border agency cooperation among members

Figure 3. Implementation status

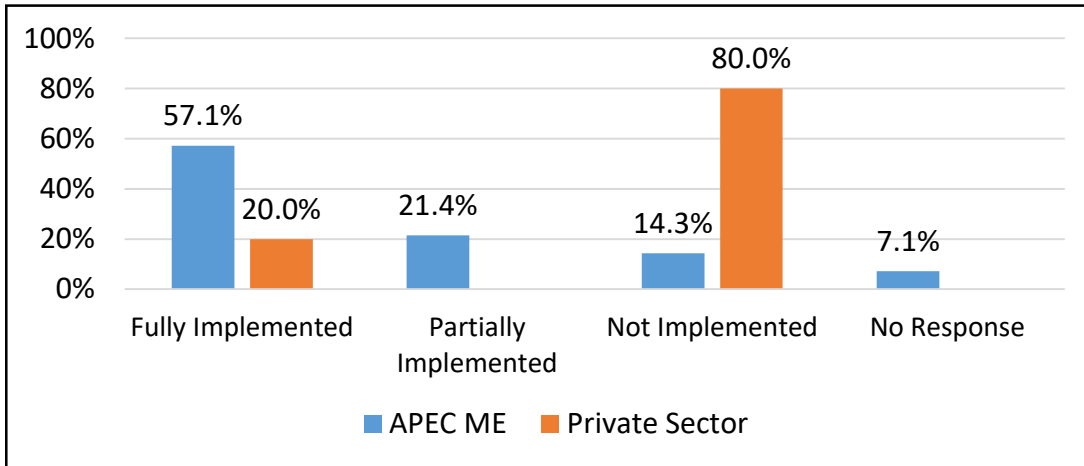
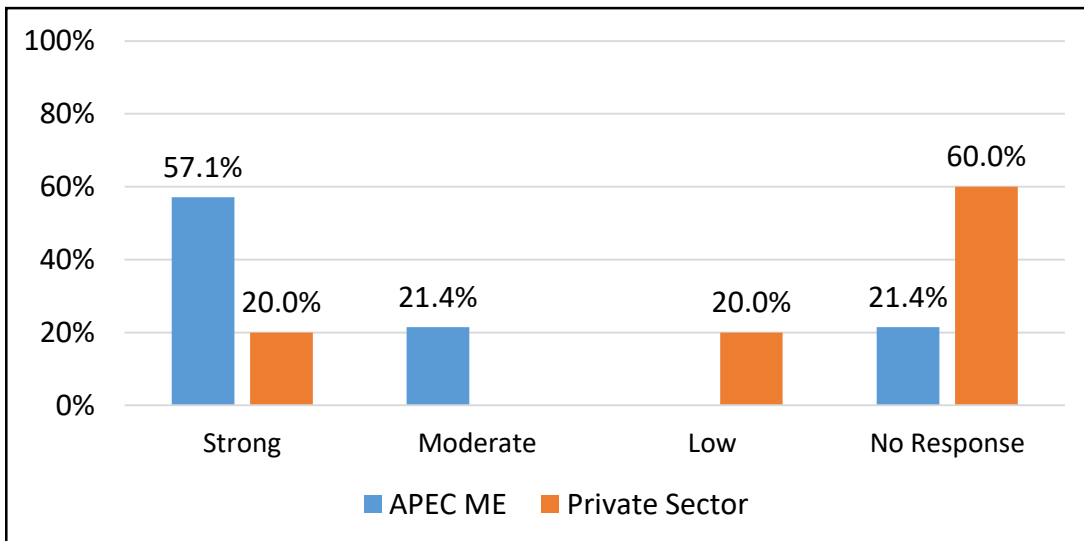


Figure 4. Impact



1. Summary of Findings:

- More than half of responding economies (8 out of 14) have fully implemented the measure, with 3 reporting partial implementation, and 2 economies (neither of which conducts trade at a land border) reporting no implementation.
- Respondents' assessment of impact on the trade facilitation environment ranges from strong to moderate, although again private sector ratings are lower.

2. Issues Noted:

- Laws vary from economy to economy and border authorities apply their own risk management criteria and work to their own priorities.
- Working hours, control procedures and schedules may not be aligned.
- Further investment in infrastructure is needed.

3. Recommendations/Comments:

- Process optimization among agencies on both sides of the border: alignment of procedures & operations and enhanced use of (inter-operable) electronic tools.
- Active communication and sharing of experiences.
- More capacity building and technical assistance.
- Private sector supports strengthening exchange of information and prioritizing coordination on cross-border land transportation.

MOVEMENT OF GOODS INTENDED FOR IMPORT UNDER CUSTOMS CONTROL

ARTICLE 9

Article 9: Topic 28 Movement of goods intended for import under customs control

Figure 1. Implementation status

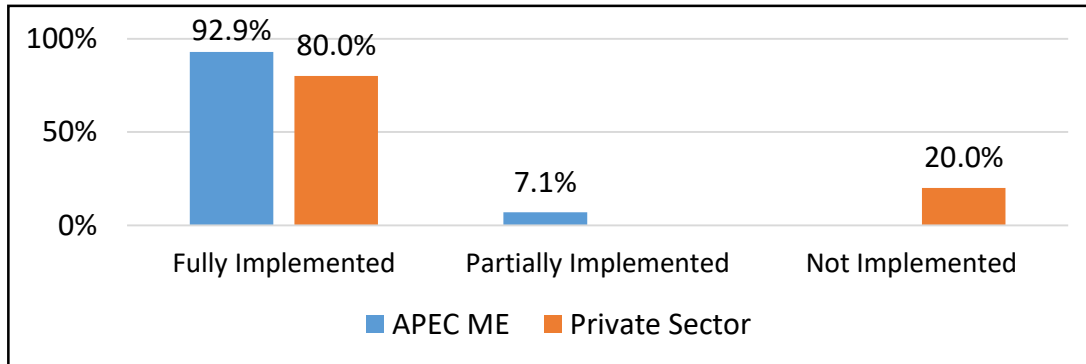
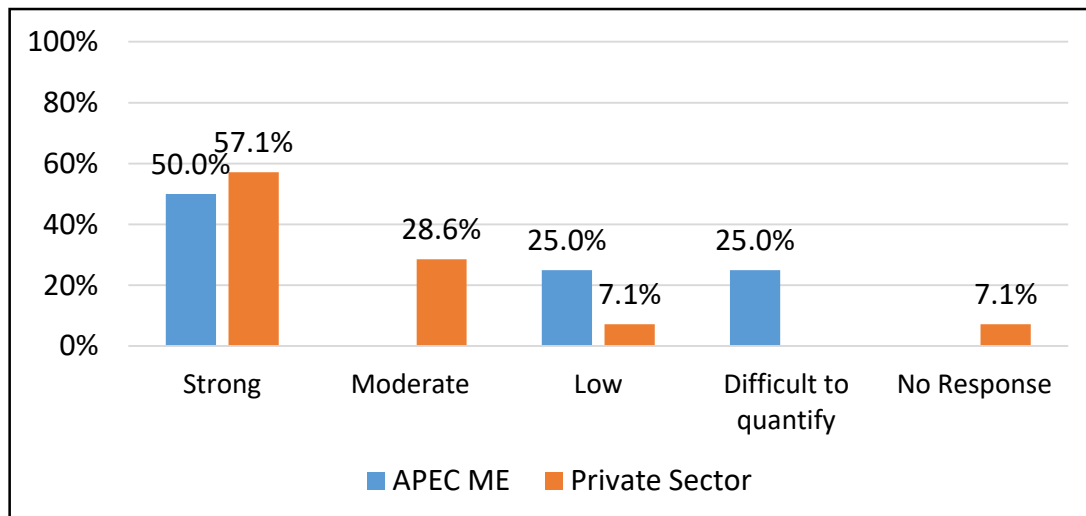


Figure 2. Impact



1. Summary of Findings:

- While one economy indicated partial implementation, all other responding economies indicate full implementation; private sector respondents did not always fully agree with government responses.
- Most economies stated the impact on trade facilitation is strong or moderate.

2. Issues Noted:

- The laws and regulations governing other agencies do not always contemplate the concept of movements under Customs control.
- Traders may be subject to penalties for undelivered goods and brokers/traders may not be aware of compliance requirements.
- Problems in systems monitoring transit processes.

3. Recommendations/Comments:

- Integrated licensing across agencies should be introduced.
- Private sector recommendations include streamlining of documentation requirements, greater use of suitable technology, training on compliance requirements, and the use of bonds to allow transport outside of the TIR process

FORMALITIES CONNECTED WITH IMPORTATION, EXPORTATION AND TRANSIT

ARTICLE 10

Article 10: Topic 29 - Formalities and documentation requirements

Figure 1. Implementation status

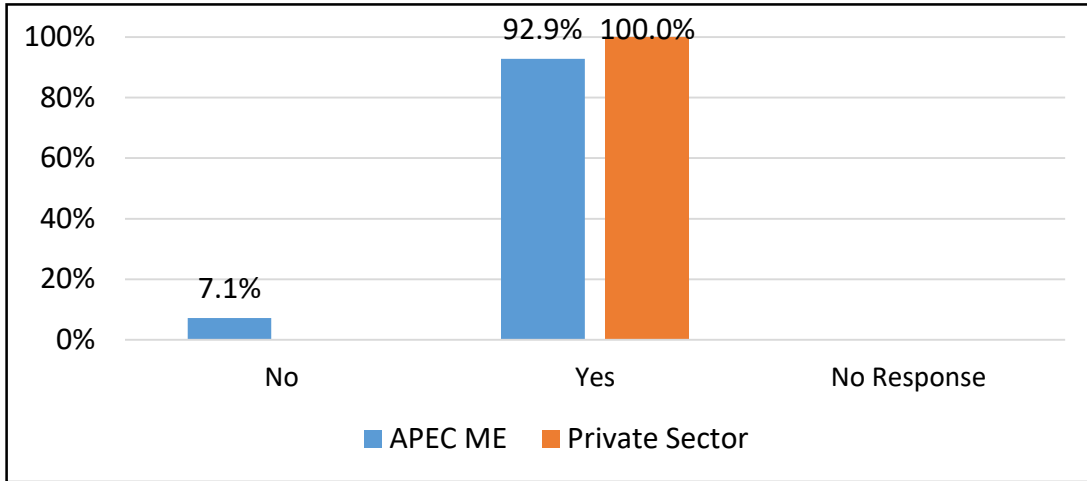
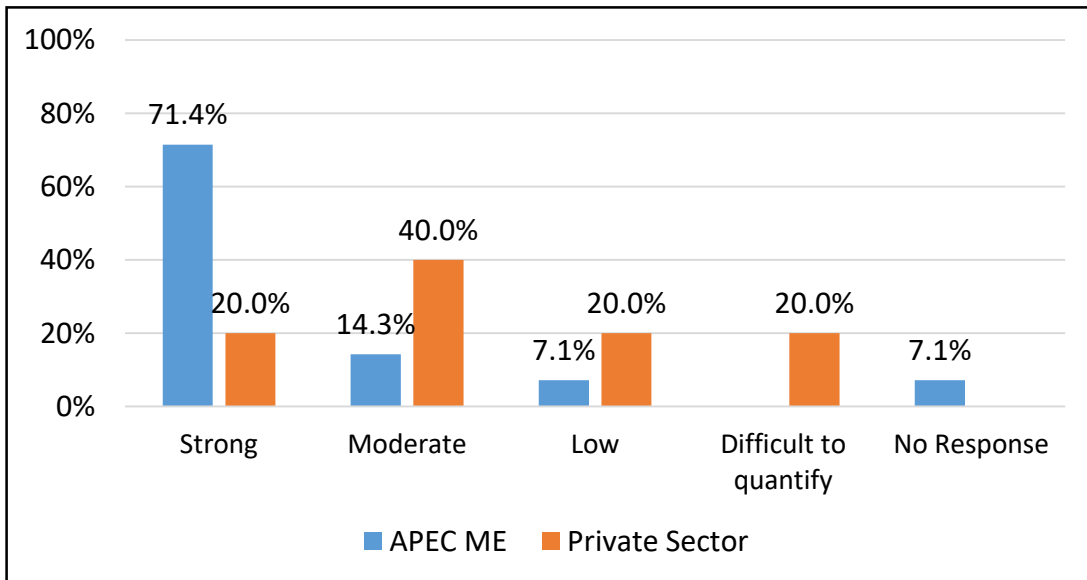


Figure 2. Impact



1. Summary of Findings:

- With the exception of one economy, all confirmed that they had reviewed their border formalities in accordance with the principles of Article 10 (1).
- Most members indicated that this provision had either a high or moderate impact on the trade facilitation environment, although some indicated that the impact is difficult to quantify.

2. Issues Noted:

- Respondents noted the need for legislative fixes and improvements in technology to realize the goals of Article 10(1) and holistic regulatory reform is required.
- Documentary requirements are often complex, and traders do not always provide all required supporting documents, even upon request.
- Private sector indicated the need for better systems; while other comments indicated that more participation (and compromise) are needed from private sector stakeholders in order to achieve the goals.

3. Recommendations/Comments:

- Movement towards the Single Window concept, incorporating harmonization with major international standards, such as the WCO Data Model
- Reinforce efforts to set up working groups with stakeholders to discuss problems and improve regulation.
- This subject generated a great deal of feedback and may be a fruitful topic for additional focus and discussion.

Article 10: Topic 30 – Least restrictive measure chosen where alternatives exist

Figure 3. Implemented?

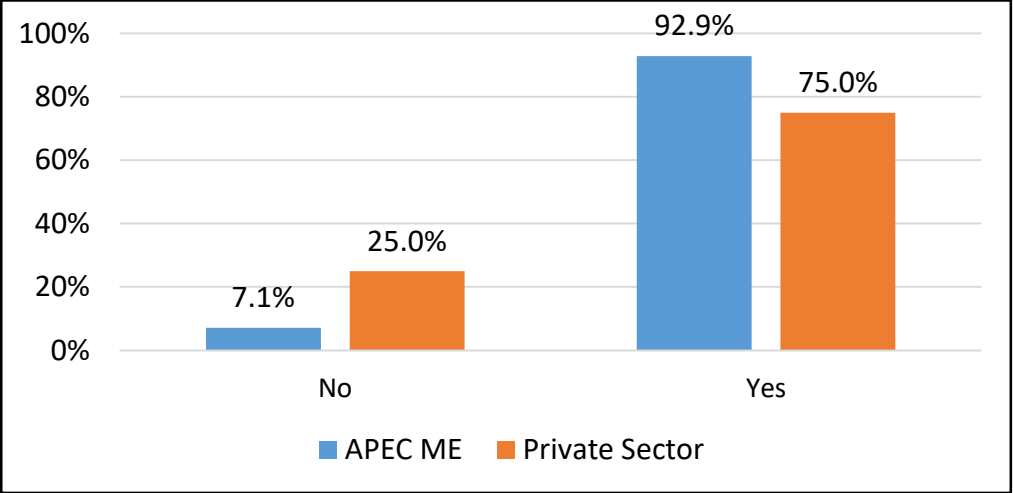
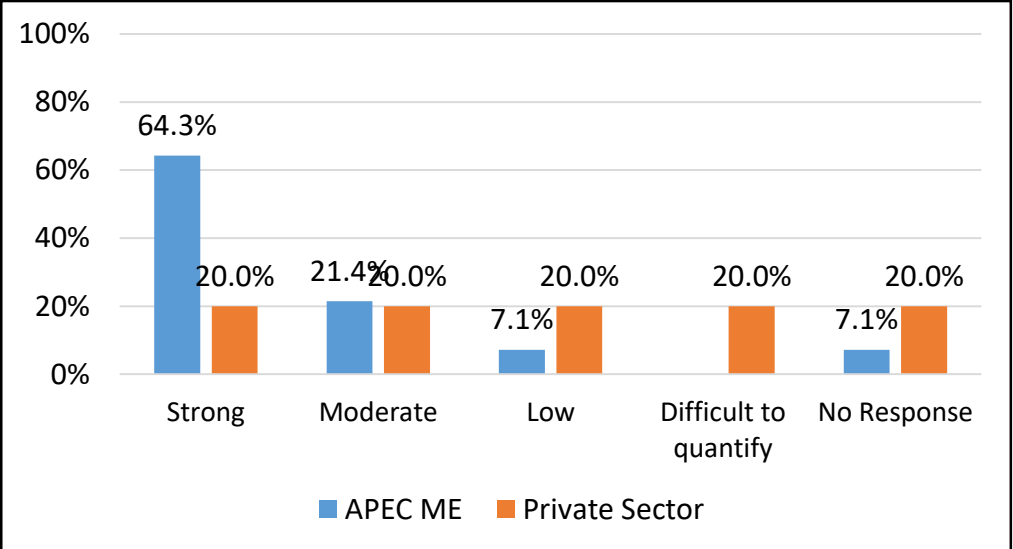


Figure 4. Impact



1. Summary of Findings:

- All responding economies except one responded that they have implemented this principle; private sector respondents did not always agree with the response given by their government.
- Almost all member economies indicated that this principle has a strong or moderate impact on the trade facilitation environment, with 2 failing to respond or characterizing it as a low impact. Private sector respondents were more likely to rate the impact as lower than their respective member governments.

2. Issues Noted:

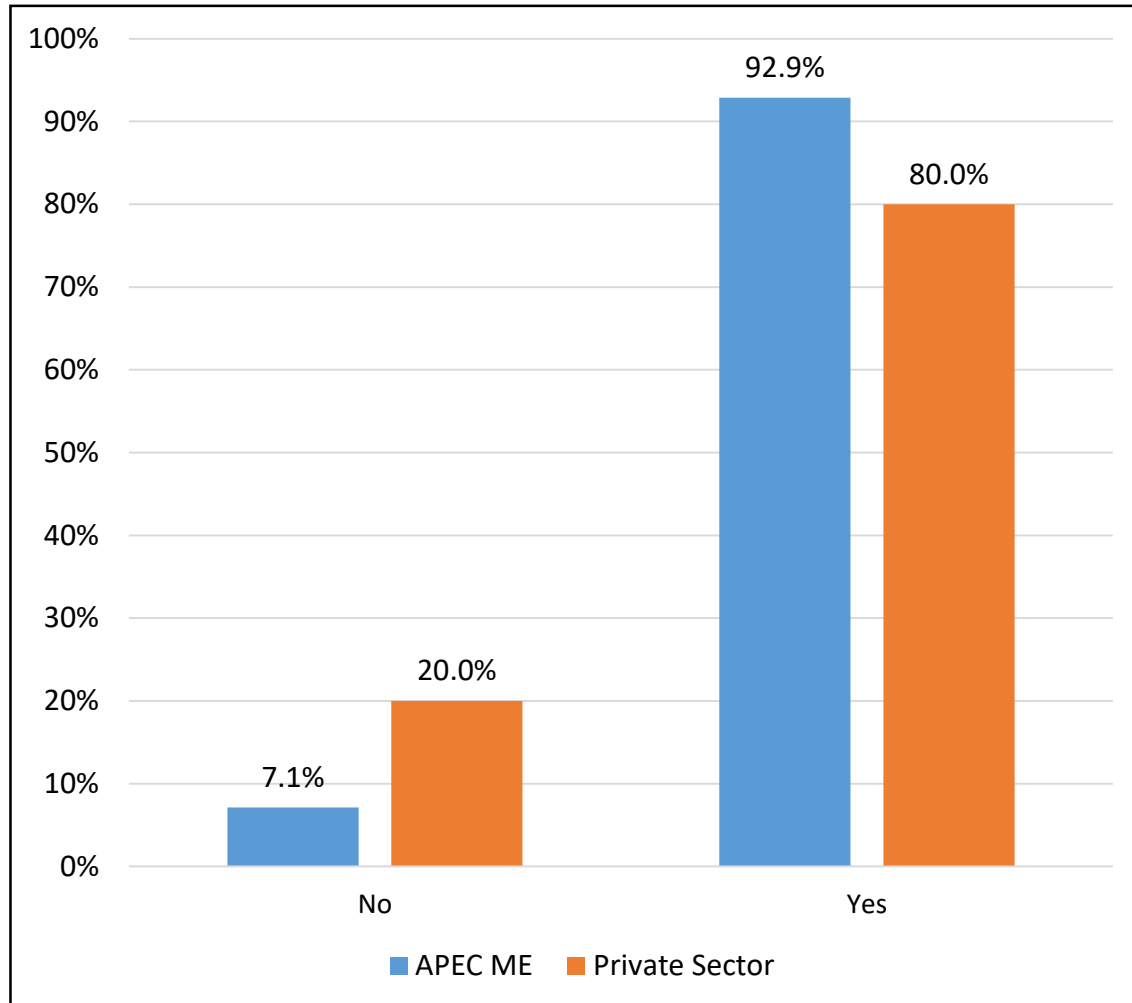
- Few issues were noted by public sector respondents but the relatively large number of private sector comments demonstrated a level of concern (and even confusion), and indicate that (like topic 29 above) this may be an area for further focus.

3. Recommendations/Comments:

- Predictability must be enhanced by making available the criteria adopted by member economies to fulfill this principle.
- More communication/collaboration among public and private sector, including periodic assessments of formalities and documentation requirements with collaboration from private sector.

Article 10: Topic 31 – Use of International standards

Figure 5. Implementation status



1. Summary of Findings:

- Save for one economy, all members indicated that they apply international standards consistent with the recommendations in Article 10 (4).

2. Issues noted

- A private sector respondent noted that implementation of this measure is often deferred.

Recommendations:

- Responding economies noted that they embraced and adopted International Standards, such as WCO SAFE Framework or the Revised Kyoto Convention both, irrespective of the WCO membership, as well as other standards such as INCOTERMS, IATA and ICAO standards, and encouraged others to do so.

Article 10: Topic 32 - Single window

Figure 6. Implementation status

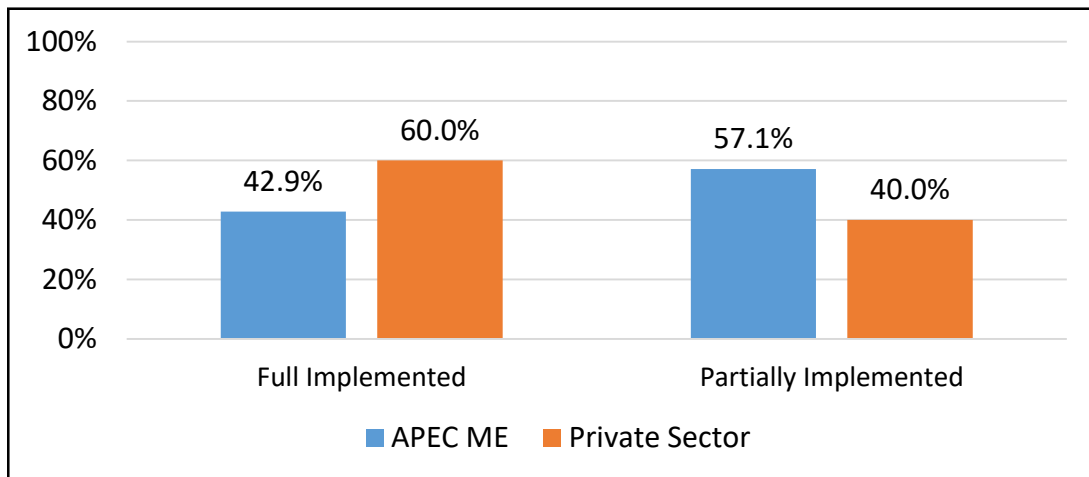
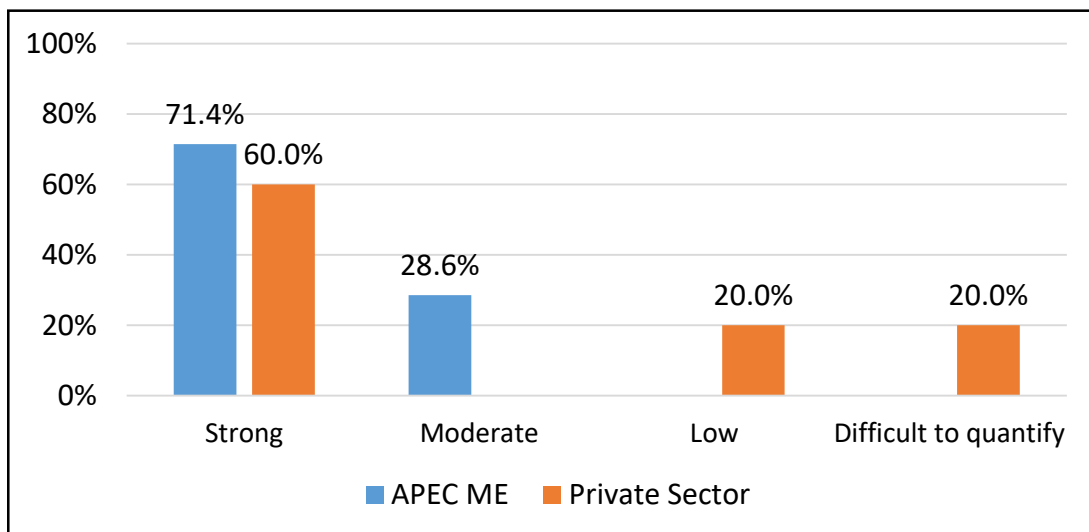


Figure 7. Impact



1. Summary of Findings:

- 7 members indicated full implementation of a single window platform, with the remainder indicating partial implementation.
- While it appears that all economies are on track for single window, responses from the private sector indicated a different perception, in particular on full implementation.

2. Issues Noted:

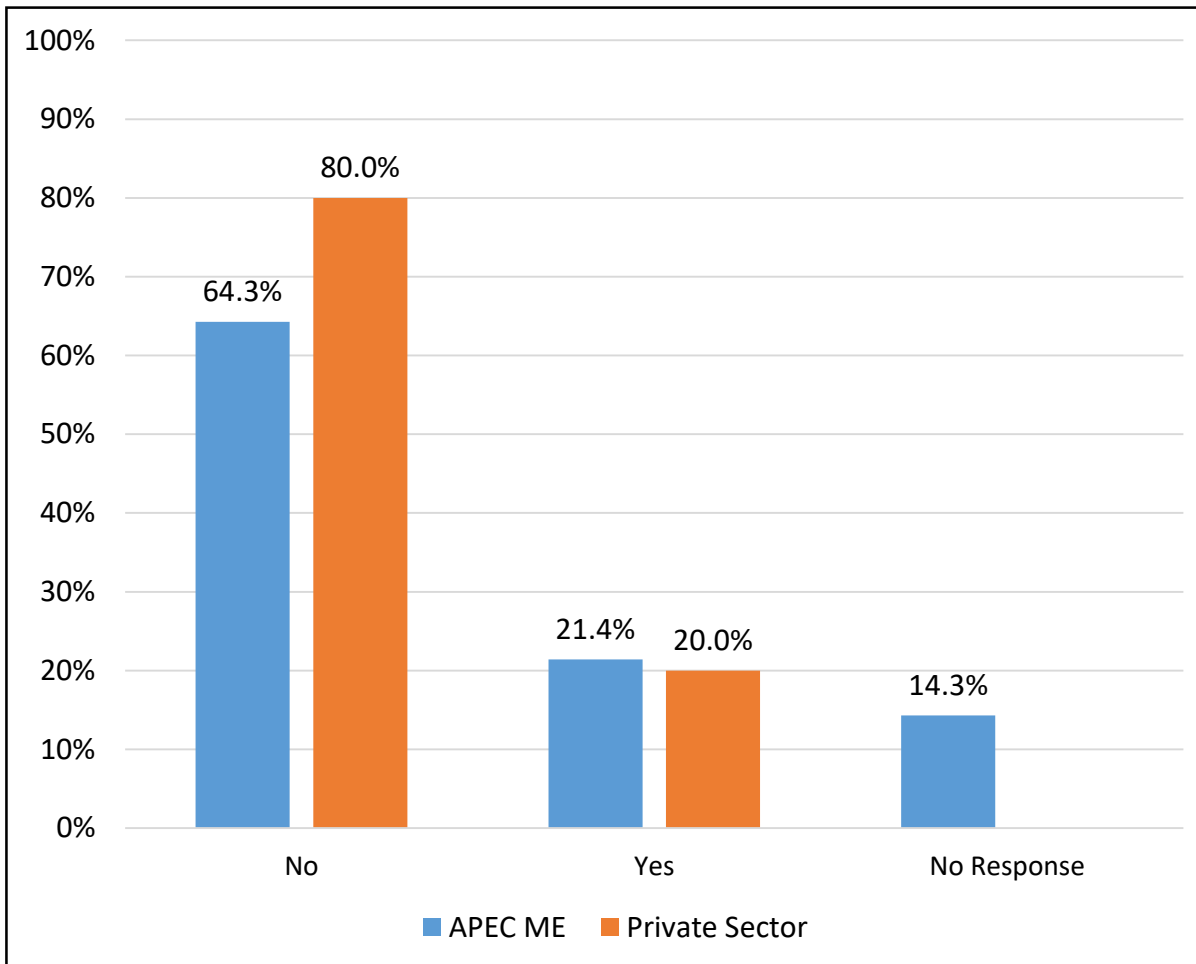
- IT infrastructure and technology (limited scope of services) participation and capacity of OGAs.
- Lack of a consistent framework and a clear SW definition.
- Harmonization and standardization has been time-consuming
- OGA capacities are uneven and coordination among them is complicated.
- Scope of SW also differs among member economies (not all trade related procedures are included).
- SW systems need to achieve stability to demonstrate benefits
- Inadequate interest among stakeholders, and limited understanding of benefits.
- Some agencies have limited knowledge of trade, limited budget, unclear authority, and lack of leadership, all of which may negatively affect the SW implementation.

Recommendations

- Commitment and leadership at the highest level to align the participation and coordination of all agencies.
- Political will to implement the SW is key, joint work and cooperation/dialogue among customs and OGAs to harmonize regulations and procedures and resolve relevant issues. “Whole of Government” approach.
- Automation should be phased in on a step-by-step basis.
- Widen the scope for online transactions standardizing electronic forms and further integration of SW with other economies, e.g. within the scope of Regional Trade Agreements (interoperability).
- Rapid response when there is malfunction of the system. Development of other areas
- A service concept which supports operational considerations (e.g. system availability).
- Private sector respondents indicated a need for improvements in ways to submit information, e.g. Information related to goods value; manifests (air, rail and maritime), and the need for bi-/multilateral agreements for international data exchange. Other private sector members consider more competition is needed among IT providers.
- All public agencies (touching on cross-border trade) must be included in SW
- Publicity and training is needed to raise awareness on the relevance of SW

Article 10: Topic 33 – Mandatory use of customs brokers

Figure 8. Mandatory use of Customs brokers?

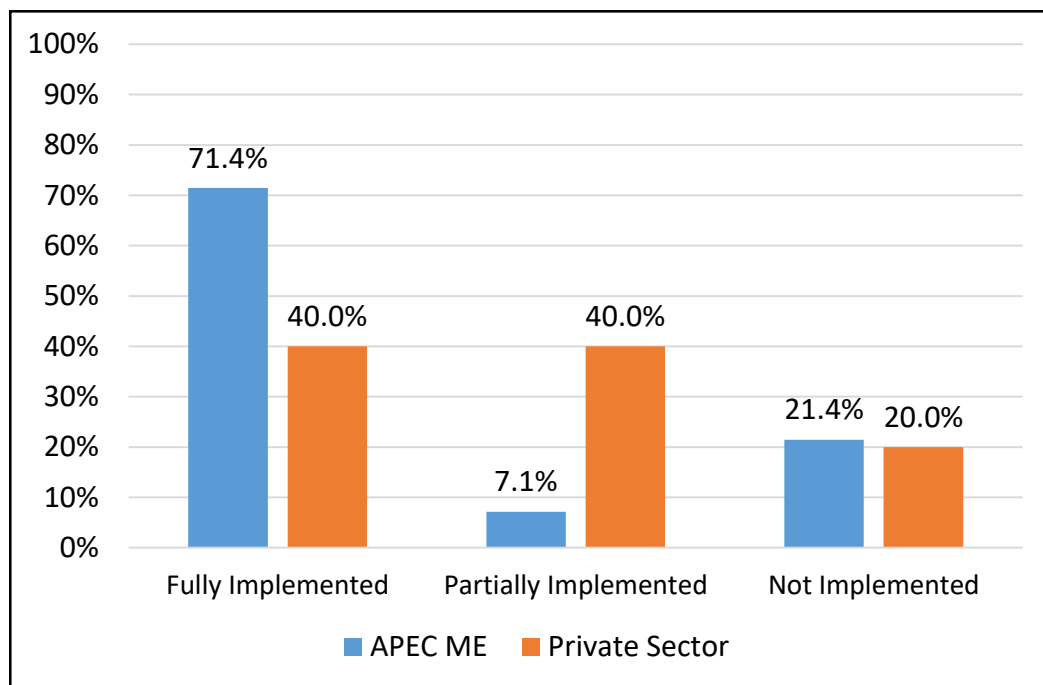


1. Summary of Findings:

- Three members indicated that the use of customs brokers is mandatory, and two did not respond.
- Two member economies indicated that mandatory regimes exist based on shipment values, and that they apply to both imports and exports

Article 10: Topic 34 - Common border procedures, uniform documentation requirements

Figure 9. Implementation status



1. Summary of Findings:

- 2 economies indicated that they have not implemented this provision, in one case no reservation has been notified in such sense. Private sector respondents did not always agree with their member government, but those from 2 economies indicating non-implementation were consistent with the member response.
- Some confusion was apparent in responses to this question; some respondents read it as being focused less on consistent procedures at different crossings within a member economy, and more focused on common procedures with OTHER economies.

2. Issues Noted:

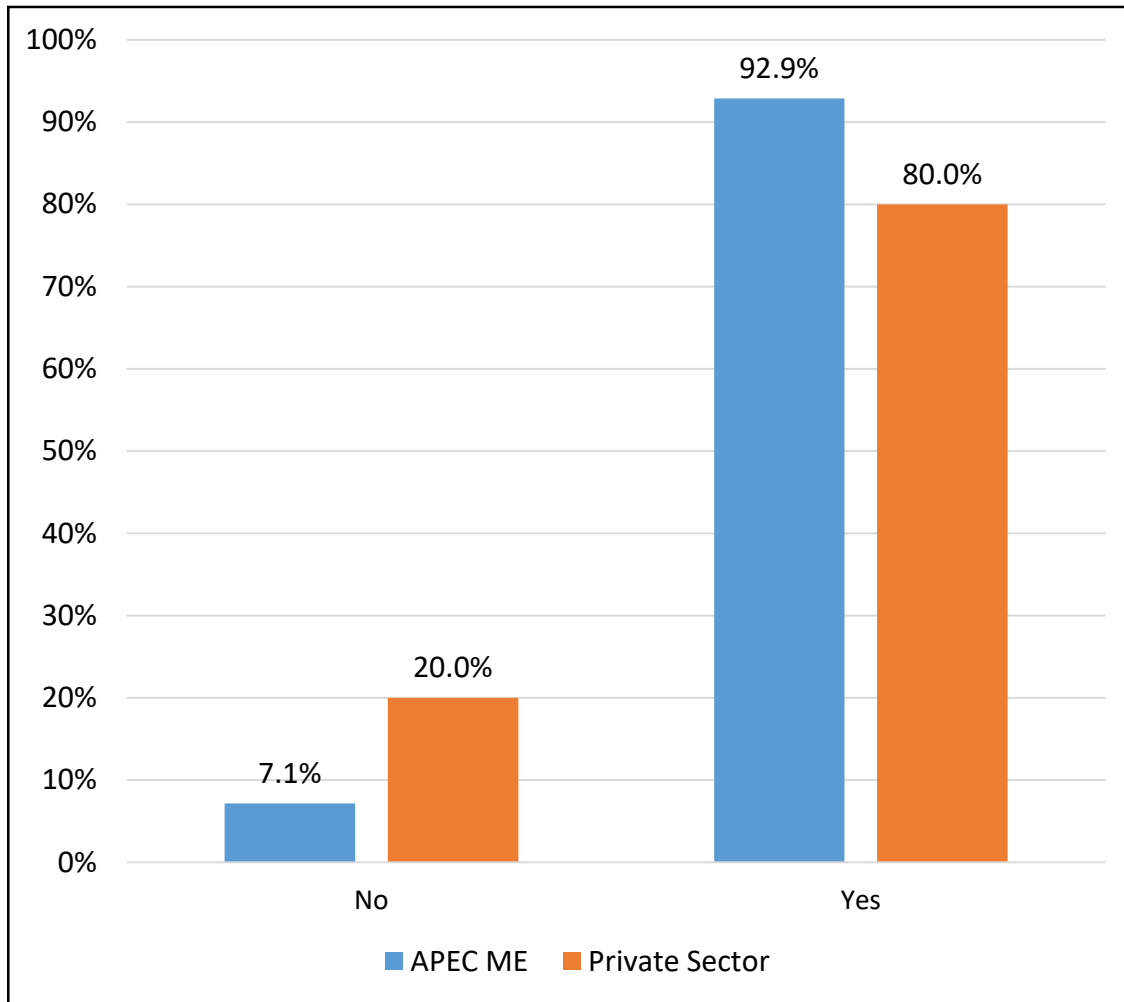
- One respondent noted that not all border posts had equal access to technology. Private sector complaint that processes in posts are uneven.
- Another noted the role of Customs central office in ensuring that procedures were uniform throughout the member economy.

3. Recommendation/comments:

- Customs and OGAs should ensure uniformity in requirements, criteria and procedures at all ports (checkpoints).
- Publish on the internet common border procedures for each separate mode of transportation.
- Each economy's border agency should establish legislation to enable internal audits or self assessments to verify that all crossing points apply the same procedures unless justified reasons for variation exist.

Article 10: Topic 35 - Rejected goods

Figure 10. Implementation status



1. Summary of Findings:

- With the exception of one economy, all members have confirmed implementation of this provision.

2. Issues Noted:

- One member indicated that use of the process is not allowed for restricted goods (prohibited merchandise, psychotropic substances, highly dangerous chemicals).
- Some service providers are reluctant to return goods due to cost issues or because the original consignor can no longer be found.
- It is difficult to ensure that goods designated for return do not come back again (or that they are really the ones ordered to be returned).
- Processes to approve goods return are burdensome.

3. Recommendations/Comments:

- All documentation for goods to be returned should be precise and correct, and identifiable to the goods.
- Economies should allow, in the extent possible, the return or re-consignment of goods, and allow traders the opportunity to correct labeling issues.
- The private sector noted the need for economies to improve the understandability of their requirements so that rejects do not occur. Also more transparency on the procedures is needed.

Article 10: Topic 36 - Temporary admission of goods and inward and outward processing

Figure 11. Implementation status

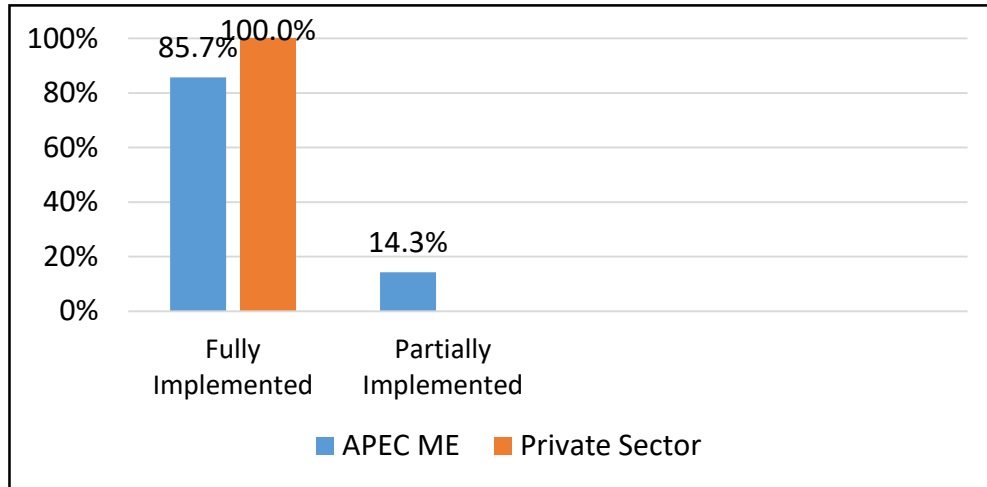
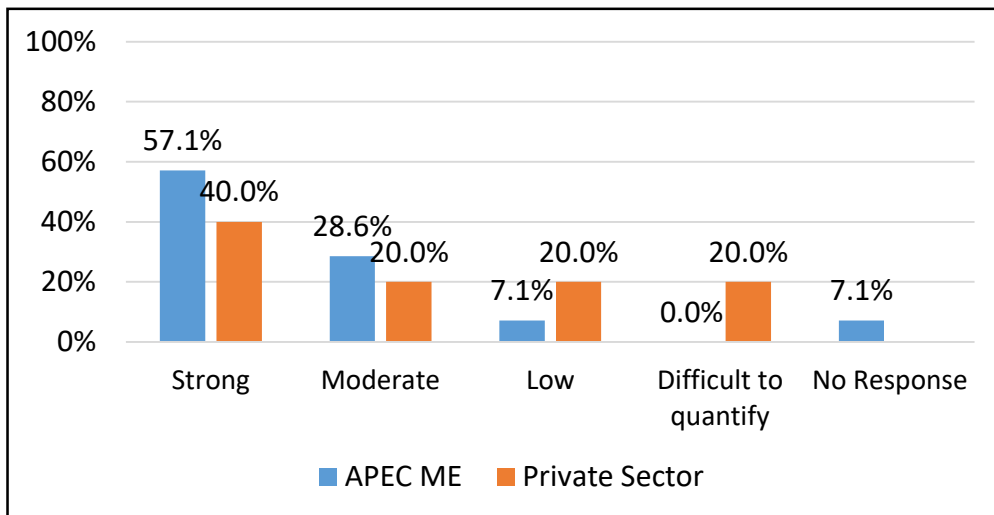


Figure 12. Impact



1. Summary of Findings:

- Responses confirmed widespread full implementation of these regimes in member economies, with the exception of two members which indicated partial implementation. Private sector responses were in almost all cases consistent with those from their member economy.
- The trade facilitation impact was judged either to be strong or moderate by 2/3rds of the members responding.

2. Issues Noted:

- Inadequate infrastructure and inefficient regulations may require use of separate procedures for each individual importation, resulting in problems where more than one import shipment may be involved (official meetings, international fairs, etc.).
- Several member economies noted concerns relating to compliance (e.g. accurate information) under these regimes.
- Private sector respondents suggested more use of systems for electronic control and to reduce excessive and complex documentation, as well as fines for errors.

3. Recommendation/comments

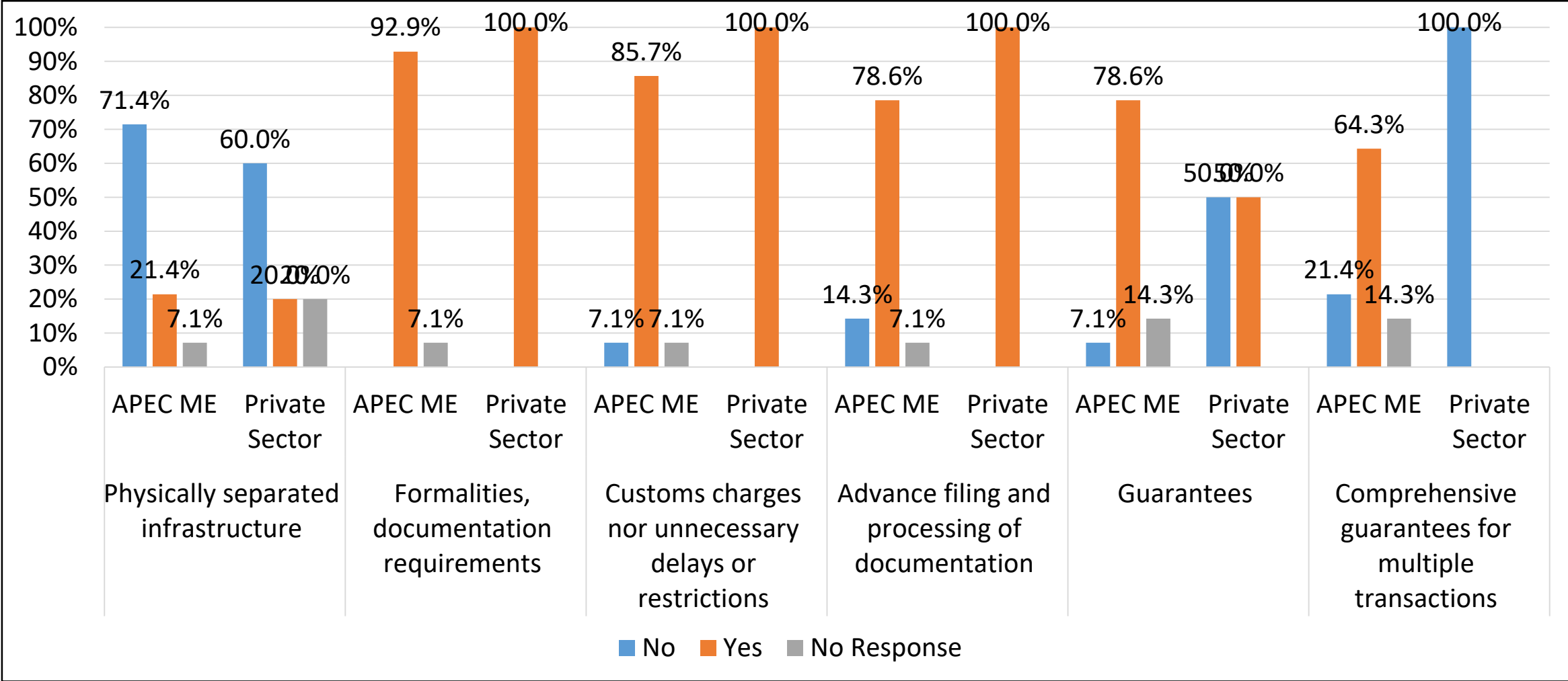
- To make use of Istanbul Convention, which provides the use of ATA Carnet. Establishment of electronic processes to speed handling of documentation.
- Check the quality of declarations on transactions and improve Customs systems to enable applications.

FREEDOM OF TRANSIT

ARTICLE 11

Article 11 -Topic 37- Measures to Facilitate Transit

Figure 1. Specific measures on transit



1. Summary of Findings:

- Separate infrastructure for transit appears to represent the biggest challenge for implementation, as only 3 out of 13 responding economies have it in place. Private sector responses track the public sectors responses closely.
- Implementation of other measures, such as those related to documentation, controls, charges and guarantees is indicated in a large percentage of the member economies, although the use of advance filings for transit is abit lower. Internal discrepancies in responses between differing member government agencies are indicated in some cases, and in several cases public sector responses differ from those of the private sector in the same country.

2. Issues Noted:

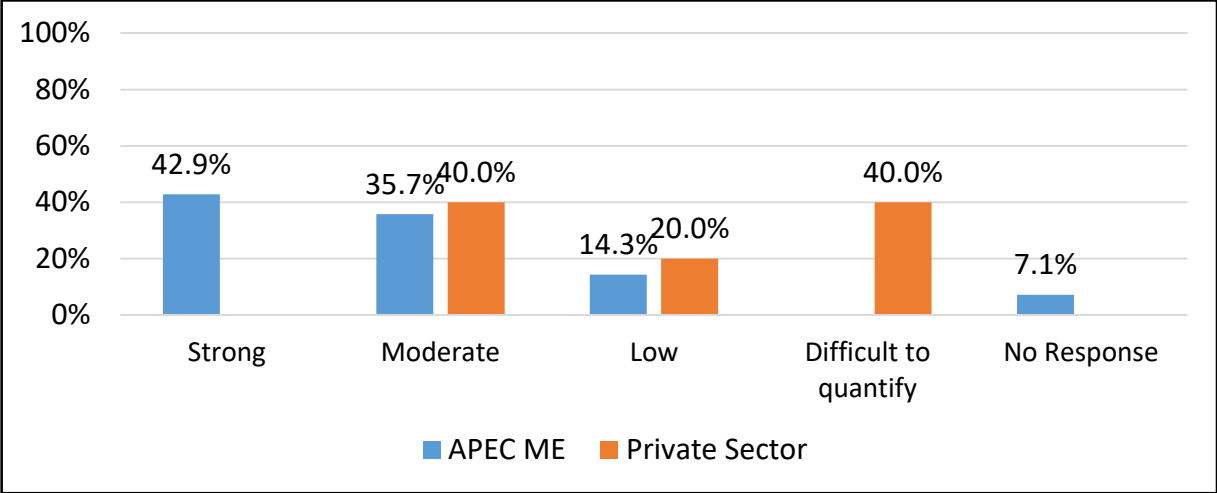
- Unsuitable infrastructure, human resources and services to handle transit goods were cited as issues.
- Bilateral or regional integrated systems for facilitating international customs transit operations are missing or inadequate.
- Transit procedures/requirements (i.e. guarantees processing) may result in delays and supporting documents sometimes need to be filed.
- Many technical aspects remain to be solved by countries.
- A private sector respondent noted that certain measures affecting land transport may be implemented in one country but not in the neighboring one.

3. Recommendations/Comments:

- Economies should institute annual reviews of the efficiency of their regulations regarding the freedom of transit.
- More investment should be made in infrastructure and logistics for transit shipments
- Clear rules on transit road transport between bordering countries are needed, including making use of standards such as ASEAN Customs Transit System (ACTS)
- Transit documentation requirements should be made electronic in order to speed operations, and be implemented with an eye to supply chain security measures.

Article 11 -Topic 37- Measures to Facilitate Transit

Figure 2. Impact



1. Summary of Findings:

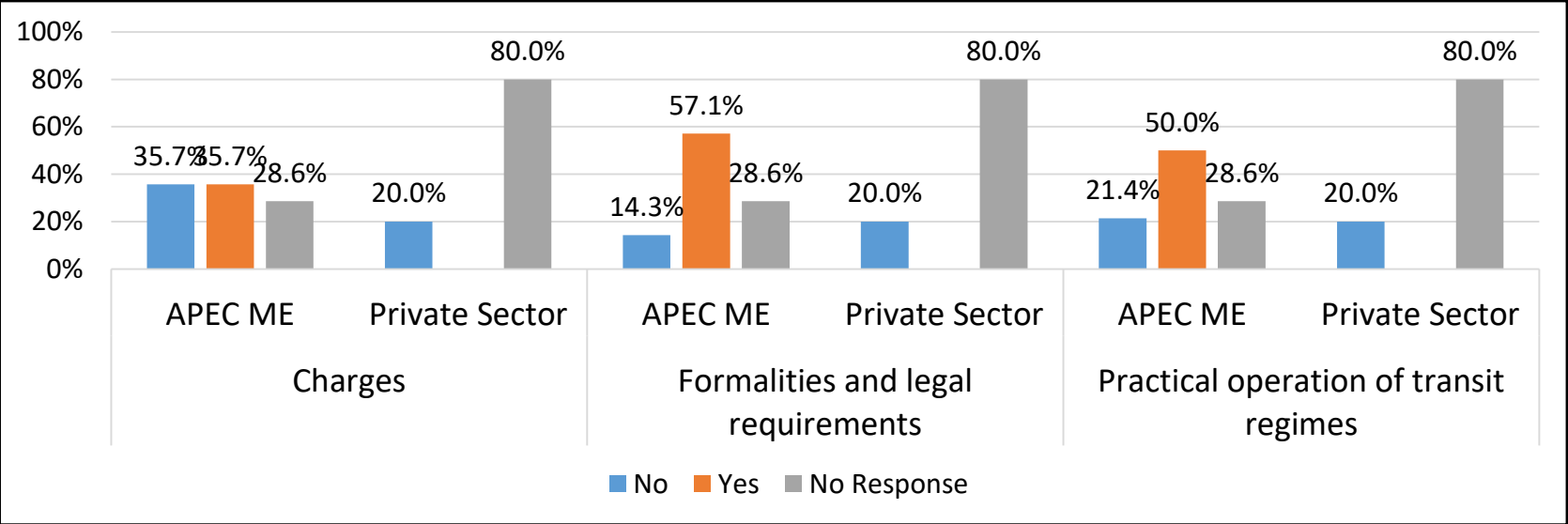
- Only 6 economies indicated that they viewed the impact of measures in this area as strong, while 5 indicated moderate impact. Private sector responses indicated a moderate or “difficult to quantify” impact.

2. Recommendations/comments

- Very few comments received.
- Primary challenge appears to be infrastructure and technology.

Article 11 -Topic 37- Cooperation & coordination in transit

Figure 3. Measures



1. Summary of Findings:

➤ With regard to specific measures queried, a rather small percentage of member economies indicated implementation, with cooperation with other economies on charges the least implemented. Private sector respondents considers most of the measures are not implemented or did not respond to the question.

2. Recommendations

- Private sector noted that further harmonization under APEC principles is desirable.
- Public sector noted that transit procedures should be implemented in line with the Revised Kyoto Convention as well as the APEC Transit Guidelines.

CUSTOMS COOPERATION

ARTICLE 12

Article 12: Topic 38- Customs Cooperation

Figure 1. Implementation status

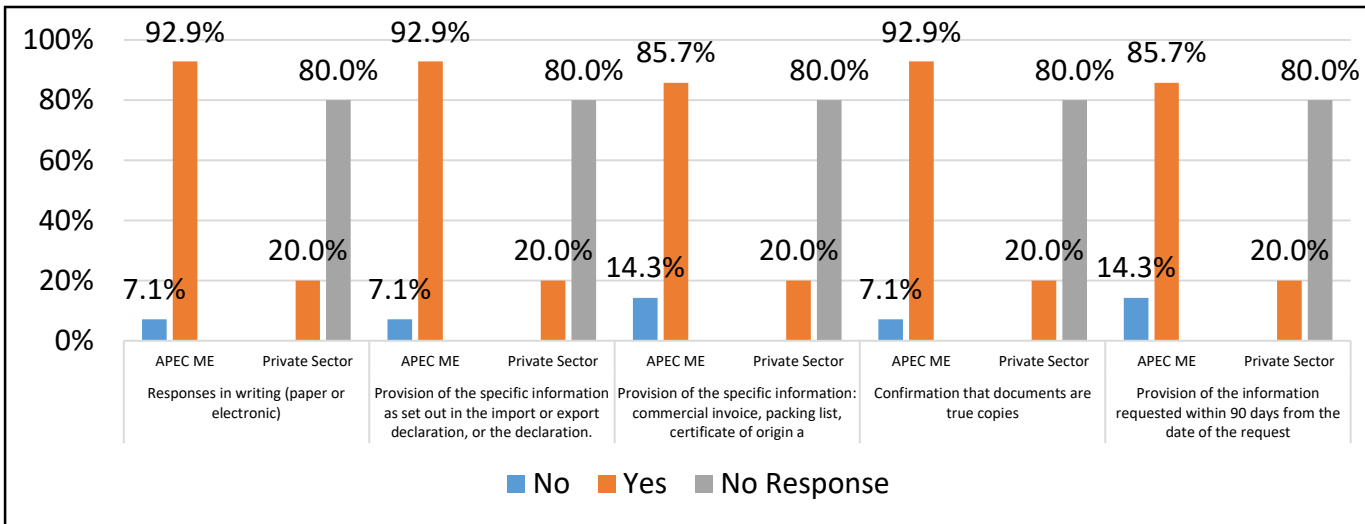
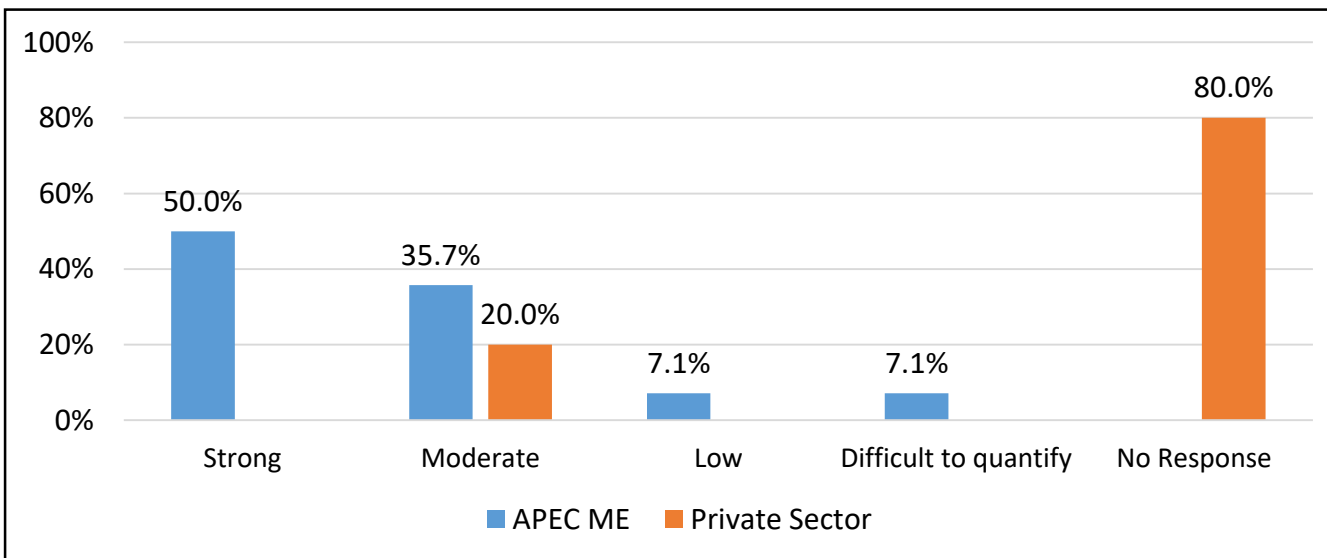


Figure 2. Impact



1. Summary of Findings:

- Responding economies indicated that they fulfill the entire range of provisions to exchange information. As this topic was focused on government, few private sector responses were received.
- Most of the responding members rated the impact on trade facilitation of this measure as high or moderate.

2. Issues Noted:

- Some Customs administrations establish a minimum amount (related to value of goods) as a prior condition for requesting information.
- Delays in responses need to be improved as well as responses to requests on information relating to regulatory requirements in cooperating countries. A
- A respondent indicated that obtaining the proper documents is sometimes complicated and time-consuming.

3. Recommendations/Comments:

- Bilateral and regional trade and mutual assistance agreements encourage members to intensify such exchange.
- Establishment of IT links and enhancing online infrastructure for communication between economies.
- Keep points of contact points updated, and closely follow-up mutual assistance requests
- More networking and consultations among countries.
- Implement Customs Mutual Assistance Agreements (CMAAs) based upon the WCO model bilateral convention on mutual administrative assistance agreements.

Thank you!
Gracias!



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