

Trade Facilitation Action Plan

Concrete Goals 2002 - 2004

The Trade Facilitation Action Plan (TFAP) was endorsed by the second ASEM Summit in April 1998. It aims, *inter alia*, at reducing non-tariff barriers, increasing transparency and promoting trade opportunities between the two regions while complementing and considering work being carried out in bilateral and multilateral fora.

TFAP is not a forum for negotiations, but it contributes to the goal of promoting, facilitating and liberalising trade between Asia and Europe by providing a venue for exchange of views and for work on the implementation of commonly agreed deliverables.

Implementation of TFAP is supervised by the Senior Officials Meeting on Trade and Investment (SOMTI). In 2000 SOMTI provided Economic Ministers and the third ASEM summit with an evaluation of the achievement of the goals set for TFAP for the period 1998 – 2000 and established concrete deliverables for the period 2000-2002.

ASEM partners have continued their evaluation of the TFAP process in 2002. The TFAP working groups and SOMTI have evaluated the implementation of deliverables in the TFAP priority areas during the period 2000-2002. On the basis of this evaluation the present report proposes deliverables for the period 2002 – 2004 for most of the priority areas.

The present report does not propose concrete deliverables for the priority areas public procurement, mobility of business people and some of the activities listed under 'Other trade related activities'. The evaluation of the achievements during the period 2000 – 2002 has not justified establishing deliverables for the next two years.

A. Review and reduction of the Generic Trade Barriers among ASEM partners, based upon the consolidated and prioritised list of major generic trade barriers

In 2000 SOMTI adopted the Consolidated and Prioritised List of the Major Generic Barriers to Trade among ASEM Partners. This list was established on the basis of individual lists compiled by each ASEM partner, with input from the business community, as a basis for future work.

It was decided that ASEM partners would report individually and voluntarily to SOMTI, once a year, on the measures taken to address these priority barriers. These reports were first submitted to SOMTI in 2001 and provided a basis for substantive discussion by Senior Officials.

Seminars and symposia organised in implementing TFAP as well as the work carried out by AEBF should take account of this approach.

The deliverables will be

- ASEM partners will continue to submit voluntarily, in good time, individual reports to SOMTI on the measures which each partner has taken to address these priority barriers. So far reports have been submitted on an annual basis. Now that the process is established it is appropriate to bring reporting in line with the biannual cycle applied in all TFAP priority areas.
- sharing these reports well in advance of the SOMTI with the private sector through AEBF, in order to get its view on the measures taken or proposed either through direct participation of AEBF in SOMTI or through e-mail comments;
- evaluating this process in time for the meetings of economics ministers in 2003 and the fourth ASEM summit in 2004.

B. Deliverables in the Specific Priority Areas

When establishing the TFAP 1998 SOMTI defined initial goals for the individual TFAP priority areas. The initial goals are presented below as first item under the heading of each TFAP priority area.

The deliverables for the period 2002-2004, which build on these initial goals - as well as the experience gained since the start of TFAP - are presented as the second item under each TFAP priority area.

1. Customs procedures

Initial goals

In supporting the on-going co-operation between customs authorities, the TFAP will aim at promoting simplification, harmonisation and transparency in customs procedures. This should include inter alia:

- ◆ an accelerated alignment and harmonisation of tariff nomenclatures using WTO and WCO standards;
- ◆ an accelerated implementation of obligations with respect to customs valuation procedures;
- ◆ the promotion of standardised and simplified documentation, including, if possible, paperless systems;
- ◆ the promotion of transparency of customs regulations and procedures;
- ◆ the collection and dissemination of information on ASEM partners' respective rules of origin;
- ◆ where appropriate, the exploration of possible common positions of ASEM partners in WTO and WCO.

Deliverables for 2002 - 2004

- application of WCO HS 2002 version in tariff nomenclature, wide-spread utilization of HS Explanatory Notes and classification opinions, and where possible, promotion of those in local language, for the uniform application of the HS;
- continue discussions on customs co-operation and mutual administrative assistance agreements between the European Union and interested Asian ASEM partners, with a view to starting negotiations;
- promotion of transparency and predictability of Customs procedures by updating the ASEM Customs Procedures Website which may include Customs duties and nomenclature, tariff quotas, import and export procedures and formalities, Customs legislation, etc;
- organization of more seminars in close consultation with the Asia-Europe Business Forum (AEBF) to enhance dialogue between Customs and business community on the latest Customs-related issues;
- adoption of modern Customs techniques, such as risk management, pre-arrival declaration, post clearance audit, and special procedures for authorized persons, specified in the revised Kyoto Convention, in light of the recommendation by the AEBF VI to minimize physical checks of goods at respective entry points, and acceleration of preparations to ratify the revised Kyoto Convention by the concerned partners;
- consistent and uniform application of interpretation of the rules, including tariff classification and Customs valuation, among Customs administrations in each ASEM partner by using an appropriate mechanism, such as a binding ruling system and a central function to provide coordination among Customs administrations;
- promotion of standardization and simplification of Customs-related procedures, taking into account the existing international standards including UN/EDIFACT, and further consideration of the possibility of harmonising and simplifying data and documentation elements on Customs clearance procedures based on the WCO Customs Data Model version 1.0.
- Further discussion on the application of the Unique Consignment Reference Number with the view to promote its application by ASEM partners, wherever possible based on the work of WCO;
- provision of one stop shop services and, if possible, a single window for cargo clearance procedures, within each ASEM partner;
- enhancement of level of integrity through implementation of self-assessment and establishment of an internal audit system;
- formulation, where appropriate, of common positions of ASEM partners in WTO and WCO;
- taking into account resources available, provision of possible technical assistance and training programs related to Customs procedures that will contribute to ASEM expertise and experience;
- review of requirements for paper documents in Customs procedures with a view to minimizing the submission of unnecessary documents as much as possible, and provision of an environment for paperless Customs procedures, taking into account the recommendation by the AEBF VI and supported by the Third ASEM Economic Ministers' Meeting.

2. Standards and Conformity Assessment

Initial goals

In supporting and enhancing the ongoing co-operation between standards, testing, certification and accreditation bodies, the TFAP will in particular aim at:

- ◆ enhancing the exchange of information among standards bodies and establishing national contact points as appropriate;
- ◆ promoting and facilitating the alignment of domestic standards of ASEM partners with international standards;
- ◆ promoting simplification and transparency in standards and certification information and procedures, drawing on electronic media where appropriate;
- ◆ where appropriate, exploring possible common positions amongst ASEM partners in relation to the work of international standards bodies (such as ISO and IEC);
- ◆ where appropriate, preparing for eventual progress towards mutual recognition agreements;
- ◆ encouraging co-operation in the promotion of technical and institutional capacity-building relating to standards, testing and certification.

The deliverables for 2002-2004 will be

- Continued updating and improvement of the inventory of standards and conformity assessment systems. This regular updating exercise is an established activity. In the future, each partner will be individually responsible for maintaining their own information in a central electronic repository (CIRCA) on a regular basis and according to the established format.
- Continued alignment on international standards. Partners will continue to report on the situation with regard to improving alignment of national with international standards for agreed priority product categories (electrical and mechanical equipment, machinery, telecom terminal equipment, medical devices). Additionally, work in this area should also include identifying areas where the use of international standards is considered inadequate by certain partners in order to provide feedback to international standards bodies, and also to identify needs for new international standards where they do not exist.
- Analysis of the results of the replies to the questionnaire on best regulatory practice for the telecommunications and electrical safety sectors (including electromagnetic compatibility) which have been provided by ASEM partners. The responses should be compiled and it should be examined in which areas these practices are being applied? An evaluation should be carried out to identify critical elements and develop guidelines and recommendations on where, when, and how to apply such practices.
- Continued exchange of information about the various bilateral, regional and international initiatives for technical regulatory collaboration and convergence.

- Continued discussion about mutual recognition with a focus on exchanging experiences on mutual recognition agreements.
- Provide overall coordination to identify technical co-operation and capacity building supply and demand in the area of standards and conformity assessment for ASEM partners.
- Start a dialogue on environmental standards, including the areas of environmental product standards, environmental management standards, and environmental measurement standards.

3. Quarantine and SPS Procedures

Initial goals

Considering ongoing work in other fora, the TFAP would inter alia help promote :

- ◆ a simplification and rationalisation in procedures and documentation considering international best practice; and
- ◆ the enhancement of transparency through the timely and accessible availability of information, drawing where appropriate on electronic media

For the period 2002 – 2004 the working group adopted the following work plan:

- To enhance participation of all ASEM members, general meetings should, where possible, be organised back-to-back annually with a WTO/SPS meeting. Expert meetings would be organised as deemed appropriate back-to-back with meetings under the auspices of the respective international standard setting bodies: IPPC, Codex Alimentarius and OIE.
- In order to have fruitful meetings, the agenda for these meetings should be well prepared in advance. The coverage of the expert meetings could extend beyond the agenda of the respective international standard setting bodies. All ASEM members are encouraged to provide input. It is important that an open dialogue, like there is in the ASEM/TFAP/SPS framework, is held, so that the meeting really has an added value.
- In future workshops, reports on the implementation of the recommendations of earlier workshops should be presented and evaluated.
- During their meeting in September 2002, the Asian European Business Forum (AEBF) should be encouraged to recognise the importance of the ongoing efforts of the ASEM/TFAP/SPS programme, to increase the involvement of the business sector. The AEBF should be invited to be involved in the activities of the ASEM/TFAP/SPS programme 2002-2004. The progress made in involving the business sector, especially the AEBF, should be evaluated at the end of the programme 2002-2004. It was also recommended that the balanced involvement of the business sector should be without prejudice to the intergovernmental character of the international standards setting bodies.
- It was agreed to include Capacity building in the field of SPS in the agenda of the next ASEM/TFAP/SPS meeting in order to explore how to pursue this important issue further.

- As the importance of the activities under the framework of ASEM/TFAP/SPS is widely recognised as a means to support the goal of trade facilitation among ASEM partners, it was agreed that additional resources should be sought to support activities of the group. All ASEM members should be encouraged to devote sufficient funding to allow active participation.

Food Safety

- The future ASEM food safety meetings would be organised back-to-back with Codex meetings. Suggested is to organise a meeting at future Codex meetings, preferably in Asia in 2003 and 2004.
- At least the interaction between Risk Assessment and Risk Management should be discussed, but other subjects can be discussed as well.

Phytosanitary

- The future ASEM phytosanitary meetings will be organised back-to-back with the annual Interim Commission on Phytosanitary Measures (ICPM) in Rome (as organised by France during the last two years). France will prepare these future meetings together with the ASEM co-facilitators.
- Regionalisation and understanding of international standards are possible subjects that can be discussed. Other suggestions for the future agenda of ASEM/TFAP phytosanitary workshop should be defined.

Veterinary

- The future ASEM veterinary meetings will be organised back-to-back with the annual OIE meeting.
- One suggestion for the agenda of the next ASEM/TFAP veterinary meeting is co-operation to enhance systems for animal movement management in the Asian region, particularly on transferring knowledge on legislation and regulation procedures of the EU. Another item for the future agenda is co-operation to improve monitoring systems for drug residues including laboratory testing and co-operation with the OIE to improve knowledge about application of OIE standards.

Meeting schedule:

Subject	Where	When
Food safety	CAC in Rome Codex Regional Committee, in Asia	July 2003 2004
Phytosanitary	ICPM – Rome*	Annually in spring (next on April 6 th)

		2003)
Veterinary	OIE – Paris	Annually in May
All 3 subjects	SPS – Geneva	March 2003 and June 2004

4. Intellectual Property Rights

Initial goals

- ◆ Considering ongoing work in other fora, the TFAP would promote a broad-ranging dialogue among ASEM partners on IPR-related issues, thus encouraging an enhanced understanding of the application of intellectual property rules in both the public and the business sector.

Deliverables for 2002-2004 will be

- Promotion of exchange of opinion among experts about geographical indications (seminars, elaboration of an issues paper)
- Continuation of the discussions on the implementation of intellectual property rights on the basis of the guidelines adopted during the meeting in Hanoi (16-17 May 2002)
- Facilitation of the acceptance of well known trademarks
- Continued exchange of information on cooperation among ASEM partners in relation to IPR awareness and enforcement
- Organisation of further work including the business community, to enhance the understanding of IPR, where ASEM partners shall exchange information with a view to fostering an understanding of the economic rational, effective implementation, including, in particular, adequate enforcement, of IPR protection and increasing the level of enforcement;
- Facilitating access to information on national IPA through appropriate means while paying particular attention to the needs of SMEs;
- Promoting awareness and understanding, through a series of seminars, on the relationship and the roles of Intellectual Property Law and Anti-Trust Law in order to create a fair business environment.

5. Electronic Commerce

Electronic commerce was added to the list of TFAP priority areas only in 2000.

- ◆ In supporting and enhancing the growth of e-commerce transactions between Asia and Europe, the ASEM Process, and the TFAP in particular, will aim at identifying and reducing the differences in existing regulations and standards which hinder Asia-Europe transactions, and examine the establishment of common standards and norms for Asia and Europe.
- ◆ identification of the results of ongoing activities and discussions at other international fora on e-commerce to be utilised and applied in the ASEM context; consultations on specific measures to promote on-line government procurement among ASEM partners;
- ◆ identification of the required ASEM co-operation measures to promote more reliable and secure e-commerce transactions, which include issues of authentication, certification, privacy protection and others;
- ◆ consideration of joint ASEM actions to strengthen consumer protection; discussion on identifying various problems and solutions of other e-commerce related technical standards issues;
- ◆ organisation of a seminar on e-commerce and logistics;
- ◆ exchanging experience on the influence of e-commerce on business start-ups, especially SMEs;
- ◆ associating the private sector, particularly through the Asia Europe Business Forum (AEBF), closely to these deliberations;
- ◆ Identification of the measures which can be taken, in the context of ASEM, to deal with intellectual property rights in the specific context of e-commerce.

The deliverables for 2002 – 2004 will be:

- Holding the 2nd ASEM Seminar on Electronic Commerce on 23 September 2002 in Helsinki, Finland and a TFAP E-Commerce Meeting on the following day.
- Drafting an issues paper on user confidence, cyber security and intellectual property rights in e-commerce, containing an inventory of legislation in these three areas in ASEM countries and draft recommendations to policy-makers for the Seminar/TFAP Meeting.
- Agreeing on recommendations to ASEM E-Commerce policymakers on a regulatory environment conducive to growth of e-Commerce in user confidence, cyber security and intellectual property rights.
- Inviting AEBF to present private sector views during preparation of recommendations, and at the Seminar as well as at the TFAP Meetings.
- Report on the results of the survey on the application of recommendations of each member country at the 3rd TFAP meeting in 2003.
- Organization of a seminar dealing with themes such as e-Commerce and logistics.
- Continuation of cooperation programs such as the ASEM e-Commerce Portal Site and, if necessary, application of other cooperation programs.

- Propose ASEM paperless trade action plans based on the results of the pilot project for ASEM paperless trade and adopt a proposal.
- Seeking of possible measures to promote e-learning between organisations and individuals in the two continents.
- Help bridge the digital divide among ASEM partners by exchange of views on the regulatory aspect of this issue as being most relevant in the economic context.

6. Other trade issues

Initial goals

Taking account of work in other areas, TFAP would inter alia aim at

- ◆ Promoting an exchange of views among partners, in both the public and business sector, on the manner in which market access in the distribution sector can best be enhanced, and
- ◆ Creating an ASEM database or virtual market place providing the business sector with easy access to comprehensive and up-to-date information on legal and administrative trade regimes of ASEM partners, business opportunities, and market trends.

Deliverables for 2002-2004 will be

- In the area of distribution, Partners should continue to promote dialogue between public and business sector. To this end, Partners will begin work by (i) seeking feedback from private businesses on existing barriers in the retail distribution sector; and (ii) identifying and promoting best practices for the retail distribution sector.
- Continued promotion of existing databases in ASEM partners in the areas of customs, trade and investments, standards and conformance, quarantine and SPS, IPR and other similar databases;
- Continued promotion of the ASEM Invest Online (AIO) web-site, which provides information on the investment regime of all ASEM partners;
- Continued promotion of ASEMConnect, which serves as a meeting place for partners;
- Support for efforts by the Philippines to set up an ASEM Information Board, as decided by Foreign Ministers Meeting 4.