



**Submission to
Joint Standing Committee on Treaties**

**Inquiry into the World Trade Organization (WTO) Agreement on
Trade Facilitation Text as adopted at Bali on 7 December 2013**

1 July 2014

The Centre for Customs and Excise Studies, Charles Sturt University (CCES) supports the proposal that Australia adopt the World Trade Organization (WTO) Agreement on Trade Facilitation (ATF) and contends that it should do so as early as possible in order to reinforce its leadership role in matters of trade facilitation and contemporary border management.

International bodies such as the WTO and World Customs Organization (WCO) have for many years been addressing ways in which governments can collectively facilitate the movement of international trade and the cross-border movement of goods. A major catalyst for reform is the increasingly complex nature of international trade, resulting from the highly integrated and interdependent nature of modern supply chains and the associated trend towards cross-border investment. In an environment in which the term 'global marketplace' has become commonplace, the importance of harmonised, simplified and efficient cross-border regulation has never been greater.

CCES is the international centre of excellence for training, education, professional development, technical assistance and capacity building in relation to customs and border management. We have for many years played a leading role in promoting the WTO trade facilitation agenda, and as early as 2007 worked closely with the WTO, World Bank and other Annex D Organisations to develop the *WTO Negotiations on Trade Facilitation Self Assessment Guide* to assist developing and least-developed countries to assess their technical assistance and capacity building support needs and priorities to implement what is now the ATF.

A recent study by CCES relates to ATF Article 7 (7): Trade Facilitation Measures for Authorized Operators. The study identifies a potential disadvantage to Australian exporters of not having access to such a scheme, and we have been invited to discuss the findings with the Australian Customs and Border Protection Service (ACBPS) in the context of its recently announced proposal to introduce a Trusted Trader program.

CCES also hosts the Secretariat of the International Network of Customs Universities (INCUI), an international not-for-profit organisation of over 200 members and affiliates, which provides empirical research that informs decision making in the field of customs and related areas.

The Inaugural INCUI Global Conference was held from 21 to 23 May 2014 with the theme *Trade Facilitation Post-Bali: Putting Policy into Practice*. The conference was a tremendous success, bringing together delegates from over 70 countries including representatives of customs administrations, the private sector, academia and international organisations. The opening address was delivered via video by the Director General of the World Trade Organization, H.E. Ambassador Roberto Azevêdo. Following the conference the INCUI adopted the Baku Resolution which resolves, among other things, to support the work of the WTO Committee on Trade Facilitation.

The ATF represents a significant step towards a globally consistent approach to the regulation of cross-border trade with the potential to achieve the high level of trade facilitation being sought by both governments and industry alike. While considerable progress has been made, it is contended that much work is yet to be done to ensure that individual economies have the necessary capacity to translate the theory into practice.

The key to achieving the policy ambitions of the Agreement is seen to lie in the effective implementation of the Special and Differential Treatment Provisions for Developing Country Members and Least Developed Country Members. CCES therefore encourages the Australian Government to assist such economies through the provision of technical assistance and capacity building support.

Attached to this submission are copies of the WTO Director-General's Opening Address to the INCUI Conference, and the INCUI Baku Resolution. Both the submission and attachments may be published by the Committee at its discretion. I would be pleased to further discuss this submission with the Committee and provide further information and clarification as required.

Professor David Widdowson
Chief Executive Officer

Inaugural INCU Global Conference
"Trade Facilitation Post-Bali: Putting Policy into Practice"
21-23 May 2014, Baku, Republic of Azerbaijan

**Opening Address by H.E. Ambassador Roberto Azevêdo, Director-General,
World Trade Organization**

21 May 2014

Hello everyone, I am sorry I cannot be with you today, but I am honoured to be asked to send you this message and I want to start by thanking INCU and the State Customs Committee of the Republic of Azerbaijan for organising this important and timely conference.

Through academic research and debate the INCU strives to help the people who make the big decisions in Customs to formulate strategies and policies. This is important work and it has never been more relevant.

With trade growth still sluggish after the financial crisis you can make a real contribution by helping trade to flow more smoothly and efficiently. The Trade Facilitation Agreement which was agreed in Bali last December will help you in this task and I believe this agreement is a real breakthrough and represents a transformative moment for the WTO and a boost for the global economy. And I think it demonstrates perfectly the significance of your work. It shows the centrality of Customs to the state of the economy and therefore to the health, wealth and happiness of us all. By streamlining and standardising customs processes, economists think that the Trade Facilitation Agreement will have a major impact. Estimates of the gains range up to \$1 trillion accruing to both developing and developed countries, but with the lion's share going to the poorest.

Therefore your work to support the effective implementation is both helpful and welcome and in my view essential. And I know that members of the INCU have been actively involved for many years in research that supports the facilitation of trade. As early as 2007, INCU President Professor David Widdowson was working closely with the WTO to develop the first version of WTO Trade Facilitation Self-Assessment Guide. This guide was used by approximately 100 developing and least developed countries to assess their trade facilitation needs and priorities which enable them to participate more effectively in the WTO Trade Facilitation negotiations. In fact, as never before, they were central to the whole process. This is just one example of your excellent work and I think this conference is another.

I wish the INCU and the State Customs Committee of the Republic of Azerbaijan every success for this event. I am very interested in seeing the outcomes which I am confident will be useful to our members as we move into the critical phase of putting the new WTO Trade Facilitation agreement into practice.

Thank you very much and I wish you a productive and enjoyable few days.

The logo for the International Network of Customs Universities (INCUC) features the word "incu" in a stylized, lowercase, blue serif font. The letters are outlined in a thick yellow border, giving it a three-dimensional appearance. The 'i' has a small yellow dot above it.

BAKU RESOLUTION

Resolution of the International Network of Customs Universities on the future direction of the organisation

(Baku, 23 May 2014)

Welcoming the successful outcome of the Inaugural INCU Global Conference held in Baku, Republic of Azerbaijan on 21 to 23 May 2014, with the theme “Trade Facilitation Post Bali: Putting Policy into Practice”

Noting that the conference brought together delegates from over 70 countries including representatives of customs administrations, 20 international organisations, the private sector and academia

Acknowledging the significant support and contribution made by the State Customs Committee of the Republic of Azerbaijan in ensuring the success of the conference

Acknowledging also the personal support of the Chairman of the State Customs Committee of the Republic of Azerbaijan, who was admitted as an Honorary Fellow of the INCU on 23 May 2014 in recognition of his contribution to the objectives of the organisation

Noting the high level Government representation at the conference, including that of the Deputy Prime Minister of the Republic of Azerbaijan, and other senior members of Government

Recognising the significant contribution to the conference agenda by the Director General of the WTO, three eminent Nobel Laureates, the Assistant Secretary of International Affairs of the US Department of Homeland Security and a number of other highly respected representatives of customs administrations, international organisations, the private sector and academia

Noting that the conference served to form or further cement the relationship between the INCU and organisations that support the INCU objectives

Recognising the significant achievement of the WTO in reaching its Agreement on Trade Facilitation (the Bali Agreement)

Acknowledging the importance that many international organisations play in developing international trade and the associated customs and border management policies

Recognising also the need to increase INCU's engagement with a broad cross-section of the international community

Noting the need to develop education and training programs that meet the requirements of both the public and private sectors.

Resolves to:

1. Formally engage with a broader cross-section of the international community
2. Identify further ways of providing opportunities for academics, students and less experienced researchers to present and publish their research
3. Develop a definition of the term "customs profession" which includes both public and private sector members of the international trading community
4. Identify the requisite knowledge, skills and competencies of those engaged in the customs profession
5. Develop guidelines for accrediting education and training programs that meet the identified knowledge, skill and competency requirements
6. Encourage mutual recognition of INCU Member education and training programs through credit allocation, cross-institution arrangements and other means
7. Develop regional INCU offices, commencing with the establishment of an office in the Republic of Azerbaijan
8. Support the work of the WTO Committee on Trade Facilitation through empirical studies which address the following key propositions presented at the conference:
 - a. There is a need for a paradigm shift that views the role of "border management" agencies as one of Trade Flow Management
 - b. Trade facilitation and supply chain security are not mutually exclusive variables but involve the same processes
 - c. Meta data and targeting are necessary to risk management and traffic segmentation
 - d. Fragmented border management is an artifact of history that globalisation requires revisiting
 - e. There is a need to move from bilateral border relations to binational relationships transnationally.