



The Sixth ASEM Customs DG-Commissioners Meeting

Peebles, Scotland 27-28 June 2005

Statement

1. The 6th ASEM Customs DG-Commissioner Meeting took place in Peebles on 27-28 June 2005. The Meeting was attended by the Heads of Customs Administrations and senior customs officials from 34 Asian and European countries. Senior officials from the European Commission, the European Council and the World Customs Organisation also participated.

OPENING REMARKS

2. Two keynote speeches were given in the opening session of the Meeting by the European Commission on the ASEM Asia-Europe Dialogue and by the UK Customs Minister, (the Paymaster General), on the important role that ASEM partners play in facilitating global trade and protecting society.

REPORTS ON INTER-SESSIONAL DEVELOPMENTS IN THE INTERNATIONAL CUSTOMS ARENA

3. The Meeting noted the reports given by Vietnam, Korea and Brunei Darussalam on the 5th ASEM Summit held in Hanoi on 8-9 October 2004, the first 2005 APEC Sub Committee on Customs Procedures held in Seoul on 22-25 February 2005 and the 13th ASEAN Customs DG Meeting held in Brunei Darussalam on 6-8 June 2005.

CUSTOMS PROCEDURES AND TRADE FACILITATION

4. Singapore informed the Meeting about the results of the ASEM Customs Procedures Working Group held on 27-28 April 2005. The UK briefed the Meeting about current work within Europe to modernise the Community's Customs Code and the fact that the proposals would be brought forward in September 2005 during the UK Presidency.
5. Korea gave a presentation on the Seoul Initiative Action Plan on simplifying customs procedures and on strengthening customs cooperation in East Asia. The Meeting welcomed and endorsed this Action Plan and agreed it is an excellent regional initiative which is also complementary to EU and WCO trade facilitation activities. Furthermore, the Meeting focused on the rules of origin elements of the Action Plan. It was noted that these proposals complement current EU initiatives on preferential origin and it was agreed that acceptance of e-certificates of origin should be promoted. Following remarks from Poland, it was also highlighted that current administrative procedures can be improved by allowing e-mail enquires to facilitate and speed up verification processes.
6. The Meeting also noted recent developments advised by the European Commission on the WTO's work programme on trade facilitation.

ENFORCEMENT & SECURITY

7. The European Commission and Luxembourg, the current holder of the EU Presidency, reported on the results of the ASEM Customs Enforcement Working Group (EWG) meeting held in Brussels on 30-31 May 2005. The Meeting endorsed the two draft action plans that had been produced by the EWG on Supply Chain Security, Trade Facilitation and IPR and on the Fight against Fraud to cover the period 2005-2007. The Commission sought additional co-ordinators for the Supply Chain, Trade Facilitation and IPR action plan and the UK indicated willingness to work with the Commission on Risk Assessment activities. Other coordinators would need to be found for the other remaining items. The Luxembourg presentation highlighted the importance of making better use of the WCO's Customs Enforcement Network (CEN) as the main means of exchanging anti-fraud information and summarised proposed activities in relation to counterfeit cigarette smuggling and amphetamine type stimulants. The Meeting expressed support for the EWG work carried out by the Commission and Luxembourg and agreed on the importance of updating the WCO's CEN database. The Meeting agreed on the importance of effective implementation of the WCO's Framework of Standards which had been agreed at the WCO Council the previous week.
8. The Netherlands gave a presentation on the Container Security Initiative and proposed follow up action in an ASEM context to promote supply chain security. The Meeting agreed on the importance of further measures which could be usefully considered not only between the EU/US and in the context of APEC but also at the ASEM level as well as nationally and in our regions. Such an initiative could initially involve pilot projects. The Meeting suggested that further measures should be considered at the joint ASEM Customs Enforcement Working Group/Procedures Working Group meeting next year. In advance of this the Netherlands would convene a working group of 5 EU and 5 ASEAN countries to progress these issues in the interim. It was also agreed that the Ministerial Statement made at the 6th ASEM Finance Ministers Meeting in Tianjin should be followed up in preparation for the next Finance Ministers meeting in Vienna in April 2006.
9. The UK outlined its plans to host a European Cocaine Conference in Peebles on 21-22 October 2005 which will focus on taking forward the EU Drugs Action Plan and invited Asian customs attaches to this event. The Meeting noted that this Conference was a good example of operational co-operation in the fight against drugs smuggling and that any lessons learnt can be used to inform future ASEM EWG discussions.
10. Following presentations from the European Commission, China, Italy, the Scotch Whisky Association and the World Customs Organization on current anti-counterfeiting activities, the Meeting agreed that counterfeiting is a global problem and that customs administrations have a crucial role in detecting and preventing this illicit trade. The Meeting also discussed the potential impacts this illicit activity has on public health and safety, social development and cultural prosperity. The Meeting concluded that ASEM partners should aim to put counterfeiters out of business, to seize and destroy their illegal goods and to pursue persistent offenders. The Meeting agreed a Statement on "Combating Counterfeiting" which is set out in **Annex A**.

CUSTOMS COOPERATION IN ASEM

11. Japan reported on recent progress in Customs co-operation and mutual assistance between Asian and European ASEM partners with particular emphasis on capacity building. Japan also informed the Meeting about the responses received so far on the Survey on ASEM Training Capabilities and Needs.
12. The Meeting noted the current state of play on the implementation of WCO customs agreements, especially the Kyoto and Johannesburg Conventions.
13. The Philippines shared its experience of implementing a range of EU funded projects on the ASEAN Single Window, ASEAN Customs Reform and Modernization and Risk and Border Management Systems and highlighted the significant operational benefits being gained from the new declaration processing and risk targeting systems they have introduced.
14. Following presentations from the WCO, China and the UK on the development and use of international standards for customs procedures such as the WCO Data Model, the Unique Consignment Reference and international data messaging standards, the Meeting agreed that Customs Administrations should look to introduce the standards set out in the WCO Framework at the earliest possible opportunity. The Meeting also recognised that the introduction of international standards provides significant cost and efficiency benefits for both Customs Administrations and economic operators involved in international trade. In addition, the Meeting acknowledged the important role international standards and, in particular, use of a unique consignment reference, can play in improving risk targeting capabilities and security throughout the international trade supply chain. The Meeting's full conclusions on the development and use of international standards, including the WCO Data Model and the Unique Consignment Reference are set out at **Annex B**.

FUTURE ASEM CUSTOMS MEETINGS

15. Malaysia announced that an Asian country will host the 7th ASEM Customs DG-Commissioner Meeting in 2007. Consultations will take place to decide which Asian country this will be and the venue will be notified in due course.
16. The Meeting noted that Poland will be hosting the next ASEM Customs Procedures Working Group (PWG) and that this will be held in September 2006. The PWG Meeting will be extended with respective experts to cover procedural and enforcement issues in the area of supply chain security.
17. It was also noted that Korea will be hosting the next ASEM Customs Enforcement Working Group in May 2006.

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ANNEX A

STATEMENT FROM THE 6TH ASEM CUSTOMS DIRECTORS GENERAL-COMMISSIONER MEETING ON COMBATING COUNTERFEITING (INCLUDING THE INFRINGEMENT OF OTHER INTELLECTUAL PROPERTY RIGHTS)

1. Directors General-Commissioners agreed that combating the illegal global trade in counterfeit goods is a top priority for customs administrations and needs to be tackled globally. All regions of the world are affected and counterfeiting is not a victimless crime. Counterfeiting is an attack on public health and public safety and hinders social development and cultural prosperity. Fraudulent imitation of a product also distorts legitimate trade and provides unfair competition to the detriment of research and innovative capacity. The known links with organised crime and the social and material damage counterfeiting can do to society was acknowledged.
2. It is estimated that counterfeit goods account for about 7% of international trade with a value of \$450 billion. The problem is serious and it is growing. Counterfeit goods now impact on almost every trade sector and this illicit activity is not just limited to a few luxury products. The health and safety implications of certain counterfeit products cannot be underestimated and for consumers, unaware of the risks, the consequences can be devastating.
3. The Meeting acknowledged the crucial role that customs administrations can play in preventing and detecting this illegal trade. The Directors General - Commissioners therefore undertook to maximise opportunities for closer working and to identify areas where joint actions can effectively be employed. Greater efforts should be made to facilitate information sharing between Asian and EU countries focusing on latest counterfeiting trends and exchanges of enforcement officials.
4. Specifically Directors General-Commissioners agreed on the importance of:
 - a. Improving information exchange between Asian and European countries. Such information shall include details of seizures, transit routes, country of origin and means of transport.
 - b. Supporting the WCO in its work in tackling counterfeiting by a commitment to the Customs Enforcement Network (CEN) database, ensuring that the database is up to date and that it has full coverage of counterfeiting.
 - c. Exchanging of Customs officials with expertise in anti-counterfeiting controls and exploiting opportunities for joint training.
 - d. Having in place the necessary legislative provisions to tackle counterfeiting.
 - e. Raising public awareness about the social, economic and public health damage caused by counterfeiting.

- f. Undertaking special exercises to target counterfeit goods, with particular emphasis on products likely to present a real danger to public health and safety.
 - g. Having a commitment to work with other national government agencies to tackle counterfeiting and recognising that enforcement at international borders is but one part in the fight against global counterfeiting.
 - h. Sharing best practice on successful prosecutions.
 - i. Building and promoting effective working partnerships with legitimate industries.
 - j. Promoting the use of IT-based information exchange mechanisms between Customs and right holders.
 - k. Working together to cut off production sources of counterfeit goods.
5. The Meeting agreed that the strategic aim is to put counterfeiters out of business, to seize and destroy their illegal goods and to pursue persistent offenders. We agreed the need for a stronger emphasis on prosecution and on the confiscation of criminal assets where appropriate from those who profit from counterfeiting. By these actions a message will be sent to the international trading community and other enforcement agencies that customs administrations are committed in the fight back against counterfeiting at the national and international level.
6. The Meeting agreed that the forthcoming ASEM Customs Enforcement Working Group, planned to be held in Korea in May 2006, would carry forward this work programme.

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ANNEX B

STATEMENT FROM THE 6th ASEM DG – COMMISSIONER MEETING ON ENCOURAGING THE DEVELOPMENT AND USE OF INTERNATIONAL STANDARDS FOR CUSTOMS MESSAGING AND THE BENEFITS FOR CUSTOMS AND BUSINESS

1. We agreed the benefits that can be achieved by use of the Customs Data Model in standardising message format and structure and the reduction in compliance costs to economic operators involved in importing and exporting this will bring and in improved risk assessment and targeting of resources for customs. We will look for opportunities to introduce the data model within our own administrations and work collaboratively with others in providing assistance to help in doing so where required. In particular EU and Asian countries are encouraged to take up pilot projects at national and international level.
2. Coupled with the Unique Consignment Reference (UCR) we will be able to provide greater control of the International Trade Supply chain, better end to end audit control enhancing our risk management techniques and improving the speed and prediction of the movement of goods. We should work with economic operators by utilising the technological developments in industry to use their commercial systems and references to move forward to an internationally accepted standard recognising the export message of one country could be import message of another.
3. We acknowledge that the objective of implementing the data model and UCR by 2005 agreed at other international meetings has not yet been fully met. We agreed in the importance of implementing these standards as soon as practically possible and noted that in the EU the Data Model and UCR will be implemented in part through our Single Administrative Document (SAD) reform in 2006/2007, although use of the UCR itself will remain optional for the time being. We noted that co-ordination within the EU will be vital if implementation of the Data Model and UCR is to be helpful to business.