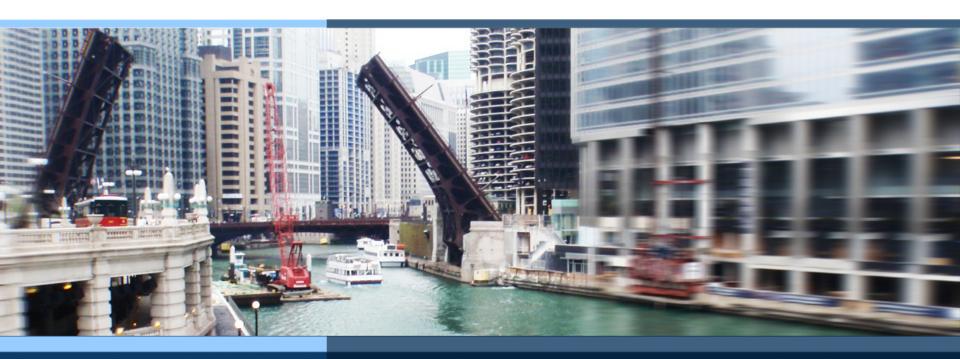
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Customs Facilitation & the Panama Canal Expansion

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Overview: The Panama Canal Expansion

- Panama Canal Authority: expansion 50% complete (Source: Bloomberg.com – article published January 17th 2013)
- Commercial Transit expected to commence in June
 2015 (2.5 years from present)
- Successful completion will allow Post-Panamax Vessels to transport up to 13,000 TEUs, more than double the current maximum of 5,000 TEUs
- Significantly impacts upon trade possibilities in the ACS region... where are we now and what are some change imperatives?



Where are we now: Ease of doing business within ACS region

- Highest ranked ACS full member states on World Bank's Ease of doing business report (as at end of 2012):
 - Colombia (ranked 45th out of 185 countries)
 - St. Lucia (53rd)
 - Panama (61st)
- For the 3 top ranked countries, the Trading Across Borders rankings are 91st, 109th and 9th respectively...(cont'd)



Where are we now: Ease of doing business in ACS

- Apart from Panama, no country within the ACS region is ranked within the top 15, and few ranked within the top 50 in terms of Trading Across Borders
- Lowest Ranked ACS countries:
 - Honduras (125th)
 - Suriname (164th)
 - Venezuela (180th)
- Majority of remaining lowest ranked countries are African states
 - Most important economic players globally ranked higher than the ACS member states



Global Competitiveness Report 2012-2013

- Highest Ranked Countries in Government Provision of Services for improved business performance (World Economic Forum's GCI Report 2012-2013
 - Barbados 45th (out of 139 countries)
 - Mexico 57th
 - Colombia 69th
- Reports indicate "low" ranking of ACS members relative to the rest of the world
- Considerable room for improvement within the ACS (change imperatives to be discussed later)



Modernizing the Customs Facilitation Environment

- The United Nation's UNCTAD Developed the Automated System for Customs Data (ASYCUDA)
- Latest version: ASYCUDA World Benefits:
 - Automated handling of all steps of Cargo clearance process for all Customs procedures
 - Built in capability to support national specific requirements and frequent regulation changes
 - Copes with different organizational structures
 - Full risk assessment and selectivity module



Modernizing the Customs Facilitation Environment (cont'd)

- ASYCUDA World Benefits
 - Full support of e-government and capability to interoperate on-line with external/governmental systems and databases.
 - Increased capabilities for accounting, post-clearance audit, statistics and information management.
 - Easier aggregation of data at regional and international levels. Better and faster economic decision-making
- SOURCE: ASYCUDA Website: http://www.asycuda.org/default.asp



ASYCUDA World and Customs Trade

Facilitation

- Benefits reveal that it is a major tool in Customs Trade Facilitation globally
- Benefits are in line with the Mandate and Objectives of the ACS Working Group
- However ASYCUDA World: not yet implemented in all ACS countries (only partially implemented in Trinidad and Tobago in 2012)
 - Some ACS member states are still using the most outdated version of ASYCUDA – v2.7
- Significance: countries must expedite actions necessary to implement ASYCUDA World to meet the goals of Trade Facilitation

Barriers to full ASYCUDA World

Implementation in T&T

- Outdated legislation and challenges associated with amendment
- Integration with other government agencies (e.g. Ministry of Trade and Industry, Ports of Port of Spain and PLIPDECO)
- 3. Inadequacy of Customs and Excise personnel to properly administer the system



Barriers to full ASYCUDA World Implementation in T&T (cont'd)

- IT infrastructure of importers and exporters (users of the system)
- 5. Human and cultural factors resistance to change from within
- REGIONAL BARRIER: ACS countries at different stages of economic, institutional and socio-cultural development



Other elements in the Trade facilitation Process (T&T)

- The efficiency of a country's Ports
 - NAVIS SPARCS N4
- Processes involved in product certification and implementation of standards (TTBS, CFDD)
- The Single Electronic Window for Trade Facilitation
 - Electronic Signatures, Electronic Payments,
 Efficiency in business start up, faster process in obtaining licenses/trade certificates
- Connectivity of and compliance by Shipping Lines / Shipping agents



Other elements in the Trade facilitation Process (cont'd)

- Payment of demurrage charges to container recover/detention agencies
- Training of users of all users of the system
- Lack of continuity in government policy and strategy due to changes in political administrations



Impending Panama Canal Expansion – Imperatives for ACS members

- Each country must benchmark itself against the rest of the world – role of the Logistics Performance Index; GCI, Ease of doing business report etc.
- Benchmarking should be followed by evaluation of financial, institutional, human resource, infrastructural and other requirements to meet international standards
- Also involves stakeholder consultations with other regulators and players in the Trade Facilitation process
- Role of the CSME and ACS: essential point of reference for ensuring regional uniformity in Customs Administration



Thank You

