

Caribbean Regional Policy Dialogue on Aid for Trade

Inter-American Development Bank

Bridgetown – Barbados

December 11th & 12th, 2008

Brian Rankin Staples
Trade Facilitation Services
Ottawa – Canada

Trade Facilitation

- My perspective – private sector
- “voluntary mutual consent”
- 1st comes trade – then comes regulation – then comes trade facilitation

What is it?

- WTO = Articles V (Freedom of Transit), VIII (Fees & Formalities) & X (Transparency)
- + dozens of related proposals
- “the simplification, harmonization of all international trade procedures”

How did it get on any agenda?

- Private sector = anything (including automation) to improve the movement of goods, trade data and related funds (end-to-end) therefore multiple stakeholders
- More trade – faster trade – more complex trade (FTAs) – more visible trade

Why bother with it?

- Improves cash flow cycle – reduces direct and indirect transaction costs
- Attracts investment
- Export growth is predicated on import facilitation (i.e. China's apparel sector)
- TF can enhance control & revenue

Regional Implications: TF and EPA?

- Many EPA trade facilitation obligations based on WTO obligations
- Many must be in place to enjoy preferential benefits
- Built in monitoring/amendments

Major EPA TF Matters

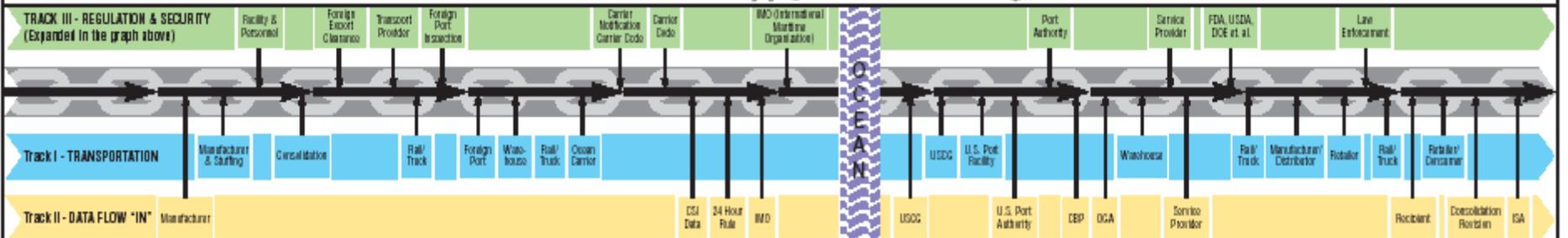
- Harmonized System
- Agreement on Customs Valuation
- Single Entry
- "authorized trader"
- Advance rulings
- Appeals
- Procurement ROO
- Origin verification of **imports**
- Expanded regional cumulation
- Origin review in 5 years
- "free zones"
- Administrative co-operation

Implications for the Region

- Extensive legislative review & amendments
- Operational & procedural changes - Trade & Customs Reform
- Integrate with WTO, additional FTAs, the "security agenda"

UNITED STATES SECURITY PROGRAMS (POST 9/11)	A. PROGRAM DESCRIPTION											B. COMPLIANCE IMPACT*							C. RESOURCE EXPENDITURES*																				
	Responsible Government Entity	Trade Partners		Prospective Disruptors	Modality	Modality of Transport (All Other Excludes)	District Security Plan Required for Program	Specific Security Equipment Requirements	Advanced Information Required (If a program in this sector)	Screen/Screening Data Targeting	Background Checks Required	Physical Cargo Exams (Required for Program)	Cargo Scanning at Origin	Agency Specific Minimum Security Requirements	Daily/Standby Chain (24 hours)	# Daily < 2% of manifests?	Daily/Standby Chain (24-48 hours)	Extended Daily/Standby Chain (48 hours or more)	Major Daily/Standby Chain (5-7 days)	Prohibition/Screening/Destruction (if any)	Production/Screening/Destruction (if any)	Increased Invoicing	Trade Discrimination	Previously Unchecked Data Required	Redirection of Internal Resources	Addition of External Resources	Additional Invoicing Hours (<2%)	Additional Invoicing Hours (>2%)	Cost Increase (< 1%)	Cost Increase (> 1%)	Significant Financial Incentive (One Time)	Significant Financial Incentive (>2% manufacturing cost/yr)	Significant Financial Incentive (Ongoing)	Significant Financial Incentive (> 2% manufacturing cost/yr)	Significant Financial Incentive (Other)	Time (< 2% of transport time)	Time (> 2% of transport time)		
		U.S. Exporters	Other																																				
I. DEPARTMENT OF HOMELAND SECURITY																																							
*This chart is a work in progress. Categories B and C reflect general consensus and are SME oriented. Thus, they underrepresent larger and multinational companies.																																							
Advanced Trade Data in Files (ATA-FILE)	DHS/DSP	Exporters	Importers		NI																																		
C-TRF	DHS/DSP	ISO	Importers/Exporters/Brokers/Ports		NI																																		
Maritime Transportation Security Act (MTSA)	DHS/Coast Guard		Port/Exporters		Score																																		
Electronic Manifests (EMIS)	DHS/ICE/ROST		Exporters/Importers	ICD/RO/ISPM		Truck (NI)																																	
Free and Secure Trade (FST)	DHS/ICE/ROSA		Exporters	C-TRF/ISPM		Truck (NI)																																	
Container Security Initiative (CSI)	DHS/ICE/ROSE	ISO	Exporters/Importers	DIS/ISPM/MTSA		Score																																	
Secure Shipper Program	DHS/ISPM	Exporters	All Carriers	ISPM		NI																																	
Secure Freight Initiative	DHS/ICE/ROSE	Exporters	Port/Carriers/Importers	CIS/ISPM		Score (NI)																																	
ISPA Scanning	DHS/ICE/ROSE	ISO	Importers/Exporters/Carriers/Ports	ISPA/ISPM		Score (NI)																																	
II. OTHER GOVERNMENT AGENCIES																																							
Coast Guard Bulk Safety Inspection Program (CBIS)	BOEMRE (Mar)		Importers/Truck Carriers			Truck																																	
Heightened Health Regulations	DHS/ISPM	Exporters	Carriers			NI																																	
Enhanced Risk Profiling	HSACSP		Importers/Exporters			NI																																	
Rail Capital and Modernization Programs (PACOM)	DHS/DOE		Importers			NI																																	
III. INTERNATIONAL AGREEMENTS																																							
Safe Framework of Standards to Secure and Facilitate Global Trade	WCO (Mexico)	Exporters	All	C-TRF/ISPM		NI																																	
International Ship & Port Facility Security Code (ISPS)	International	Exporters	Score Carriers/Ports			Score																																	
Advanced Economic Spreads	EU Japan, et al.	Exporters	All	C-TRF		NI																																	
IV. PRIVATE SECTOR																																							
Rail to Freeway Intermodal on Deck (RFID)		Exporters	Importers/Carriers			Score/Truck (NI)																																	
World Party Initiative (WPI)	CBP		Agent			NI																																	
Internal Control Standards Organization (ISCO/ISPS 2008)		Exporters	All			NI																																	
V. CHALLENGES AND POTENTIAL																																							
Container Standards and Procedures	DHS	ISO	Importers/Carriers			Score (NI)																																	
Interlock Air Carrier Standard Security Program (ICSSP)	NOT PUBLICLY DISCLOSED																																						
Data Security Filing (DSF) - (Proposed in Regulation)	DHS/DOE	ISO	Importers/Exporters/Brokers/Carriers			NI																																	
Transportation Risk Identification on Container (TRIC) (Proposed in Regs. 160)	DHS/Coast Guard/TCM/ISPM	Exporters	Truck/Importers/Ports			Score/Truck																																	
Global Trade Data Exchange (GTDE)	DHS/ICE/ROSE	Exporters	All	ISPA/ISPM		NI																																	
VI. COMPLIANCE WITH SECURITY IMPACT																																							
Forward Assessment (Control Procedures and Enforcement)	DHS/DOE	Exporters	Importers			NI																																	
Container Security Double Program (CSD)	DHS/DOE	Exporters	Importers			NI																																	
Advanced Export System (AES)	DHS/ICE/ROSE/ISPM	Exporters	Importers			NI																																	
Automated Targeting System (Automated Security Targeting System)	DHS/DOE	Exporters	Importers			NI																																	
Early AES	DHS/DOE	Exporters	Importers			NI																																	

The American Trader's Guide to the Supply Chain — 3 Integrated Essential Tracks



The Central Challenge

- Assume funding – how to proceed with specific obligations in a larger trade facilitation context and reality?
 - A) Must be synchronized
 - B) Should use World Customs Organization (WCO) and Revised Kyoto Convention (RKC) as a blueprint

Potential Remedies

- C) International, national and regional trade facilitation bodies (**not** institutions)
- D) Private public in nature as just announced in Bahamas (SMESU)
- E) Co-Develop Strategic Management Plans
- F) Monitor with enhanced LPI & WCO equivalent of WTO Trade Policy Review