

## **Chairman's Summary of the 7<sup>th</sup> Asia Europe Meeting (ASEM)**

### **Customs Directors Generals-Commissioners Meeting**

**Yokohama, 12-13 November 2007**

#### **Introduction**

1. The 7th Meeting of the ASEM Customs DG-Commissioners Meeting was held in Yokohama, Japan on 12 and 13 November 2007. The Meeting was attended by the Directors-General and Commissioners of Customs and senior customs officials from 37 ASEM Members, as well as the Council of the European Union and the World Customs Organization as observers. This Meeting was chaired by Mr. Yukiyasu Aoyama, Director-General, Customs and Tariff Bureau, Ministry of Finance, Japan.
2. The Meeting was officially opened by Mr. Aoyama. Opening remarks were delivered by Mr. Aoyama, Mr. Kastrissianakis of the European Commission and Mr. Fournel, Director-General of French Customs.

#### **Report on Inter-sessional developments in ASEM**

3. Finland and Austria reported on the customs-related results of the 6<sup>th</sup> ASEM Summit in Helsinki, Finland on 10-11 September 2006, the 7<sup>th</sup> ASEM Finance Minister's Meeting in Wien, Austria on 8-9 April 2006 and 8<sup>th</sup> ASEM Foreign Minister's Meeting in Hamburg, Germany on 28-29 May 2007.

#### **Customs' Approach to Secure and Facilitate Trade**

4. Malaysia presented the outcome of 10<sup>th</sup> Customs Procedures Working Group Meeting (PWG) in Kota Kinabalu, Sabah, Malaysia on 27-29 March 2007. Germany reported the outcome of 10<sup>th</sup> Enforcement Working Group Meeting (EWG) in Berlin, Germany

on 9-10 May 2007.

The Meeting endorsed the two reports and the Trade Facilitation Action Plan for 2006-2008, and the EWG Enforcement Action Plan for 2007-2009.

5. The WCO briefed the update on the implementation of WCO Framework of Standards.
6. The Netherlands and Singapore presented the ASEM Contribution Paper on Supply Chain Security to the WCO SAFE Framework of Standards, which the Meeting adopted.
7. China and the UK reported recent progress of the EU-China AEO (Authorized Economic Operator) Pilot Project “Smart and secure trade lanes”, which is entering in a testing phase. India also mentioned about the “Secure Lane Project” which it had entered into with Belgium for trade between Antwerp(Belgium) and Nhava Sheva(India).
8. Germany and Japan made presentations of updates on new developments/initiatives in the area of security, including the AEO systems. Germany made suggestions for future cooperation between ASEM countries, in particular as regards mutual recognition of AEO programs and the practical impact of implementation of new security rules, which was welcomed by the Meeting for introduction in its future work program.
9. Dr. Mitsuo Koshi, Professor, Department of Chemical System Engineering, University of Tokyo gave a presentation on “Application of high technologies to counter terrorism”.
10. Korea informed the Meeting about the follow-up of the implementation of the Seoul Initiative Action Plan.

### **Dialogue with the Private Sector**

11. Mr. Akihiro Ishiwatari, Corporate Vice President in charge of Supply Chain Management at NISSAN MOTOR Co., LTD gave NISSAN's view on global supply chain management emphasizing the need for international customs standards.

### **Customs' Approach to Protection of IPR**

12. The UK introduced the topic by recalling the Statement from the 6<sup>th</sup> ASEM DG-Commissioners Meeting on Combating Counterfeiting. France and Hungary presented new risks arising from the consequences on globalization and spread of internet.

13. Japan, China and Korea gave presentations on Customs Approach to IPR Protection from the Asian side.

14. WCO briefed the Meeting about update on the implementation of SECURE (Standards Employed by Customs for Uniform Rights Enforcement).

### **Customs' Approach to Environmental Issues**

15. Japan informed the Meeting about Customs' approach to environmental Issues. WCO also reported its approach to environmental Issues.

### **Customs Cooperation / Capacity Building**

16. The EC presented the "Customs Blueprints" and distributed the document to all Asian countries. The Blueprints will be a main tool used by the EC to prepare and implement

technical assistance and capacity building programs in the customs and trade facilitation area.

17. The Philippines informed the Meeting about the recent development of the ASEAN Single Window (ASW).
18. Sweden and Singapore made a presentation on the Joint Model for Customs-to-Business cooperation and encouraged members to use the model for future cooperation with businesses. The Meeting was also informed that Sweden and Singapore were working with Vietnam to try out the model.
19. The WCO made a presentation on the WCO's initiative, "WCO Policy commission agenda".

**Orientation and priorities for the future work of  
ASEM Customs Working Groups/Cooperation**

20. The EC submitted a working paper to the Meeting and made a presentation proposing orientations and priorities for future ASEM Customs work. The five suggested priority themes were: "Trade Facilitation and Security of the Supply Chain", "Standardisation and Simplification", "Combating Counterfeiting", "Fight against Fraud" and "Protecting the Society and the Environment". The work done so far in ASEM, as well as agreed activities of the Working Group Action Plans would be integrated and continued according to these priorities.

The EC also suggested to adapt the structure of working groups to the thematic approach and merge PWG and EWG into one working group in the future which should be called "ASEM working group on customs matters" (AWC). The working paper was endorsed by the Meeting.

## **Future Meetings and Wrap up**

21. EC announced that it will host the 8<sup>th</sup> ASEM Customs DG-Commissioners Meeting in Europe in 2009. The exact venue will be announced at the 1<sup>st</sup> meeting of the ASEM Working Group on Customs Matters (AWC).

The Meeting noted that the 1st meeting of the AWC will be hosted by France in spring 2008. Thailand also informed that following AWC will take place in Thailand in the final quarter of 2008.

22. Mr. Aoyama summarized the Meeting. The Meeting adopted the “YOKOHAMA Declaration”, which is set out in the Annex.

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## ANNEX

### **YOKOHAMA DECLARATION: A STRENGTHENED ASEM CUSTOMS COOPERATION IN THE NEW ERA**

Yokohama, where the 7th ASEM DG-Commissioners Meeting was held, will soon celebrate its 150 year anniversary since 1859, when its port was opened and Japan resumed trade with the world. The first Customs House in Japan was established here, and Yokohama has since been a center for trade, which has led Japan through its modernization to its economic prosperity today.

Through this Meeting, where we took a step forward in the new decade for ASEM, we shared our views on the role of Customs in a changing environment and an era of new challenges.

Here in Yokohama, we proclaim that ASEM Customs will actively make efforts to “Secure, and Facilitate Trade”, “Enforce Intellectual Property Rights”, “Protect our Societies and Environment”, “Fight against Fraud” as well as to strengthen cooperation.

#### *The role of Customs in ASEM*

- In this increasingly globalizing world, the main common challenges facing Customs in Asia and Europe are:
  - 1) Balancing supply chain security and trade facilitation,
  - 2) Ensuring fair and safe trade, including the protection of intellectual property rights (IPR)
  - 3) Protecting their societies effectively against new threats and fraud methods and
  - 4) Paying due consideration to the environment which is essential for sustainable development.
  
- ASEM Customs, as Members’ key border agencies, will continue to endeavour individually and cooperate collectively to this end, and discussed

Customs' approaches to these issues in its 7th DG-Commissioners Meeting, summarized below.

*Customs' Contribution to Secure and Facilitate Trade*

- Balancing supply chain security and trade facilitation is essential for sustained growth of the global economy.
- Towards this goal, ASEM Customs adopted the ASEM Trade Facilitation Action Plan 2006-2008 and the ASEM Enforcement Action Plan 2007-2009 and
  - confirmed the significance of accelerating implementation of the WCO SAFE Framework of Standards (FoS), and the importance of capacity building through the WCO Columbus Program for this purpose.
  - agreed that the establishment of AEO programs, an integral part of the SAFE FoS, and mutual recognition of these programs should be promoted among ASEM Members.
  - reaffirmed to promote early adoption and implementation of the Revised Kyoto Convention among Members, recognizing its significance as the basis to facilitate trade.
  - took note of the progress of the Single Window systems among Members, and agreed to consider ways to establish links between these systems.
  - expressed hope for an early and successful conclusion of the WTO Doha Round that is approaching the final and critical stage. In this regard, recognizing that Customs play a major role especially in the Trade Facilitation (TF) negotiations, the Meeting urged
    - 1) Member Customs to actively participate not only in their intra-government consultations but also in the Geneva negotiating process, and
    - 2) the WTO to continue to utilize the knowledge and experience of Member Customs and the WCO in the TF negotiations as well as its technical assistance and capacity building activities supporting this negotiation.
  - expressed concerns about efficiency, practicality and the impact on world

trade and maritime transport of the recent U.S. legislation to require 100% scanning of US-bound containers at foreign ports. In this regard, ASEM Customs agreed that it would be useful to exchange views among Members and with the U.S. on the best policies to ensure both security and smooth trade flows.

### Customs' Contribution to the Protection of Intellectual Property Rights (IPR)

- Proliferation of counterfeit goods not only threatens the health, safety and security of consumers, but also hinders innovation and sustained growth of the global economy. To counter this issue, it is important to give this a higher priority and to develop human resources in Customs, in particular experienced IPR experts.
  
- Recognizing the significance of this issue, ASEM Customs
  - welcomed regional cooperation in IPR enforcement, and agreed to strengthen such regional cooperation among ASEM Customs. Members noted the example reported by Japan, China, and Korea for such purpose, in which the three Customs established a Tripartite Working Group and adopted an Action Plan including promotion of information exchange.
  - noted progress with the EU Action Plan on tackling IPR fraud, the conclusions of the German G8 Presidency at Heiligendamm, and preparations by Japanese and French Customs to make tackling counterfeiting a priority of the Japanese G8 Presidency and the French Presidency of the EU in 2008.
  - agreed to participate in the discussion for the formal adoption of WCO's \*SECURE that promotes sharing of best practices in IPR enforcement, and to contribute to its capacity building activities.
  - noted the proposal for a new international framework to strengthen IPR enforcement, "ACTA (Anti-Counterfeiting Trade Agreement)", and expressed hope that discussions might be accelerated for its materialization.
  - agreed to support the Global Congress on Combating Counterfeiting and Piracy convened by the WCO, Interpol and WIPO for February 2008.

\*SECURE (Standards Employed by Customs for Uniform Rights Enforcement) is the set of standards for Customs enforcement and protection of IPRs, which is currently being discussed within the WCO.

### Customs' Contribution to protect societies effectively against new threats and fraud methods

- It is important to coordinate approaches to the fight against fraud and smuggling, and utilize high technology to counteract terrorism and organised crime.
- New threats, e.g. developing through increasing globalisation and use of internet, require enhanced cooperation and coordination through Customs on a global level.

-Towards this goal, ASEM Customs agreed to implement joint operations, such as "Diabolo 2", coordinated by the European Commission.

### Customs' Contribution to Environmental Issues

- Environmental issues are universal challenges that are essential to assure human security and quality of life, to protect the ecosystem and global environment, for which international efforts are indispensable. ASEM has focused on this challenge of utmost importance, releasing for example "the ASEM 6 Declaration on Climate Change" at the last ASEM Summit in 2006.
- Recognizing that ASEM Customs should also respond to this challenge, the 7<sup>th</sup> ASEM Customs DG-Commissioners Meeting discussed this issue for the first time, which
  - confirmed that ASEM Customs should strictly enforce the Multilateral Environmental Agreements (MEAs) such as the \*Basel Convention, the \*\*CITES, and the \*\*\*Montreal Protocol, in cooperation with related international organizations.
  - agreed to continue international dialogue and cooperation through the

exchange of information on MEA enforcement, and to make further efforts towards solving these global problems.

\*Basel Convention is the convention regulating the cross-border movement of hazardous waste

\*\*CITES stands for the Convention on International Trade in Endangered Species of Wild Fauna and Flora

\*\*\*Montreal Protocol is the protocol regulating substances that deplete the ozone layer.

### Cooperation and Capacity Building

- Customs cooperation among Member Customs authorities (Customs to Customs (C2C)) and with the business and private sector (Customs to Business (C2B)) are essential to effectively deal with the above-mentioned challenges. Most important are such efforts as information exchange, application of ICT, and the utilization of high technology for inspection machinery. Capacity Building is a key to ensure availability of the necessary administrative and operational resources.
  
- ASEM Customs, in this respect,
  - confirmed the importance of enhancing Asia-Europe cooperation through the ASEM Framework, along with the multilateral framework of the WCO, and other multilayered cooperative frameworks.
  - agreed to rationalize and improve efficiency of ASEM's Customs-related activities.
  - discussed also promoting cooperation with the private sector in various areas.