

ADDRESS BY MR PETER ONG, HEAD OF CIVIL SERVICE AND PERMANENT SECRETARY FOR FINANCE, AT THE OPENING CEREMONY OF THE 22ND ASEAN DIRECTORS-GENERAL OF CUSTOMS MEETING, 4 JUNE 2013, MANDARIN ORCHARD HOTEL, LEVEL 6, BALLROOM 3

1. A very good morning to all. To our overseas guests, a very warm welcome to Singapore. It gives me great pleasure to join you today at the opening ceremony of the 22nd Meeting of the ASEAN Directors-General of Customs. Let me first congratulate the Philippines Bureau of Customs, Chair of the ASEAN Directors-General of Customs meeting for the past year. There have been many notable achievements under the able chairmanship of the Philippines Customs. We will try our best to keep up your good work.

ASEAN Growth and Economic Integration

2. As a region, ASEAN has seen significant economic progress and growth in recent years. According to the *World Bank East Asia and Pacific Economic Update* published in April this year, growth in the ASEAN countries increased to 5.4 percent in 2012, up from 4.5 percent in 2011. The region as a whole continued to be an engine of growth, contributing around 40 percent of global growth in 2012.

3. In the past few years, ASEAN has made steady advancement towards shaping a conducive environment for businesses to invest and operate in this

region. Virtually all goods traded in ASEAN can now flow throughout the region tariff-free. The ASEAN-6 have eliminated tariffs on nearly all tariff lines since 1 Jan 2010, while Cambodia, Laos, Myanmar and Vietnam have reduced tariffs on nearly 99% of their tariff lines to the 0 to 5% tariff range in 2010, and are expected to eliminate tariffs on these goods by 2015, with flexibility for a few tariff lines until 2018. These tariff savings will help companies lower not only their business costs, but businesses benefit as well from the increased transparency.

4. ASEAN has also expanded its free trade agreements (FTAs) network with non-ASEAN countries. ASEAN has five existing FTAs with six FTA Partners, namely, Australia, New Zealand, China, India, Japan and Korea. Just last year in November, ASEAN embarked on another exciting step with the launch of the Regional Comprehensive Economic Partnership (RCEP) negotiations at the 21st ASEAN Summit in Phnom Penh. As a wider regional FTA, the RCEP is envisioned to be a significant improvement over our current ASEAN+1 FTAs, and will improve economic integration in this region.

Customs' Role in Trade Facilitation

5. With significant tariff reductions progressively being realised, trade facilitation will become the next important area to enable intra- and inter-ASEAN trade to grow. The Customs of our countries play an important role to facilitate trade at-the-border.

6. The importance of trade facilitation is well-recognised, and the WTO trade facilitation agreement has been identified as a possible early harvest for the Ninth Ministerial Conference in Bali in December this year. However, despite the intense on-going negotiations, there are worries that the progress so far is still inadequate and major differences remained unresolved. I understand that the Geneva-based missions from ASEAN Member States have been working together and consulting each other to coordinate positions on issues of common interests. I urge ASEAN Customs administrations to actively contribute to this process and the overall WTO trade facilitation negotiations.

7. Within ASEAN, our Political Leaders have adopted the ASEAN Economic Community (AEC) Blueprint in 2007. In addition to tariff elimination, Member States have made commitments in multiple areas to achieve free flow of goods in ASEAN. These areas include non-tariff barriers, responsive rules of origin, trade facilitation, customs integration, and the ASEAN Single Window.

8. ASEAN Customs administrations play a critical role in all these areas and I know many of you here have been working on several important initiatives to support AEC 2015. In this regard, I would like to commend the work of ASEAN Customs, including the amendment of the ASEAN Agreement on Customs (AAC), which was signed at the 16th ASEAN Finance Ministers Meeting in March 2012, which is now aligned with the AEC vision and takes into account the challenges of today's trading landscape. Specifically, the AAC reaffirms the commitment to implement several regional Customs integration initiatives such as the ASEAN Single Window, the ASEAN Harmonised Tariff Nomenclature and the ASEAN

Customs Transit System. I also understand that the ASEAN Self-Certification Pilot Projects are currently underway and these will pave the way towards region-wide self-certification to simplify trade and customs procedures within ASEAN.

9. I noted that there are 15 Strategic Plans of Customs Development (SPCDs) developed to support the realisation of the AEC for the period 2011 to 2015, covering many areas, such as customs harmonisation, trade facilitation, enforcement cooperation, and capacity building. These are comprehensive and ambitious, and the challenge for the ASEAN Member States would be to ensure effective coordination and timely implementation of the various projects. To cite an example, while most ASEAN Members States have signed Protocol 7 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit, we need to quickly conclude Protocol 2 and proceed with ICT development and eventual implementation of the ASEAN Customs Transit System.

Partnership with Stakeholders

10. As the world we live in becomes more dynamic and inter-connected, Customs administrations will need to connect and collaborate with each other and with their stakeholders in order to fulfil their mission of trade regulation and facilitation. I am glad that ASEAN Customs works with this in mind. This is borne out by the consultations you will be having over the next few days with stakeholders like the World Customs Organization and the Customs administrations of China, Japan and Korea on enhancing the security and facilitation of international trade.

11. Also commendable is that ASEAN Customs works with their customers in mind. You have sought to be more pro-enterprise and better understand the concerns of businesses. To this end, I note that this Meeting will be holding consultation sessions with key players in the business fraternity, such as the Conference of Asia Pacific Express Carriers, the US-ASEAN Business Council, and the ASEAN Federation of Forwarders Associations.

Conclusion

12. As we move closer towards the establishment of the AEC in 2015, it is apparent that the full benefits of the AEC cannot be realised without efficient and harmonised Customs processes.

13. A lot of work remains to be done to sustain the momentum of the process of ASEAN Customs integration. I believe this Meeting of the ASEAN Directors-General of Customs will provide policy and strategic guidance for the implementation of the Strategic Plans of Customs Development. At the same time, I look forward to the strengthening of partnerships between the Customs administrations of the ASEAN Dialogue Partners and the business communities. I trust that all participants will engage in meaningful discussions and exchanges to make this Meeting a fruitful one, and to work towards the realization of the AEC come 2015.

14. Thank you.