
1st ASEM Economic Ministers' Meeting (ASEM EMM1)

Framework for Trade Facilitation Action Plan (TFAP)

Background

1. At the first ASEM Senior Officials' Meeting on Trade and Investment (SOMTI) in Brussels on 25 July 1996, it was agreed to establish an ASEM trade facilitation action plan (TFAP). This plan would, inter alia, aim at reducing non-tariff barriers (NTBS) and promoting trade opportunities between the two regions while complementing and considering work being carried out in bilateral and multilateral fora. The TFAP would thus contribute to the goal of promoting greater trade between Asia and Europe and facilitating and liberalising trade between the two regions.

The SOMTI had requested certain designated "shepherds" (the Philippines, Korea, the EU Presidency and the European Commission) to elaborate a proposal for TFAP, including priority issues to be covered, mechanisms to bring it about and the time frame for the first stages of its implementation.

Initial exchanges of shepherd's papers were made in February and May 1997. Taking account of this, the second SOMTI meeting in Tokyo on 5-6 June 1997 expressed support for the work so far clarified out, agreed with the broad principles, priorities and mechanisms suggested, and requested shepherds to take this work further with a view to producing a detailed proposal for consideration and endorsement at the Economic Ministers' Meeting in Tokyo in September 1997.

The present document seeks to consolidate the earlier shepherds' drafts into a detailed proposal covering principles and objectives, criteria and mechanisms, and priority areas for action.

Principles and Objectives

2. The following principles and objectives should provide direction in achieving value-added ASEM work in trade facilitation.
 - TFAP has its value in its potential for building understanding, and should be a catalyst of progress on the discussion of trade facilitation issues. It shall promote understanding and awareness among ASEM partners in these areas.
 - The TFAP is aimed at the reduction of non-tariff barriers and of transaction costs, and at the promotion of trade opportunities.
 - The TFAP shall provide the framework to determine thematic priorities and concrete goals for trade facilitation, to set guidelines for their successful achievement and to follow these' through to implementation. The TFAP shall further provide a system for monitoring progress and for ensuring that partners contribute toward this progress in a balanced way.
 - Actions stemming from TFAP should be non-discriminatory, with respect both to ASEM and non-ASEM partners.
 - In order to achieve synergy and mutual reinforcement, the TFAP should further be consistent with, support and stimulate bilateral and multilateral efforts for trade facilitation, by highlighting work on specific priority areas not sufficiently covered in other fora, and by identifying possible "best practice" approaches to be considered by ASEM for implementation.
 - Business-sector participation in the TFAP process will be essential in order to help identify issues and priorities, and to generate support for their implementation. Participation of the business sector will be encouraged and facilitated, in particular through the ASEM Business Forum. Actions in the TFAP context should further be carried out with particular attention to issues of importance to SMEs.
 - Transparency and deregulation should be promoted wherever appropriate, as general means to enhance the environment in which the business sector operates. In this connection:
 - i) transparency should be encouraged through ensuring easier access to necessary information (including the establishment

and regular updating of appropriate databases and other publications, the intensified use of electronic media such as the Internet and, where appropriate, establishing inquiry points by individual partners);

- ii) transparency of the trade policies of ASEM partners should also be encouraged so as to facilitate two-way trade through dialogue and other exchanges of views;
- iii) deregulation should likewise be encouraged through an ongoing review of the appropriateness of the regulatory environment and of the burden which it may place on the business sector.

Priority Areas

3. Initially, the TFAP dialogue should give priority emphasis to the following broad areas:
 - **Customs procedures:** In supporting the on-going cooperation between customs authorities, the TFAP will aim at promoting simplification, harmonisation and transparency in customs procedures. This should include inter alia:
 - an accelerated alignment and harmonisation of tariff nomenclatures with WTO and WCO standards;
 - an accelerated implementation of obligations with respect to customs valuation procedures;
 - the promotion of standardised and simplified documentation, including if possible paperless systems;
 - the promotion of transparency of customs regulations and procedures;
 - the collection and dissemination of information on ASEM partners' respective rules of origin;
 - where appropriate, the exploration of possible common positions of ASEM partners in WTO and WCO.
 - **Standards, testing, certification and accreditation:** In supporting and enhancing the ongoing cooperation between standards, testing, certification and accreditation bodies, the TFAP will in particular aim at:
 - enhancing the exchange of information among standards bodies and

- establishing national contact points as appropriate;
 - promoting and facilitating the alignment of domestic standards of ASEM partners with international standards;
 - promoting simplification and transparency in standards and certification information and procedures, drawing on electronic media where appropriate;
 - where appropriate, exploring possible common positions amongst ASEM partners in relation to the work of international standards bodies (such as ISO and IEC);
 - where appropriate, preparing for eventual progress towards mutual recognition agreements;
 - encouraging cooperation in the promotion of technical and institutional capacity-building relating to standards, testing and certification.
- **Public procurement:** Considering ongoing work in other fora, the TFAP would aim at promoting transparency in public procurement, in particular through exchanging information on public procurement procedures, statistics and opportunities.
 - **Quarantine and SPS procedures:** Considering ongoing work in other fora, the TFAP would inter alia help promote:
 - a simplification and rationalisation in procedures and documentation considering international best practice; and
 - the enhancement of transparency through the timely and accessible availability of information, drawing where appropriate on electronic media.
 - **Intellectual property rights:** Considering ongoing work in other fora, the TFAP would promote a broad-ranging dialogue among ASEM partners on IPR-related issues, thus encouraging an enhanced understanding of the application of intellectual property rules in both the public and the business sector.
 - **Mobility of business people:** With a view to facilitating direct business-to-business contact between the two regions, the Business Forum shall be requested to examine and report on concerns identified by the business community with respect to formalities for business travel and for temporary stay.

- **Other trade activities:** Taking account of work in other areas, TFAP would inter alia aim at:
 - promoting an exchange of views among partners, in both the public and business sector, on the manner in which market access in the distribution sector can best be enhanced, and
 - creating an ASEM data-base or virtual market-place, providing the business sector with easy access to comprehensive and up-to-date information on legal and administrative trade regimes of ASEM partners, on business opportunities, and on market trends.

Next Steps

4. The action areas suggested above are to be seen as initial areas, to which other areas can be added later. The list of priorities should thus not be seen as limitative.

It is essential to note that existing fora should be used to the greatest extent possible. These fora include the Business Forum, when the business sector is concerned, and the SOMTI.

Contacts between Business Forum and SOMTI should be encouraged. After endorsement of the framework at the Economic Ministers' Meeting on 27-28 September 1997, Shepherds should continue their work on TFAP with particular reference to the further elaboration of mechanisms for implementation as well as of concrete goals to be attained by ASEM III. Shepherds should complete the TFAP by SOMTI III in Brussels in February 1998, with a view to its adoption at the Second ASEM in London in April 1998.

Makuhari,
September 1997