Volume 9. Issue 8

2017

A Secure Business Environment for Economic Development





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Established in 1952 as the Customs Cooperation Council (CCC), the World Customs Organization (WCO) is an independent intergovernmental body which represents the voice of the International Customs community, which currently represents 182 Customs administrations worldwide. Each year, in commemoration of the 1953 inaugural session of the CCC, International Customs Day is celebrated on January 26, by all WCO members. The Jamaica Customs Agency (JCA) joins in the International Customs Day celebration on January 26, 2018 in promoting "A secure business environment for economic development," which was announced as this year's theme by the WCO's Secretary General, Kunio Mikuriya.

Economic development has often been linked to growth in international trade.

As the primary border control agents responsible for administering the flow of international trade, it is imperative all that Customs administrations worldwide, take an active role in securing and facilitating global trade. According to Mikuriya, "Members of the WCO are encouraged to look at how they can create an environment for businesses that will foster their participation in crossborder trade, and, ultimately, how they can best serve the people and empower entrepreneurs."





Kunio Mikuriya Secretary General World Customs Organization



The WCO, through its various international tools and instruments, has long promoted a partnership approach between the business and Customs communities, which serves to ameliorate trade flows by increasing the participation of traders conducting international business. The international Customs community is now being challenged to examine and strengthen mechanisms that will allow the business community to not only increase its participation in international trade but also create a secure business environment that will boost economic prosperity. According to the WCO, three elements are fundamental to the creation of a secure business environment, one which is enabling; safe; fair and sustainable. This "secure" business environment, it is felt, will help the most vulnerable, specifically micro, small and medium-sized enterprises (MSMEs), to expand their activities and create incentives for them to participate more fully in international trade.

With greater participation in global trade, MSMEs will be encouraged to innovate, generate employment and invest in human resources, which will boost economic growth and raise the living standards for most developing nations. In promoting the "secure" business environment, the WCO places priority in not only supporting specific business interventions, but also examining the external environment in which businesses operate, through promotion of the key elements identified.

ENABLING ENVIRONMENT

A stable and predictable business environment creates an enabling environment for traders. Customs contributes to this enabling environment by ensuring that its procedures are streamlined in facilitating the movement of people, goods, and their modes of transport. In order to maintain this environment, all forms of corruption have to be targeted and diminished, largely by enhancing the integrity of both the systems and personnel involved in the trading process. In contributing to an enabling environment within Jamaica, the JCA has adopted several initiatives geared at efficiency and greater predictability of its operations. As such, the JCA has embarked on modernizing key pieces of legislation including the Customs Acts and the Customs regulations. The implementation of the



Automated System for Customs Data (ASYCUDA) platform is a bold step forward in creating a paperless environment, based on risk management techniques, leading to greater efficiency of the clearance process while reducing transaction costs to traders.

SAFE ENVIRONMENT

Legitimate businesses require a safe and secure supply chain to combat the threats to trading internationally. Threats may occur at any point along the supply chain and may even come from within the trade itself, for instance, a shipment of illicit goods may pose a threat to people's health, safety or security. The tools, instruments and expertise provided by the WCO, such as the SAFE Framework of Standards to Secure and Facilitate Global Trade, actively seek to address global trade threats by modernizing customs procedures, partnering with the trade community and collaborating with both local and international government entities to



combat cross border infractions. One component of the SAFE framework that promotes partnerships between Customs and the trade-related private sector in securing the international trade supply chain is the Authorized Economic Operator (AEO) programme. The development of Customs to Business relations is a critical component of the AEO programme, which largely uses risk management techniques to streamline the trading process. The incorporation of international trade security is vital to the programme, which is designed to engage and validate all players along the supply chain. These proven mechanisms are used by customs administrations worldwide to create a secure and predictable global trade landscape to enhance the efficiency of international trade. The JCA has an active and vibrant AEO programme, where traders are incentivised to become more compliant, and trade facilitation benefits are accrued. Less intrusive control mechanisms, periodic reporting, payment deferment and reputational benefits are some of the methods used by Customs to foster long-term compliance with traders. The WCO, in facilitating national Customs administrations as well as the business communities they serve, provides these tools and the supporting guidelines to achieve the required levels of competence in line with global standards.

FAIR AND SUSTAINABLE ENVIRONMENT



Customs administrations contribute to the creation of a fair and sustainable trading environment which positively affects governance, the economy, development and human security across the globe. Although Customs is tasked with the facilitation of legitimate trade, trade of illegal goods persists, and the responsibility, to a great extent, lies within customs to curtail these activities. Contraband items such as narcotics should not be the only goods considered illegal when traded. Illegal goods may constitute commodities that infringe intellectual property rights (IPR), goods that have been undervalued, misclassified or are subject to import duty, that have been smuggled into the country e.g. in passenger luggage to evade customs duties.

These practices contribute to financial losses to both the government and legitimate traders, as well as may pose serious threats to public safety and security. For example, pharmaceuticals that are IPR infringing such as counterfeit medication may not be safe for public consumption and therefore present a threat to public safety. The WCO Security Programme is an initiative that combats such threats to international trade, by addressing, inter alia, border security-related challenges, by helping countries in areas such as passenger controls, strategic trade controls and the fight against the trafficking in small arms and light weapons (SALW). These tools, instruments and initiatives of the WCO serve to enhance trade-related customs procedures by safeguarding the borders and facilitating trade.



"A secure business environment for economic development," sees trade facilitation as a key component to achieving economic development. This theme is closely aligned to the World Trade Organization (WTO)'s Trade Facilitation Agreement (TFA) which entered into force on February 22, 2017. Jamaica, as a member of the WTO, is legally bound by the provisions of the TFA which was ratified in January 2016. Key commitments under the TFA such as publication and advance rulings, serve to empower the trading public, and will be implemented based on time required and the development of national capacity. Over the course of 2018, the JCA will showcase various initiatives aimed at engaging local entrepreneurs and focussing on information sharing that will create a secure environment that is enabling, safe, fair and sustainable. According to Mikuriya, "the idea is, as always, to highlight challenges faced, showcase projects that will inspire others, and communicate best practices. Such activities go a long way in bringing the global Customs community together, forging a spirit of partnership and cooperation, both essential to achieving success in today's trading landscape.





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The International and Industry Liaison Unit is committed to raising the level of awareness on topics relating to the Caribbean Community, as well as issues concerning the wider topic of international trade, to both our internal and external stakeholders. Our monthly newsletter seeks to highlight global trade topics and their importance to Customs Administrations worldwide and specifically how they affect the Jamaica Customs Agency. As we realize our vision of becoming a modern Customs administration delivering excellent service, we recognize the importance of knowledge transfer in delivering our objectives and use this forum as our way of contributing to the vision of the JCA. The International Liaison Unit is located at the Myers Wharf head office and our officers are available to respond to your queries and clarify any points of concern.

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