

UNLOCKING GROWTH: 5 PRECEPTS

**Position Statement
for
XXVIII Annual Caribbean Customs Law Enforcement Conference
May 24, 2006**

**Submitted
by
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Caribbean Central American Action (CCAA)
Caribbean and Latin American Express Delivery Conference (CLADEC)
Caribbean Shipowners Association
Caribbean Shipping Association
United States Chamber of Commerce

Caribbean Central American Action (CCAA) is committed to ensuring that constructive dialogue exists between the public and private sector involved in trade in the Caribbean. CCAA is excited to work with the Caribbean Customs & Law Enforcement Council on trade facilitation in the Caribbean and is committed to bringing its private sector members, including ocean shippers, members of the air express industry, and trading partners to the table to identify and implement solutions for the region. A direct result of that commitment has been the creation of the CCAA Trade Facilitation Team that challenges stakeholders to leverage the strengths of their individual corporations and organizations on trade facilitation issues.

The team currently includes the Caribbean and Latin American Express Delivery Conference (CLADEC), whose members include entities such as FedEx, UPS and DHL; The Caribbean Shipowners Association, which includes as members Tropical, Seaboard, and Crowley shipping lines; the Caribbean Association of Industry & Commerce; the United States Chamber of Commerce and the Caribbean Shipping Association.

CCAA supports the establishment of a WCO regional customs training center that would serve the Caribbean region. An institution of this type would build the capacity of individual customs divisions by making them more competitive and would work to foment harmonization in the region.

Summary

The opportunity exists today to foster economic growth using trade facilitation measures as a tool. Simple, targeted, best practices towards regulatory controls can meet legal standards while encouraging commerce. Only by establishing a strong commitment to meeting the standards of the global market place can the Caribbean unlock the wealth potential of the richest economies in the world.

Trade Facilitation & the Global Economy

Competitiveness in the global economy largely depends on the efficient movement of goods and services. Regulations that inform and dictate operations at a nation's borders and ports play an influential role in the flow of goods to an economy. Adjusting controls to prioritize national competitiveness can positively affect economic growth. Regulatory changes that address customs with the aim of simplifying and making operations reliably efficient, which embrace practical approaches for the "customer" and harmonize strategy among states have been proven to have a tremendous impact on the flow of goods.

The benefits of these regulatory changes flow to the government and to the national private sector. As the cost of institutional operations is reduced, economic development and employment are stimulated, increasing general tax revenues are created and national industries begin to exceed traditional boundaries. Trade facilitation's effect in this instance is to open markets to the private sector and amplifies opportunities for growth. The ease and predictability by which goods flow, in turn makes capital liquid, allowing for increased investment.

The World Customs Organization (WCO) endorses trade facilitation as having a specific impact on select areas of a national economy by:

1. making small and medium enterprises more competitive;
2. increasing the participation of national industries in the global market place; and
3. encouraging investment and the development of industry.

Due to its geographic proximity, the Caribbean Basin holds an inherent advantage in the speed of delivery of goods to the markets of North America & Europe. However, to effectively benefit from this asset, the region must address its trade position through a comprehensive regional approach that views trade

facilitation as a tool of economic growth. The development of simplified regulatory environments and harmonized standards in conformance with best practices is thus critical to the success of national and regional efforts. As the Caribbean Single Market & Economy becomes a reality it is clear that an integrated approach to trade facilitation and more pointedly, customs, is necessary.

Core Principles

1. **Transparency:** Communication must deepen between authorities and the private sector. This includes open publication of laws and regulations concerning shipment to introduce predictability for “users” of customs; appeals for customs decisions that will ensure a standard of service and integrity; and private sector participation in changes to the regulatory structures that they use to ensure buy-in from stake holders.
2. **Standardization:** The region must aim to align requirements and documents of customs divisions. Easing this burden on shippers while minimizing requirements ensures that smaller shippers can afford to enter a multiplicity of markets and will increase the overall flow of goods. International precedents set on the issues of customs standardization provide a good model for adaptation.
3. **Efficiency:** Modern methods of organizational management are necessary to meet today’s flows of commerce requiring speed, accuracy and consistency. This principle extends to separation of clearance and release procedures, 24/7 customs operations, and implementation of de minimis charges. Efficiency can also be interpreted as creating frameworks for the interactions of non-customs agency inspections in the process of clearing goods.
4. **Automation:** E-business tools such as risk management applications are powerful options that enhance compliance while allowing the entry of many low risk goods. Paperless declaration transactions, statistics and accounting abilities and management tools are all further benefits from such systems. Clearance methods of this sort vastly reduce turnover time in customs, increase tax collection, reduce physical requirements for redeployment and ensure constant application of laws.
5. **Harmonization:** Regional approaches to address customs are imperative to developing any one nation. To be perceived as an economic body the welfare of all is dependent on cooperation. Working with other customs divisions to build common regional approaches to customs, development of inter-operable technology systems, and striving to minimize disparities across customs divisions will assist trade development for the region as a whole.

