



STATUS AND PROGRESS IN THE IMPLEMENTATION OF ASEAN AGREEMENTS ON TRANSPORT FACILITATION

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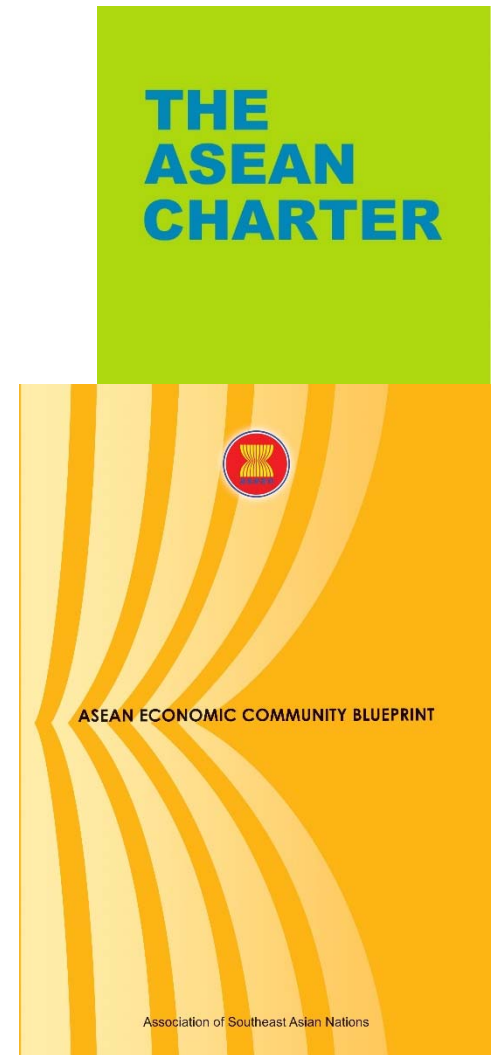


OUTLINE OF THE PRESENTATION

- 1) Background:
 - ASEEAN Economic Community Blueprint, Master Plan on ASEAN Connectivity, ASEAN Strategic Transport Plan
 - ASEAN Transport Facilitation Agreements
- 2) Ratification Status
- 3) Progress of Implementation
- 4) ASEAN Customs Transit System (ACTS) Pilot Project
- 5) Moving Forward

ASEAN ECONOMIC COMMUNITY

- ASEAN is exerting effort and making great strides in integrating 10 diverse economies
- Roadmap for an ASEAN Community 2015 that includes 3 Community Blueprints provide the impetus towards the realization of the ASEAN Community
 - ✓ ASEAN Economic Community (AEC) Blueprint
 - ✓ Master Plan on ASEAN Connectivity
- The goal: ASEAN Economic Community by 2015; an ASEAN integrated into the global economy
- ASEAN: gateway to Asia





ASEAN ECONOMIC COMMUNITY

STRATEGIC SCHEDULE OF THE AEC BLUEPRINT (2008-2015)

Pillar 1 Single Market & Production Base

- **Free flow of goods**
 - **Customs**
- Free flow of services
- Free flow of investment
- Freer flow of capital
- Free flow of skilled labor
- Priority Integration Sectors
- Food, agriculture and forestry

Pillar 2 Competitive Economic Region

- Competition policy
- Consumer protection
- Intellectual property rights
- **Infrastructure development**
 - **Transport**
- Taxation
- E-Commerce

Pillar 3 Equitable Economic Development

- SME development
- Initiative for ASEAN Integration

Pillar 4 Integration into the Global Economy

- Coherent approach towards external economic relations
- Enhanced participation in global supply networks

HUMAN RESOURCE DEVELOPMENT

RESEARCH AND DEVELOPMENT

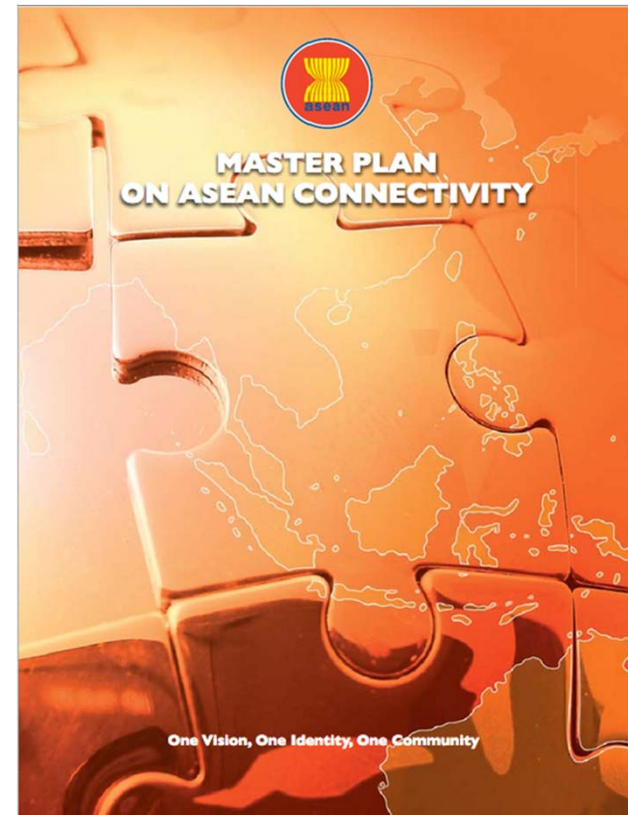
ASEAN CONNECTIVITY

- ***ASEAN Leaders' Statement on ASEAN Connectivity***

- 24 October 2009, Cha-am, Thailand
- Enhancing intra-regional connectivity through enhanced trade, investment, tourism, and development
- Intensify and strengthen ASEAN community building effort.
- Complement and support integration within ASEAN and within broader regional framework in East Asia

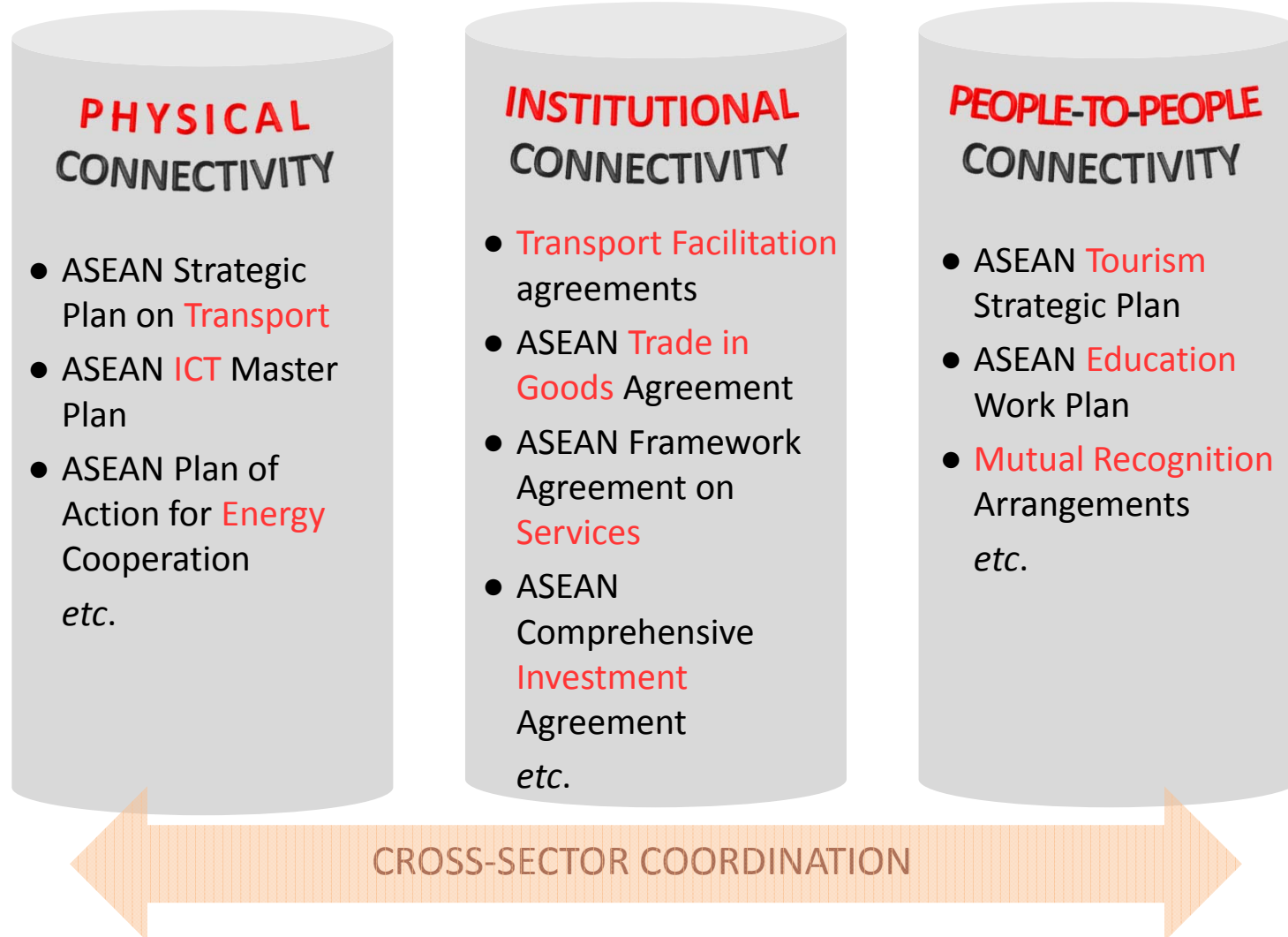
Master Plan on ASEAN Connectivity

- Adopted on 28 October 2010 in Ha Noi, Viet Nam
- A strategic document for achieving overall ASEAN Connectivity and a plan of action for immediate implementation





Master Plan on ASEAN Connectivity (MPAC)



ASEAN STRATEGIC TRANSPORT PLAN (ASTP) 2011-2015

Brunei Action Plan / ASEAN Strategic Transport Plan 2011-2015

- Adopted at the 16th ASEAN Transport Ministers (ATM) Meeting in November 2010 in Brunei Darussalam to provide main reference in guiding ASEAN transport cooperation and integration.
- Strategic actions to be implemented in 2011-2015 to develop an efficient, secure and integrated transport system to support AEC by 2015 and regional connectivity in the Master Plan on ASEAN Connectivity (MPAC).





STRATEGIC GOALS

■ **Air Transport:**

- ✓ Establishment of a regional open sky arrangement to support regional economic integration.
- ✓ Achieving globally-acceptable standards in aviation security and safety.
 - 3 specific goals (ATG) and 6 actions (ATA).

■ **Land Transport:**

- ✓ Establishing efficient, integrated, safe and environmentally sustainable regional land transport corridors (road and railway) linking all members and neighbouring trading partners.
 - 7 specific goals (LTG) and 16 actions (LTA).

■ **Maritime Transport:**

- ✓ Establish an integrated, competitive and seamless maritime transport network, paying explicit attention to promote maritime safety and security, and environment- and user-friendly ports.
 - 3 specific goals (MTG) and 8 actions (MTA).

■ **Transport Facilitation:**

- ✓ Establish an integrated, efficient and globally competitive logistics and seamless multimodal transport system to enhance the connectivity within ASEAN and with the world, as well as pursuing green logistics for global environment preservation.
 - 4 specific goals (TFG) and 12 actions (TFA).



TRANSPORT FACILITATION

- ***Transport Facilitation*** -> simplification and harmonisation of international transport procedures and information flows associated with them, in order to reduce the time and cost of logistics involved in moving cargo and passengers within a territory
- ASEAN cooperation in the transport sector aims to develop an efficient, secure and integrated transport system to support the realisation of the ASEAN Economic Community by 2015 -> ***guided by ASEAN Strategic Transport Plan***
- To facilitate the seamless movement of goods in the region, ASEAN Member States have concluded the 3 transport facilitation agreements:
 - **ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT)**
 - **ASEAN Framework Agreement on Facilitation of Inter-State Transport (AFAFIST)**
 - **ASEAN Framework Agreement on Multimodal Transport (AFAMT)**

ASEAN TRANSPORT FACILITATION AGREEMENTS

- ASEAN transport facilitation agreements aim to:
 - simplify and harmonise trade/transport procedures and documentation;
 - formulate guidelines and requirements for operationalisation of transit transport and registration of multimodal transport operators; and
 - promote computerised applications for seamless cargo transportation.



RATIFICATION STATUS

AFAFGIT (Goods in Transit)

- Signed in 1998, into force in 2000
- Provides the most effective arrangement for facilitating transit transport, with the objectives:
 - to maintain, further develop and strengthen friendly relations and cooperation between the countries;
 - to reiterate the commitment to foster smooth, rapid and efficient movement of goods in ASEAN region.
- Nine (9) Protocols: 5 under purview of transport, 2 under Customs, 1 under Finance/Insurance, 1 under Agriculture.





RATIFICATION STATUS

AFAFGIT (cont'd)

- **Protocol 1** (Designation of Transit Transport Routes and Facilities): pending ratifications from Malaysia and Singapore;
- **Protocol 2** (Designation of Frontier Posts): to be concluded;
- **Protocols 3** (Types and Quantity of Road Vehicles), **4** (Technical Requirements of Vehicles), **5** (ASEAN Scheme of Compulsory Motor Vehicle Insurance) and **8** (Sanitary and Phytosanitary Measures): fully ratified;
- **Protocol 6** (Railways Border and Interchange Stations): pending ratifications from Brunei, Indonesia, Lao PDR, Malaysia, Philippines, Singapore;
- **Protocol 7** (Customs Transit System): recently signed by all AMSs, pending ratifications;
- **Protocol 9** (Dangerous Goods): pending ratifications from Malaysia and Thailand.



Features of AFAFGIT

- Designated Transit Transport Routes: ASEAN Highway Networks connecting AMSs with affirmation from immediate neighbouring countries.
- Number of road transit transport vehicles: up to 500 vehicles per AMS (agreed by 15th ATM in 2009)
- Type of vehicles: rigid motor vehicle; articulated vehicle; semi-trailer (Annex 1 of Protocol 3)
- Technical requirements of the vehicles: Annex A – F of Protocol 4 (Vehicle Dimensions, Max. Permissible Gross Vehicle Weight, etc)
- Documents to be carried on road transit transport vehicle:
 - Vehicle Registration Certificate
 - Vehicle Inspection Certificate
 - 3rd Party Liability Insurance for Vehicle
 - Consignment Note/Waybill
 - Customs Transit Document for the Goods
 - Carrier's License (Transport Operator's License)

RATIFICATION STATUS

AFAFIST (Inter-State)

- Signed in 2009, ratified and in force in Cambodia, Lao PDR, Philippines, Thailand and Viet Nam.
- Require AFAFGIT Protocols 1, 2, 3, 4, 5, 8 and 9 for implementation.



AFAMT (Multimodal)

- Signed in 2005, ratified and in force in Cambodia, Philippines, Thailand and Viet Nam.





SUPPORTING AGREEMENTS TO AFAFGIT/AFAFIST

- Agreement on the Commercial Vehicle Inspection Certificates for Goods Vehicles and Public Service Vehicles Issued by ASEAN Member Countries
 - Signed in 1998 and in force in 2006
 - Support the implementation of AFAFGIT/AFAFIST through mutual recognition of Inspection Certificates

- Agreement on the Recognition of Domestic Driving Licenses Issued by ASEAN Countries
 - Signed in 1985 and in force in 1988 (for 6 AMSs) and 1997 (with accession of CLMV)
 - Support the implementation of AFAFGIT/AFAFIST through mutual recognition of Driving Licenses



PROGRESS OF IMPLEMENTATION

- Establishment of National Transit Transport Coordinating Committee (NTTCC) in all ASEAN Member States
- The ASEAN Transit Transport Coordinating Board (TTCB) is responsible for the overall coordination and implementation of transport facilitation agreements
- Priority to upgrade existing below Class III sections of the Transit Transport Routes (TTR) -> routes designated for goods vehicle under AFAFGIT/AFAFIST
- Establishment of National Council of Bureau and ASEAN Council of Bureau to oversee the implementation of Blue Card as the ASEAN Compulsory Motor Vehicle Insurance



PROGRESS OF IMPLEMENTATION (cont'd)

Technical Assistance from ASEAN Regional Integration Support from the EU (ARISE) 2012-2016:

- Removing barriers related to cross-border transport through the implementation of ASEAN transport facilitation agreements and other relevant ASEAN transport agreements to facilitate movement of goods and passenger vehicles;
- Two (2) important studies which provide recommendations and guidance for the implementation of AFAFGIT Protocols 3 and 4 have been carried out:
 - Stock-take of current state-of-play in AMSs
 - Comparative Study of Road Traffic Rules and Regulations in AMSs
- Assessment to the draft text of ASEAN Framework Agreement on Cross-Border Transport of Passengers by Road Vehicles (CBTP) has been undertaken to support conclusion of the Agreement by end 2015;
- Support is complemented by a wider initiative to facilitate movement of goods vehicles by road across regional borders, by means of the planned automated ASEAN Customs Transit System (ACTS).

ASEAN CUSTOMS TRANSIT SYSTEM

- Acts as a catalyst for the implementation of AFAFGIT
- Full end-to-end computerisation of transit operations; single electronic Customs transit declaration
- Free movement for trucks and drivers (no transshipment for transit goods)
- Software to be developed by April 2016
- Pilot test for 6 months in Malaysia, Singapore and Thailand, starting in May 2016

ACTS Phases

Phase 1 - 2014 - 16 Pilot system on the North-South Corridor - Thailand, Malaysia and Singapore, which will:

- Permit traders to test the pilot ACT system;
- With access via Electronic Data Input; and
- Connect Thai, Malaysian and Singapore Customs.

Phase 2 - The ACTS system will be rolled out to the North-South and East-West Corridors - Cambodia, Lao PDR, Myanmar and Viet Nam



Contact details

The Technical Assistance Team for the implementation of the ARISE programme can be contacted as follows:

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ASEAN Regional Integration Support from the EU 2012-2016



ASEAN Customs Transit System (ACTS)

delays. There is no need for a different Customs declaration at each border, and no need to transfer the goods to a different truck in each country. The duties and taxes at risk are covered by a single guarantee.

The benefits are goods can move faster between countries. This in turn means lower cost for traders, helping to increase regional trade and improve the standard of living of everyone in the region. More trade means more wealth is created.

transit procedure and to offer security for them.

- Approved Guarantors (Trade Organisations and Financial Institutions);
- Guarantees based on actual consignment values and level of risk; and
- Reduced or waived guarantees for Authorised Transit Traders.

What is ACTS?

The ASEAN Customs Transit System (ACTS) is a computerised Customs transit management system. The legal framework is set out in Protocol 7 of the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT).

The EU has provided a sum of €3 million for development and piloting of the ACTS system as part of the ASEAN Regional Integration Support from the EU (ARISE).

What does ACTS offer?

Access for All Traders

Direct access for all traders, with significant facilitation for "reliable" traders, namely Authorised Transit Traders (ATT) including:

- Importers, exporters;
- Freight forwarders;
- Transporters and sub-contractors; and
- Customs agents of the above.

Facilitation

Maximise efficiency for legitimate trade:

- Availability of simplified procedures;
- Applying common risk management techniques; and
- No movement restrictions on transport and drivers.

Main Features to Assist Customs and the Trade

- A single electronic goods declaration from departure to destination;
- A single guarantee valid for the international journey;
- A secure and efficient system through:
 - Full end-to-end computerisation of operations;
 - Proven operators authorised to use simplified procedures; and

ICT-Enabled

Comprehensive computerisation, linking:

- All Customs Offices in transit movement;
- Traders to Customs Offices of Departure:
 - To manage movement and guarantees;
 - To identify irregularities fast; and
 - To provide detailed management information.

ASEAN CUSTOMS TRANSIT SYSTEM

Plans for Pilot Test Phase:

- Only one mode of transport: road (excluding Prot. 6)
- Limited category of goods: excluding SPS (Prot. 8) and dangerous goods (Prot. 9)
- Pilot testing for small number of Customs offices
- Selected transport operators
- Selected transit transport routes (Prot.1)
- May – October 2016

ASEAN to Pilot Customs Transit System

on Thursday, 06 November 2014. Posted in 2014, ASEAN Secretariat News



JAKARTA, 6 November 2014 – An ASEAN Customs Transit System (ACTS) will be piloted in Malaysia, Singapore and Thailand. The system, aimed at facilitating the movement of transit goods by road within ASEAN, will form an integral component of the vision of ASEAN Economic Community.



IMPLEMENTATION OF AFAFGIT

Implementation of AFAFGIT through ACTS would bring benefits:

- Allowing traders to transport their goods freely between different countries, point-to-point with fewer obstacles and delays
- Customs and transport procedures would be minimized; the goods can be transported in each transit country with the same truck
- Goods will be moved faster with the reduced procedural complexity
- Lower cost for traders and helping to increase regional trade.





MOVING FORWARD

Transport Facilitation Post-2015

- ASEAN Transport Strategic Plan 2016-2025 -> being drafted for signing by ASEAN Transport Ministers (ATM) in November 2015
- Strategic Plans for Transport Facilitation:
 - 1) Operationalising the AFAFGIT, AFAFIST and AFAMT;
 - 2) Operationalising the ASEAN Framework Agreement on Facilitation of Cross-Border Transport Passengers by Road Vehicles (CBTP);
 - 3) Enhancing capacity and skills development to further progress regional transport facilitation cooperation as well as transport facilitation beyond ASEAN.



Transport Facilitation Post-2015 (cont'd)

➤ Proposed Actions:

- ✓ Develop and implement necessary ASEAN transport facilitation-related procedures for the operationalisation of AFAFGIT and AFAFIST
- ✓ Develop an Implementation Framework for AFAMT
- ✓ Establish a mechanism between ASEAN and sub-regional initiatives to cooperate/exchange information on the implementation of cross-border transport operations in the region
- ✓ Develop Implementing Guidelines for ASEAN CBTP and support the operationalisation of NTTCC to monitor the implementation of ASEAN CBTP
- ✓ Enhance the level of skills and expertise of ASEAN transport officials in implementing effective, simplified ASEAN transport facilitation procedures -> *cooperation with and support from dialogue partners and international organisations needed.*



THANK YOU

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(kamsahamnida)