

# ASEAN Customs Reform to Advance Regional Supply Chain Resilience

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The US-ASEAN Business Council (US-ABC) is honored to have the opportunity to participate in the annual ASEAN Directors-General of Customs Meeting and hold dialogues with ASEAN DGs albeit virtually. For over 20 years, this engagement has served as the centerpiece of the US-ABC Customs & Trade Facilitation Committee's efforts to support a more integrated and prosperous ASEAN through efficient, secure, compliant, and competitive supply chains across the region. Following the progress made in Pillar 2 of the Indo-Pacific Economic Framework (IPEF) on enhancing the resilience of regional supply chains, the timing of this discussion is opportune for advancing ASEAN's discussions on the pressing issue of supply chain resilience and the need for increased cooperation. **Based on the region's multi-faceted nature, consensus-based decision making remains crucial for the freer movement of goods, services, and investments necessary for advancing regional and national economic integration and development.**

## Supply Chain Resilience

The economic impacts of the pandemic and conflicts have been enormous and led to considerable disruptions of supply chains. Without the close coordination between local authorities and the business community during the pandemic to ensure supply chain continuity – including the continuity of customs clearance services for essential goods to flow across borders – COVID-19 would have posed a much greater risk to ASEAN economies and communities over the past three years. Even as we move towards a post-COVID-19 world, unprecedented economic conditions amidst global uncertainty have further raised the importance of building and strengthening supply chain resilience.

Besides strengthening national and regional capacities to deter trans-border threats, the concept of supply chain resilience in Southeast Asia is evolving to construct a balance between both inward and outward looking positions. With ASEAN strongly connected to global production networks, trade policies imposed by trading giants have the potential of interrupting the region's intermediate trade of goods. Further crises and other macroeconomic and geopolitical developments outside ASEAN's control could sharply disrupt the region's growth. As a result, ASEAN customs agencies need to be able to quickly detect, respond to, and recover from unexpected events and unsettled changes. How ASEAN Member States (AMS) react to the changing parameters will heavily influence their positions in global trade, investments, and value chains. End-to-end data driven supply chain integration, visibility, and transparency remain essential conditions for enhanced resilience. **To maintain its position in global value chains, it is important for ASEAN governments to incorporate lessons learned from the COVID-19 pandemic to enhance the resiliency of customs and border processes.**

While we applaud ASEAN Customs' initiatives towards digital transformation, there is urgency in integrating digital technologies that streamline and automate processes across the value chain – in transportation, logistics, and customs infrastructure. **ASEAN Customs should also refrain from introducing new customs duties or additional frictions that impede cross-border flows of goods and services.** Reducing unnecessary costs and increasing speed to market are also significant mechanisms to reduce trade disruptions. Given this, streamlining, modernizing, and harmonizing procedures at the border enable both governments and businesses to build well-functioning and resilient supply chains.

## Cooperation

Stakeholders from both public and private sectors need to work closely to build more resilience. International cooperation and effective rules-based order, resulting from a new sense of urgency to strengthen economies, call for effective partnerships among regions and will be necessary to ensure global connectivity that will foster economic growth and a more sustainable future. **The roles of policymakers and implementing agencies are fundamental in creating a sound regulatory environment, formulating procedures with minimal trade disruptions, and building elasticity to external shocks.** Data collected during the pandemic shows that countries operated better under stable and predictable trade policies. Governments can work closely with the private sector in capacity development of customs and other trade facilitation related infrastructure. Private sector engagement continues to be crucial in gaining a more comprehensive understanding of what industries need and formulating optimal solutions.

US-ABC applauds ASEAN's commitment to advancing its digital transformation agenda, which is not only a prerequisite to the acceleration of economic recovery, but also a necessity for unlocking the potential of the region's digital economy. With meaningful commitments to digitalization, ASEAN has a unique opportunity to serve as a model of digital integration and advance a digital trade community. In this regard, ASEAN should seek to establish mutually cooperative mechanisms with other players on the forefront of digital trade, including the U.S. government, IPEF member governments, and the U.S. private sector, through consultations on how the provisions and principles of trade frameworks can facilitate the cross-border movement of goods and customs data sharing between ASEAN authorities and its trading partners more seamlessly and more effectively.

US-ABC continues to work closely with the ASEAN Secretariat, ASEAN Business Advisory Council (ASEAN-BAC) and Joint Business Councils (JBC) to discuss ways to modernize customs regime in ASEAN. In the past years, US-ABC regularly participated in the consultations with the ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC), Sub-Committee on ATIGA Rules of Origin (SCAROO), ASEAN Single Window Steering Committee (ASW-SC), Feasibility Study Group on ASEAN Low Value Shipment (FSG-LVS), Coordinating Committee on ASEAN Trade in Goods Agreement (ATIGA) (CCA) and Coordinating Committee on Customs (CCC). Through these engagements, US-ABC advocated for the simplification of trade procedures (specifically for essential and critical goods), and reduction of technical barriers to trade, as well as utilization of new technology to reform trade, where appropriate.

This briefing paper intends to highlight issues and propose projects on which the US-ABC would like to work with the ASEAN Customs to further advance customs modernization for supply chain resilience in the region. The recommendations center on the following themes:

- **Simplified Customs Procedures:**
  - **Coordinated Border Management:** This represents an approach to manage borders involving customs agencies working across different portfolio boundaries in a coordinated manner to achieve shared goals and a cohesive regional response to the challenges of border management. A coordinated, streamlined, and interoperable system through initiatives such as the ASEAN Single Window reduce times and costs for operators.
  - **Unified Approach in Customs Requirements:** Global customs requirements must be approached by ASEAN in a unified and consistent manner. Businesses need a reliable and trusted multi-lateral trading system centered on a modernized WTO that effectively implements global trade rules to ensure the resilience of regional supply chains and the promotion of foreign direct investments.
- **Digital Transformation:** This involves the use of digital systems to (i) collect and safeguard customs duties, (ii) control the flow of goods and services, and (iii) secure borders from trade-related crimes. Customs agencies can and should leverage new technologies and innovations to boost their digital transformation and streamline regional trade logistics. This, in turn, can strengthen competitiveness and bolster national and regional economic growth. Supply chain resilience will not be effective without functional data components and infrastructure at the borders.
- **Capacity Building:** Capacity building initiatives are necessary approaches to meet the role of customs agencies in the 21st century. Such efforts reflect the need for individual AMS to take responsibility and ownership for the development and implementation of their programs. A well-designed and targeted capacity building initiative ensure that customs administrations can meet its vitally important role of implementing a range of policies and contribute to the achievement of national and regional development objectives.
  - **Authorized Economic Operator (AEO) Dialogue:** US-ABC had the privilege to co-host a dialogue with the Sub-Working Group on ASEAN AEO MRA (SWG-AAMRA) on May 30, 2023, especially to learn some best practices on the AEO Programs implemented by the U.S. Customs and Border Protection and the European Union Directorate-General for Taxation and Customs Union (DG TAXUD). The business community sees the values of AEO Program in facilitating cross-border trade in ASEAN, in line with the objectives of the AEC Blueprint 2025 and the path towards speedy economic recovery. An effective and integrated AEO Programs among AMS would significantly ease the chokepoints at the border, thus saving cost and time to trade.

- **Transformative Technology in Trade Workshop:** This flagship initiative of the US-ABC Customs and Trade Facilitation Committee aims to demonstrate the application of technologies and how they can help to address the customs procedures issues at the borders through modernization of the overall systems. The Council is planning to hold a follow-up workshop in Q4 this year where customs officials can explore real transformative technology solutions and conduct a deep dive into how the technology works, including through best practices sharing by other relevant customs agencies.

## External Conditions

Despite pandemic recovery, the world continues to grapple with differing trends and pronounced uncertainty. There is increasing frequency of global shocks resulting from largescale threats such as the Russia-Ukraine war, inflation surges, and the lingering dangers of economic downturns. Diverging views on trade policies and implementation add heavily to these uncertainties, which have the potential to trigger significant economic consequences. This calls for coordinated action to counteract the possibilities of business continuity disruptions. **The initial months of the pandemic exposed the risks of both an overreliance on single suppliers and the lack of access to efficient logistics and digitalized trade services. Ignoring these risks could overturn the region's strong positioning in global value chains and reduce the benefits it has so far gained from global trade.**

## Trends

One of the key trends in recent years is global supply chain diversification. As companies look to find new manufacturing hubs, ASEAN continues to become a more globally competitive viable alternative option for global manufacturers. This will significantly impact how ASEAN supply chains operate. **As supply chain patterns evolve, ASEAN will continue to become more relevant.** More countries are choosing to negotiate trade agreements at a bilateral and/or regional level, giving AMS access to bigger markets, with reduced trade barriers. Essentially, ASEAN continues to play a crucial role in supporting the recovery of global supply chains and in building future resilience.

**Despite positive trends, trade headwinds continue to increase and create barriers to the flow of goods.** For instance, supply chain bottlenecks, raw materials and component shortages, and increased freight costs continue to hamper the distribution of goods to organizations and consumers. Similarly, the rise of e-commerce has prompted unexpected actions from regulators that may have caused constrictions at borders, delays in low-value shipments, and the imposition of administrative customs burdens on electronic transmissions.

Managing trade and customs compliance locally, while maximizing global trends is becoming more complicated. As a result of these uncertainties, companies are expected to prioritize the development of supply chain risk management and risk mitigation approaches along with investments in supply chain technologies. **In support, global policymakers should now look more closely at adoptive strategies in response to near-constant changes.**

## Investment Opportunities

The opportunities that supply chain diversification bring are clear for Southeast Asia – it will drive regional economic growth, accelerate infrastructure development, attract more foreign direct investments, and create more jobs. The entry of international businesses will help ASEAN stay competitive vis-à-vis other global economies. **A modern customs regime is critical for the resilient supply chain needed to attract more investments in the region. Considering the unique yet complimentary nature of AMS, more can be done on sharing best practices and principles on trade and investments, economic governance, digitalization, and business conduct.** The region needs to build stronger resilience while expanding trade, investment, and regional integration for it to remain as an important supplier, stopover, and end user in global production networks.



Standardization and a uniform approach to trade has huge benefits for ASEAN. The following recommendations outline actionable items to ASEAN Directors-General of Customs to strengthen supply chain resilience and enhance collaborations for sustainable economies.

## Simplified Customs Procedures

### A. Coordinated Border Management

Customs agencies must be prepared to position themselves when faced with multiple realities: technological, political, social, and legal & environmental. There is an increasing need for better cooperation in international customs and trade facilitation programs through the harmonization of import and export documentation and processes. At present, industry is still facing difficulties suiting the requirements of both exporting and importing countries. A uniformed approach to the documentation and its elements will simplify the process, reduce confusion on edits, and decrease the time needed to clear entries.

- **E-Commerce:** While e-commerce is an undeniable opportunity for ASEAN, the surge in volume has created new challenges for border agencies, postal, and express delivery services. Even pre-pandemic, the physical side of e-commerce (order fulfilment) could not keep pace with growth on the digital side (surging online consumer demand), driven by the convenience of platforms. The outbreak of the COVID-19 pandemic has further complicated the challenges for e-commerce supply chains, as consumers increasingly went digital and opted for online shopping amidst lockdowns and movement restrictions. Production, fulfilment, shipping, customs, and delivery systems were overwhelmed at the peak of the crisis with workforce shortages and freight capacity constraints creating significant challenges. Since 2020, average delivery times rose between 11% and 120% in Southeast Asia. **There is an urgent need to enable rapid and coordinated responses from customs and other border agencies to expedite the clearance of essential goods, keeping trade flows open for a strong recovery of the regional economy.** A predictable regulatory, trade, and investment environment, reconfigured supply chains, adoption of digital goods and real-time data, reduced costs and border frictions, and the utilization of e-commerce platforms are all necessary for the implementation of seamless cross-border e-commerce transactions. This said, e-commerce is a critical enabler for economic recovery and the integration of micro, small, and medium enterprises (MSMEs) to the global supply chain. Governments play an imperative role in creating an enabling environment for merchants, consumers and other relevant industry players to participate in e-commerce with trust and convenience. A coordinated e-commerce market will promote intra-regional flow of goods, present more opportunities for ASEAN's MSMEs, and ultimately result in new economic and social gains for AMS. MSMEs stand to benefit the most from a vibrant and growing e-commerce market in the region but are also most vulnerable to the business impact of e-commerce regulations and restrictions.

As such, customs regulation over e-commerce shipments should not be too onerous to the extent that it hampers growth opportunities from cross-border e-commerce or even exacerbates existing supply chain issues such as the creation of bottlenecks at the border. Customs authorities can work hand-in-hand with the business community to explore solutions that ensure e-commerce shipments are well regulated while minimizing disruption to the flow of goods at the border. US-ABC acknowledges the challenges faced by ASEAN Customs and has put forward several proposals and initiatives to help address them.

- **ASEAN Low Value Shipment Program (ALVSP):** In 2017, the business community offered ALVSP to simplify clearance procedures and facilitate the processing of low value shipments without impacting government revenues. This aligns with the World Customs Organization's (WCO) Cross-Border E-Commerce Framework of Standards #5 on "Simplified Clearance Procedures." The intent of the ALVSP is to enhance intra-regional trade and capture the proportion of trade that is already enjoying zero ATIGA duty rates.
  - While AMS have decided not to pursue a pathfinder approach, we continue to believe that the ALVSP is an optimal way to facilitate faster and simpler processing of low value shipments in the region.
  - US-ABC requests that AMS continue to review this matter with the objective of achieving regulatory alignment in a timely fashion.
- **Digital Economy Framework Agreement (DEFA) Customs and Trade Facilitation Chapter**
  - As ASEAN embarks on the formulation of a regional DEFA, a coordinated approach between industry and relevant agencies including customs and trade is paramount in promoting seamless movement of goods, presenting more opportunities for ASEAN MSMEs, and contributing to new economic and social gains for all AMS.
- **Single Window:** The ASEAN Single Window (ASW) connects and integrates the National Single Windows of AMS to exchange electronic trade related documents.
  - We welcome the development of AMS working towards the full implementation (e.g., issuing and receiving) of e-Form D through the ASW by December 2023.
    - The provision to use electronic form as an alternative to the paper-based documentation is not only doubling the time and cost to move goods across borders, but also adding bureaucratic burdens and diluting the goals of simplifying customs clearance procedures.
    - The perceived lack of progress in the expansion of the ASW inhibits trade growth, continues to add cost and complexity, and reduces the region's FDI attractiveness.

- US-ABC welcomes any new initiative for ASEAN to explore the expansion of ASW's scope to include the exchange of other shipment information and documents.
- US-ABC continues to advocate for the harmonization of trade rules, improvement of existing provisions on the classifications of goods, tariff liberalization, Operational Certification Procedure (OCP), and third-party invoice.
  - Industry is still encountering frustrating delays and disruptions at the domestic level due to inconsistent interpretation of some rules under the ATIGA by AMS. This causes unnecessary delay and slows down progress towards seamless intra-ASEAN trade.

## B. Unified Approach in Customs Requirements

To ensure supply chain resilience, it will be important to approach global customs requirements in a unified and cohesive manner. This will ensure that critical infrastructure will remain available and accessible, thus ensuring commerce and supply chains will not be disrupted. There is also a need to simplify compliance to reduce the complexities that importers and exporters face when interpreting and following measures. Customs agencies should collaborate with industry in solving and simplifying issues to eliminate misunderstandings among stakeholders. Businesses need a reliable and trusted multi-lateral trading system centered on a modernized WTO that effectively implements trade rules. Similarly, AMS can consider adopting customs and trade facilitation practices from the U.S. as a trade partner.

- **WTO Moratorium on Customs Duties on Electronic Transmissions:** The WTO maintains a Moratorium on customs duties for electronic transmissions (“The Moratorium”), including on the content transmitted (e.g., apps, software), whereby all WTO Members agree to refrain from imposing import tariffs on digital products and services.
  - US-ABC would like to urge AMS to support the extension of the Moratorium on electronic transmissions, including content transmitted electronically, as well as the exploration of the Moratorium’s permanent adoption.
    - The Moratorium provides predictability and accessibility of digital tools for MSMEs and start-ups. Similarly, it supports the growth of domestic technology providers – particularly those that complement customs modernization and related solutions (e.g., digital identity, digital payments) by lowering export costs to new markets.
    - Allowing the Moratorium to lapse would also mean that countries would need to develop and impose new customs administration requirements for electronic transmissions (as is the case for physical goods) such as rules of origin, customs valuation, and customs inspection, among others. Imposition of customs procedures and documentary requirements will not only increase the administrative and compliance burden that MSMEs and entrepreneurs must manage, but also create new resourcing and workload incumbrances on customs agencies themselves.

- US-ABC suggests the inclusion of a related provision in any further bilateral or regional agreements to which AMS are a party to, including DEFA.
- **Implementation of the Mutual Recognition Arrangement (MRA):** The establishment of AEO programs by individual AMS is a positive development that increases supply chain security and safety, while enhancing trade facilitation by expediting customs procedures for low-risk shipments. MRAs are important to the success of AEO programs, allowing customs officials to target high-risk shipments more effectively, permit the quicker release of goods for AEOs, and thereby increasing economic competitiveness.
  - We welcome updates on the progress made so far, including the signing of the MRA by AMS and information on the timeline for its implementation.
  - US-ABC would like to propose active consultation with the private sector in the implementation of the AEO programs.
    - An ASEAN MRA on AEO would allow ASEAN to strengthen the use of each participating country's expertise and resources, resulting in greater efficiencies for each respective regulatory system and more practical means to oversee the volume of imported and exported goods.
    - Ongoing engagements with the private sector are important to the success of any AEO program and US-ABC believes there is a role for private sector consultation in the implementation of the MRA.
  - US-ABC would like to encourage AMS to practice consistencies across established frameworks.
    - In order to ensure the proper utilization of the AEO, its implementation across various AMS must be fully adaptable by local authorities.
    - Similarly, across programs (e.g., AEO and ASEAN Customs Transit Systems (ACTS), ATIGA), there are opportunities to unify the interpretation of the framework to improve their adoption and minimize conflicting interpretation based on own understanding or local laws.
- **Free Trade Agreements (FTAs):** We welcome efforts to review and revamp existing trade agreements to ensure that they holistically encourage and promote investments across AMS, rather than simply satisfying material requirements or preferential origins. Enhanced FTAs can result to the better utilization of frameworks such as the ATIGA. The same principles should also apply to all ASEAN +1 FTAs, the Regional Comprehensive Economic Partnership (RCEP) and the future DEFA.

## Digital Transformation

### **New information and technologies provide great potential for improving resiliencies.**

Governments must keep borders open for trade and investment and allow for hard and soft infrastructure to digitalize business and trade processes. Strengthening trade infrastructure is key for businesses to mitigate supply chain shocks, minimize bottlenecks, and increase speed to market. New technology is an enabler of growth and resilience and is fast transforming global value chains. There is work that needs to be done in terms of leveraging information and communication technologies to streamline customs procedures and electronic exchange information.

The pandemic put emphasis on the importance of major innovative technological concepts. These include fully digital and paperless clearance of goods, non-intrusive inspection devices, blockchain technology, artificial intelligence, and other technological advances that offer tangible benefits data collection, sharing, and analysis. Customs administrations are encouraged to look at the way goods are cleared at the borders from a new perspective. **Advanced technology is key to helping regional customs teams create a resilient global infrastructure for transactional trade activities. Of equal importance is ensuring that access to critical technology, software, and other electronic transmission is not inhibited by national tariffs, considering that trade in these goods is crucial to resilient supply chains and future investments in the region.** ASEAN countries should embrace the availability of new technologies that fast-track innovation induced by the pandemic.

### **Automated and digitized processes reduce the risk of human error and streamline supply chain processes.**

There is a need to promote paperless trading in the region. For example, Customs agencies can accelerate the integration of online documentation system through ASW and consider synchronizing the requirements. If many of these key activities are automated within an agency-wide system, teams will be better equipped to contribute more strategically. Furthermore, the move to digitize documentation will help simplify and speed up the movement of goods around the region. For example, the process of obtaining original documentation to signify authenticity has already moved to the digital space. Doing the same for other customs documents will elevate the ease of doing business and subsequently boost foreign investment in participating countries. Optimization, automation, and digitization of customs and border processes are among the areas that available technologies can address. The ability of customs agencies to obtain, process, and analyze large amounts of data through automation and in a timely manner is key to ensuring agile and secure regional value chains.

To address the potential impact of cross-border e-commerce in overwhelming future supply chains, **ASEAN will also need to consider further investment in the digitization of logistics, border clearance, and supply chain management to keep up with digital purchases and enhance visibility.**

While Customs administrations across the region have undergone digital transformation, it is now time for other parts of the value chain – such as port processes, warehouses, transport services – to undergo similar digitization efforts so that customs declaration and clearance are digitally integrated with all other border processes.

With paperless trade and digital transformation, data and information can be shared seamlessly between Customs authorities and other players across the value chain – reducing inefficiencies, streamlining processes, and enhancing visibility and traceability for trade. Such benefits can already be seen in Singapore, with the Networked Trade Platform (NTP) and Singapore Trade Data Exchange (SGTraDex) which streamline information flows for authorities, businesses, and other players in the supply chain ecosystem.

## Sectoral Concerns: Case Study on the Health and Wellness Industry

Health and wellness supply chains are extensive networks of systems components, and processes that collectively work to ensure that health-related products are manufactured, distributed, and delivered to patients in a timely fashion. The COVID-19 pandemic required the industry to heavily rely on supply chain functions in a less transactional and more strategic way. The foremost challenges this sector face include the lack of system integration, data silos, manual product data capture, and the lack of data analytics and reporting capabilities. Healthcare industry players in Southeast Asia continue to face challenges in their supply chain management because of the lack of cross border management, unified approach, and digitalization among borders in the region, making it difficult for companies to manage their supply chain. Below are actual problems faced by companies and proposed solutions under our recommendation framework.

Actual Challenge	Proposed Solutions
<p><b>Lack of harmonization in ASEAN's HS codes for nutritional products</b> <i>Company A is facing a different classification of HS codes for its milk products in two different AMS, resulting in high tariffs and delays.</i></p>	<p>ASEAN governments should harmonize regulations and HS codes in consistency with the tariff classification of the customs authorities in other jurisdictions for the same or similar goods, and comply with the ASEAN Harmonized Tariff Nomenclature (AHTN) where appropriate.</p>
<p><b>Lack of consideration for expiration dates</b> <i>Certain products under the health industry, such as medical devices, chemicals, or substances, have shorter expiry dates that require different levels of urgency. However, when it comes to dealing with Customs authorities, all commodities are treated with the same lead time or queueing activity.</i></p>	<p>It would be ideal if authorities could align their understanding of the urgency associates with specific types of cargo, in consideration of sectoral concerns and varying requirements for different industries.</p>
<p><b>Labeling deviations</b> <i>Companies, not limited to the healthcare industries, face challenges in labeling requirements, making it more difficult for them to comply with AMS' individual labelling requirements.</i></p>	<p>AMS could adopt a shared "baseline" when it comes to labelling requirements, with deviations from that baseline to be easily identified by companies. This would allow companies to easily identify the additional labelling requirements for that certain country.</p>
<p><b>Insufficient traceability of products</b></p>	<p>Governments could consider enabling policy and frameworks for the serialization and use of blockchain technology to enhance the traceability of pharmaceutical products.</p>

## Capacity Building Support

ASEAN governments should work closely with business organizations to draw from their experience and expertise to undertake transformational change. Capacity building support will help address skills shortages by providing workforce training and diffusing best practices to accelerate services and processes. **Customs agencies are being called to improve the preparedness of their staff through awareness raising and capacity building.** Strengthening resilience requires sustained efforts towards better adaptability, greater proactivity, agility, and global cooperation.

### US-ABC Capacity Building Initiatives

#### Authorized Economic Operator Dialogue

The business community sees the values of AEO Program in advancing cross-border trade in ASEAN, in line with the objectives of the AEC Blueprint 2025 and the path towards speedy economic recovery. An effective and integrated AEO Programs among AMS would significantly ease the chokepoints at the border, thus saving cost and time to trade. At present, traders still encounter operational challenges with the AEO certification and auditing. AnVi intra-ASEAN MRA on AEO Programs would certainly help to address the problems, yet its implementation and interoperability need to be communicated effectively with all stakeholders involved, including the private sector.

US-ABC had the privilege to co-host a dialogue with the Sub-Working Group on ASEAN AEO MRA (SWG-AAMRA) on May 30, 2023, especially to learn some best practices on the AEO Programs implemented by the U.S. Customs and Border Protection and the European Union Directorate-General for Taxation and Customs Union (DG TAXUD). We are hoping this would pave the way for closer public and private dialogue on this important initiative. The U.S. business community is always ready to offer support through technical assistance and capacity building where relevant for AMS.

#### Transformative Technology in Trade Workshop

US-ABC hosted a Transformative Technology in Trade capacity building workshop on September 28, 2021. The workshop addressed various customs policy challenges that exist across ASEAN, and how the adoption of cutting-edge technologies can, not only streamline processes for customs agencies, but also accelerate trade and recovery goals, while creating broad-based, sustainable, and inclusive socio-economic growth. The workshop also served as an opportunity for the U.S. private sector and other stakeholders across the region to share knowledge and best practices with ASEAN customs officials and border agencies to help with their agencies' transition towards full, contactless, electronic customs processes in a post COVID-19 world. The workshop featured three panel discussions on (i) the means to enhance risk management for incoming shipments, (ii) the ways to ease customs declaration and clearance processes while optimizing data use and technology, and (iii) the facilitation of revenue collection for low value shipped goods.



As a follow-up to that workshop, the Council is looking to organize another virtual workshop to focus on demonstrating the application of those technologies and how they can help to address the chokepoints with customs procedures at the borders and modernize the overall systems. During the workshop, customs officials will explore real transformative technology solutions and conduct a deep dive into how the technology works, including through best practices sharing by other relevant customs agencies. Outcomes/solutions will be published, and participants are expected to discuss potential next steps for operationalization.

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