



Connectivity through Business-Customs Partnership

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AGENDA

- CAPEC & Express Delivery Service Industry
- Partnership, Engagement and Mutual Understanding
- Business-Customs Cooperation
- What can CAPEC offer



Conference of Asia Pacific Express Carriers

The Regional Voice of the Express Delivery Service (EDS) Industry



CAPEC's Mission

“Work closely with governments and regulatory authorities throughout Asia to further the interests of the express industry and to facilitate trade expansion and economic growth in the region”



What is the Express Delivery Service Industry?

- US\$155 billion in annual global revenues
- Over 30 million shipments daily worldwide
- 1,200,000 employees
- 170,000 vehicles
- 1,700 aircraft
- Operations in over 220 countries
- Continuous 20% annual growth between 1996 and 2006
- By 2017, Air Express industry is expected to represent almost 36% of global air cargo

The EDS Industry is Unique



- Fully integrated, door-to-door delivery
- Global service
- Custodial control
- Information Technology
- Reliability/Predictability
- Speed

Why EDS ?



- Rapid, reliable delivery reduces need for large inventories and warehouse costs
- Global manufacturers demand faster (24-48 hours) and time-definite delivery
- Express delivery of samples where design is of paramount importance – toys, garments, footwear
- Small and medium size enterprises (SMEs) leverage global air express economies of scale
- Key role in after sales-service with replacement parts



Economic & Social Benefits

- From US – ASEAN Business Council:
 - Express Industry generates over US \$ 50 billion in economic activity
 - Supports about 350,000 jobs within ASEAN region
- From US – China Business Council Study
 - US \$ 3 billion in additional investment
 - US \$ 84 billion in higher manufacturing output
 - 800,000 new jobs

Partnership



- The key to achieving Customs – Trade Benefits is a partnership approach fostered by regular and frequent consultation at all levels from global through to regional, national and local Customs offices.

Engagement

- Achieve intended objectives of regulations
- Prevent nasty surprises and negative impact
- Improve economic and business environment
- Identify new and relevant stakeholders
- Facilitate implementation of regulations
- Ultimately, achieve Compliance to the Regulations

Mutual Understanding

- Understanding is a 2-way Street
- Customs has expectations that its regulations can be understood and followed, but issues such as Post Customs Audit, Risk Profiling not widely shared
- Businesses has an uphill task to explain its operations, its internal systems and processes
- Do Customs understand the Express Delivery Service?

Customs-Business Cooperation

- Customs Administrations have started several initiatives over the past few years
- These initiatives recognized better business performance on a few key criteria such as;
 - Physical and Personnel Security
 - Track Record of Customs Compliance
 - Financial Depth and Stability
 - Internal Controls and Systems

Ultimate Partnership

- Trade Facilitation and Customs Control are not mutually exclusive objectives
- Checks and Balances could be implemented based on system controls and processes
- Flexibility for voluntary disclosures, progressive penalties based on the gravity of the offence, clerical errors, clear guarantees and refunds guidelines



What can CAPEC offer?

- The world's leading integrated air express carriers and we have more than 200 years of expertise in moving trade around the world.
- We want to partner with APEC Customs Administrations to develop effective and cost efficient policies that do not impede trade flows and contain rising business costs.
- CAPEC is a resource used by countries throughout Asia in respect of policies and legislations on customs, transport, postal and aviation security and airports.



EDS in China

- Seeking GAC support to provide EDS industry adequate preparatory time in major regulatory policy change. For example: GAC33.
- Develop speed and reliable bonded transfer network within China. For example: South China Quick Pass Green Channel.

Conclusion

- CAPEC is fully supportive of APEC's objectives of free and open trade by 2020
- Business-Customs consultations should be held regularly at all levels in a transparent and sustained manner
- Mutual understanding of both customs and business operations will allow greater trade facilitation without compromising trade control



THANK YOU !

