

**ADB**



**WCO TECHNOLOGY AND INNOVATION FORUM**  
**Kuala Lumpur, Malaysia**  
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# **Customs Technology: ADB's Experience**



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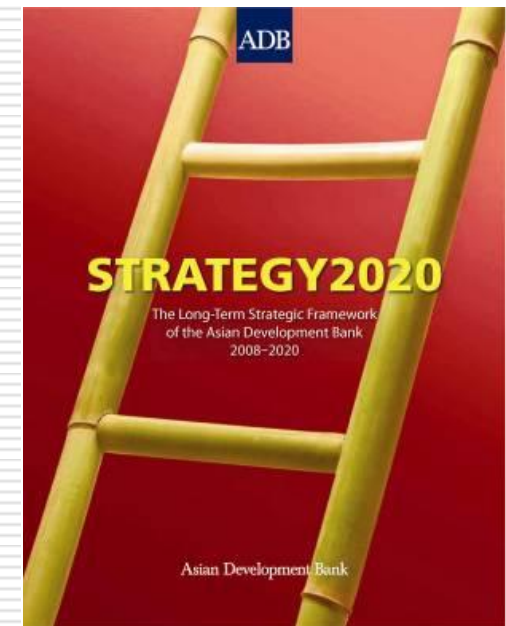


- **About the Asian Development Bank**
- **Customs Modernization and Trade Facilitation:  
ADB's Support**
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- **Customs Technology: ADB's Experience**
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  - **KGZ/TAJ: Regional Customs Modernization and  
Infrastructure Development**
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# About the Asian Development Bank

- **Founded in 1966**
  - 67 member countries (48 in Asia)
  - 2,800 employees from 59 countries
  - Manila HQ with 29 field offices
- **ADB's 2011 Operations: \$21.7 Billion**
  - India (\$3.05 billion)
  - PRC (\$1.49 billion)
  - Viet Nam (\$1.40 billion)
  - Pakistan (\$1.33 billion)
  - Uzbekistan (\$1.18 billion)
- **Three Strategic Agenda**
  - Inclusive Growth
  - Environmentally Sustainable Growth
  - Regional Integration and Cooperation





# Customs Modernization and Trade Facilitation (CMTF): ADB's Support

- **2000-2010**
  - **10 CMTF investment projects (\$126 million)**
  - **43 CMTF TA projects (\$45 million)**
- **Increasing focus on trade facilitation and security**
- **Pursue the C21 agenda (2008)**
- **Close partnership with WCO**
  - **10 CMTF investment projects: 70% with WCO**
  - **43 CMTF TA projects: 47% with WCO**
  - **MOU with WCO in 2010**



# ADB-WCO MOU to maximize operational complementarity

***“Facilitating and securing global trade will have a substantial economic impact on ADB's developing member countries and will further deepen regional economic integration in the region,” said Mr. Kuroda. “Under the MOU, ADB's transport infrastructure finance and regional cooperation programs and WCO's technical customs competency will complement each other and improve the efficiency of our efforts to facilitate and secure trade.”***





# ADB-WCO partnership to promote the good and contain the bad ...

**ADB** **ADB and WCO** 

**Good (+)**



**Negative Econ  
Impacts**

**Negative Social &  
Health Impacts**

**Illicit  
Trade**

**Human  
Trafficking**

**HIV/AIDS**

**Accidents,  
air pollution, etc**

**Infrastructure  
Improvement**

**Customs  
Improvement**

**Transit  
Improvement**

**Trade Finance**

**Trade/Traffic  
Increase**

**Positive  
Econ & Social  
Impacts**



**Bad (-)**

**ADB** **ADB and WCO** 



# Customs Technology (1)

## Mongolia: Customs Modernization

### ■ Financing

- ADB (\$5 million and \$0.5 million eAsia Partnership Fund)
- Korean Government/KOICA (\$2.5 million)
- Mongolian Government (\$1.3 million)

### ■ Project Scope

- Customs Automated Information System (CAIS)
  - Data center installed at the HQ of Mongolian Customs General Administration, connected to
    - all the customs houses in MON and
    - border customs posts through VSAT
  - Back-up system in the Ulaanbaatar Customs House
- Central laboratory in the HQ
- Training (ADB and KOICA)



# Customs Technology (1) Mongolia: Customs Modernization



АХБ-ны зэрэг, тусламжаар гүйцэтгэсэн  
Гаалийн мэдээллийн автоматжуулсан системийн  
**НЭЭЛТИЙН АЖИЛЛАГАА**  
Улаанбаатар хот. 2010.07.05  
**Launching Ceremony of Customs Automated  
Information System**  
funded by ADB Loan and TA  
July 5, 2010, Ulaanbaatar, Mongolia





**The Project for Mongolian Customs Modernization**  
KOICA  
Invitation Training Program, Seoul, Korea  
May 10(Sun.) - May 23(Sat.), 2009

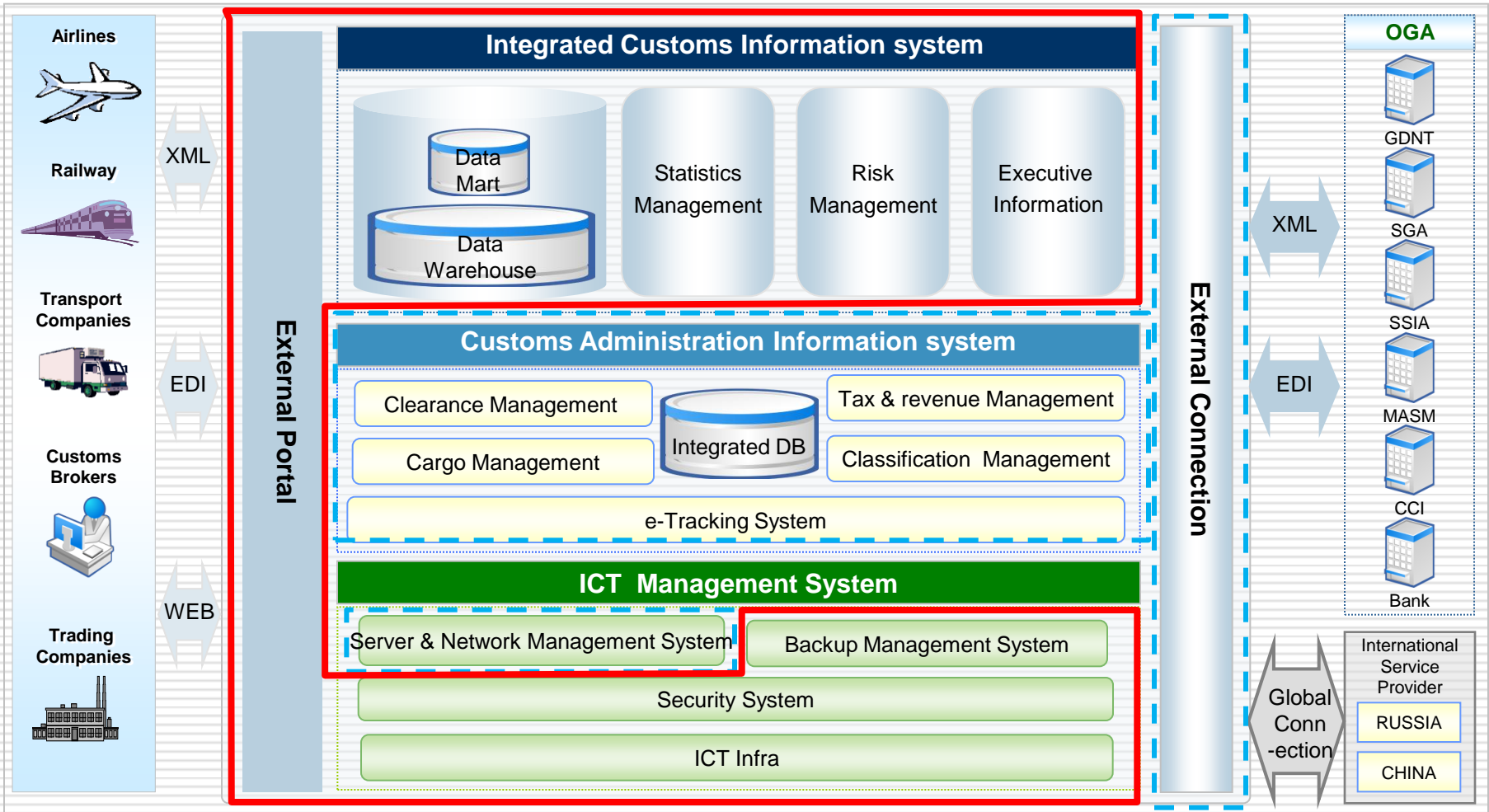





# Customs Technology (1)

## Mongolia: Customs Modernization

### Customs Automated Information System: System Overview





# Customs Technology (1)

## Mongolia: Customs Modernization

### Laboratory Equipment





# Customs Technology (1)

## Mongolia: Customs Modernization

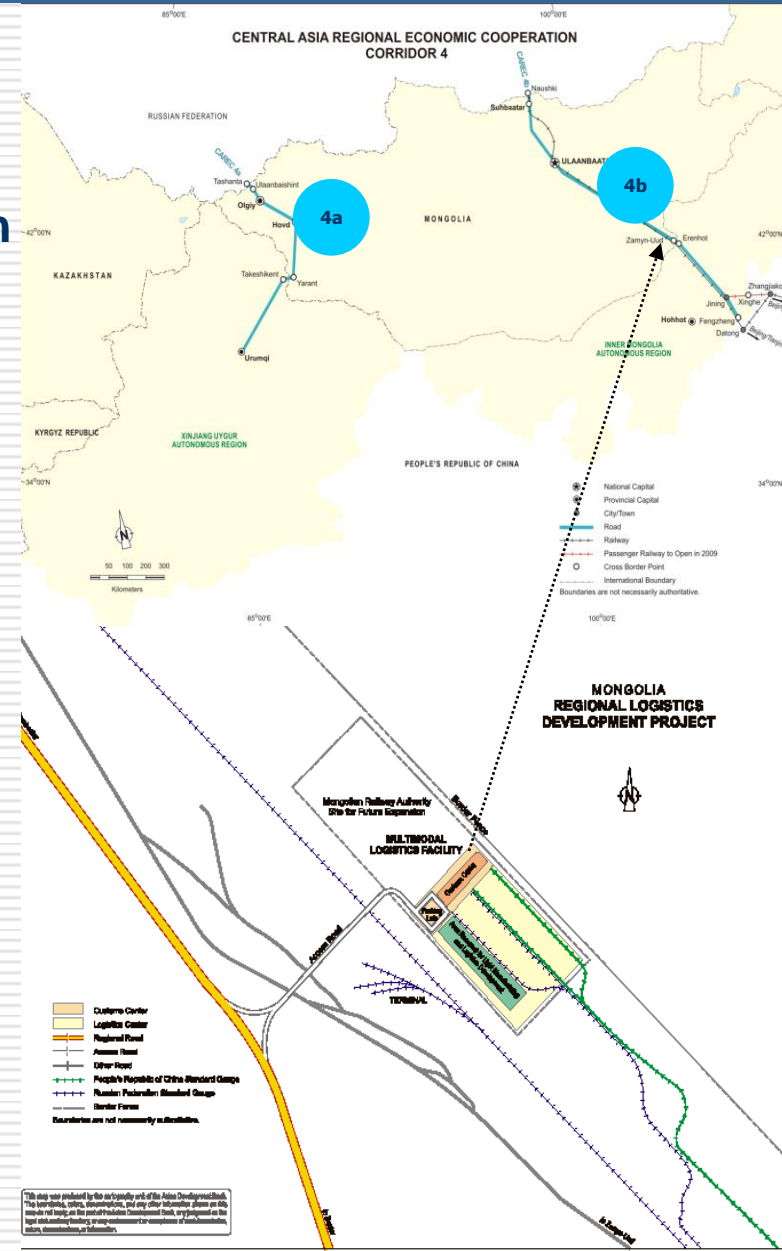
### Related Support: ADB

ADB lending to CAREC Corridor 4 (North South Road Transport Corridors)

4a: Ulaanbaishint-Yarant

4b: Suhbaatar-Ulaanbaatar-Zamyn-Uud

ADB Regional Logistics Development Project





# Customs Technology (1)

## Mongolia: Customs Modernization

- **Related Support: ADB**
- **MON: Customs Modernization Project was implemented in conjunction with ADB's regional TAs (6370, 6437 and 7618) which promote regional cooperation between MON and PRC**
- **MON-PRC joint customs control has been conducted at 2 pairs of border crossing points (one from 2009 and the other from 2011)**



*ADB has been recognized as the most valuable contributor in trade facilitation and infrastructure development by MON National Chamber of Commerce and Industry and was awarded with the Honorary Order "Silk Road" during the biannual Silk Road Award Ceremony held in February 2012.*



# Customs Technology (1)

## Mongolia: Customs Modernization

- Related Support: PRC Customs Grant
- X-ray Machine at Zamyun-Uud Customs House





## Customs Technology (2)

# KGZ&TAJ: Reg Customs Modernization & Infra Dev

### ■ Financing

- ADB (\$10.7 million: TAJ component and \$7.5 million: KGZ component)
- US Gov/the Bureau of International Narcotics and Law Enforcement Affairs (INL)(\$1.6 million: TAJ component [Kulma border post (BP) with PRC and Kizilart BP with KGZ])
- TAJ Gov (\$2.7 million) & KGZ Gov (\$1.9 million)

### ■ Project Scope

- Unified Automated Information System (UAIS)
- Construction of BP infrastructure and procurement of X-ray machines and generators
- Training
- Completed on 31 October 2011



# Customs Technology (2)

## KGZ&TAJ: Reg Customs Modernization & Infra Dev

### Scanners Procured



#### Specifications:

##### Tunnel Size

1,500 mm (W) x 1,650 mm (H)  
(59.1 x 65.0 in.)

##### 150Kv LxWxH

6,492 x 2,874 x 2,042 mm  
(255.6 x 113.1 x 80.4 inches)

##### 200Kv LxWxH

6,608 x 2,820 x 2,234 mm  
(260.2 x 111.0 x 88.0 inches)

#### Specifications:

##### Tunnel Size

1,000 mm (W) x 1,000 mm (H)  
(39.4 x 39.4 in.)

##### Length

3,918 mm (154.3 in.)

##### Height

2,200 mm (86.6 in.)

##### Width

1,410 mm (55.5 in.)

#### Specifications:

##### Tunnel Size

950 mm (W) x 650 mm (H)  
(37.4 x 25.5 in.)

##### Length

3,058 mm (120.4 in.)

##### Height

1,650 mm (64.9 in.)

##### Width

1,329 mm (52.3 in.)



## Customs Technology (3)

# TAJ: CAREC Corridor 3 (Dushanbe-UZB border) Imp

### ■ Financing

- ADB (road segments [km 5-km 62]: \$120 million)
- EBRD (road segment [km 0-km 5]: \$27 million)
- TAJ Government (\$34 million)

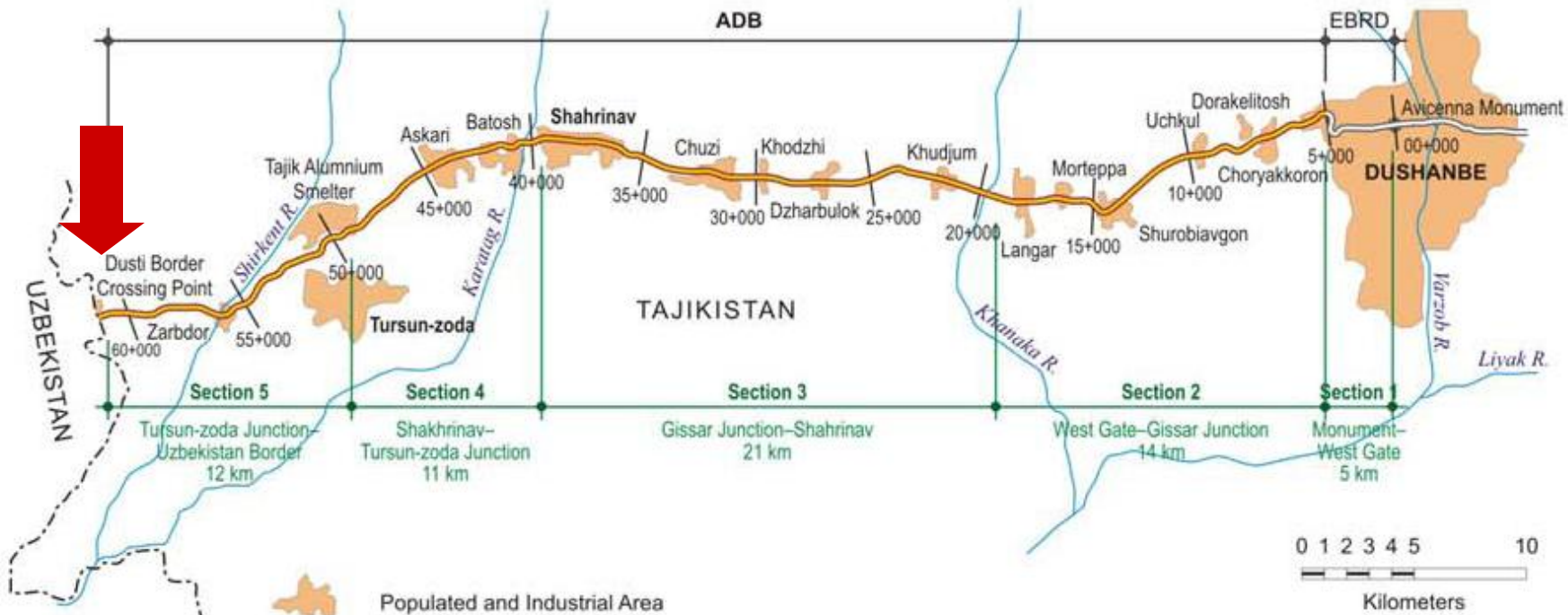
### ■ ADB Project Scope

- Road Improvement (km 5-km 62): \$110.4 million (base cost)
- Border point improvement including a mobile scanner and a weigh bridge: \$4.6 million (base cost)
- Land acquisition and resettlement: \$2.9 million (base cost)
- Project management: \$5.2 million (base cost)
- Project implementation period: Jan 2011- Jan 2015



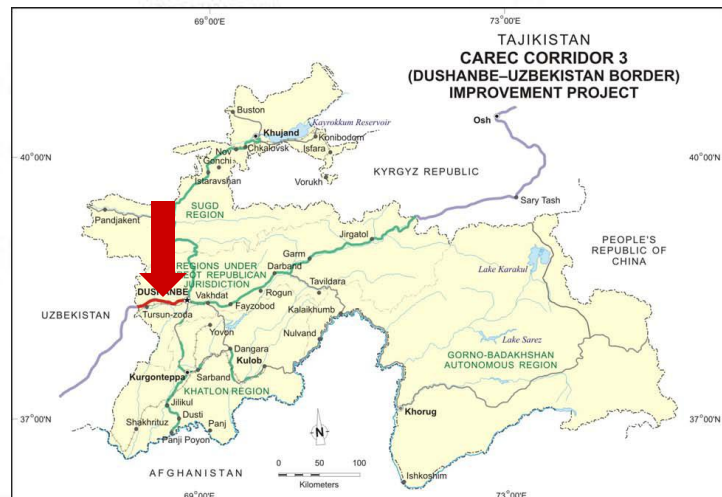
# Customs Technology (3)

## TAJ: CAREC Corridor 3 (Dushanbe-UZB border) Imp



- Populated and Industrial Area
- National Capital
- Regional Center
- Autonomous Regional Center
- District Center/Town
- Chainage, km (0+000)
- Dushanbe (West Gate)-Tursun-zoda-Uzbekistan Road
- CAREC Corridor 3
- Proposed Project Road
- Completed and/or Ongoing Projects Financed by ADB and Cofinanciers

Note: Tursunzade is the Russian name of Tursun-zoda.





# Customs Technology (3)

## TAJ: CAREC Corridor 3 (Dushanbe-UZB border) Imp

### Scanner Procured and Dusti Border Crossing Point





# Challenges and Response

## ■ Challenges

- Increasing trade volumes and numbers of transactions need efficient and effective customs operations
  1. Substantial trade increase
    - World Trade: \$13 trillion (2000) to \$31 trillion (2010)
    - Asian Trade: \$3.5 trillion (2000) to \$10 trillion (2010)
  2. Trade today is “the world making things together”
    - Calls for Trade Facilitation from the Private Sector
  3. Increasing concerns over security and illicit trade
  4. Customs: human resource and budgetary constraints

## ■ Response

- Customs administrations are pursuing “smart” customs management and operations using technology



# Issues and Recommendations

- **Technology offers many solutions, but technology alone does not meet the complex trade challenges, mainly because of.....**
  - Lack of experienced staff
  - Lack of back-up generators/systems
  - Lack of O&M budgets and replacement plans
- **To maximize the benefits of technology, pursue:**
  - WCO's Customs in the 21<sup>st</sup> Century agenda
  - Reviews of Customs management information system
  - Partnerships
  - Timely budgetary appropriations and innovative financing
  - Training to improve the efficiency and effectiveness of Customs human capital



**Q: Why do we do this?**



**A: Efficient and secure trade creates shared prosperity and improves people's welfare across the world**





Thank you



## For More Information

### Contact



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