



Regional Workshop on Cross-Border Digital Trade for CAREC Countries

12-14 November 2024, Seoul, South Korea

Concept Note and Agenda

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Seoul Garden Hotel, Seoul, South Korea

BACKGROUND

- The Asian Development Bank's Knowledge and Support Technical Assistance 9824: *Better Customs for Better Client Services in Central Asia* project aims to foster inclusive economic growth and support the readiness of CAREC (Central Asia Regional Economic Cooperation) countries to comply with existing international trade facilitation commitments such as Cross-border Paperless Trade Agreement, Risk Management, the Authorized Economic Operator (AEO) Program, and new or evolving requirements.
- Given the exponential growth in the digital economy and e-commerce in recent years, this workshop will provide a methodology in conducting a feasibility study on cross-border paperless trade for CAREC countries, including identifying gaps in the digital trade ecosystem, encompassing digital infrastructure, digital skills, digital divide and digital regulatory frameworks encountered by businesses, traders, and investors. The scope of areas includes digital connectivity and infrastructure, paperless trading, digital payments, data governance, cybersecurity, and digital talents, among others. Cross-border paperless trade not only entails exchange of documents and information across the border, but also within the country. The experiences of those involved in paperless trade highlight how digitalization of licenses, permits and certificates improve compliance with regulations and policies, reduces errors and fraud, supports risk management and builds trust. We have to recognize the importance of risk management principles in supporting paperless trade.
- The Customs authority is the key player in the movement of goods across international borders, but can only do much. Thus, coordinated border management requires the participation of numerous entities and stakeholder in the implementation of the AEO program. Balance between secured supply chain and trade facilitation must also be recognized, including the vulnerable points along the supply chain. Transforming the AEO program into a more mature and developed model will allow the AEO concept to become the future game changer it was originally intended to become, for both international trade and other stakeholders in the global supply chain.
- As a value-added service to support cross-border digital trade, pre-arrival customs clearance system could be considered. This will cover identification and participation of trusted brokers or traders to avail pre-arrival customs clearance as an AEO benefit. If an importing country could identify whether an exporter broker/trader was an AEO, this information could be used in risk profiling.

KEY OBJECTIVES

This is a technical workshop on basic principles of cross-border digital trade to raise awareness in setting up an implementation framework, including strategic activities in optimizing customs control yet facilitating the movement of global trade between Korea and interested CAREC countries. The following are the strategic activities in supporting the objectives:

- Reduce the cost involved in international trade;
- Increase the revenue for both the private sector and the governments;
- Security, transparency, and efficiency in supply chains would increase;
- Changeover to paperless trade will be invariably accompanied by reengineering of existing complicated procedures resulting in simplification, greater transparency and accountability, contributing to the cause of good governance;
- Electronic information is more amenable to automatic risk analysis, which will help in preventing fraud and non-compliance, giving rise to more revenue;
- It will help in modernizing administrations and result in better utilization of available manpower. It will allow private enterprises to develop and use automatic tracking systems to enable secure and timely delivery of goods;
- Landlocked countries would especially benefit from paperless trade as electronic information can be received and processed in advance before arrival of the goods at the border, enabling faster clearance;
- Sharing knowledge on the methods and tools adopted by developed countries in aligning their business and information processes in implementing cross-border digital trade supported by AEO program and key risk management principles; and
- Assisting interested CAREC countries in developing and implementing their digitalization efforts, trusted partnership, and risk profiling activities.

WORKSHOP CONDUCT

- Senior and technical customs officials from CAREC member countries, trade facilitation experts from Korea Customs Service, ADB staff and consultants, and development partners will be invited to the workshop to share their implementation experiences of a dynamic and efficient cross-border digital trade program.

PARTICIPANTS

- CAREC Customs officials, ADB staff and consultants, and development partners.



PROGRAMME OF ACTIVITIES

Moderator: Ms. **Zulfia Karimova**, Principal Regional Cooperation Specialist, Regional Cooperation and Integration Unit, Central and West Asia Department, Asian Development Bank

Day 1 – 12 November 2024 (Tuesday)	
09:00 – 09:30	Registration of Participants
09:30 – 10:00	Opening Remarks (20 minutes) Mr. Heon Park , Director General, International Affairs Bureau, Korea Customs Service (KCS) Ms. Zulfia Karimova , Principal Regional Cooperation Specialist, Regional Cooperation and Integration, Central and West Asia Department, Asian Development Bank (ADB) Group Photo (10 minutes)
10:00 – 10:30	Session 1: Overview of Korea Customs Service' UNIPASS System (20 minutes) <i>As digital trade becomes a key driver of international trade growth, how do we ensure it yields real social, economic, and environmental benefits and leaves no one behind?</i> <i>Really no easy answers but learning the features of the UNIPASS will provide participants an opportunity to reflect on its capabilities and dynamism, and hopefully come up with a few solutions for their ongoing digitalization activities as well.</i> Speaker: Mr. Jeon Pyounghee , Deputy Director, KCS Q & A (10 minutes) Moderator: Ms. Zulfia Karimova , Principal Regional Cooperation Specialist, ADB
10:30 – 11:00	Morning Coffee/Tea Break (30 minutes)
11:00 – 11:30	Session 2: Cross-border Paperless Trade Agreement (20 minutes) <i>Enabling paperless trade and the cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation. The intent is to review existing practices of paperless trade in different countries/regions as well as on-going discussions in the relevant multilateral bodies. Deriving potential options of regional arrangements through in-depth analysis and recommending one most practical option of regional arrangements in the context of Asia and the Pacific Region</i>

	<p><i>with its contents and features.</i></p> <p>Speaker: Mr. Tengfei Wang, Economic Affairs Officer, Trade, Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)</p> <p>Q and A (10 minutes)</p> <p>Moderator: Ms. Tsendsuren Davaa, Acting Head of the Department, Risk Management Department, Mongolian Customs General Administration</p>
11:30 – 12:00	<p>Session 3: Methodology in the conduct of a feasibility study for Cross-border Paperless Trade and Green Customs Control Measures (20 minutes)</p> <p><i>CAREC countries face significant challenges in moving towards paperless trade. One is that computerization carried out by different countries use different systems and interoperability of various systems can be a challenge. Different types of information and documents are required by different countries and working out a system for a comprehensive exchange of data and document between different countries is a very challenging task. Moreover, inadequate national effort to apply ICT in matters relating to customs and port clearance, often linked to fear of changes and the existence of vested interests that benefit from an opaque and non-transparent manual system. Moreover, different government departments dealing with different aspects of cross-border trade is carried out in an uncoordinated manner thereby making implementation of paperless trade through a single window system difficult.</i></p> <p><i>Environmental problems are transboundary in nature and have a global impact. They can be effectively addressed only through international cooperation and shared responsibility, made possible in large part through multilateral environmental agreements (MEAs). Thus, the front-line customs and border control officers responsible for controlling trade play a particularly vital role in protecting the national and global environment.</i></p> <p>Speaker: Mr. Dennis Pantastico, Cross-border Paperless Trade Expert, ADB Consultant</p> <p>Q & A (10 minutes)</p> <p>Moderator: Mr. Hwang Taehoon, Deputy Director, External Relations Division, KCS</p>
12:00 – 14:00	Lunch Break
14:00 – 14:40	Session 4: Single Window in the Context of Border Management Modernization and Trade Supply Chain (30 minutes)



	<p><i>Supply chain unreliability takes many forms, such as lengthy delays and unpredictable goods clearance times results from poor infrastructure, inadequate services, excessively bureaucratic border processing systems and procedures, among others. Border management modernization should accommodate customs, immigration and other control agencies in ensuring that goods and passengers entering the country are accounted for and that they meet national requirements. It is no longer possible to check every declaration due to the lack of capacity in relation to workload. And even if it would be possible, it would neither be necessary nor desirable.</i></p> <p><i>In addition, Customs require supporting documents to be submitted together with the customs declaration. Though Customs has digitized working systems in the submission of import permits, including licenses and permits coming from regulatory agencies, there are processing gaps that need to be addressed. When the shipment of goods is not formalized or declared through any district port, then coordination with Other Government Agencies (OGAs) is imperative.</i></p> <p>Speaker: Ms. Miryang Kim, Senior Assistant Director, KCS</p> <p>Q & A (10 minutes)</p> <p>Moderator: Mr. Dennis C. Pantastico, Cross-border Paperless Trade Expert ADB Consultant</p>
14:40 – 15:10	Afternoon Coffee/Tea Break (30 minutes)
15:10 – 15:50	<p>Session 5: Border Management Modernization Based on Big Data Utilization (30 minutes)</p> <p><i>Effective border management requires concerted efforts to identify and mitigate diverse threats that may arise during clearance of goods and passengers crossing borders. Government agencies, in particular, bear the responsibility for identifying risks in a timely manner to ensure the safety of cross-border movements while simultaneously facilitating swift flows of goods and passengers. This must be done with a high-level of certainty in their decision-making regarding each risk factor. A key determinant in establishing such an environment is the digitalization of border management processes.</i></p> <p><i>In addition, the modernized border management environment not only focuses on digitalized functions but also on the generation of data, which serves as the foundation for reliable decision-making. Customs authorities play a vital role in risk control at the border, and their ability to leverage data is critical for the successful identification and prediction of risks are considered essential capabilities for effective risk management. Furthermore, an optimal strategy for leveraging big data, aligned with the vision of the agencies, must be considered in order to fully realize the benefits of data utilization.</i></p> <p>Speaker: Ms. Miryang Kim, Senior Assistant Director, KCS</p>



	<p>Q & A (10 minutes)</p> <p>Moderator: Mr. Dennis C. Pantastico, ADB Consultant</p>
15:50 – 16:30	<p>Session 6: Korea Customs Service New Technologies (30 minutes)</p> <p><i>The Korea Customs administration is undergoing significant changes due to the influence of digitalization and new technologies. From customs surveillance equipment such as X-rays and CCTV to electronic systems like UNI-PASS, we are resolving many aspects of customs administration through technology. We believe that in the future, more aspects of border management will be handled through technology, and we are making greater investments in the technological advancements.</i></p> <p><i>“Customs Lab 1.0”, an R&D project aimed at shaping the future of the Korea Customs Service, specifically focusing on the development of customized technologies for the field of customs administration.</i></p> <p>Speaker: Ms. Soo Jeong Moon, Assistant Director, Korea Customs Service</p> <p>Q & A (10 minutes)</p> <p>Moderator: Mr. Tengfei Wang, UNESCAP</p>
16:30 – 17:00	<p>Summary and Wrap-Up of First Day (30 minutes)</p> <p>Speaker: Ms. Zulfia Karimova, ADB</p>
18:00 – 20:00	<p>Dinner to be Hosted by Korea Customs Service</p>

Day 2 - 13 November 2024 (Wednesday)

09:00 – 09:30	<p>Registration of Participants</p>
09:30 – 10:15	<p>Session 7: Cross-border E-Commerce and AEO Scheme for SMEs (45 minutes)</p> <p><i>The growing e-commerce market means that an unprecedented number of parcels and small packages are being exchanged across borders, making seamless collaboration between Posts and Customs more necessary than ever. The Universal Postal Union (UPU) works actively with partners in the supply chain to keep parcels moving across borders and ensure that these items reach their destination safely and on time.</i></p> <p><i>Transitioning to a fully operational Trusted Partnership Program is a complex process that requires careful planning, coordination, and execution. Engaging stakeholders and ensuring transparency throughout</i></p>

	<p><i>the process are crucial for success. According to the OECD, SMEs represent 99% of all businesses, generate about 60% of employment, and account for between 50% and 60% of value added in the OECD area. A small but increasing number of SMEs supply intermediate goods and services in global supply chains and an analysis of direct exports alone might underrepresent SMEs' export capacity.</i></p> <p>Speaker: Mr. Dennis Pantastico, ADB Consultant</p> <p>Q & A (15 minutes)</p> <p>Moderator: Mr. Tengfei Wang, UNESCAP</p>
10:15 – 11:00	<p>Session 8: Demonstration of UNIPASS Risk Management and cross-border data exchange modules (30 minutes)</p> <p><i>The Korea Customs Service has made great strides to share its experience and know-how on electronic clearance systems globally. So far, it has been involved in the establishment of electronic Customs systems in 10 countries, including Uzbekistan.</i></p> <p><i>The Integrated Risk Management system (IRM-PASS) analyses not only Customs data, but also data provided by other entities for analytical/statistical purposes or to create risk profiles and targeting criteria not only for goods, but on companies and travelers. The system creates company profiles and travelers' profiles in order to control their behavior and analyze their risk patterns. Moreover, the UNIPASS collects Bills of Lading from shipping companies, airlines and forwarders, and assigns a cargo tracking number to each consignment. For passenger service, the Advance Passenger Information System (APIS) uses various data, such as passenger lists, reservation data and the entry/exit history, to analyze risks prior to the arrival of travelers so that high-risk travelers may be selected and controlled, while ordinary travelers can swiftly clear their goods or personal items.</i></p> <p>Speaker: Ms. Min Wonkyung, Senior Assistant Director, Korea Customs Service</p> <p>Q & A (15 minutes)</p> <p>Moderator: Mr. Dennis C. Pantastico, ADB Consultant</p>
11:00 – 11:30	<p>Morning Coffee/Tea Break (20 minutes)</p>
11:30 – 12:15	<p>Session 9: Introduction to Pre-arrival Processing as a Value-Added Service to Support Digital Trade and Green Customs (30 minutes)</p> <p><i>The pre-arrival processing will allow traders to submit data to Customs for advance processing and pre-arrival release, or the clearance of the goods immediately on arrival or before the cargo is transferred to Customs' custody. It also relies on pre-shipment notification, a WCO pre-</i></p>



	<p><i>loading advance cargo information (PLACI) compliant scheme, advance e-manifest, and information sharing among border agencies.</i></p> <p><i>The intent is for a trusted partner to enjoy specific benefits according to its type of AEO, in addition to the benefits such as increased reputation as a more compliant and security-oriented company, favorable consideration in Customs enforcement proceedings and better relations with Customs.</i></p> <p>Speaker: Mr. Jo Hyunsang, Deputy Director, Korea Customs Service</p> <p>Q & A (15 minutes)</p> <p>Moderator: Mr. Dennis C. Pantastico, ADB Consultant</p>
12:15 – 14:00	Lunch Break
14:00 – 14:30	<p>Session 10: Benefits of Exchanging Export Declaration as advance information to support Cross-border Digital Trade aligned with the ASEAN’s Export Declaration Message Implementation Guidelines and Process Specifications (20 minutes)</p> <p><i>The cross-border exchange of the export declaration supports risk targeting and profiling activities and benefits participating exporters through potentially reducing Customs clearance time for shipments, broadening economic integration, supporting the digitalization of customs processes, and improving the ease of conducting intra-ASEAN trade.</i></p> <p><i>The intent was to develop an XML message to convey export declaration data that is aligned with the latest WCO data model, and come up with a message implementation guide and process specifications.</i></p> <p>Speaker: Mr. Dennis C. Pantastico, ADB Consultant</p> <p>Q & A (10 minutes)</p> <p>Moderator: Mr. Tengfei Wang, UNESCAP</p>
14:30 – 15:00	<p>Session 11: Introduction to Risk Register, Process and Treatment using Data Analytics (20 minutes)</p> <p><i>This session presents the opportunities and challenges in processing risk register templates that help customs agencies and agents effectively manage potential risks and ensure smooth customs processes by providing a comprehensive overview of potential risks and their impact on customs operations. Further, enabling systematic identification and assessment of risks related to customs compliance, trade regulations, and security threats and enhancing collaboration and communication among customs agents and stakeholders for effective risk management.</i></p> <p><i>Data analytics plays a pivotal role in customs operations. It's the</i></p>



	<p><i>comprehensive process of gathering, processing, and interpreting data to derive invaluable insights and drive informed actions. It can efficiently trim clearance times and expenses by pinpointing and mitigating bottlenecks and errors, thus fostering smoother logistics. Moreover, it's a powerful tool for bolstering compliance and risk management by preemptively uncovering instances of fraud or smuggling.</i></p> <p>Speaker: Mr. Dennis C. Pantastico, ADB Consultant</p> <p>Q & A (10 minutes)</p> <p>Moderator: Mr. Hwang Taehoon, Deputy Director, External Relations Division, Korea Customs Service</p>
15:00 – 15:30	Afternoon Coffee/Tea Break (30 minutes)
15:30 – 15:40	<p>Session 12: Breakout Session Guidelines (10 minutes)</p> <p><i>During lunch break, the registered participants were grouped by the ADB secretariat into three (3) teams. Each consists of a team lead with maximum of seven (7) members.</i></p> <p><i>Participants are requested to share their inputs on data or information that can be shared by Customs and Other Government Agencies (OGAs). Further, any process point that could be added as part of the data sharing mechanism and identify external data that can be captured to add value in performing risk targeting and profiling activities</i></p> <p>Speaker: ADB Team / Dennis C. Pantastico, ADB Consultant</p>
15:40 – 16:40	<p>Session 13: Breakout Session (60 minutes)</p> <p><i>This group activity will focus on the critical aspect of seamless inter-agency data exchange and its pivotal role in bolstering customs risk management system. As the complexity of global trade increases, efficient cross-border and national level data sharing among various government agencies become essential for robust risk assessment and management.</i></p> <p><i>During this session, participants will discuss and provide insights on how cross-border and inter-agency data exchange may improve customs risk management. Gain mutual understanding on the significance of integrating general data and specific risk parameters from multiple agencies to create a comprehensive risk management framework. Moreover, discuss the technical and operational mechanisms that facilitate real-time, secure, and efficient data exchange between customs authorities and other regulatory agencies.</i></p> <p>Facilitator: ADB Team / CAREC Secretariat</p>
16:40 – 16:50	Summary and Wrap-Up of Second Day



	Speaker: Ms. Zulfia Karimova , ADB
16:50 – 17:00	Closing Remarks Speaker: Mr. Hwang Taehoon , Deputy Director, External Relations Division, Korea Customs Service
Day 3 – 14 November 2024 (Thursday)	
09:00 – 09:30	Assembly
09:30 – 12:00	Field Trip to Express Cargo Clearance Center at Incheon Airport Customs
12:00 – 14:00	Lunch Break
14:00 – 16:00	Guided Tour to Gyeongbok Palace

