



**OPENING REMARKS BY MR. S. PUSHPANATHAN, DEPUTY SECRETARY-GENERAL OF
ASEAN FOR ASEAN ECONOMIC COMMUNITY AT THE 18TH MEETING OF ASEAN
DIRECTORS-GENERAL OF CUSTOMS, 9 JUNE 2009, SHAH ALAM, SELANGOR, MALAYSIA**

The Honourable Dato' Seri Hj. Ahmad Husni bin Mohamad Hanadzlah, Minister of Finance II of Malaysia

The Honourable Dato' Seri Hj. Ibrahim bin Jaapar, Director-General of Royal Malaysia Customs and Incoming Chair of ASEAN Customs Directors-General Meeting

H.E. Santiphab Phomvihane, Customs Director-General, Lao PDR and Outgoing Chair of ASEAN Customs Directors-General Meeting

Honourable Directors-General/Commissioners and Controllers of Customs of ASEAN Member States

Distinguished Delegates

Ladies and Gentlemen,

Good morning.

I am honoured and privileged to join you at this Opening Session of the 18th Meeting of the ASEAN Directors-General of Customs. On behalf of the Secretary-General of ASEAN, H.E. Dr. Surin Pitsuwan, I would like to convey our best wishes to the meeting in achieving successful outcomes to support the establishment of a Single Market and Production Base under the ASEAN Economic Community by 2015.

I would like to take this opportunity to express my deepest appreciation to the ASEAN Customs Directors-General and their officers for the progress achieved in promoting regional integration in Customs for the period June 2008 to May 2009 under the stewardship of H.E. Mr. Santiphab Phomvihane, Director-General of Customs Department of Lao PDR. I am also confident that Customs cooperation and integration would continue to accomplish more with the assumption of the chairmanship by the Honourable Dato' Ibrahim Jaapar, Director-General of Customs, Royal Malaysia Customs.

Excellencies, Distinguished Delegates, Ladies and Gentleman

Despite the financial and economic crisis that has affected the ASEAN economies, ASEAN Leaders have shown political will and commitment to press on with the community building efforts with the adoption of the Roadmap for the ASEAN Community 2009-2015 at their Summit in Cha-am Hua Hin, Thailand in March 2009, which also calls for the timely implementation of the Roadmap that comprises the Blueprints of the ASEAN Economic Community, ASEAN Political and Security Community and the ASEAN Socio-Cultural Community, and the Second Work Plan of the Initiative for ASEAN Integration.

The ASEAN Economic Ministers, on their part, have launched several initiatives to support regional integration. These include the conclusion of the ASEAN Trade in Goods Agreement, the ASEAN Comprehensive Investment Agreement, the seventh package of

services liberalisation under the ASEAN Framework Agreement on Services; and the completion of several free trade agreements with ASEAN's Dialogue Partners such as Australia and New Zealand, South Korea, China and soon India. Efforts are now underway to look at an East Asia-wide free trade arrangement with the conclusion of several bi-lateral free trade agreements between ASEAN and its East Asia Dialogue Partners. The Ministers have also expressed strong reservations against trade protectionism and resolved to keep ASEAN open to trade as well as to further promote intra-ASEAN trade, which could serve as a buffer during such crisis.

The ASEAN Finance Ministers are also taking coordinated actions to mitigate the financial crisis so that the region continues to be dynamic and will ride out the crisis. The recent announcement of the substantive conclusion of the US\$120 billion Chiang Mai Initiative Multilateralisation (MIM) provides an added boost to the region to tackle any short-term liquidity difficulties. The CMIM is expected to be launched by the end of the year. The agreement to establish a US\$ 500 million Credit Guarantee Investment Mechanism under Asian Bond Market Initiative; the adoption of an integrated plan for capital market integration; and the efforts to develop an infrastructure financing mechanism to support regional integration endeavours are clear signs that ASEAN is ready to tackle the crisis through self-help and cooperation together with its Plus Three Partners of China, Japan and South Korea.

Trade financing is another area that ASEAN would be focusing on to ensure trade activities are sustained and businesses, especially small and medium enterprises are provided support during this crisis.

Both the Finance and Economic Ministers would like to see further progress in the implementation of the Strategic Plan of Customs Development and the ASEAN Single Window, including the ASEAN Customs Declaration Document and the ASEAN Cargo Processing Model, the design of the ASEAN Customs Transit System, and the development of a new Customs Agreement that will enhance regulatory cooperation among customs administrations in the region.

Excellencies, Distinguished Delegates, Ladies and Gentleman

At their 17th Meeting in Vientiane in June 2008, the ASEAN Directors-General of Customs decided that their meeting would be a forum for regulatory cooperation for customs integration in ASEAN. Therefore, I hope that the 18th Meeting will result in strategic, bold and concrete decisions and outcomes to further facilitate trade, and investment in ASEAN and put in place a solid foundation for the establishment of the ASEAN Economic Community. Indeed, we are only six years away to accomplishing the Roadmap for the ASEAN Community, in particular the commitments under the AEC Blueprint.

As agreed at the 10th ASEAN Customs Directors-General Meeting in July 2002 in Singapore, trade facilitation continues to be the main and practical strategy for the regional customs agenda. Customs is, indeed, at the heart of trade facilitation efforts in ASEAN and is at the forefront in ensuring free flow and circulation of goods, which would reduce business transaction costs, provide more choices and variety of goods to

consumers in the region, and build a more competitive ASEAN that would attract more investments into the region while at the same time ensuring public security and safety.

Hence, I would urge the Directors-General of Customs to look at a number of key deliverables to support the momentum towards building a Single Market and Production Base, especially the free flow of goods in the region. Here, I would list eight “areas of concentration”. First would be to look at the effective implementation of the ASEAN Customs Declaration Document in all Member States. Second would be to push ahead with the implementation of the ASEAN Cargo Processing Model while taking stock of experience of the pilot implementation of this model by air. Third would be the completion of the development and implementation of the ASEAN Customs Transit System accompanied by the finalised draft of Protocol 7 under the ASEAN Framework Agreement on Facilitation of Goods in Transit. Fourth would be to look at harmonisation and simplification of customs procedures, and progressive integration of customs structures. Fifth would be the implementation of the ASEAN Single Window within the agreed time frame. Sixth would be systematic adoption of risk management and audit based control in customs intervention. Seventh would be the development of the trade facilitating scheme of Authorised Economic Operators to secure and facilitate trade, aligned to the World Customs Organisation Framework of Standards, Revised Kyoto Convention. Eighth would be the promotion of good governance and customs integrity to further enhance customs administration and efficiency.

As for the Work Program for 2009-2010, the ASEAN Customs Directors-General Meeting could look at prioritising the implementation of relevant provisions of the

ASEAN Trade in Goods Agreement and measures in the Trade Facilitation Work Program. In particular, promotion of trade facilitating measures such as the Authorised Economic Operators, Pre-arrival Clearance, and Advance Ruling could be included into the Work Program. I would also like to urge our Directors-General to provide further leadership in the implementation of measures specified in the ASEAN Economic Community Blueprint, Trade Facilitation Work Program as well as those of Strategic Plan of Customs Development so as to bring about specific deliverables in 2010.

Excellencies, Distinguished Delegates, Ladies and Gentleman

In conclusion, I would like to reiterate the key role of customs in supporting free flow of goods under the Single Market and Production Base of the ASEAN Economic Community. Accomplishing the deliverables to support this goal will indeed be challenging. However, with the strong political will of ASEAN Leaders, the strategic importance for the region to stay dynamic and relevant in driving the regional economic architecture and the long-term benefits that greater integration would bring to the trading community and peoples of the region would be compelling enough reasons for us to move forward the regional agenda for Customs.

I wish you a successful meeting. Thank you.
