

Economic Commission for Europe
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World Customs Organization

Information Paper:

Economic Competitiveness Package (ECP)

ECONOMIC COMPETITIVENESS PACKAGE (ECP)

Outline

1. The efficiency and effectiveness of border procedures can significantly influence and advance economic competitiveness and social development by promoting international trade and investment. Policymakers worldwide have articulated the positive impact that international trade and trade facilitation have on economic recovery and sustainable growth. As the central public sector border agencies, Customs administrations are integral to the smooth movement of goods, conveyances and people across borders.
2. In this regard, the World Customs Organization (WCO) has contributed, through its tools and instruments as well as through technical assistance, to increasing economic competitiveness and growth by Members. In order to reach out to Members and to aim at developing additional tools and instruments in areas where Members seek further guidance, the Secretariat developed the Economic Competitiveness Package (ECP), which was adopted at the 119th /120th Council Sessions in June 2012.
3. The ECP comprises existing WCO tools and instruments which contribute to economic growth and aims at assessing any needs for additional tools. The principles laid down in the Revised Kyoto Convention (RKC) are recognized as the core of the ECP and as the basis of all modern Customs procedures; in addition, the ECP comprises all other tools that strengthen trade facilitation. Insofar, the ECP may provide practical implementation guidance in preparation for any future WTO agreement on trade facilitation.

Conceptual Chart of the ECP



Development and implementation of ECP

4. The Action Plan for the ECP was adopted at the 68th Session of the Policy Commission in December 2012 with an aim to promoting the implementation of WCO instruments and tools included in the ECP and its further development. The Action Plan consists of 21 actions, divided into the following 4 areas:
 - (1) awareness-raising and Members' needs assessment;
 - (2) promotion of existing instruments and tools;
 - (3) collection and dissemination of innovative and best practices;
 - (4) development and elaboration of the ECP.
5. Based on the Action Plan, the WCO is collecting Members' innovative and best practices, which are relevant to economic competitiveness, in such areas as Informal Trade, Coordinated Border Management (CBM), Small and Medium sized Enterprises (SMEs) and Transit. Until 31 March, 21 WCO Members have provided their innovative and best practices. The innovative and best practices collected will be compiled as part of the ECP and the experience made by Members with these practices will be shared in regional or national seminars/workshops. Moreover, the WCO will consider the need to develop new instruments and tools based on the practices collected.
6. Considering the fact that the WCO Members' needs in respect of the ECP are very different, an adequate assessment of these needs is very important. Raising awareness of the usefulness of WCO instruments and tools and their implementation is essential to enhance the economic competitiveness of WCO Members. In this regard, and in accordance with the Action Plan, the WCO will organize regional workshops in all WCO regions until June 2014. In addition to the regional workshop on the ECP, the WCO will promote existing WCO tools and instruments by holding and also by attending national or regional meetings.
7. The 68th Session of the Policy Commission the Policy Commission issued a Communiqué to highlight the importance of the Revised Kyoto Convention and of the Economic Competitiveness Package in the context of Trade Facilitation. The text of the Communiqué is known as the "Kyoto Communiqué" (see Annex).

KYOTO COMMUNIQUE
FROM THE INTERNATIONAL CUSTOMS COMMUNITY
on the
REVISED KYOTO CONVENTION and ECONOMIC COMPETITIVENESS PACKAGE

Introduction

1. The Policy Commission of the World Customs Organization (WCO) held its 68th Session in Kyoto, Japan, from 3 to 5 December 2012.
2. The Policy Commission noted that next year is the 40th Anniversary of the WCO's adoption, also in Kyoto, of the core international instrument on the simplification and harmonization of Customs procedures, which is currently known as the Revised Kyoto Convention (RKC).
3. The Policy Commission also noted that the recently adopted WCO Economic Competitiveness Package (ECP), which has the RKC at its centre, is making significant progress.
4. The Policy Commission noted the presentations from the African Development Bank (AfDB), the Asian Development Bank (ADB), and the Inter-American Development Bank (IDB) and welcomed their commitment to further develop partnerships for Customs modernization, including implementation of the RKC.
5. The Policy Commission welcomed the participation and contribution of the Private Sector Consultative Group (PSCG) and reinforced the importance of Customs-to-Business partnerships.

Revised Kyoto Convention

6. The original Kyoto Convention was adopted at the WCO Council Sessions in Kyoto in 1973 and consisted of the key principles for simplifying and harmonizing Customs procedures.
7. In response to advances in Customs risk management and information technology, the WCO adopted the Revised Kyoto Convention in 1999 and it entered into force in 2006.
8. The WCO has worked diligently in recent years to increase the number of RKC accessions. The number of Members that have acceded to the RKC has more than doubled from 40 in 2006 to 85 in 2012 and now covers more than 80 % of global trade. Non-contracting parties are urged to accede to the RKC so that this impressive upward trend continues.

9. In addition to its work in promoting accession, the WCO has produced many guidance tools and provides extensive technical assistance to support implementation of RKC standards, through its current capacity building programme. Members are encouraged to make their best practices available to other Members via the WCO Secretariat.
10. The Policy Commission considered that a system should be established to make it possible for countries to evaluate their level of compliance with the RKC standards. The WCO will develop a comprehensive checklist and tool kit for this purpose.

Economic Competitiveness Package

11. Policymakers worldwide have articulated the positive impact that international trade and trade facilitation have on economic recovery and sustainable growth. As the central public sector border agency, Customs administrations are integral to the smooth movement of goods, conveyances and people across borders.
12. To that end, the WCO has contributed - through its standards, tools, and technical assistance - support for increasing economic growth and competitiveness by Members. This culminated in the adoption of the innovative Economic Competitiveness Package (ECP) at the 119th/120th Council Sessions in June 2012.
13. The ECP assists Customs administrations with border management responsibilities and supports regional integration. The ECP could provide practical implementation guidance in preparation for any future WTO agreement on trade facilitation. Under the ECP, the WCO is collecting innovative and best practices on matters such as coordinated border management (CBM); IPR border enforcement; small and medium sized enterprises (SMEs); informal trade practices; and transit.
14. The Policy Commission endorsed the ECP Action Plan and urged its steady implementation through technical assistance, including needs assessment and gap analysis. The Policy Commission also encouraged regional entities to develop programmes to implement the ECP in co-operation with the WCO and regional development banks.

The way forward

15. To further contribute to economic growth and competitiveness, the WCO will, through the ECP, continue and enhance :
 - a. advocacy at the political level of the importance of Customs modernization for strengthening national economies;
 - b. efforts to promote the continued value of the RKC in the ever-changing trade environment in which Customs operates, including as an initial step, where appropriate, the development of new ECP tools and the review of RKC Annex provisions;
 - c. advocacy at the political level of the importance of RKC accession;

- d. delivery of technical assistance to support the implementation of RKC and other WCO standards in cooperation with development partners, including donors;
- e. promotion, development and implementation of the ECP; and
- f. engagement with the trade community in a spirit of partnership to strengthen the balance between trade compliance and trade facilitation.