

Statement by

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Improving trade facilitation conditions**

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First of all I take the opportunity to thank to UNECE Team for providing the Study on Regulatory and Procedural Barriers to Trade in Serbia which includes overview of the challenges and the most difficult to obtain trade documents (section 3.3).

Speaking from the position of CAS, we appreciate all efforts undertaken in order to provide an analysis of the current state of play in respect the challenges associated with customs clearance, and to identifying areas where further improvements are to be done as well technical assistance may be required.

Also I want to thank you for delivering the Recommendations which should guide the actions to be followed by the CAS to further increase its compliance with the international standards and best practices for the import, export and transit of commercial goods.

However, I would point out that some of recommendations has been already fulfilled, in particular, because that survey was done 2 years ago, so some of the recommendations are to be updated.

In that regard I take the opportunity to inform that in a meantime the many ongoing projects have already started the implementation phase which should increase the trade development and the implementation of the 2030 sustainable development goals.

At this place I would express pleasure if we succeeded to ensure the experts who prepared the Study, that the strategic objectives of the Serbian Customs administration are aligned with measures and goals of the trade facilitations instruments, in particular WTO TFA.

It should be mentioned that widely held reforms within CAS, were part of the Development Plan of the Customs Service of the Republic of Serbia for 2017-2020. It paved the way for numerous reform initiatives, including the work on updated ICT strategy, AEO Program, introducing Single Window and application of customs procedures with express consignments. These allowed raising the revenue collection up to 33% during 2016-2019.

To ensure continuous strategic planning of Customs Administration the Government approved in February 2020, the “Business plan for improving the organization and operation of the Customs service” and “Work plan for development and usage of electronic systems of the Customs service for the period 2020-2024”.

These strategies outline main priority areas such as:

- Efficient revenue collection
- Effective customs procedures and controls
- EU integration and strengthening of international cooperation
- Developing ICT
- Strategic management, modernization and reforms
- HR management and development, and
- Improvement of working condition

Introduction

As has been concluded in the Study, reforms related to customs procedures, involved the introduction of the Authorized Economic Operators (AEO) programme in September 2014. As shown in box 3.2, the programme is based on the EU model, and **after 6 year, We are glad to inform that till now CAS has issued 36 aproval for AEO status.**

Also, the AEO Programme of Serbia has been validated within framework of CEFTA / Central European Free Trade Agreement – regional free trade agreement.

Validation was performed in February 2021 and the members of validation team were representatives of CEFTA parties. Representative of DG TAXUD of EC were observers.

Observation and assessment of the AEO program and AEO processes, confirmed that the AEO program meets the requirements and criteria of the Additional Protocol to the CEFTA Agreement on the Facilitation of Trade and the EU AEO program standards with regard to the safety and security (AEOS).

Trade facilitation efforts gained new impetus in December 2018 with the adoption of the new Customs Law aimed to mark Serbia’s harmonization of its customs procedures with the Union Customs Code (UCC). The law, which was implemented in 2019, enables further simplification, standardization and streamlining of customs procedures, including centralized customs clearance.

Moreover, in 2020, was started the **Project of the Western Balkans Trade & Transport Facilitation**, which is supported by the World Bank.

The first component of the Project includes development and implementation of an **National Single Window solution** and the associated reform and modernization of customs and other border management agencies. The facility is consistent with the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) Recommendation 33.

Currently, we are in a process of final phase of outlined the technical plan for the implementation of the SW which should connect all relevant State agencies and supply chain actors (e.g., traders) using international standards.

Trade facilitation efforts are paralleled by transport development initiatives to further integrate Serbia into international transport routes (Section 3.5).

Serbia is a party to the EU Convention on the Common Transit Procedure and the Convention on the Simplification of Formalities in Trade of Goods.

Joining the EU's New Computerized Transit System (NCTS) in May 2016, enables electronic submission and paperless processing of transit declarations.

In October 2018, Serbia also took steps to further strengthen regional harmonization, when the Parliament ratified an additional Protocol to the CEFTA Agreement, on the Facilitation of Trade, with the aim of harmonizing trade facilitation efforts with CEFTA members in line with WTO TFA.

The main recommendations from the Study refer to

Strengthening transparency – namely, it has been noticed that

State agencies' institutional websites should be improved and kept up to date to offer detailed information in one international language, as well as in Serbian, on applied regulations and associated administrative procedures, including fees and forms.

In that sense I would point out that CAS recently has developed the new website which included all mentioned information.

The Government also developed a single list of fees and charges applicable to export, import and transit trade activities in accordance with the CEFTA Additional Protocol 5 requirements. The single list, which was prepared in late 2019, was duly notified to CEFTA and published on the NCB website.

Also, in the Study was recommended to start transitioning to paperless trade and Further reducing clearance time through following activities:

1. Synchronize the working hours of control agencies across all border crossing points and extend as needed.
2. Abolish all parking charges for trucks for the period when their drivers await routine checking of their paperwork and customs clearance.
3. Extend the coverage of advance rulings so that it also covers valuation.
4. Undertake a thorough review of the risk parameters and profiles established in the SCA information system, so as to reduce the amount of cargo assigned to physical control and In parallel, continue to develop the post-clearance audit function.

We appreciate for all these recommendations and take the opportunity to inform that we have already undertaken needed activities in order to solve almost all issues which were noticed as obstacles to trade.

With regards recommendation to abolish parking charges for trucks for the period when their drivers wait customs clearance we would inform that Minister of Finance issued Instruction in January 2019, which regulates also the conditions which are to be fulfilled at the Customs terminals where customs authorities perform customs control. In line with this instruction,

charging parking fees is not precondition which has to be fulfilled by the holder of Terminal which serve as a parking. Also, the Company which is holder of the Terminal has to submit the statement that if charges parking, payment will not exceed the amount of 10 euros. It is temporary solution, having in mind that State does not own the land at all places where customs control is exercised, so we intend to solve this issue.

In the area of the enabling paperless trade, Serbia set as a strategic goal further digitalization of the national customs IT in order to enable integration with the EU systems, which is set as a closing benchmarks for accessions negotiations in Chapter 29. In that regard,

- the activities for developing AIS/AES in accordance with MASP requirements have been undertaken by obtaining IPA 2020 funds. We started the Project aimed to implement these systems in accordance with the Business Plan for Improving Organization and Operation as well IT of the Customs Service for the period 2020 -2024.

- also NCTS phase 5 Upgrade Project, has been launched - necessary funds have been approved by the Government for its realization, so we believe that we will be ready to start implementation in due time - the functioning of the upgraded NCTS is scheduled up to December 2023, when an obligation to submit transit declarations only via the upgraded system shall arise for all Contracting Parties to the Convention on a common transit.

To conclude, by introducing and implementing, the EU's unified Automated Import System (AIS) and Automated Export System (AES), after joining to NCTS, Serbia will enable **paperless trade and performing all customs procedures based on electronic declarations and pre arrival information in line with EU standards.**

We also hope that introduction of the Single Window will resolve many issues related to the UNECE recommendation concerning implementation of the paperless trade.

When it comes to reviewing of the risk parameters and profiles established in the CAS information system legal base and internal polices exist and are applied in order to guide the Risk Management.

We are aware that the current system of Risk Management is not fully automated. The CAS uses EU risk management system ERIAN (part of the National Customs Transit System - NCTS), only for transit cargo but Imports and exports procedures are to be automatized in a course of implementation of AIS/AES. There is also electronic data exchange on prearrival data within regional SEED system, which allows creation of alarms for high risk consignments.

We believe that CAS will develop a new RMS by the end of 2023.

Overall conclusion is that recommendations are helpful and could be guiding for some future reforms and activities within CAS.

Number of recommendations do not require considerable support and additional resources (human and investment), but some of them need both, like the trained staff to carry out risk assessment and improvement and enhancement of cross border infrastructure. So we are prepared to analyse them and set up priorities for further improvement performing clearance procedures.

If you have some enquiries feel free to ask, I would be grateful to provide answers.