

**INFORMAL REPORT OF THE WCO PRIVATE SECTOR CONSULTATIVE GROUP
TO THE WCO POLICY COMMISSION
Abuja, Nigeria; December, 2011**

The WCO Private Sector Consultative Group (PSCG) extends its best wishes to the members of the WCO Policy Commission, and especially to Comptroller General Abdullahi and the Nigerian Customs Service on the occasion of the 66th Session of the Policy Commission. We also extend our warmest congratulations to the new Chair of the WCO Council, Josephine Feehily. We regret that, due to circumstances beyond the control of individual PSCG members, we are unable to join you at this meeting and wish you every success in your deliberations. We hope that the following informal report from a recent meeting of the PSCG will be of interest to you, and we look forward to working with you in the year ahead.

Twenty five companies and associations (with thirty-one delegates) attended the 21st meeting of the Private Sector Consultative Group, held November 14-15 in Brussels. They are:

American Association of Exporters and Importers

APL

Boeing

BP

De La Rue International

Deutsche Post DHL

FedEx

FIATA

Fonterra

Global Express Association

GM

Hutchison Port Holdings

IAPH

IATA

IBM

International Chamber of Commerce

International Federation of Customs Brokers Associations

IRU

Limited Brands

Microsoft

Renault Nissan

OPORA Russia

Pfizer Global Manufacturing

Samsung Electronics

World Shipping Council

Comments on Air Cargo Security

The PSCG is following with great interest and concern the discussions on air cargo security at both the WCO and ICAO. While we appreciate the initiatives of the two organizations to work more closely together, we are concerned that the cooperation and coordination has not yet resulted in a common and joint approach to aviation security. In our view, it is of utmost importance that there is a single definition of high risk cargo for aviation security that drives the determination of a “do not load” decision prior to the departure of an aircraft, preventing a real and immediate threat to life and safety, so that “do not load” messages would be issued rarely, not routinely. We encourage the WCO and ICAO to strengthen coordination efforts to arrive at a common definition of high risk cargo for aviation security purposes, and reiterate the PSCG view that security controls must be threat-based and risk-managed.

Developments at the SAFE Working Group

The PSCG appreciates the contribution of WCO members and trade representatives in raising awareness of the importance of a harmonized approach to AEO standards and programmes, through collaborative work on the AEO Template. This work originated in the PSCG three years ago, and we endorse the version of the template which was presented to the SAFE Working group, and support its inclusion in the SAFE Package. The PSCG objectives for this work remain the recognition of related companies’ AEO status in a single country (with a single AEO application for all legal entities) as well as mutual recognition of a company’s AEO status between countries.

The PSCG would also like to congratulate the working group on time limits for an excellent report to the SAFE Working Group which ensured that all points of view are fairly and comprehensively reflected. We have previously said that the distinction between cargo reporting and goods declaration is important to consider, since a fundamental question about advance data reporting is “at what point is the information most authentic and who is best able to provide it?”. We know that the discussion on time limits is a complex one, and that reaching consensus will not be an easy task. We recommend that time be taken to learn from the experience of current pilot projects which are constructively engaging the private sector, so that a practical, effective and sustainable solution can be found.

PSCG Perspective on Financial Recovery

Since December, 2008, the PSCG has discussed at each of its meetings the state of the global financial crisis and recovery, and offered comments, where appropriate, to the Policy Commission. At our November meeting, PSCG members agreed that there is a continued shift in the balance of world trade as a result of the financial crisis, with increasing importance of emerging markets and emerging economies. We also share continued concern with the crisis and uncertainty in the Eurozone.

We have previously highlighted the impacts of Customs institutional knowledge drain resulting from a retiring experienced work force and knowledge gaps in new recruits. We know that there are limited resources available to Customs administrations in these difficult financial times, and we strongly believe that there is a critical need for governments to invest in Customs knowledge, management and people. If there is a way for the private sector to help communicate this message to national governments, collectively through the PSCG or individually through our individual members, please let us know.

Review of PSCG Roadmap

At our November meeting, the PSCG members agreed that this was the right time for a review of the PSCG Roadmap, and we have started that process with several workshops. We reaffirmed our strong commitment to contribute to the work of the SAFE Working Group – we value the unique opportunity to partner with the WCO and its members in the SWG, and to add value to all initiatives under the SAFE Framework of Standards. This is our first priority.

We are also interested in the excellent work being done under the umbrella of “Customs in the 21st Century”. Our general objective in this context is to raise awareness of policy makers that Customs administrations are in a unique position to facilitate legitimate global trade. We will be giving this more thought, but we are committed to support initiatives that enhance transparency, efficiency, predictability, accountability, simplification, standardization and coordination of border management. As an example of work in this area, the PSCG is now engaged in the discussions on Globally Networked Customs (GNC). We are disappointed that the original scope of GNC has been narrowed to exclude other government agencies, even with the extensive identification of utility blocks. Our recent discussions confirmed that problems at the border are most often not caused by Customs, but by requirements of other government agencies, and we would hope for renewed efforts for an integrated solution under GNC which includes those agencies, along with initiatives under single window and coordinated border management.

A third general area of PSCG interest is capacity building. The PSCG is interested in how business can better assist the process of trade facilitation by supporting Customs in the faster movement and clearance of goods. We expect that some of this work will relate back to SAFE and implementation of AEO programmes and benefits, and we will be exploring further possibilities.

A cross-cutting priority for the PSCG Roadmap is Customs-business partnership, a theme that runs throughout all of our discussions. In addition, in all our work, we recognize the importance of the positive impacts of our recommendations on SMEs. We will continue our work on the Roadmap over the next six months, in discussion and close cooperation with the WCO Secretary General and Chair, to determine ways in which we can add value to the work of the WCO and its members.

PSCG Membership

The PSCG membership recruitment process has begun, and, although we are not certain at this point of the number of vacancies we will have for our 2012-14 term, we would encourage Customs administrations to let us know of any companies or associations which may be interested in contributing to the work of the PSCG. We are currently identifying possible gaps in our membership, by geography and/or by industry sector.

Finally, this report would not be complete without a tribute to John Raven. Although John was not an original member of the PSCG (by his own choice), he did find his way to our meetings in the past several years and came to have some affection for our group, as we did for him. John had a profound depth of knowledge, constant curiosity, formidable intellect and sharp wit. His unique voice in support of trade facilitation may have been silenced, but his passion, commitment and messages will continue on through the voices of others. That is John's powerful and sustaining legacy. We missed him very much at our meeting and honor his memory.

Respectfully submitted,

Carol West,
Chair, WCO Private Sector Consultative Group

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