

REVENUE MOBILIZATION TALANOA FOR PACER PLUS SIGNATORIES

25-28 FEBRUARY 2025 APIA, SAMOA

Customs' role in achieving Sustainable Development Goals





Revenue collection and trade facilitation functions performed by customs authorities contributes to national treasury, which finances national development plan - including poverty reduction efforts.











Customs plays a pivotal role working with other agencies at the border to ensure goods traded meet health and safety and environmental protection regulations as well as maintaining secure and efficient supply chains for food, medical, water, and sanitation materials.

In ensuring equal access to Customs vocational training through e-learning and knowledge sharing platforms, administrations can educate staff to acquire the knowledge and skills to promote sustainable development.





By facilitating trade, customs can foster increased diversity and reduced inequality by helping open up opportunities for marginalized communities, including women entrepreneurs and small traders, to access new markets while improving the conditions and ensuring safety at the border.





Through simplifying and standardizing border procedures and creating transparent and predictable conditions for trade, customs administrations facilitate legitimate business that, in turn, increases economic growth and job opportunities.



Customs can ensure timely delivery of raw materials industry to flourish, support creativity and innovation by providing IPR protection, and by collecting revenues, can support public infrastructure development especially in developing countries.





A modern customs administration facilitates cross-border trade while successfully combatting smuggling and fraud, reducing unfair competition in local communities, protecting the society and citizens from harm, and efficiently collecting revenue for economic sustainability.

As the agency responsible for the border clearance of consumer goods, customs is well placed to ensure that counterfeit consumer goods presenting serious risks can be detected and apprehended before being released on the market in the import country.





Through the monitoring, detection and prevention of all forms of environmental crime, including violations of environmental standards and illegal trafficking in all kinds of wildlife, customs can significantly disrupt pollution-related crime and protect the environment.





Customs often leads the way for development of strong government institutions, while at the same time securing the peace through its enforcement role to prevent smuggling of dangerous goods and weapons as well as bringing offenders to justice.

Customs contributes to a rule-based multilateral trade system through the application of international trade-related agreements and instruments and regularly cooperates with a wide range of other actors, both public and private sector, working towards economic growth.





Role of Customs in Free Trade Agreements

Facilitate trade, Ensuring Compliance, and Enforcing Regulations

Introduction

- Trade liberalization is a key driver of economic growth, and
 Free Trade Agreements (FTAs) play a crucial role in reducing trade barriers.
- Customs authorities act as **the gatekeepers of international trade**, ensuring that goods move efficiently while maintaining regulatory compliance.
- The World Trade Organization (WTO) and regional trade regimes (e.g., Pacific Island Countries Trade Agreements, ASEAN, EU, etc.) emphasize Customs' role in trade facilitation.

Partnerships for the Goals (SDG 17) as the Foundation

- •Customs operates within a global partnership framework to facilitate trade and economic development.
- •Collaboration with stakeholders (governments, businesses, trade organizations) enhances mutual recognition agreements (MRAs), regulatory alignment, and trade facilitation measures.
- •Customs contributes to rule-based multilateral trade systems, ensuring fair competition, transparency, and predictable trade policies.



Free Trade Agreements (FTAs) – Key Components

- •FTAs are agreements between countries that reduce or eliminate tariffs, streamline trade rules, and promote economic integration.
- •Key FTA provisions include:
 - Tariff Reductions & Eliminations
 - Rules of Origin (ROO) Compliance
 - Trade Facilitation Measures (simplified customs procedures)
 - Mutual Recognition & Harmonization of Standards
- •Customs is responsible for ensuring that these provisions are **effectively implemented and enforced**.



Customs' Role in Free Trade Agreements (FTAs)

1.Tariff Management & Preferential Treatment

- 1. Customs applies preferential tariffs under FTAs to eligible goods.
- 2. Customs systems must be equipped to **verify and grant tariff preferences** efficiently.

2. Rules of Origin (ROO) Compliance

- 1. Customs **verifies that goods meet the origin requirements** set by the FTA.
- 2. Prevents misclassification, false claims, and abuse of preferential treatment.



3. Facilitation of Trade & Reduction of Non- Tariff Barriers

- 1. Customs implements single-window systems, pre-arrival processing, and risk management frameworks to accelerate clearance times.
- 2. Digital trade initiatives, such as **e-certificates of origin**, streamline trade.

4. Enforcement & Anti-Fraud Measures

- 1. Customs prevents trade fraud, **transshipment violations**, **and under-invoicing** through audits and intelligence-sharing.
- 2. Collaboration with **border agencies and partner countries** strengthens enforcement.

5. Capacity Building & Technical Assistance

- 1. Customs trains traders and businesses on FTA benefits and compliance.
- 2. Provides guidance on **certification requirements**, **trade documentation**, **and dispute resolution**.

Regional Customs Cooperation in FTAs

•Customs authorities participate in regional trade agreements like:

- Pacific Agreement on Closer Economic Relations (PACER Plus)
- ASEAN Free Trade Area (AFTA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

•Regional customs cooperation ensures:

- Standardized trade documentation.
- Coordinated risk management.
- Faster border processing.



Challenges in Implementing RoO

- Varying RoO criteria across multiple FTAs. (iEPA, MSG, PACER PLUS,....)
- Administrative burden on Customs and businesses.
- Risks of trade circumvention and misclassification.
- Need for digital solutions (e-certificates, blockchain verification).

Opportunities for Customs in FTAs

- . Leveraging FTAs to boost trade and economic growth.
- Strengthening cooperation between customs authorities.
- . Advancing digitalization for efficient RoO compliance.

Conclusion

Customs plays a crucial role in the success of FTAs by facilitating trade, ensuring compliance, and enforcing regulations to prevent fraud. Continuous modernization and international cooperation are vital to maximizing FTA benefits.

Thank you for your attention!

Contact:

MOHAMMED AJAZ

MohammedA@ocosec.org