

COMMUNICATION FROM THAILAND

The following communication, dated 12 September 2005, from the Delegation of Thailand, is being circulated in advance of the Negotiating Group meeting of 19-20 September.

TRADE FACILITATION: THAILAND'S EXPERIENCES

1. This paper provides a summary of Thailand's recent achievements in terms of the simplification and computerization of the customs clearance system, as administered mainly by the Thai Customs Department and also other related agencies.

I. RECENT DEVELOPMENT IN THAILAND

A. USE OF ELECTRONIC DATA INTERCHANGE (EDI)

2. The Customs Department has implemented the EDI for documents such as invoice, declaration, vessel/flight schedule, sea/air cargo manifest, bay/stowage plan of occupied and empty container location list and credit/debit advice. It has also implemented the EDI for the Import and Export processing system at major customs seaports and airports since January 2000.

3. The system helped facilitate trade flows by linking exporters and importers to the Customs Department and at the same time offered a way to electronically settle tariff calculations and payments. It also saved cost and time for businessmen by reducing the number of clearance procedures to a minimum. At present, approximately 90 per cent of all declaration forms are processed through this system.

4. Apart from the existing EDI via the Value Added Network or VAN, the Thai Customs Department has also provided the web-based EDI system as another alternative to importers and exporters, especially the SMEs, for the on-line Customs declaration. Currently, the Department is in the process of developing the web-based system that could reliably and securely serve all kinds of import and export declarations. In the future, the EDI via VAN will be replaced by the web-based EDI provided that the latter is fully developed.

5. Along with the EDI system, the Electronic Fund Transfer system (EFT) has also been put in place to accommodate importers and exporters to settle the payment of customs duties through the EDI system. Now the EFT has been used at the Bangkok International Airport Customs Bureau, Bangkok Seaport, Laem-Chabang Seaport and, recently, at CRC Seaport (private-run seaport) and Lard-krabang Inland Container Depot (ICD).

B. "ONE DAY CLEARANCE" PROJECT

6. In August 2004, the Customs Department, in cooperation with the Port Authority of Thailand (PAT), the Thai Airways International Public Company Limited and the Airport of Thailand Public Company Limited launched the "One Day Clearance" project. The objectives of the One Day Clearance Service are to accelerate the clearance of inbound and outbound cargoes so that importers and exporters can move their cargoes within 24 hours, and to reduce the time of information exchange between the four agencies.

7. Thai Customs has streamlined its working process by implementing an electronic information system incorporated with the Port Authority of Thailand to ensure that the importers can pick up the declared goods within one working day, provided that the required documents are properly submitted. Under this project, the Customs Department must complete the inspection process within 7 days and the other related agencies will have 17 hours to complete their tasks. The new system began at the 3 major ports of entry: Bangkok Port, Laem Chabang Port and Bangkok International Airport.

C. SINGLE WINDOW E-LOGISTICS

8. The Ministry of Information and Communication Technology (MICT) has taken forward the "Single-Window e-Logistics" initiative proposed by the National Economic and Social Development Board as one of the national agenda priorities to enhance the overall competitiveness of the country through an efficient logistics-related information flow. The project will deliver a national information network with a single web interface that enables the exchange of electronic documents and services among government agencies, businesses and logistics communities so as to eliminate inefficiencies in administering cross-border transactions and maximize the business value of ICT in fulfilling all import, export, transit-related regulatory and transportation-related requirements.

9. To advance the development of this project, MICT has established a National Blueprint in developing core IT systems that will facilitate the exchange of commercial and regulatory documentation necessary for trade and logistics. Specifically, the blueprint provides the functional and technical architecture and the development roadmap for the standardization, simplification and harmonization of legally binding trade-related electronic documents and business processes.

10. A pilot project, or so-called One-Stop Export Service Center, led by the Department of Export Promotion and Thai Customs Department is now being implemented taking initially into account functions and requirements of 8 agencies based on Customs value framework to provide a web-based Single Window Entry system that enables exporters to apply for trade permits and licenses/certificates through centralized e-Forms. The second phase of the project will incorporate relevant technologies such as digital signature and data water marking to enable exporters to print approved licenses/certificates from their own Personal Computer.

D. ONE-STOP EXPORT SERVICE CENTER

11. As mentioned above, Thailand is now operating the Pilot Project on Single Window for exporters naming the One-Stop Export Service Center. This new multi-governmental agency unit was created in early June 2002 within the Export Promotion Department to expedite the process of granting export certificates. The Center aims to shorten the application process by one week, granting approval to food exporters within one to three days.

12. The Center targets at providing export services to manufacturers of varied items among which agricultural products and textiles are first priorities. The Center is maintained by 20 officers led by a Director who is appointed by the Export Promotion Department. There are 14 officers who come from 6 sectoral ministries (Commerce, Finance, Agriculture, Industry, etc.) and take care of

professional issues which are under the jurisdiction of their respective ministries. Every export documents received will be handled immediately by the Center and results will be returned within 1-2 days.

13. Every officer delegated by the ministries and departments is authorized to make decisions, stamp and be responsible for the results (it takes 30-60 minutes to handle documents at each stage of the process). Only extremely complicated cases which can not be settled properly by the Center will be forwarded to a higher level for thorough examination and final decision. In this case, results can only be returned within 2-3 days (only in the case where the Center functions as a receive-return unit). In the process that documents are handled by professional sections, the Head of the Center can only coordinate and facilitate activities instead of directly interfering in professional decisions of officers who come from different sectoral ministries.

14. The center will continue to provide licenses and certify food exporters until the Single Window system is fully developed to process all the information digitally.

E. OTHER DEVELOPMENTS

1. Appeal Procedures and Due Process

15. A special Customs Appeal Committee was established under section 112 *bis* of the Customs Act to make decisions concerning any valuation discrepancy between customs officers and concerned importers. In principle, if there are any discrepancies concerning valuation, tariff classification, amount of duty payable, origin of goods and quantity of imported goods when the declaration and related documents are verified by customs officers, the concerned importers, exporters, or their agents, can appeal the customs' decision at that time.

16. The appeals can be made within specified time limits. For example, under section 112 *bis* of the Customs Act (2002), importers and exporters have the right to submit the appeals to the Customs Department within 30 days after the date of receiving the notice assessment. Further avenues to seek review by the Tax Court also exist and become available after the initial appeals process at the Customs Department is concluded.

2. Risk Management Programme

17. The Thai Customs Department has implemented this customs technique to simplify the cargo clearance since the year 2000. To achieve the objective, the customs procedure was improved by introducing the post-clearance audit instead of the pre-clearance audit. Furthermore, the trade-related profiling system has been developed so as to use a reference data to identify high-risk goods. Recognizing the increase of trade volume, the Department has also reduced physical examination by focusing on the improvement of the customs profiling system, targeting techniques and upgrading the responding units and allocating more resource persons to increase the efficiency of post-clearance audit and risk management.

3. Business Partnership

(a) The Gold Card Privileges

18. In order to facilitate and expedite the Customs procedures for import or export clearance, drawback, and tax compensation for the maximum benefits of the reliable importers/exporters, the Customs Department has entitled Gold Card Class for importers/exporters that have qualifications as specified by the Customs Department. The Gold Card members will receive the Customs privileges

such as the exemption from inspection, the duty drawback approval at the time of submission of claim, etc.

(b) Joint Customs Consultation

19. The Customs Department has initiated the Joint Customs Consultation with the private sector in order to discuss and exchange information with regard to the problems or difficulties faced in the process through customs formalities. Representatives from the private sectors, such as the Chamber of Commerce and the Federation of Industry, are also invited to such Consultation. This Consultation is also used as a channel to distribute an update of information on rules and regulations in order to enhance the business sector to comply with them.

II. CONCLUSION

20. Thailand hopes that the above-mentioned experiences could in some way contribute to develop more constructive discussions among negotiating Members on this issue.

21. We strongly believe that the extensive exchange of views and integration of meaningful technical assistance and capacity building will certainly help bridge the gap and create a common understanding among WTO Members. It is also suggested that Members work in cooperation with each other in order to find a mutually satisfactory solution that suits the interests of Member countries while sufficiently addressing concerns of developing and least-developed countries. On our part, Thailand would be willing to cooperate and coordinate with other WTO Members in order to attain the ultimate objective of better Trade Facilitation.
