

Negotiating a Regional (ASEAN) AEO MRA

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*Fauziah Abdul Sani
(Chair of SWG-AAMRA)*

AAMRA: Background

32nd ASEAN Summit held in Singapore in April 2018, welcomed the proposed Feasibility Study on ASEAN AEO MRA.

ASEAN Member States (AMS) embarked on the feasibility study on AAMRA in May 2018.

The study concluded that an AAMRA was feasible, on a pathfinder basis (i.e. ready AMS could start first and remaining AMS to join when ready).



28th ASEAN Customs Directors-General Meeting in June 2019 in Vientiane, Lao PDR, agreed to establish the Sub-Working Group on AAMRA – for AMS to commence AEO MRA negotiations as a region.



31st ASEAN Customs Directors-General Meeting in June 2022 in Singapore adopted AAMRA Joint Action Plan.



AAMRA: Considerations & Key Steps

Convergence Table

- AMS at differing levels of AEO implementation.
- Prepared AMS AEO Convergence and Comparison tables for feasibility study if feasible to implement on pathfinder approach.

Robustness of AEO Certification

- Assess robustness of AMS AEO programmes based on the principles and standards of the WCO SAFE Framework: (i) accreditation criteria; (ii) application procedures; (iii) validation processes; (iv) authorisation processes; and (v) monitoring and evaluation mechanisms

Readiness for AEO MRA

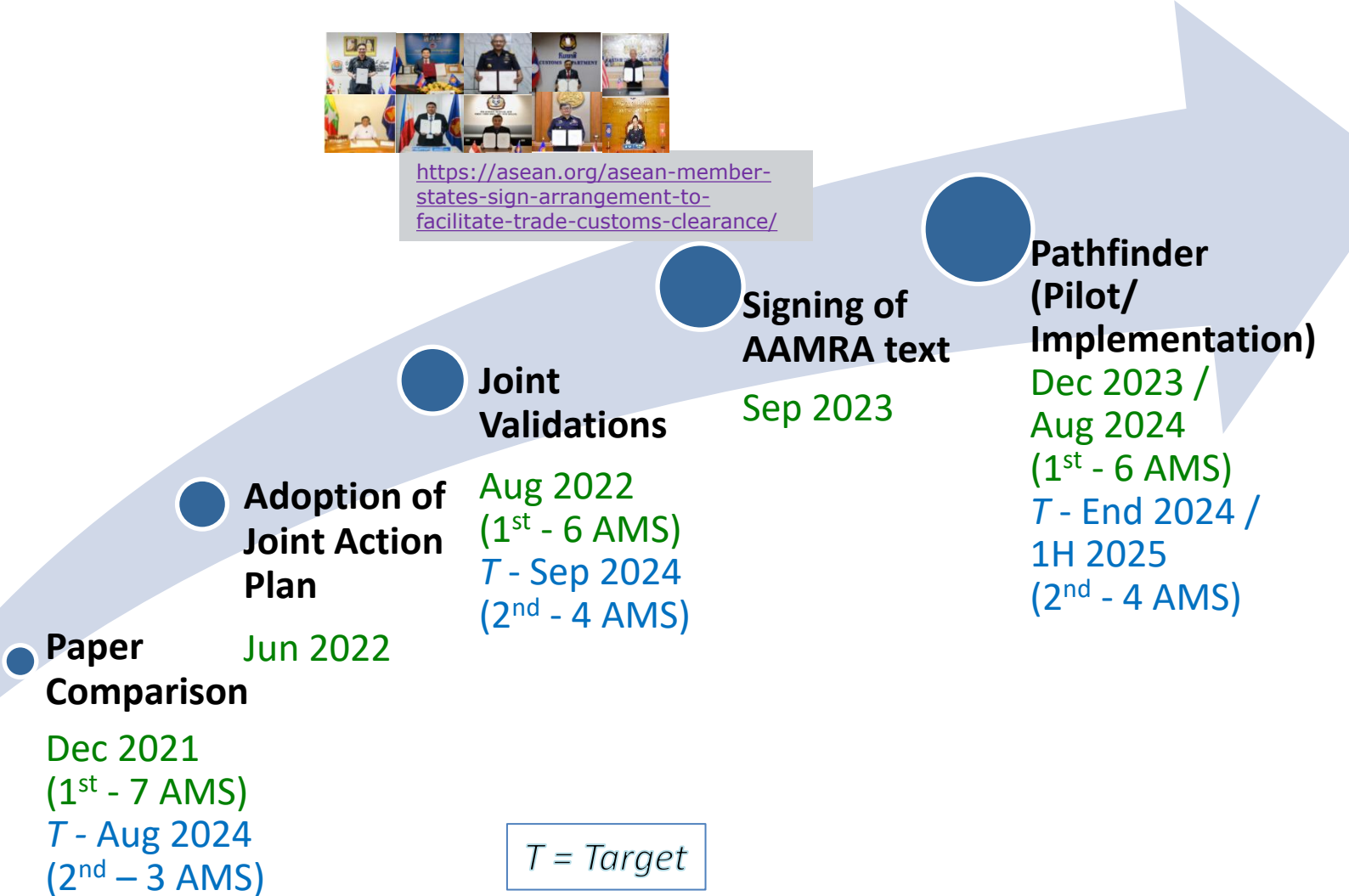
- Assess readiness for AEO MRA negotiation
- Legal framework, scope, coverage and benefits to AEO certified companies
- Risk management and cargo clearance procedures
- AEO information exchange arrangements



AAMRA: Key Milestones & Progress



<https://asean.org/asean-member-states-sign-arrangement-to-facilitate-trade-customs-clearance/>



T = Target



1st Pathfinder AMS



2nd Pathfinder AMS



AAMRA: Key Challenges

Varying degree of AEO developments and expertise/knowledge on AEO procedures and MRA negotiations

Need to narrow the gap – share best practices and create standard templates as applicable

Covid-19 pandemic – KIV physical visits (hybrid – virtual and on-site joint validation assessments)

Ensure timeliness - Commenced concurrent AAMRA text negotiations (virtually)

Require holistic government approach - inter-agency coordination necessary for smooth AEO MRA implementation

Differing domestic regulatory processes – bureaucratic and long drawn -> advanced preparations

Private sector engagement – support for AEO MRA, seek feedback



AAMRA: Potential Benefits

Simplify mutual recognition negotiations and programme administration – through common scope of MRA coverage and benefits

Efficient validation of AEO programmes, save time and resources

Tap on synergies to multiply benefits

AMS new to AEO could pick up best practices from more established AMS

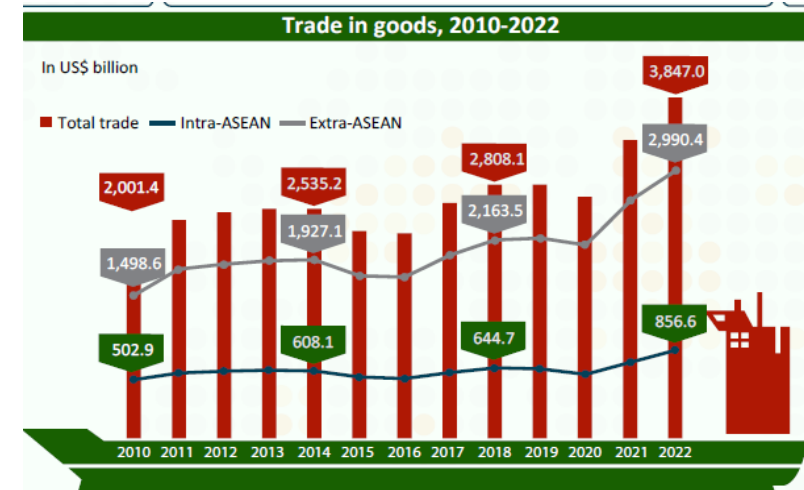
With more predictability of cargo movement (priority treatment of cargo inspection and expedited clearance during trade disruption) -> companies enjoy time and cost savings

Enhance supply chain security and facilitate trade in the region



AAMRA: Opportunities

- ❑ Over the last few years, intra-ASEAN trade in goods had grown by 32.9% from US\$644.7 billion in 2018 to US\$856.6 billion in 2022.
- ❑ In 2022, share of intra-ASEAN trade was 22.3% of ASEAN's total trade (US\$3.85 trillion)
- ❑ By 2030, ASEAN will be the world's 4th largest economy
- ❑ Less regulatory burden on intra-ASEAN trade -> promote further growth of trade within ASEAN
- ❑ AAMRA would further strengthen economic development within ASEAN as envisioned under the ASEAN Economic Community Blueprint 2025
- ❑ AAMRA provide further opportunities for AMS to negotiate with non-ASEAN partners as a bloc, furthering the role of the ASEAN Economic Community



Source: ASEAN Secretariat



THANK YOU



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