

2020/Q3

Regional Office for Capacity Building for the World Customs Organization

WINNER OF WCO PHOTO COMPETITION 2020: KAZAKHSTAN CUSTOMS



Kazakhstan Customs won the WCO Photo Competition 2020.

The winning photo shows a Customs officer in uniform alongside his faithful friend, ready to start the day despite the risks posed by the spread of COVID-19 as seen above.

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ROCB Europe and CARICC & UNODC Set the Stage for Cooperation

Considering the role played by the Regional Office for Capacity Building for the World Customs Organization Europe Region (ROCB Europe) in effectively supporting capacity building efforts and in line with the vision for establishing and enhancing regional cooperation, a virtual meeting took place among the ROCB Europe, the Central Asian Regional Information and Coordination Centre (CARICC) and UNODC-CARICC Project Office on 24 September 2020.



The meeting was attended by the heads and staff of the said organizations as well as the representatives of the national competent authorities of the CARICC member states. Following the opening speeches by Mr. Eser Çengel, Director of ROCB Europe; Mr. Miralizoda Rustam Aziz, Director of CARICC and Mr. Navid Riyaz International Coordinator of UNODC and CARICC project, the parties provided presentations which included establishment, mission, goals, activities and projects among others.

As a result of the informative and provisional consultations after being acquainted with the fundamental aspects of organizations, it was decided to build cooperation on possible joint activities, establishment and enhancing ties and communication between the organizations.

Final Report of the Virtual Intersessional Meeting of the WCO Europe Region National Contact Points

With the recent developments caused by the Covid-19 and the need for customs community to stay together and share updated information, the ROCB Europe organized a Virtual Intersessional Meeting of the WCO Europe Region National Contact Points for Capacity Building under the theme of "Situation Update and the Road Ahead" that was held on 2 June 2020.

The arranged virtual meeting was the first-ever online session of the WCO Europe Region contact points.

The final report of the meeting has been uploaded to the Meeting Documents segment of the ROCB Europe web site members' section.



Rising Tariffs and Renewed Risk for International Trade

REVIEW ARTICLE

With the spread of the new coronavirus disease worldwide, international trade and supply lines unavoidably affected by means of raising tariff rates as a result of the policy changes. Whether or not this increase would solely include medical and protective equipment used in the fight against Covid-19, there is no doubt that remaining sectors are not excluded.

Notwithstanding, escalating tariff walls was an issue even before the Covid-19 era for international trade. The word count



for 'protectionism' was higher than it had been before. That being the case, increasing import tariffs would not only have effects on the domestic market and consumers, as one would imagine, but also for exports of an economy.

Notwithstanding, escalating tariff walls was an issue even before the Covid-19 era for international trade. The word count for 'protectionism' was higher than it had been before. That being the case, increasing import tariffs would not only have effects on the domestic market and consumers, as one would imagine, but also for exports of an economy.

It is shown in practice that the import tariffs indirectly affect the price of inputs that are used for exports. This linkage means that imposing import duty increases, in turn, brings a downturn for exports. Therefore, supply chains might become vulnerable to this interconnection between imports and exports.¹ Naturally, the above-mentioned situation would have implications on welfare of the individuals and countries as a whole.

It is obvious that intermediate goods are largely the case for international trade in which global value chains are widely performing.² This fact brings a complicated stance as for the calculation of gross versus value added trade. Still, even if the complexities in accurately calculating the volume of trade were ruled out, it could be well argued that less import volume caused by increased tariffs might bring about hardships in obtaining inputs for manufactures for exports.

That is why, building tariff walls should not only be seen as a way to protect the domestic market or supporting the local producers, but also for a possible reason for diminishing exports. This suggestion especially holds true for the case of value-added international manufacturing mechanisms.

An optimal point that gives way for proportionate ups and downs might be the best possible scenario for policy makers. In that way, negative effects on the trade volume and corresponding adverse effects on welfare might be contained. ■

Torugart Checkpoint Reopens

Due to the situation caused by the COVID-19 pandemic and in order to prevent its cross-border spread, the movement of goods and vehicles through the checkpoint "Torugart" between Kyrgyz Republic and China had been suspended from the beginning of February 2020.

As a result of the bilateral talks, negotiations were reached on the resumption of the necessary sanitary and quarantine measures for the transportation of goods through the checkpoint from 8 September 2020 in compliance with the certain procedures approved by the order of state regulatory authorities of the Kyrgyz Republic.



More Simplifications for AEOs in Belarus

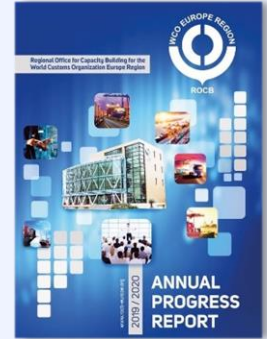
More than half of Belarusian authorized economic operators have received certificates of the third type, which provides the maximum set of simplifications for honest business.

Today, 299 Belarusian business entities have the status of an authorized economic operator, which grants certain privileges to honest business. More than half of them received the third type of AEO certificate, which allows them to take advantage of the maximum number of preferences and simplifications.

The first type of certificate makes it possible to apply simplifications to speed up customs operations, the second type - to store goods on their premises, and the third type – combines all the simplifications, of which there are 16 in total.

ROCB Europe Submits Annual Progress Report

As periodically carried out by the ROCB Europe, Annual Progress Report 2019/2020 has been submitted to the Member Administrations of the WCO Europe Region. The Report includes, among others, strategy, road map, activities and events as well as reports by the Regional Training Centers and ROCB Europe prospective Work Plan of the Office for 2020/2021. The document is readily available on the ROCB Europe web site members' section.



Historic Cocaine Seizure by Turkish Customs

Upon a risk analysis on information systems in the context of fight against drug trafficking by Turkish Customs, six containers were taken into control at the seaport located in Kocaeli, Turkey. As a result of the controls by the customs enforcement units that also included detection dogs, certain substances in powder form were found. Analysis made through a drug test device revealed that the said substances stand for cocaine.



The historic operation turned out to give way a seizure of 540 kilograms of drug in the type of cocaine in valued at 216 million Turkish Liras (approx. 30 million USD) in 500 packages. The amount of drug seized is the largest one that is retained at once in the enforcement history of Turkish Customs.



Turkmenistan Obtains Observer Status at WTO

At a meeting of the General Council on 22 July, WTO members agreed to grant Turkmenistan observer status in the organization. Turkmenistan, a state in Central Asia with a population of about 6.2 million, became the last former Soviet republic to establish a formal relationship with the WTO.

Turkmenistan submitted its request for observer status in May 2020, indicating its intent to initiate negotiations for WTO accession within a period of five years.

Have Covid-Free, Will Travel

REVIEW ARTICLE

As 'Corona Virus Disease 2019', short form of which is used as Covid-19 made its mark on the year 2020, one of the most affected areas has been doubtlessly travel. One of the early reactions by the governments had been closing the borders for inbound or outbound travel or both, either by land, sea or air. Passenger transportation took a big hit while it was prohibited to leave even apartments in some countries under certain conditions.

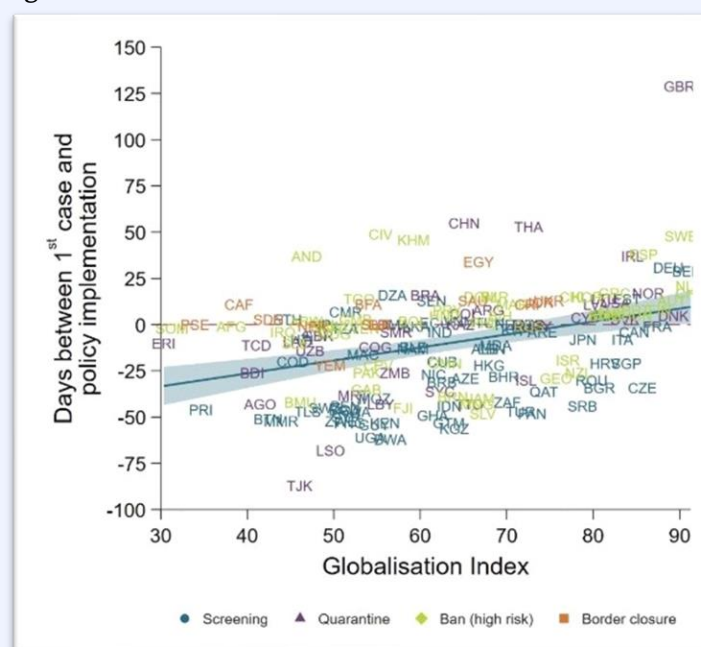
There has been no uniform set of measures implemented by the governments. As there have been different approaches globally with respect to taking the coronavirus under the control, each of those initiatives resulted in varying degrees of achievement with a view to curbing the transmission of the virus. That situation also gave way for implementing restraining provisions by the governments that would not have been in place otherwise.¹ In that sense, the world has seen measures taken in a very short time with high level of strictness.

As restrictions on international travel policies are reviewed, it is understood that more globalized countries have a delay in implementing such limitations as compared to the first officially reported Covid-19 case. Informational and political globalization play the strongest role in delays whereas there has been no established connection for globalized countries in terms of adopting more or less effective travel restrictions to initially tackle the coronavirus. An analysis carried out by Bickley et al. finds that there is a significant and positive correlation between the KOF globalization index and delay for international travel restrictions since the first day of confirmed Covid-19 case.²

The chart built upon the analysis indicates passing more time in placing measures as the level of globalized characteristic of the country elevates.

Nevertheless, the varying degrees or delayed timing of those measures did not particularly lessen the magnitude of the punch on travel. The global travel sector hit by disruptions because of certain restrictions for travel and touristic places. The number of countries that halted incoming travellers has been more than

110. In anyway, all countries implemented a certain degree of restrictions for incoming passengers. Those restrictions have been varied from being completely closed as total travel bans to banning travels from certain locations with high number of Covid-19 cases.³



As international travel is affected on a large scale with the downturn on tourism, the pandemic is still a factor in terms of changing preferences and avoiding risks. Since the adverse effect is heavy on international travel, the airline industry has been having difficult times as a result of measures put in place against coronavirus. The decline in scheduled flights is 65%.⁴ The figure is self-explanatory for acknowledging the depth of the potential damage.

In the meantime, rising level of limitations on passenger travel brought an increase for trade costs in the mid-term reflecting a 12% increase for countries and sectors. Differences in these dimensions stemmed from essentially production structure and regulations in the pre-pandemic period. Therefore, if the measures implemented against pandemic were removed as much as possible, economic recovery would be boosted.⁵ However, lifting measures altogether does not seem likely to happen in the near future.

RD GATE STATUS



Linkages among the sectors that have been affected would create bottlenecks for other sectors one way or the other, directly or indirectly. In simplistic terms, bans on travel affects trade which in turn weakens economic and financial course. A gradual increase in taking the coronavirus under control and easing limitations would therefore help putting pre-pandemic figures back. This all means that even though restrictions and measures implemented in the struggle for eliminating the negative effects of Covid-19 were lifted or eased off, the lingering impact of the pandemic would still be here to stay for a considerable period of time.

* The phrase 'Have X, Will Travel' is used for taking a journey when having a particular ability.



Regional Office for Capacity Building for the World Customs Organization Europe Region

This newsletter is a product of the ROCB Europe. It is intended for the Member Administrations of the World Customs Organization Europe Region as well as the related audience.

The newsletter is also available on the ROCB Europe web site. For additional information and recent updates, please visit rocb-europe.org.

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