



# Enhancing Customs Transparency in APEC

*Next Generation  
APEC Tariff Database*

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# The Problem

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- ABAC acknowledged the need for more transparency in tariffs and rules of origin in 2009.
- Lack of publicly available information on tariffs and preferential rules of origin within APEC.
- Companies face difficulties when trying to take advantage of regional free trade agreements and other preferential agreements negotiated by governments.

# APEC Contribution

- The APEC Transparency Initiative was endorsed by APEC trade ministers in July 2009
- APEC provides up-to-date and accurate tariff and rules of origin information by the APEC Trade Ministers meeting in June 2010
- APEC-specific Website on Tariff and Rules of Origin by the APEC Ministers' Meeting in November 2010

# Private Sector Contribution

- Private sector can build on the efforts of APEC by creating an online database that would facilitate trade, for all businesses - including large multinationals and small and medium sized enterprises - across the APEC region.
- Businesses are exploring the possibility of developing a pilot database to test the concept and assess business interest.
- US trade consultants have put together a framework that outlines the potential functionality of a next-generation APEC tariff database.

# Comparison: *Next-Generation APEC Tariff Database*

## Old APEC Database

- Static
- Older, outdated tariff rates
- Limited preferential rates
- Relied on government updates
- No ability to download data

## Proposed APEC Database

- Flexible functionality
- All APEC economies included
- Data available now
  - Current rates
  - Tariff reduction schedules
- Easy to use for SMEs & MNCs
- Adds commercial value to APEC Transparency Initiative

# Proposed Interactive Tariff Database



## Data Collection & Maintenance

## User-friendly Interface

## Commercially-relevant Output

 HS Codes to 8-/10-digit

 Description

 WTO tariff rate

 Preferential rates

 Preferential ROO

 Input HS Code



 Select source countries



 Choose export markets

 Improved functionality

 Extractable data

 Sourcing comparisons

 Future-casting possibilities

 Improved transparency

*Undertaken by global commerce management company – not governments.*

*3-click interface -- easy for SMEs and MNCs to use.*

*Data can be downloaded and manipulated for strategic planning purposes.*

# Mock Output: Multiple Source Countries

Tariff Matrix for Products Imported into Destination Market:

United States

<i>Good Classification</i>	<b>8476.90.0000</b>	<b>9031.49.9000</b>	<b>9031.90.9095</b>
<i>Description</i>	Automatic goods-vending machines (for example, postage stamp, cigarette, food or beverage machines), including money-changing machines. Parts.	Measuring or checking instruments, appliances and machines, not elsewhere specified or included in chapter 90. Other optical instruments and appliances. Other.	Measuring or checking instruments, appliances and machines, not elsewhere specified or included in chapter 90. Parts and accessories. Other. Other.
<b>2009 WTO Rate</b>	<b>0%</b>	<b>3.5%</b>	<b>1.7%</b>
<b>Supplier Countries:</b>	<b>Current Applied Rate</b>	<b>Current Applied Rate</b>	<b>Current Applied Rate</b>
<b>China</b>	<b>0%</b>	<b>3.5%</b>	<b>1.7%</b>
<b>Japan</b>	<b>0%</b>	<b>3.5%</b>	<b>1.7%</b>
<b>Russia</b>	<b>0%</b>	<b>3.5%</b>	<b>1.7%</b>
<b>Mexico</b>	<b>0%</b>	<b>0%</b> <i>Pref ROO: A change to subheading 9031.49 from any other heading; or A change to subheading 9031.49 from subheading 9031.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: 60% where the TVM is used, or 50% where the NCM is used.</i>	<b>0%</b> <i>Pref ROO: A change to subheading 9031.90 from any other heading.</i>

# Mock Output: Future-casting of Tariffs

Tariff Reduction Schedule for products from Australia and New Zealand under the ASEAN-Australia/New Zealand FTA														
HS Code	Importing Country	Base	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 and beyond
xxxx.xx	Burma	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%
	Cambodia	15%	15%	15%	15%	15%	15%	10%	10%	5%	5%	5%	5%	0%
	Indonesia	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Laos	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	0%
	Philippines	3%	3%	3%	3%	3%	3%	0%	0%	0%	0%	0%	0%	0%
	Thailand	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Vietnam	3%	3%	3%	3%	3%	3%	3%	3%	3%	0%	0%	0%	0%

*Future-casting of FTA data provides companies with the ability to integrate tariff reduction schedules into strategic planning models.*



## Next Steps

- Cultivate interest from companies throughout the Asia Pacific
- Identify mechanisms to fund a pilot program – either through governments, NGOs or companies.
- Launch pilot project that would focus on select APEC economies.

# Requests of ABAC

- Endorsement of the concept of a next generation APEC Tariff Database
- Assistance in raising awareness among businesses in the APEC region
- Provision of input into database functionality