

24 May 2012

Ms. Monica Contreras

APEC CTI Chair &
Deputy Director for Multilateral & Regional Negotiations
Ministry of Economy
Mexico

Dear Ms. Contreras,

Customs transparency is regularly cited by the private sector as a major impediment to doing business in the APEC region. The lack of readily available information on regulatory requirements, applied tariff rates, market access, rules of origin, and the details regarding the more than 45 regional, bilateral and multilateral trade agreements make it difficult for companies to take full advantage of regional trade liberalization. Small, medium, and micro-sized enterprises (SMMEs) often forgo trade benefits altogether and are further disadvantaged compared to their larger counterparts. This lack of transparency creates a significant barrier to trade and investment and mitigates APECs efforts to support the free flow of trade in goods and services across the region.

As noted in ABAC's 2011 letter to SME Ministers "improving the understanding of how to utilize free trade agreements will make it easier for SMMEs to take advantage of preferential tariff rates and other benefits of FTAs. By making it easier to utilize FTAs, SMMEs will lower their overall cost of doing business in other economies and become more competitive." To address this impediment to trade, APEC has undertaken several initiatives aimed at centralizing critical trade information in single window repositories and presenting this information in a user-friendly way.

ABAC commends APEC's efforts to improve customs transparency and encourages APEC officials to support two databases currently under development: the APEC Services Trade Access Requirements (STAR) Database, which is being tabled in the APEC Group on Services (GOS) and the APEC Next Generation Tariff Database, which has been tabled in the APEC Market Access Group (MAG). Both of these databases make it easier for businesses, SMMEs in particular, to trade by increasing customs transparency, centralizing widely dispersed information into single databases, and offering a user-friendly interface which allows businesses with limited resources the ability to navigate complex international trade rules.

The **STAR Database** is a business-friendly, on-line tool to help services providers from APEC economies take advantage of new export opportunities. By gathering information on services market access into a single, easily accessible knowledge bank, the STAR database will increase business awareness of the regulatory requirements to trade.

The **Next Generation APEC Interactive Tariff Database** a single window solution for exporters and importers within APEC to obtain current and future tariff information for the movement of their goods between APEC economies. The Next Generation APEC Interactive

Tariff Database ensures that tariff and preference information is timely, current and commercially-relevant. The database provides companies with the capability to extract information for planning purposes and compare sourcing alternatives.

Both of these databases have undergone pilot phases to test functionality and to develop content improvements. Each of these databases provides an unprecedented level of access to customs information in the APEC region and goes well beyond the capabilities of existing databases developed by the World Trade Organization (WTO), World Customs Organization (WCO), the Organization for Economic Co-operation and Development (OECD) and Inter-American Development Bank (IADB).

ABAC urges APEC officials to support the development of these databases as well as to improve collaboration between the GOS, the MAG, and ABAC to improve consistency, identify areas of collaboration, and ensure that the databases are commercially relevant.

Yours sincerely,



Ziyavudin Magomedov
ABAC Chair 2012