



## **BORDER CROSSING OBSTACLES: A MARITIME PERSPECTIVE** **International Chamber of Shipping**

The International Chamber of Shipping (ICS) is the principal international trade association for merchant ship operators. With a membership comprising national shipowners' associations from 36 countries, ICS represents the collective views of all sectors and trades of the global shipping industry, including tankers, bulk carriers, containerships and passenger ships. As such, we have attempted to provide some general comments from a global perspective on some of the issues outlined in the OECD/ITF Questionnaire, in so far as they are relevant to maritime transport.

### ***Problematical border crossings for freight (and passengers, where appropriate)***

It is probably fair to say that customs procedures have improved significantly at maritime ports and terminals over the past few decades, reflecting the proliferation of trade liberalisation generally. In many OECD nations, customs procedures are relatively smooth, with only occasional reports of serious problems, particularly in those ports and terminals where Customs or other agencies may not fully work on a '24/7' basis. Many outstanding problems may be connected to port efficiency, the need to improve port infrastructure, and the related issue of congestion (although the latter is perhaps less of an immediate concern since the beginning of the recent downturn). Another issue, which is difficult to quantify, is the sensitive issue of corruption amongst individual customs officials which, to greater or lesser extent, can still be encountered even in OECD nations.

These general improvements experienced by shipping in recent years have undoubtedly been assisted by the work of the UN International Maritime Organization (IMO) Facilitation Committee, which has guided the development of the IMO Facilitation Convention, providing a framework of global standards and recommendations intended to simplify the administrative procedures to which ships and their crews are exposed. An example of this is the use by ships of standard 'IMO FAL forms' which are accepted by authorities in port States throughout the world.

These improvements have also been assisted by agreements reached at the World Customs Organization (WCO). However, certain customs obstacles

remain in some non-OECD countries, and there is of course always room for improvement.

The container shipping industry, in particular, also benefits from the UNECE Convention on International Transport of Goods Under Cover of TIR Carnets (TIR Convention), which is now applied in over 60 countries worldwide. This agreement expedites international transit using different transport modes, allowing containers traveling under this system to avoid having to be inspected by Customs officials at every border.

**It is therefore suggested that Ministers in Leipzig give due recognition to the importance governments adhering to the principles and standards promoted by of the IMO Facilitation Convention and the UNECE TIR Convention.**

***What are the primary obstacles to the smooth flow of traffic across these borders/gateways?***

From the perspective of the shipping industry there are three main issues affecting the smooth flow of international trade that ICS would like to highlight:

### **Maritime Security**

The shipping industry has had to confront the serious challenges posed by the new focus given to maritime security that has emerged since '9/11'. This includes the supply chain security measures that have been developed by Customs authorities during the current decade, particularly in the United States, but now also in the European Union and China, which have the potential to complicate the smooth flow of global shipping. There is clearly a balance to be struck between the goals of security and trade facilitation, but following years of progress in support of the latter, in recent years the pendulum has probably swung too far in the opposite direction.

Developments such as the WCO 'SAFE' Framework on supply chain security are therefore important and helpful, and it is vital that security and customs measures introduced by individual nations remain consistent and compatible with these WCO principles.

**It is therefore suggested that the need for governments to develop supply chain security procedures which are consistent with WCO principles might be highlighted by Ministers at the Leipzig Forum in May.**

A particular concern is the unilateral requirement, adopted by the US Congress in 2007, for 100% security scanning, by 2012, of every individual in-bound maritime container at its foreign port of loading. This measure has the potential to seriously disrupt the flow of world trade. Apart from the huge costs and logistical problems involved, the US law undermines the 'risk based' approach to security which is at the heart of the World Customs Organization (WCO) SAFE Framework of international customs standards. Industry and governments alike

are extremely concerned about the practical implications of the US requirement, which will probably require the expansion of port capacity and necessitate the introduction, by US trading partners, of expensive high tech equipment, without any commensurate improvements to security, especially as dedicated terrorists can still be expected to circumvent such measures.

**It is suggested that Ministers in Leipzig use the opportunity to reiterate the concern of the international community about the introduction of 100% container scanning and its negative impact on the smooth flow of world trade.**

### **Visa and Customs procedures**

Until recently, there was a general recognition worldwide that the nature of maritime trade required that seafarers holding internationally recognised Seafarers' Identity Documents (SIDs) should be exempt from normal immigration requirements when visiting foreign ports, particularly with regard to any need to obtain visas.

It is extremely difficult, if not impossible, for seafarers to obtain all the visas that might be required during a sea voyage, and in view of the special nature of seafarers' employment, it should be possible for them to leave their ships to enjoy shore leave. This is particularly the case in 'non liner' trades where ships do not follow a fixed schedule, and the ports to be visited will not be known at the start of the voyage. It is also necessary, often at short notice, to arrange the transit of seafarers to and from airports in the country the ship is visiting, for the purpose of joining the ship or repatriation.

This principle is recognised in the International Labour Organization Seafarers' Identity Document Convention, 1958 (N0 108) and the IMO Convention on Facilitation of Maritime Traffic, 1965 (Standard 3.10.2). The principle is also reiterated in the ILO Convention on Seafarers' Identity documents (ILO 185) which was adopted in 2003 to reflect post '9/11' security concerns.

While the shipping industry wishes to maintain the principle that visas should not normally be required, it is acknowledged that immigration authorities in several nations continue to insist on such requirements. In such cases, it is therefore important that such nations facilitate the issue of visas so that they be obtained on arrival (or applied for from the ship shortly before arrival) and that it is not necessary for seafarers to apply for visas at consulates in their home countries. This principle is clearly enunciated in the ILO Convention of 2003.

**It is therefore suggested that Ministers in Leipzig reiterate the need for ILO Convention 185 to be ratified by governments and that the principles embodied in the Convention are implemented as soon as possible.**

***Failure to reach a successful conclusion of WTO facilitation negotiations***

The shipping industry supports the successful conclusion of the WTO facilitation negotiations to help 'lock-in' customs 'best practices' and to reinforce facilitation activities in other bodies such as WCO and IMO.

The simplification of customs procedures ties in with the work of the IMO FAL Committee, to standardise and streamline administrative procedures. This is particularly important, given the growing paper burden on industry personnel.

WTO facilitation efforts can also help promotion of international standards, such as the work at the WCO to develop the SAFE Framework of customs security standards, the use of e-commerce and concepts like the Single Window - the submission of electronic data to a single portal.

**It is therefore suggested that Ministers in Leipzig highlight the importance of a successful conclusion to the WTO negotiations and, should a new agreement on market access issues not prove possible, the importance of finding some means of preserving the progress that has been made at WTO on trade facilitation issues.**

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