

“Post Doha Disease” and the new Global Trade Paradigm: an Industry Perspective

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IBM differentiation through investments

The Globally Integrated Enterprise

- Global Delivery Center
- Software & Hardware Lab
- Research Lab
- Innovation Center
- Cloud Computing Center



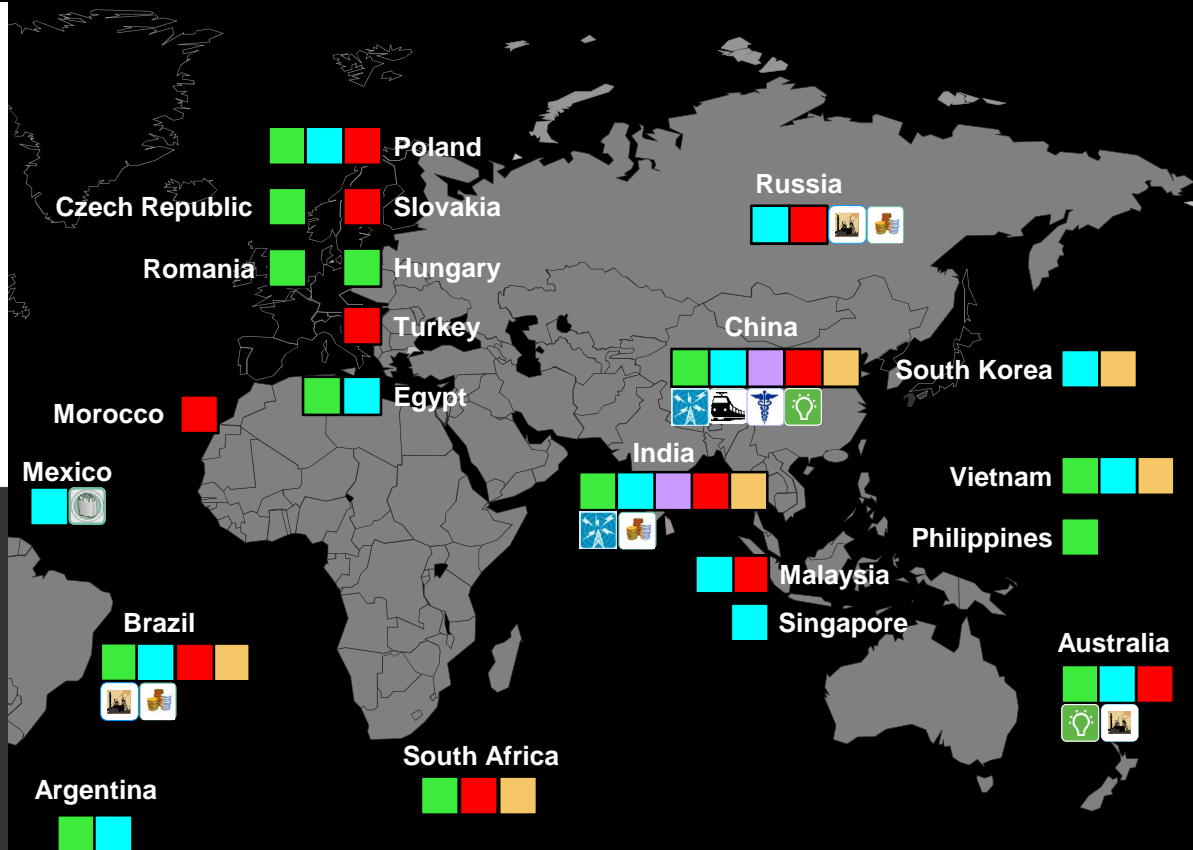
Communications

Health

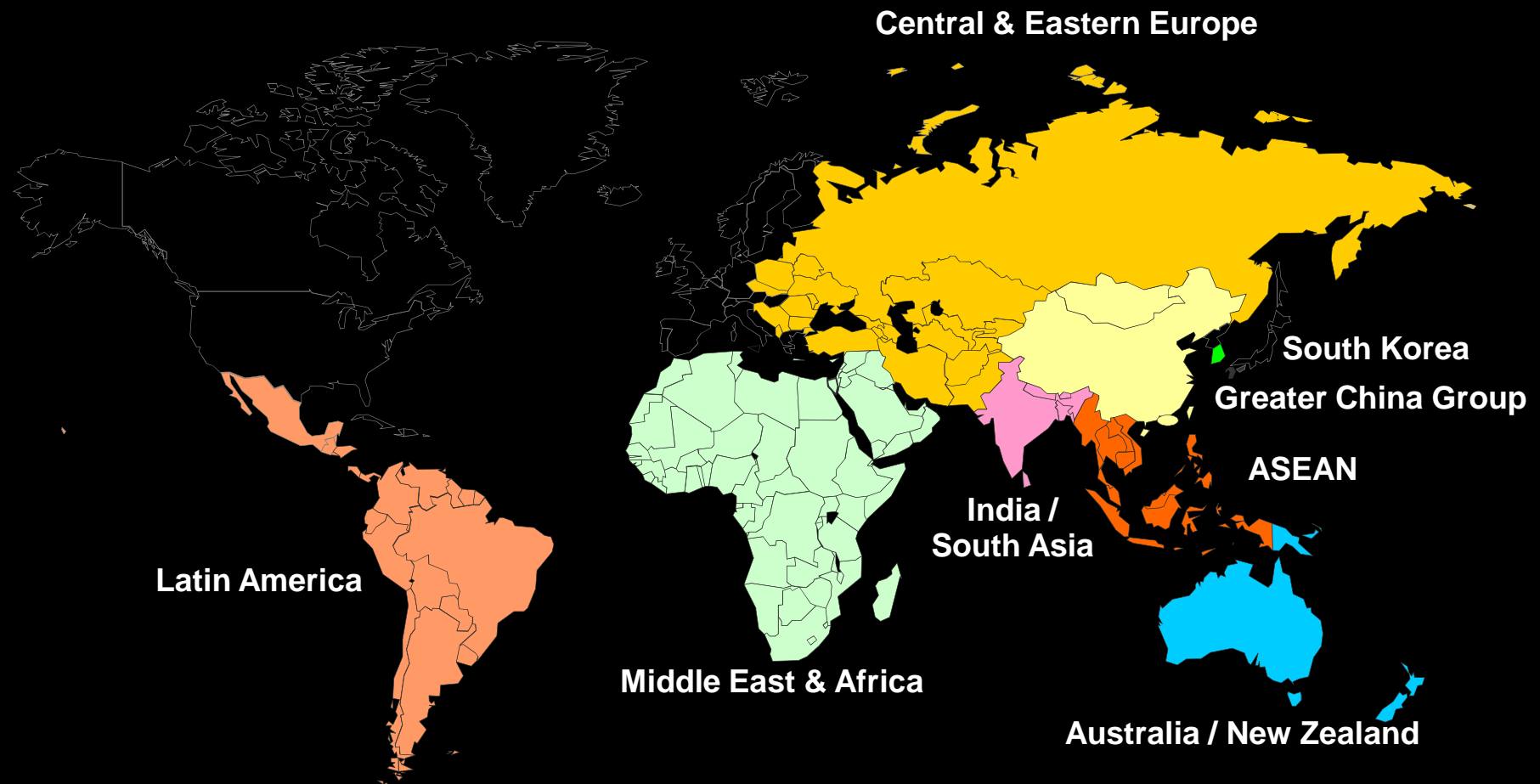
Energy

Finance

Mail



IBM in Growth Markets: over 140 countries



17 of 20 Largest Cities are in Growth Markets



1. Mexico City



2. Mumbai



3. Shanghai



4. Kolkata



5. New Delhi



6. Beijing



7. Sao Paulo



8. Buenos Aires



9. Moscow



10. Seoul



11. Chongqing



12. Istanbul



13. Karachi



14. Jakarta



15. Guangzhou



16. Tokyo



17. Wuhan



18. London



19. New York



20. Bangkok

Global Economic Integration:

- Technology innovation is enabling businesses to expand their operations internationally and drive growth in the global economy
- Global economic integration is driving the world to a new level of growth and innovation
- Global economic integration is driving the world to a new level of growth and innovation
 - Develop skills and knowledge to support the global economy
 - Provide a secure and stable environment for business
 - Create efficient and effective processes to lower costs
- Global economic integration is driving the world to a new level of growth and innovation
 - Business, government and industry are all required to adapt to the changing environment

Countries with efficient governance encourage industry investment

Lets Look at some stats.....

- 2.7 Billion People now on the internet
- 10 Billion wireless devices operational today
 - This number is expected to triple by 2020
- Social Network users expected to reach 1.7 billion in 2013
- The result is a planet awash with data:

“we are creating the equivalent of all the data generated through human history up to 2003.....every 3 days”

IBM Trade Compliance – a Globally Integrated Approach

Mission:

- Enable a globally integrated world class import process
 - Attributes of a world class importer:
 - Compliant
 - Secure
 - Efficient

Scope

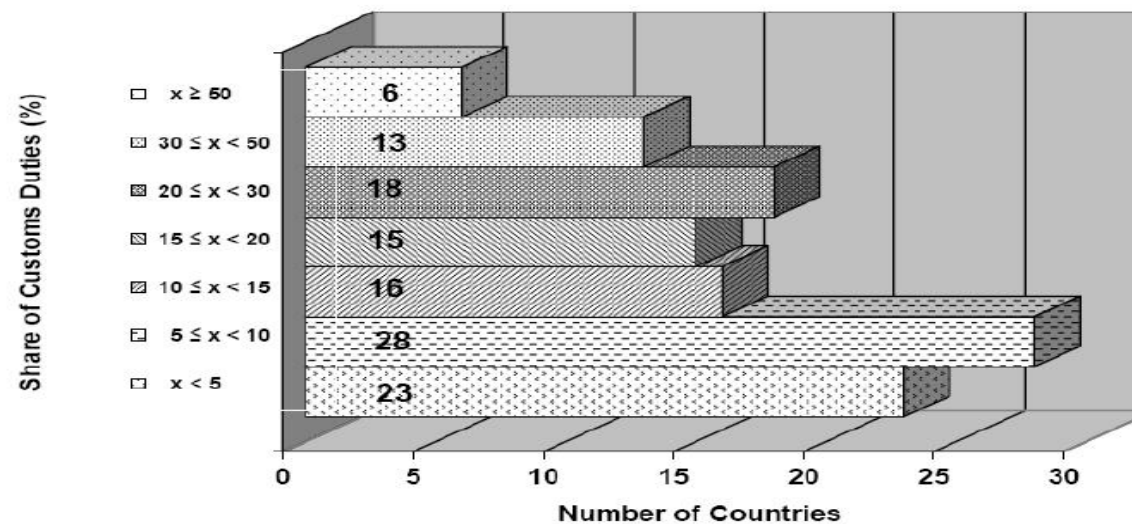
- **Responsibilities**
 - Identify and interpret regulations
 - Establish policies
 - Assess internal compliance
 - Educate import network
 - Develop government relationships
- 2500 Customs Declarations Daily
- 170 Countries
- \$20 Billion+ per annum

Growth Market Challenges – an example.....

Annex II

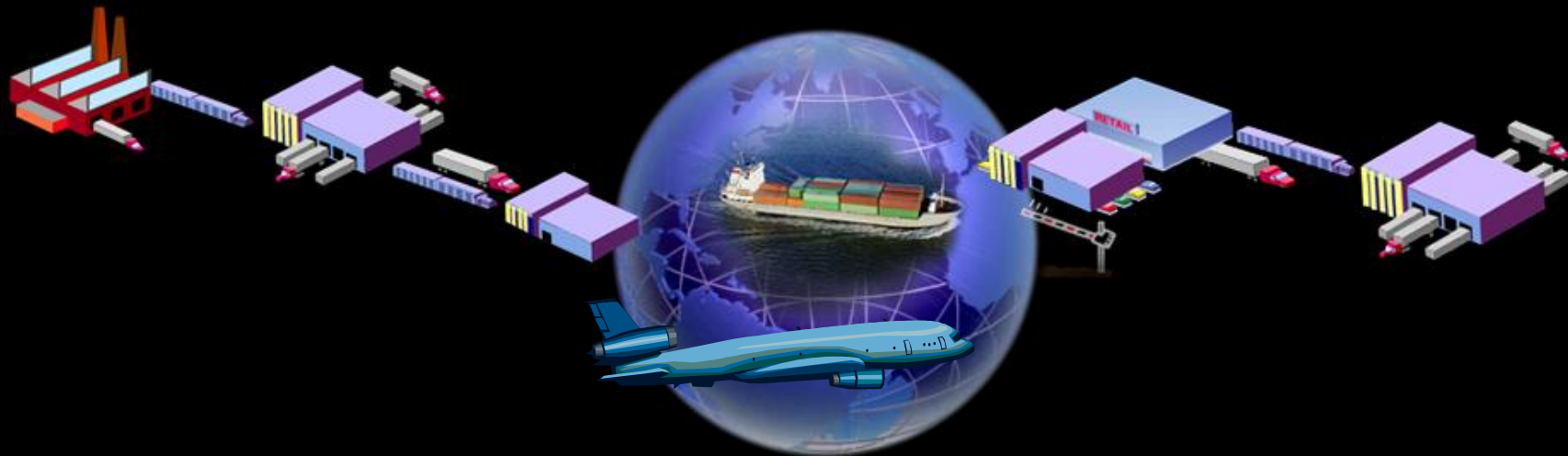
November 2008

SHARE OF CUSTOMS DUTIES AS A PERCENTAGE OF NATIONAL REVENUES (2005)



II/1.

Who owns the supply chain?



Manufacturer
Distributor

Freight
Forwarder

Port Authority
"A"
Customs

Carrier

Port Authority
"B"
Customs

Distribution
Center



“Post Doha Disease”

- Not necessarily a negative term
- Some examples
 - Trans Pacific Partnership (TPP).....T4 to Tx
 - Regional Comprehensive Economic Partnership (RCEP).....ASEAN+ to ASEANx
- All elements of Customs and Trade Facilitation Chapters relevant to industry:
 - Publication (Transparency)
 - Release of Goods (Efficiency)
 - Automation & use of IT (Efficiency and Transparency)
 - Risk Management (Compliance)
 - Cooperation (AEO and other Trusted Trader Partner Programs)
 - Express Shipments (Efficiency)
 - Review and Appeal (Transparency)
 - Penalties (Compliance)
 - Advance Rulings (Transparency/Efficiency)

“In today’s highly challenging world, trade and investment will flow towards efficient, supportive and facilitative locations. At the same time it will rapidly ebb away from locations which are perceived by business as bureaucratic, lacking good governance, and synonymous with high costs.

Customs systems and processes must not be allowed to serve, or be perceived, as a barrier to international trade and growth.

Modern production and delivery systems, linked with the dramatic potential of new forms of electronic commerce, make swift and predictable Customs clearance an important prerequisite for national prosperity and economic development.”

Revised Kyoto Convention

Information Technology Agreement

- Sector Specific “PDD”
- Concluded in 1996 (29 Original Participants)
- 2013 – 70 Participants representing approximately 97% of world trade in IT Products
- A remarkable achievement.

- New initiative to expand list of “technology products” in ITA
 - 1 June 2012: 6 participants
 - May 2013: 52 signatories (out of 76 current ITA members)
 - number of products being considered - 256

Elephant....what Elephant?

- NTBs
- NCBs



QUESTIONS?



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