

**Trade Facilitation and Customs Regulatory Control:
A Study of Express Consignment Operations in Thailand**

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ABSTRACT

In the contemporary international trade environment, trade facilitation and customs regulatory control are two significant requirements for both government and the business community. These requirements, however, are difficult to put into practice and have become a major challenge for customs administrations. Customs administrations are required to facilitate international trade while at the same time ensuring effective control in compliance with both national and international obligations, particularly in the light of current concerns about public health and safety and security issues.

This study examines and analyses approaches for customs administrations to effectively reconcile tensions between trade facilitation and customs regulatory control. The study is based on a case study of express consignment operations at the Suvarnabhumi International Airport, Thailand using multiple methods of data collection: documentation, interviews and direct observation. Four major findings from the case study are identified as the key criteria required for facilitating international trade while ensuring customs regulatory control. First, risk management is identified as a core principle of accommodating facilitation and control. Second, customs laws and regulations, customs procedures and information technology are found to be key instruments for supporting the achievement of trade facilitation and customs regulatory control. Third, comprehensive and integrated approaches to cooperation are regarded as enablers, which contribute to facilitation and control. Finally, human resource development is identified as a prerequisite to support all other elements in accommodating trade facilitation and customs regulatory control.

The accommodation between trade facilitation and customs regulatory control can be achieved dependent on these key criteria being effective and consistent with international standards and guidelines. Despite the effort of the Thai Customs Department to accommodate trade facilitation and customs regulatory control, the study identifies some discrepancies between 'policy and implementation' or 'principles and practices', particularly in the areas of risk management, customs procedures and information technology. These implementation problems are found to result mainly from the lack of skills and knowledge of the customs officers. A key finding of the study is that continuous and sustainable development of human

resources in terms of customs competency is required to ensure transparency, consistency and predictability in providing customs services.

The study makes theoretical contributions to the body of knowledge in the field of customs by proposing an accommodation approach to facilitation and control. This approach represents a more practical and effective mechanism alternative to the traditional approach of reconciling a balance between apparent tensions of trade facilitation and customs regulatory control. The research also makes practical contributions to both the public and private sectors by outlining facilitative mechanisms for the continuous development of public services while at the same time maintaining regulatory compliance through an appropriate level of regulatory and procedural impositions. The study concludes with potential avenues for future research in the areas of customs administration and border management.

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LIST OF ABBREVIATIONS

ACCS	Airport Cargo Community System
ADB	Asian Development Bank
APEC	Asia-Pacific Economic Cooperation
APEC SCCP	APEC Sub-Committee on Customs Procedures
ASEAN	Association of Southeast Asian Nations
AWB	Air Waybill
CAPEC	Conference of Asia Pacific Express Carriers
CIF	Cost, Insurance and Freight
DHL	DHL International GmbH
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
EU	European Union
FedEx	FedEx Corporation
FOB	Free on Board
GEA	Global Express Association
HAWB	House Airway Bill
IATA	International Air Transport Association
ICC	International Chamber of Commerce
IMF	International Monetary Fund

OECD	Organisation for Economic Co-operation and Development
PDA	Personal Digital Assistant
RFID	Radio Frequency Identification
TEXCA	Thai Express Courier Association
TNT	TNT Express Worldwide
UN	United Nations
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
UNECE	United Nations Economic Commission for Europe
UPS	United Parcel Service Inc
WCO	World Customs Organization
WTO	World Trade Organization