

## INTERNATIONAL MONETARY FUND



## Caucasus, Central Asia, and Mongolia Regional Capacity Development Center

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## **CCAMTAC Regional Webinar on**

"Customs Administration"

Wednesday, July 20, 2022

Introduction:

Mr. Norbert Funke, Director, CCAMTAC

Moderator:

Mr. Gregory Topping, Resident Advisor, CCAMTAC

Presenters:

Mr. Tadatsugu Matsudaira, Senior Economist, Fiscal Affairs Development, IMF

Mr. Robert Kokoli, Technical Assistance Advisor, Fiscal Affairs Department, IMF

Country Interventions:

*Ms. Davaa Tsendsuren,* Senior Customs Officer, International Cooperation Division, General Customs Administration, Mongolia

*Mr. Farhod Olimjonov*, Head of Department, Department of Strategic Planning and Simplification of Customs Procedures, State Customs Committee, Uzbekistan

The digitalization of trade and customs processes, the adoption of new technologies and business models, renewed national security and safety of society concerns, and revamped protectionism - these are the prominent challenges that customs administrations in any part of the world have to face amid the deeper integration to the global supply chains and interdependent nature of international trade. The COVID-19 pandemic pointed out the importance of the smooth and flexible operation of customs. The webinar was organized to present the findings of the IMF's newly published book called <u>"Customs Matter: Strengthening customs administration in a changing world"</u> to the regional customs experts, practitioners, and economists, focused on related issues.

In the first part of the presentation, Mr. Matsudaira elaborated on key concepts of customs administration that IMF helps to improve when providing capacity development (CD) support. CCAM countries are considered to have a relatively low GDP per capita and a high share of customs collection in total tax revenue, proving the importance of implementing good practices in customs administration. In this regard, Mongolia has been one of the few countries benefiting from the IMF technical support in customs administration. In general, the IMF assists customs authorities in achieving effective revenue collection, revenue leakage control, compliance management, enhancing duty/tax base, and other related issues. When providing CD support



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in customs administration reforms, the Fund staff ensures synergies with other macro-fiscal policy recommendations. Mr. Matsudaira concluded his part by outlining the IMF CD delivery modalities and analytical resources available to the authorities seeking assistance in customs reforms.

Focusing on the book itself, Mr. Robert Kokoli explained that its content primarily focuses on customs' role in mobilizing revenue and promoting economic competitiveness. It was confirmed customs is not only a significant revenue collector but also a key element in combating all forms of illegal trade flows. However, authorities are advised to be cautious as customs may underestimate the impact of VAT on imports, raising the issue of VAT management. In terms of customs reforms, the authors of the book emphasized the positive effects of integrated risk management and voluntary compliance and explained how to ensure the efficiency of customs operations with improved technology in place. Mr. Kokoli also shared some examples of IMF CD support in customs reform in Asia and Africa. To view the IMF presentation <u>click here</u>.

Following our presentation, Ms. Davaa Tsendsuren from Mongolia customs and Mr. Farhod Olimjonov from Uzbekistan customs provided a detailed overview of their experiences and challenges in customs reform and modernization. In its presentation, the Mongolian customs representative repeatedly commended IMF for its CD support in the reform and modernization, while Uzbekistan's customs official confirmed that the digitalization of customs administration brings greater efficiency on many different levels.

During the general discussion the questions to the presenters and authorities covered (i) key performance indicators (KPIs) used by Uzbekistan customs; (ii) availability of "Customs Matter" book in the Russian language; and (iii) customs digitalization.

Aliya Kistaubayeva, Economic Analyst, CCAMTAC