

1. Mr. Sandeep M. Bhatnagar, Joint Secretary, Central Board of Excise & Customs, Govt. Of India, INDIA.
2. Ms. Raelene Vivial, National Director Cargo and Trade Division, Govt. of Australia.
3. Distinguished Delegates

This is indeed an historic occasion that a meeting of distinguished experts and officials present here today, for this Meeting on Trade Facilitation and Customs Harmonization is being held under the umbrella of Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). I take this opportunity to acknowledge this remarkable initiative displayed by both the Chair of IOR- India- and the Vice Chair- Australia, in bringing together a group of experts who specialize in a field crucial to all countries. It is a privilege for the IOR Secretariat to play its part in fulfilling the agenda set forth by these two member states.

I would also like to acknowledge the presence here of senior functionaries and experts from the fields of Customs. The role played by you is extremely crucial. The IOR, having given the highest priority to maritime security and trade facilitation, fully recognizes the importance of this forum at a time that when our efforts need to be aimed at sustaining confidence in the global trading system. These are very challenging times which call for pragmatic initiatives and positive partnerships. I am confident that this platform will provide ample opportunity for both.

Distinguished Delegates

The IOR-ARC was launched in Mauritius in March 1997, with the principal objective of promoting sustained growth and balanced development of the IOR member states and to create a common structure for regional economic co-operation.

This organization has the unique significance of being an entity that brings together nineteen countries, touching the shores of Australia in the east and washing the shores of South Africa in the west, with Asia in between. This expansive area has perhaps seen many golden eras of the ancient and mediaeval ages. It is replete with a maritime history which witnessed the most ambitious movement of mercantile forces from one ocean to another in the quest for this sub-continent. The discovery of the new world seemed a mere footnote then.

The importance of this period in the history of mankind is reflected by the linkages made five centuries ago between empires and kingdoms remaining ever relevant in today's democratic global village.

Distinguished Invitees.

I believe that the IOR-ARC was once a mere concept. Today it is transforming into an idea whose time has come, not only because it is no longer pragmatic to ignore the scope for economic integration in this region, which is mutually beneficial, but also due to the grim challenges that we all face today in the waters of the Indian Ocean. Yes the challenges may be daunting, but, I believe, that the opportunities are enormous.

In the Indian Ocean region lie countries having vast diversities and huge disparities, both between and within themselves. However, through these vicissitudes there runs a common thread that binds these nations together. With an abundance of both human and natural resources, the IOR is yet to give the true glimpse of its full potential for cooperation and development.

Significantly, IOR member states appear to have responded to the global financial crisis of the recent past, through calibrated and cautious economic reforms, which have not only stimulated the domestic business environment, but also encouraged their manufacturing sectors to remain competitive. The IOR states enjoy substantial multifaceted linkages with the western economies, but have been rather fortunate in their economic management.

Distinguished Delegates

It would be an understatement to say that trade drives the world economy. It has and will be one of the primary pillars of cooperation and development. Though the IOR-ARC covers a huge area having tremendous economic complementarities, our trade policy regimes have been formulated, and justifiably so, with one's national interest in mind. The evolution of IOR as an economic entity is at a nascent stage. It promises unfulfilled prospects. But, it needs both foresight and initiative to realize its full potential. There are high expectations, especially in view of the massive expansion of intra-IOR trade volumes that exist today. Many of the issues you would be discussing during the course of this meeting will aim to simplify, streamline and secure our progress in this sphere.

A decade ago IOR made an attempt to formulate a PTA (Preferential Trade Arrangement). It did receive an enthusiastic response when it was first mooted in the IOR Working Group on Trade and Investment in 2002. It led to the creation of a Core Group which examined the proposal further. It took another five years for a meeting of trade experts which took place in 2007, and recommended that an international trade organization conduct a feasibility study on the PTA. The fee demanded by this organization to conduct the study proved to be too much for IOR, and therefore it was never commissioned.

I have taken this opportunity to mention the PTA saga in some detail as it was indicative of the wide range of reactions from this diverse group of countries that make up the IOR. It was also reflection of the interest for a trade architecture that benefits all member states.

The present status for the PTA proposal is that the last IOR Council of Ministers Meeting, which took place in Bengaluru in November 2011, has highlighted the possibility of a feasibility study. I do believe that if we can get the study conducted, there is hope in the proposal. We will be making a fresh assessment and taking up the issue with renewed vigour.

The nature and varying levels of economic and social development of the nineteen member states makes it crucial that, while a common trade regime can be of benefit to a given group of states in an organization, we need to ensure that the arrangement does not negatively impact any member state. Therefore, to formulate a trade architecture which benefits all member states, and which, on the one hand, is sensitive to the requirements of the existing stage of development of each member state, and, on the other, enhances current trade volumes, could be a challenging exercise.

Ladies and Gentlemen, I believe, whatever we do would need to be in consonance with the World Trade Organisation (WTO), and I may not be wrong, if I added, that no entity perhaps understands the WTO as well as the World Customs Organisation (WCO).

The IOR Secretariat had commissioned a research study titled “Trade and Trade-Related Economic Cooperation in IOR-ARC countries” in 1997, coordinated by the Centre for Policy Research, an eminent Indian think-tank. In the wake of the new global developments and its repercussions on all our economies, a new study was commissioned in 2009, titled “Trade and Investment Prospects of the IOR-ARC” – New Economic Frontier of the Region” and the same was presented on the margins of the IOR Council of Ministers Meeting in November 2011 in Bengaluru. I understand, an extract of the same is being made available to all delegates.

In addition to this, the IOR Secretariat has been coordinating technical cooperation programs, especially connected to building capacities in specialized fields. We are exploring avenues for expanding the availability for capacity building and technical cooperation programs within our member states. We hope that we will be able to coordinate with the World Customs Organisation in strengthening this objective in the future.

I had mentioned at the very beginning that this meeting is historic. Having taken up my assignment as Secretary General just a few months ago, I must confess that our Secretariat was in search of a spark to spring it back into action. I am happy to inform you that we recently organized the Meeting of the Senior Officials of IOR in Mauritius on May 7-8, the first time after March 1998, opened by the Foreign Minister of Mauritius, Dr. Arvin Boolell. He also inaugurated the Secretariat of the IOR, which was first launched in 1997, and is now hosted by the Government of Mauritius in its brand new Cybercity. Both events deserve to be considered historic under the circumstances. So if you are looking for a venue for your next meeting, consider this an invitation from the IOR Secretariat for the same. It will be a pleasure to welcome you all to the great little island of Mauritius. Distinguished delegates. I look forward interacting with you during the next three days and wish you all the very best in your deliberations.

Thank you very much for your attention.