

TRADE SECURITY

The opening years of the 21st century have been characterised by a global campaign against terrorism. Trade has been central to this campaign, with security issues under constant review and new trade security initiatives are regularly being developed. The pace of change has been rapid.

The issues

New Zealand has vital interests in maintaining the free flow of trade and people, and in preserving a secure and stable trading environment. The Government is in the process of actively introducing and monitoring a range of measures that strengthen the security of New Zealand's borders and external trade. These measures aim to ensure that New Zealand is in line with international demands for more stringent security measures.

The threat of international terrorism has real potential to damage economic stability and foreign trade. Many trading nations and international trade organisations have introduced measures which attempt to minimise the effect of terrorism on trade and travel, and ensure international trade becomes neither a vehicle nor a target for terrorists.

The changes

Some of the international measures that have been introduced to enhance both personal and trade security include:

- In July 2004 all countries party to the International Convention on Safety of Life at Sea put in place new maritime safety frameworks. This followed agreement by the International Maritime Organisation in December 2002 of a new international framework and International Ship and Port Facility Security (ISPS) Code.
- The International Civil Aviation Organisation has introduced an Aviation Security Plan of Action. This has resulted in states implementing new security measures, including hold baggage screening.
- The World Customs Organisation has agreed to a new global Framework of Standards. This initiative aims to protect the international supply chain from acts of terrorism and other criminal activity.

Regional and multilateral organisations such as the United Nations, Asia Pacific Economic Cooperation (APEC) and the Association of South East Asian Nations (ASEAN) Regional Forum have all endorsed these measures and are actively encouraging all member states to implement them.

Individual countries are also introducing their own standards and measures.

The United States of America has continued to actively introduce trade security measures. Central to these measures is the Container Security Initiative (CSI), which was launched in December 2002.

The CSI has had a global impact. It has generated wide-ranging, worldwide security procedures through the implementation of its four core elements:

- identifying and targeting high risk freight containers.
- pre-screening freight containers identified as high risk at the port of departure.
- using detection technology to pre-screen high risk freight containers quickly.
- using tamper-proof freight containers.

The CSI enables US Customs personnel to be stationed in foreign ports and to review advance manifest information to screen and identify high-risk US-bound containers. Ports that do not have these measures in place may be unable to export goods to the US.

What have these changes meant for New Zealand?

New Zealand has had to act quickly to respond to these changes in the international trading environment. To do so, the Government continues to introduce a variety of new security measures and legislation.

Examples of recent new measures include:

- The Border Security Act 2004. This has enhanced border security in relation to law enforcement and trade and travel

security. It has also established the legislative framework to enable New Zealand to respond to the United States Container Security Initiative.

- The Maritime Security Act 2004. This Act has enabled New Zealand to put in place a new maritime security framework, as required by the International Maritime Organisation. Ships and ports around the country were required by the Maritime Safety Authority to develop new security plans. All New Zealand flagged ships and international ports are compliant with these new requirements.
- The New Zealand Customs Service strategy. This is a move to increase export supply chain security and to protect against tampering, sabotage, smuggling of terrorists or terrorist related goods, and other transnational crime. There are four key elements to this strategy:
 - new requirements are in place for exporters to lodge accurate information electronically prior to loading of cargo.
 - data on export entries is analysed by New Zealand Customs for risk factors.
 - Where risk factors are identified, cargo is examined using non-invasive technology.
 - Customs is working with business to maximise the number of low-risk consignments through initiatives such as the Secure Exports Partnership Scheme.
- Significant new and extended services for aviation security, including 100 percent x-ray hold baggage screening for departing passengers.
- Enhanced passenger screening and border security on arrival

and departure of passengers, with constant enhancements being made to the existing Advanced Passenger Screening system.

- The Australia-New Zealand-United States Regional Movement Alerts List, which allows immigration officials from the three countries to automatically check passenger flight boarding movements against records of lost and stolen passports.

The costs of introducing these trade and travel security measures are significant, and the Government has made additional capital and operating investments to meet them. Baseline border security funding is now NZ\$50 million a year more than before 1999. However, the new initiatives described above are ongoing and further investment will be required.

The Government recognises the need to work closely with the business sector to manage the impacts of increased security costs. Cost recovery is currently being considered as a means of funding these new measures. Industry and exporter groups are being consulted on the proposals for cost recovery.

While the costs of these investments in New Zealand's trade security systems are significant, the costs of not having adequate security are much higher.

For a glossary of trade associated words please go to:
http://www.wto.org/english/thewto_e/glossary_e/glossary_e.htm



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