

# Trade Facilitation Standards and Strategies



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**Trade Division**  
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# Agenda

- ❑ Trade Facilitation overview
- ❑ UNECE Approach to Trade Facilitation
- ❑ Opportunities for working together



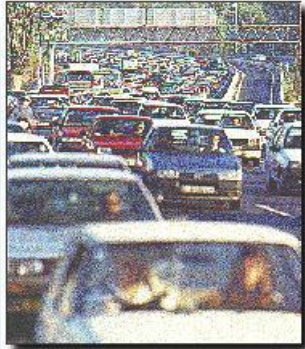
**United Nations Economic Commission for Europe**

**UNECE**

# UN Economic Commission for Europe (UNECE)



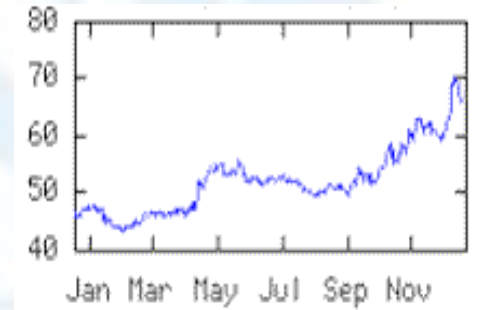
# UNECE Work Areas



**Transport**



**Economic cooperation**



**Statistics**



**Sustainable energy**



**Housing**



**Trade**



**Environmental policy**

# Why is UNECE involved

- UNECE's key objective is economic integration within the UNECE region and between UNECE region and the rest of the world
- Trade Facilitation and the efficient trade data interchange are key tools of UNECE to achieve this objective



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- ▶  Trade Facilitation overview
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# What is Trade Facilitation ?

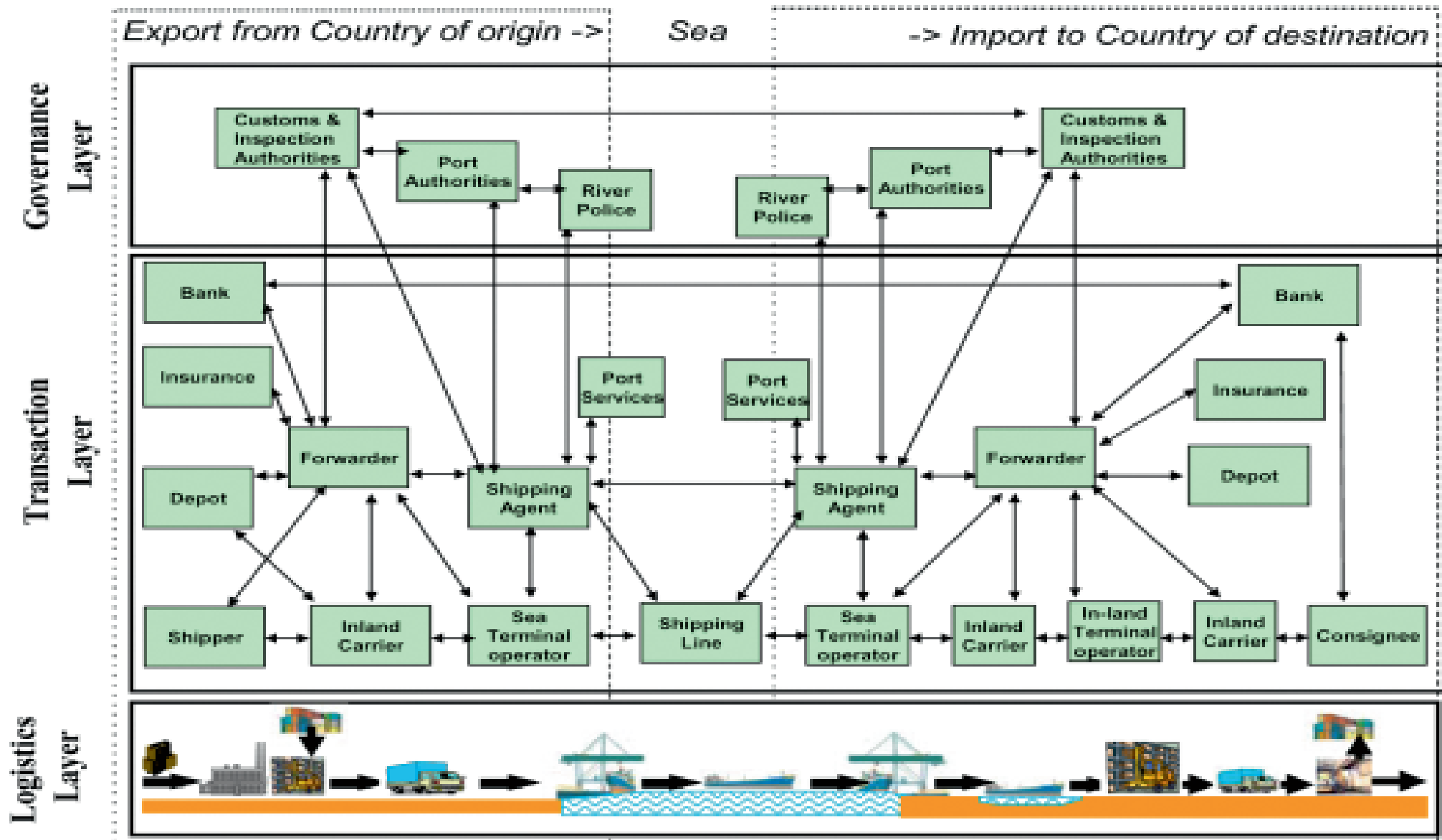
- ❑ **Facilitate:** to make easy or easier
- ❑ **UN/CEFACT Definition:** “The simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and to make payment”



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# International Trade - *Logistics, Transaction and Governance Layers*



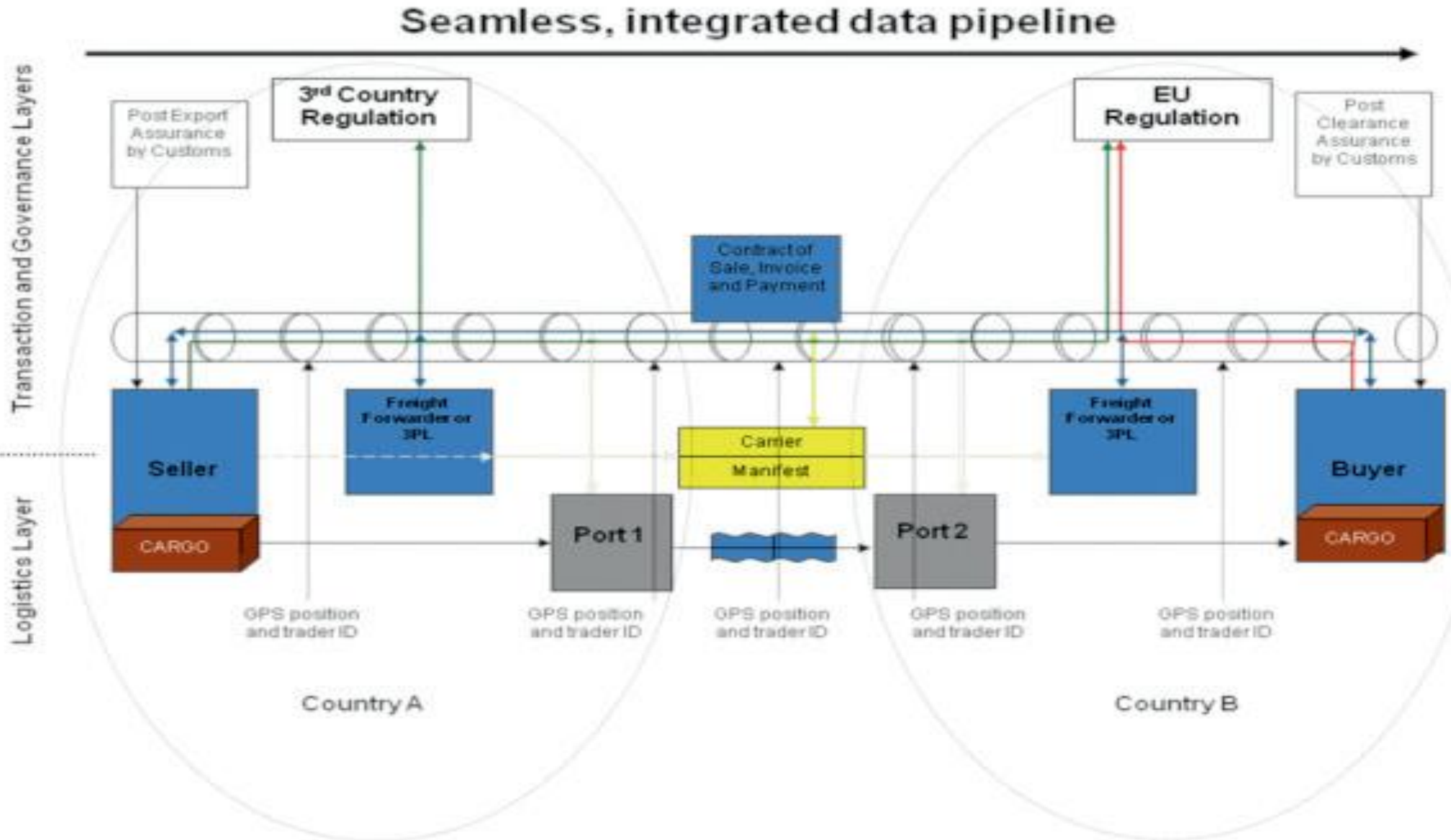
Source: Marcel van Oosterhout 2008 (in David Hesketh's paper "Weaknesses in the supply chain: who packed the box?")



# TF Implementation involves ...

- ❑ Simplifying (and eliminating where possible) formalities and procedures related to import, export and transit of goods
- ❑ Standardizing and integrating information definitions and requirements
- ❑ Harmonizing applicable regulations and laws
- ❑ Improving and standardizing physical infrastructure and facilities, including transport, and customs facilities
- ❑ Involves Customs, other regulatory agencies, transport, ports, customs brokers, freight forwarders, finance, insurance, legal issues, etc
- ❑ Requires strong dialogue and partnership between business and government

# International Trade - *Seamless, integrated data pipeline*









# Why has Trade Facilitation become so popular ?

- ❑ Competitiveness - economic costs and benefits
- ❑ Greater demands for predictability and speed – especially in international supply chains
- ❑ Trade Facilitation at the WTO - shift in focus from technical to trade/economic policy perspective – also in regional trade agreements
- ❑ Trade Facilitation and Security issues – advance information requirements
- ❑ Opportunities provided by ICT





## Economic Costs and Benefits

- Estimates vary from 1-15% of total trade transaction costs
- Even if only 1%, OECD estimates total gains to world economy of US\$40, billion
- APEC estimates gains of US\$46 billion from trade facilitation measures - adopted TF as key policy target.





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**United Nations Economic Commission for Europe**

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# UNECE Approach

- Development of UN Recommendations, Standards – UN/CEFACT
- Capacity Building to promote standards and assist countries in implementation – secretariat
- Strategic Planning – policy level

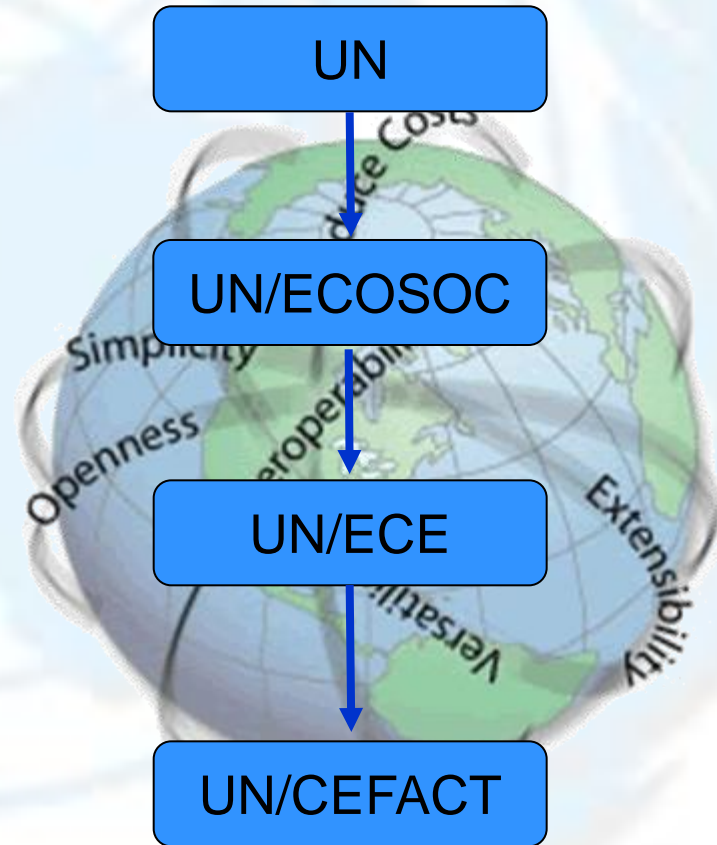
# UNECE Trade Facilitation and Electronic Business Standards - UN/CEFACT

## Objectives

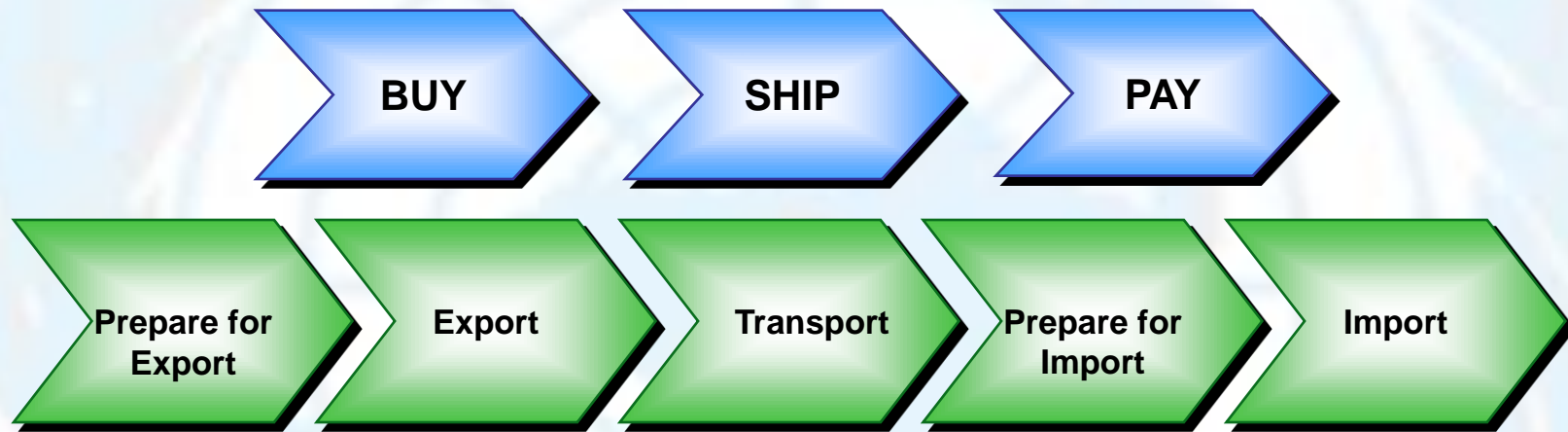
- Simple, transparent and effective processes for global business
- Efficient and automated exchange of information

## Means

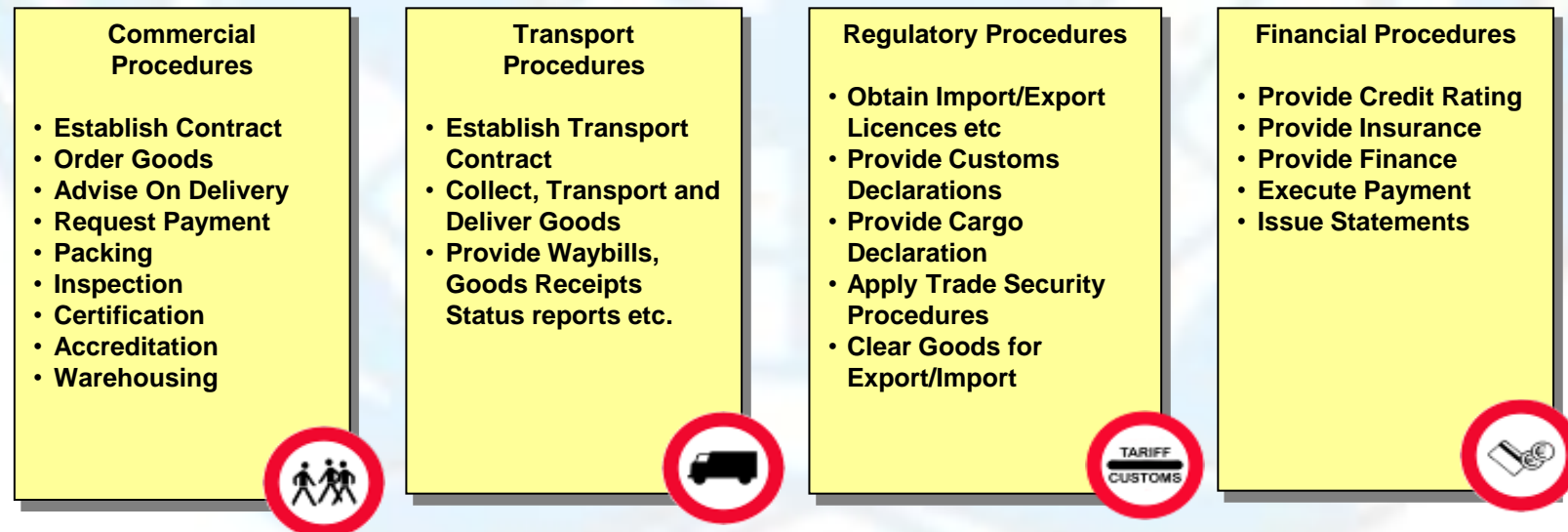
- Standards developed in an open and transparent environment
- **Public Private Sector Partnership – over 300 international experts**
- **UN/CEFACT Forums – joint meetings of experts - 2 per year**
- **Next Forum 9 to 23 September 2011 Geneva**



# International Trade Transaction Process



## INVOLVES



# UN/CEFACT outputs

- ❑ 35 Recommendations to Governments and Trade
- ❑ Series of technical standards, including:
  - ❑ UN/EDIFACT - Global Electronic Data Interchange (EDI) Standard
  - ❑ Code Lists for Trade (UN/LOCODE, ..)
  - ❑ Semantic Standards (UNTDDED, Core Component Library (CCL))
  - ❑ XML Messages (Cross Industry Invoice, eCert etc)
  - ❑ UN/CEFACT Modelling Methodology (UMM)

# UN Layout Key

- ❑ Specifically endorsed in the WCO Revised Kyoto Convention and the draft WTO TF Agreement
- ❑ Basis for the EU Single Administrative Document (SAD)
- ❑ Endorsed by key international organizations

The screenshot displays a PDF document titled "EUROPEAN COMMUNITY EXPORT CUSTOMS DECLARATION" within the Adobe Acrobat Professional interface. The form is a structured grid with various fields for data entry, including:

- 1 Consignor / Exporter**: No.
- 3 Forms** and **4 Loading lists**
- 5 Items**, **6 Total packages**, and **7 Reference number**
- 8 Consignee**: No.
- 9 Person responsible for financial settlement**: No.
- 10 Country first** (desth), **11 Trading** (country), and **13 CAP**
- 14 Declarant / Representative**: No.
- 15 Country of despatch / export**, **16 C disp./exp. Code**, and **17 Country destin. Code**
- 18 Identity and nationality of means of transport at departure**, **19 Ctr.**, and **20 Delivery terms**
- 21 Identity and nationality of active means of transport crossing the border**, **22 Currency and total amount invoiced**, **23 Exchange rate**, and **24 Nature of transaction**
- 25 Mode of transport**, **26 Inland mode**, **27 Place of loading**, and **28 Financial and banking data**
- 29 Office of exit** and **30 Location of goods**
- 31 Packages and description of goods**: Marks and numbers - Container No(s) - Numbers and kind
- 32 Article No.** and **33 Commodity code**
- 34 Country origin code** and **35 Gross mass (kg)**

The interface includes a menu bar (File, Edit, View, Document, Tools, Advanced, Window, Help), a toolbar with various icons, and a sidebar with "Bookmarks", "Signatures", "Layers", "Pages", and "Comments". The status bar at the bottom shows "8.26 x 11.69 in" and "1 of 1".



Rec:19  
Mode of Transport

Rec:16  
UN/Locode

ISO Country Code

Rec: 17  
Payment Terms

The image shows a screenshot of a PDF form titled "EUROPEAN COMMUNITY CUSTOMS DECLARATION" within a software application window. The form is divided into several sections and fields, with blue callout boxes pointing to specific areas. The fields include:

- 1 Consignor / Exporter
- 3 Forms
- 4 Loading lists
- 5 Items
- 6 Total packages
- 7 Reference number
- 9 Person responsible for financial settlement
- 10 Country first
- 11 Trading
- 13 CAP
- 14 Agent / Representative
- 15 Country of despatch / export
- 16 Country of origin
- 17 Country of final destination
- 18 Identity and nationality of means of transport
- 19 Ctr.
- 20 Delivery terms
- 21 Identity and nationality of active means of transport crossing the border
- 22 Currency and total amount invoiced
- 25 Mode of transport
- 26 Inland mode
- 27 Place of loading
- 28 Financial and banking data
- 29 Office of exit
- 30 Location of goods
- 31 Marks and numbers - Container No(s) - Numbers and kind
- 32 Article No.
- 33 Commodity code
- 34 Country origin code
- 35 Gross mass (kg)

Callout boxes are labeled as follows:

- Rec:19 Mode of Transport (points to field 25)
- Rec:16 UN/Locode (points to field 26)
- ISO Country Code (points to field 10)
- Rec: 17 Payment Terms (points to field 13)
- Rec:9 Currency Code (points to field 22)
- Commodity Code (points to field 33)
- Rec:28 Means of Transport (points to field 18)
- Rec: 21 Package Codes (points to field 6)
- Rec:20 Units of Measurement (points to field 35)

Rec: 28  
Means of Transport

Rec: 21  
Package Codes

Rec:20 Units of  
Measurement

# Electronic Documents

## Electronic Document Exchange XML or UN/EDIFACT

**EXPORT CARGO SHIPPING INSTRUCTIONS**

**A** Exporter/Shipper VAT no. Customs reference no.  
Booking number Exporter's reference  
Forwarder's reference

**B** Consignee VAT no. **D** Other addressee VAT no.

**C** Flight forwarder VAT no. Please use this space for any address, e.g. from place of acceptance delivery, additional contact party.  
Country of origin of goods Country of final destination  
E If required this space may be used for other addresses or other information

Weight/height and date Port of origin of loading  
Place of origin of discharge Place of delivery Please describe the goods reference (reference code will be in 10 characters; '0' will not be changed to a space)

Quantity	Unit	Gross weight (kg)	Volume (m <sup>3</sup> )	Value (€)
Quantity 2	Gross weight (kg)	Volume (m <sup>3</sup> )	Value (€)	
Quantity 3	Gross weight (kg)	Volume (m <sup>3</sup> )	Value (€)	
Quantity 4	Gross weight (kg)	Volume (m <sup>3</sup> )	Value (€)	
Quantity 5	Gross weight (kg)	Volume (m <sup>3</sup> )	Value (€)	

**DOCUMENTATION**

**A, B, C, D = E**

**FRIGHT**

**Freight to:** Freight to port charges including unloading

**Freight from:** Freight to port charges at destination

**Freight on:** Freight to port charges at destination

**Freight off:** Freight to port charges at destination

**Freight in:** Freight to port charges at destination

**Freight out:** Freight to port charges at destination

**Freight on:** Freight to port charges at destination

**Freight off:** Freight to port charges at destination

**Freight in:** Freight to port charges at destination

**Freight out:** Freight to port charges at destination

```
<?xml version="1.0" encoding="UTF-8"?>
<n:Invoice xmlns:n="urn:oasis:names:tc:ubl:Invoice:1.0:0.70"
  xsi:schemaLocation="urn:oasis:names:tc:ubl:Invoice:1.0:0.70
  UBL_Library_0p70_Invoice.xsd">
  <cat:ID-token</cat:ID>
  <cat:IssueDate>2003-02-14</cat:IssueDate>
  <n:TaxPointDate>2003-02-14</n:TaxPointDate>
  <cat:BuyerParty>
    <cat:PartyName>
      <cat:Name>Bills
    </cat:PartyName>
  </cat:BuyerParty>
  <cat:SellerParty>
    <cat:PartyName>
      <cat:Name>Joes Office
    </cat:PartyName>
  </cat:SellerParty>
  <cat:Description>Pencils, box #2
  </cat:Description>
  </n:Invoice>
```

FIATA Freight Forwarding Instructions		B LHM 000 2010 IDS version: 0.4; Form version: 0.4	
Consigner: LX Logistics mbH Bismarckstrasse 19 DE-D-69115 Heidelberg Germany ID: 323 / B	Consigner reference number: SD-9599-22	Freight forwarder: Strasse Transport Limited 89, Blvd de confederation CH-8005 Zurich Switzerland ID: FIATA-ER-2484/234	Country of origin: DE Documentary credit reference: AET-10869 2003-10-20
Consignee: BB and Co 12 Rue de la land FR-93000 Paris France ID: CD-3 / 84784 Tax Ref: 303-848 contact: Philippe Yvon M TEL: +33450012154	Country of origin: DE Documentary credit reference: AET-10869 2003-10-20	Goods ready for shipment: Place: DGHET Heidelberg Date: 2004-10-29	Conditions of sale: Code: Not applicable now
Hubby party: Francis Will 25, rue de la chamonix FR-9580452 Amneville France	Country of origin: DE Documentary credit reference: AET-10869 2003-10-20	Mode of transport: Rail	Transport insurance: Covered by Consignee Freight prepaid Currency and value insured: 20 000 ; CHF
Place of destination: FPPAR Paris	Mode of transport: Rail	Goods ready for shipment: Place: DGHET Heidelberg Date: 2004-10-29	Conditions of sale: Code: Not applicable now
Marked and numbered: 1 ADILMA Trading NR. 1-6 Order 0-535/1	No and type of packages: 6 Cases	Description of goods: Cylinder-Press Completely Assembled	Commodity code: 31452224 Gross weight: 325 KG Sub: 350 MTQ

## Electronic Edit Form

Paper Document  
aligned to UN Layout Key



## **The Core Components Library of UN/CEFACT**

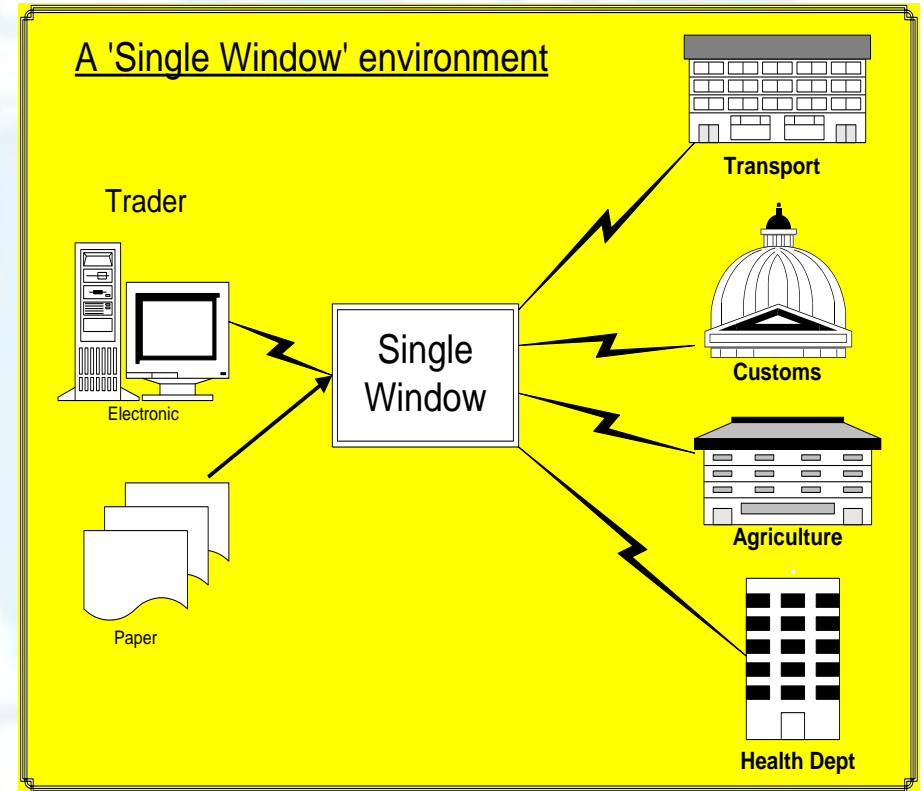
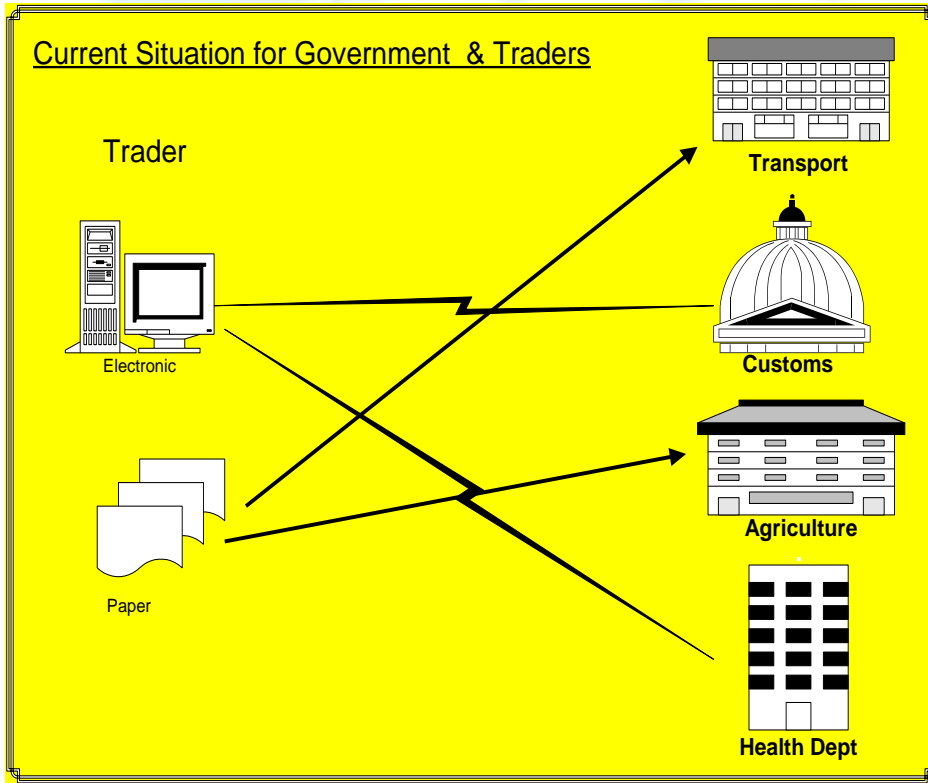
The foundation of the library is the definition of the formats and semantic content of data

Each “Core Component” captures and defines the details of a concrete concept used in business or administration (for example: address)

# Single Window Concept

**FROM**

**TO**



Based on International Standards

# UNECE Recommendations for Single Window

- UNECE Recommendation 33 – Recommendation and Guidelines on Establishing a Single Window
- UNECE Recommendation 34 - Data Simplification & Standardization for International Trade
- UNECE Recommendation 35 - Establishing a Legal Framework for an International Single Window

# *Costs and Benefits of a Single Window*

## Benefits for government and trade

- *Faster processes, clearance and release*
- *Reduced costs of compliance*
- *Reduced corruption*
- *Reduction in bureaucratic processes*
- *Better collection of government revenues*
- *Improved trader compliance*
- *risk management techniques for control and enforcement purposes*
- *Predictable application and explanation of rules*

## Implementation costs

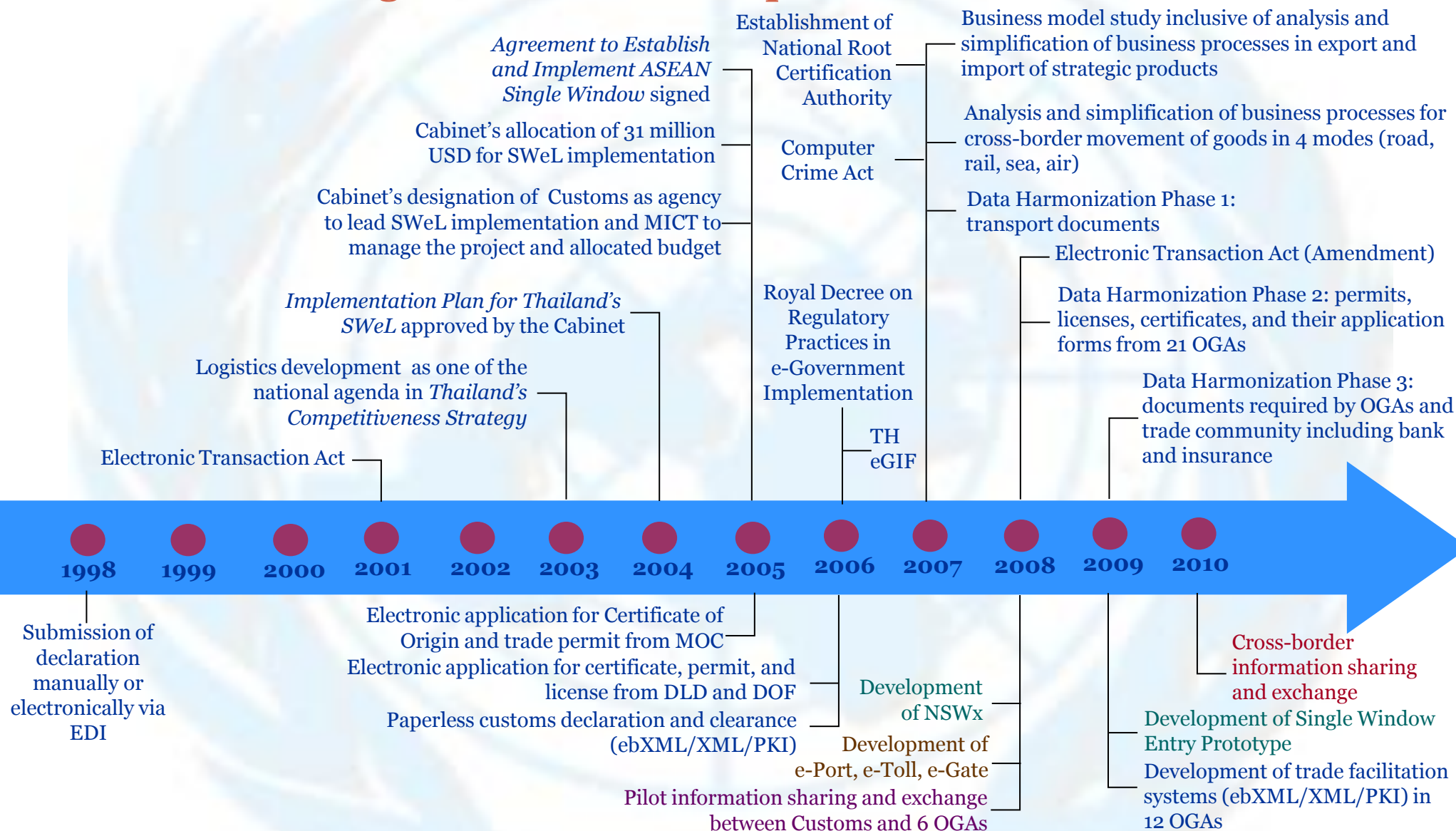
- *From less than one million US dollars (Guatemala) to*
- *Between 1 and 4 million dollars (Finland, Senegal, Malaysia).*
- *To over 100 million USD (e.g. USA)*



# UNECE Single Window Implementation Tools

- ❑ UN/CEFACT Repository of Single Window applications  
[http://www.unece.org/cefact/single\\_window/welcome.htm](http://www.unece.org/cefact/single_window/welcome.htm)
- ❑ Single Window Implementation Framework (SWIF)– change management issues
- ❑ Document Alignment Guide
- ❑ Business Process Analysis (BPA) Guide

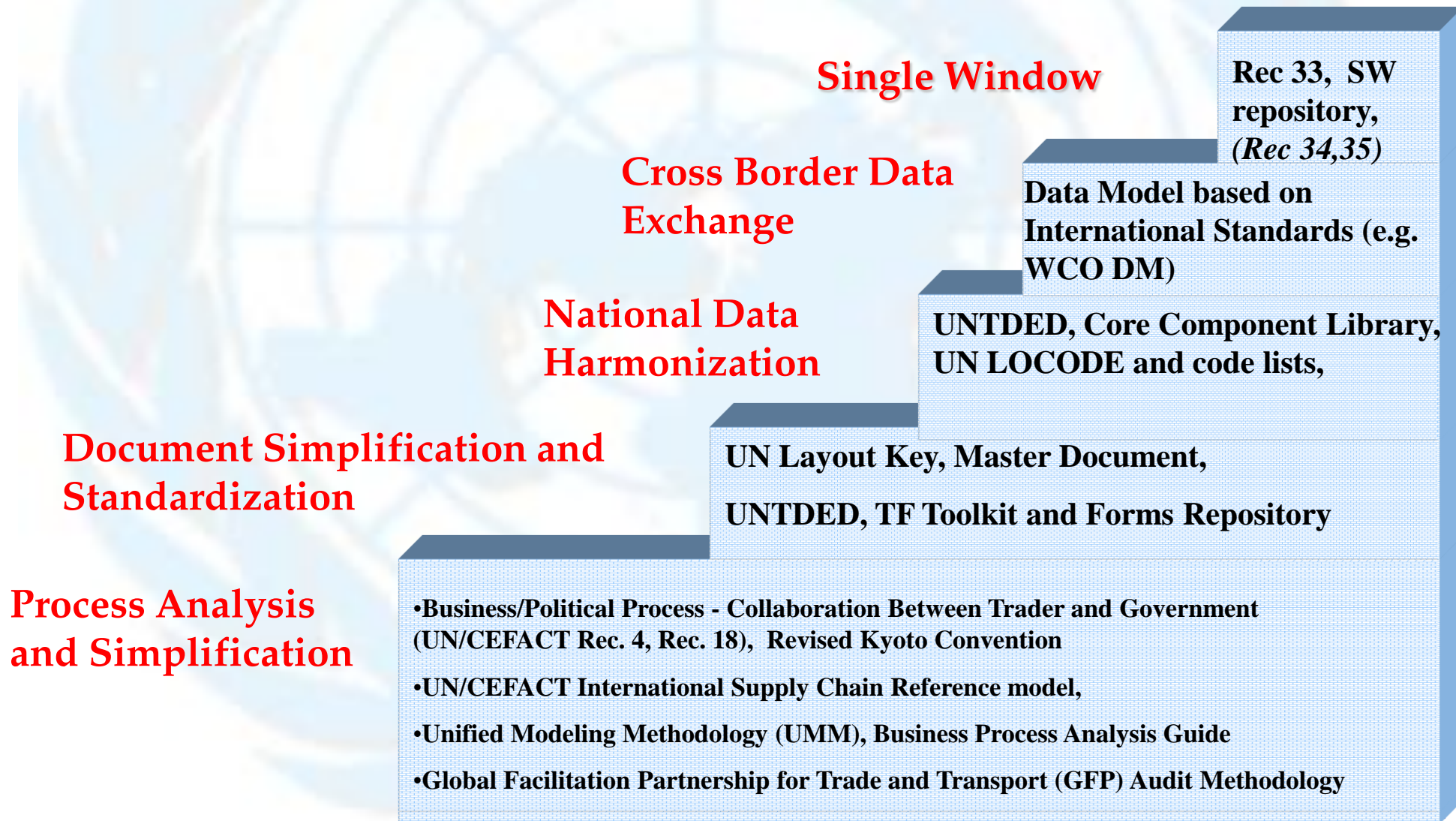
# Single Window Development in Thailand



SWeL: Single Window e-Logistics  
MOC: Ministry of Commerce  
OGAs: Other government agencies  
DOF: Department of Fisheries  
EDI: Electronic Data Interchange

MICT: Ministry of Information and Communication Technology  
TH eGIF: Thailand's e-Government Interoperability Framework  
NSWx: National Single Window hub for information sharing and exchange  
DLD: Department of Livestock Development  
PKI: Public Key Infrastructure

# Implementing Single Window Using UN/CEFACT and WCO Standards & Recommendations



# UN Single Window Symposium in December 2011

- ❖ UN Single Window Symposium in Geneva, 12 to 13 December 2011 – Single Window 10 years on – where are we now and where should we go
- ❖ Will explore possible new models for trade data interchange – including the use of cloud computing
- ❖ Global perspective - organised by all five UN Regional Commissions (Africa, Asia, Europe and North America, Middle East, Latin America)

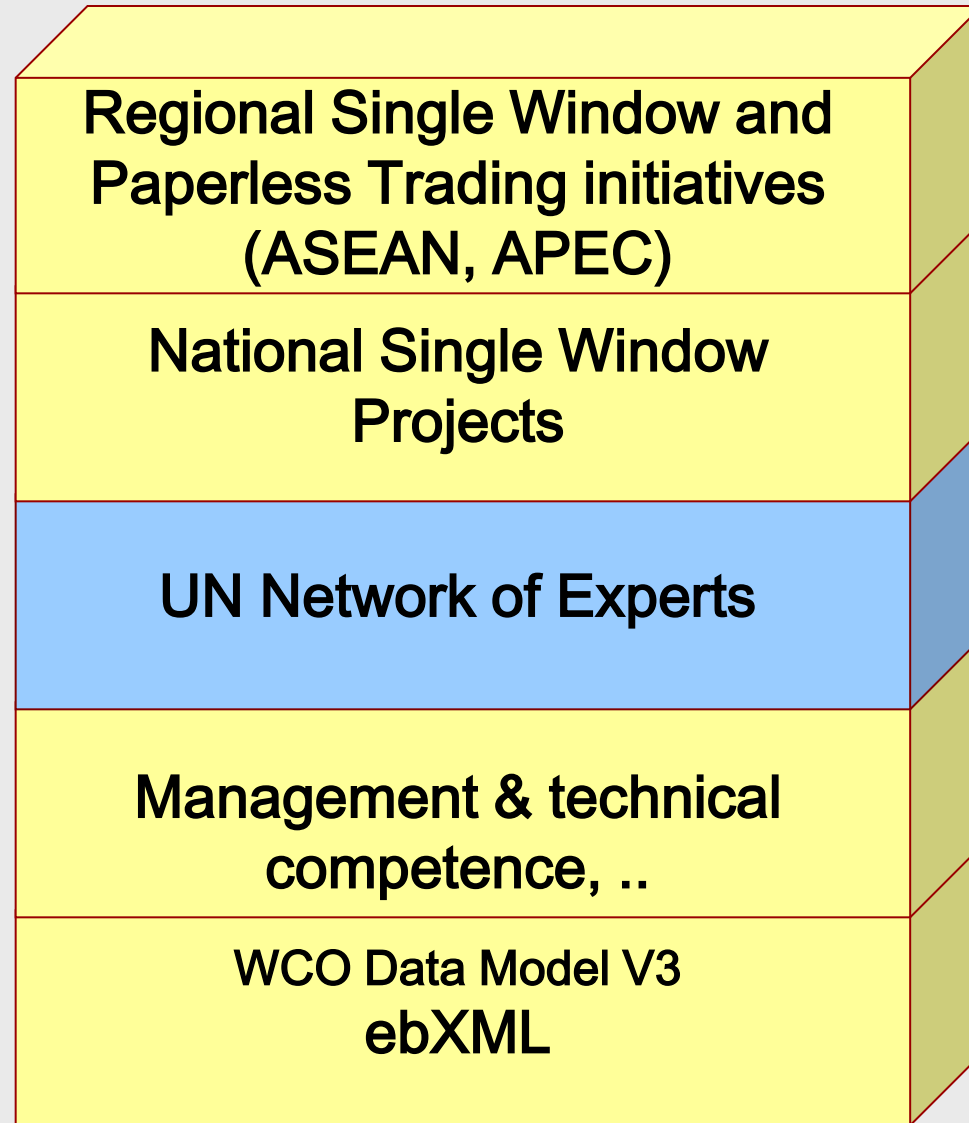


# Capacity Building

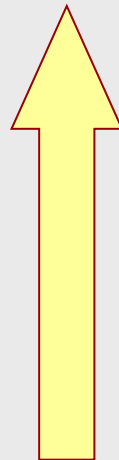
- ❑ UNECE is NOT a long term technical assistance organization
- ❑ UN Development Account Projects
  - ❑ Focus on building expertise – sustainability
  - ❑ Development of tools for implementation
  - ❑ Collaboration with other UN RCs and other organizations (UNCTAD, World Bank, WCO, etc)
- ❑ Joint UN Regional Commission Approach to TF
  - Integrating transition and developing countries into global supply chains
- ❑ Regional Advisor Projects

# UNNext – Bridging the gap between global solutions & the implementation at regional/national level

**National/  
Subregional  
Policies and  
Implementation  
Strategies**



**Tools,  
Expertise  
and Best  
Practice**





# Why UNNext?

- ❑ Specific support to developing countries and transition economies in UNECE and ESCAP Region
  
- ❑ Network empowers local experts, providing:
  - ❑ Peer-to-Peer support
  - ❑ Synergy in capacity building
  - ❑ Joint methodologies and implementation of standards
  - ❑ Sharing of experience, solutions and lessons learnt
  - ❑ Information exchange at the regional level
  - ❑ Joint use work group solutions and tools

# Strategic Approach to Trade Facilitation Implementation

- Assessing the needs
  - Business and government participation
  - Various tools available GFP TTF Audit, WTO Self Assessment, WCO diagnostic process
  - Business Process Analysis - benchmarks
  - National and regional approach - UNECE experience
  - APEC TF Action Plan 2002-2006 and 2007-2010 (5+5%)
  - Establish TF as key element of trade development strategy
  - Managing the Donors
- Implementation
  - Overcoming resistance
  - Political will
  - Time Frame – 10 to 20 years!
  - Constant Dialogue – TF Body



**United Nations Economic Commission for Europe**

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- UNECE Approach to Trade Facilitation
- ▶ □ Opportunities for working together



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# Opportunities for working together

- ❑ Capacity Building to build awareness of UN trade facilitation standards and tools
- ❑ Greater participation of OIC member States in UN Standards Development Work
- ❑ Hosting of a UN/CEFACT Forum in the region
- ❑ Specific Projects (subject to funding)
  - ❑ Needs assessment and process analysis
  - ❑ Support for training on implementation projects
  - ❑ Support to OIC projects

## UNECE upcoming meetings (in Geneva)

- UN/CEFACT Plenary - 7-8 July 2011
- UN/CEFACT Forum Meeting of Experts – 19 to 23 September 2011
- UNCEFACT Plenary - 8-9 December 2011
- UNRC Single Window Symposium – 12-13 September 2011

## Summary Points

- ❑ Trade Facilitation key element in Trade Efficiency and Economic Development
- ❑ UN/CEFACT instruments provide a solid scalable foundation for implementation – participate in their development
- ❑ UNECE along with the other Regional Commissions and other organizations has an active programme to assist countries in understanding these instruments and in preparing their implementation
- ❑ UNECE, in partnership with the other RCs and other international organisations, would be happy to work together with IOC to ensure that this work can be further developed in the region



The background of the slide features a large, faded, light blue version of the United Nations logo, which consists of a world map surrounded by a laurel wreath.

**Thank you for your attention!**

# Follow-up

All UNECE and UN/CEFACT Recommendations, codes, standards and publications are available for free on our website at:

- ❑ [www.unece.org/](http://www.unece.org/)
- ❑ [www.unece.org/trade](http://www.unece.org/trade)
- ❑ [www.unece.org/cefact/](http://www.unece.org/cefact/)
- ❑ E-mail: [tom.butterly@unece.org](mailto:tom.butterly@unece.org)

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