

Trade Community System Towards Tomorrow – A Regional View



One Voice, One Nation, One System



39th Annual General Meeting Caribbean
Shipping Association, Paramaribo, Suriname

October 12th -14th 2009

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Definition & Scope

- ❖ A Trade Community System such as TradeNet or Maritime Cargo Processing is an electronic platform for all stakeholders of the supply chain.
- ❖ It facilitates information exchange vital to the effective and efficient performance of trade functions by the community.



Definition & Scope

- ❖ It is a single window facility which allows parties to lodge standardized information and documents at a single entry point to fulfill all import, export and transshipment related regulatory requirements.
- ❖ A trade community system is web based and paperless



Major Objectives

- ❖ To reengineer the provision of trade information and communication through e-commerce.
- ❖ To improve international competitiveness of a country by enabling it to provide rapid, reliable and cheap trade documents and data

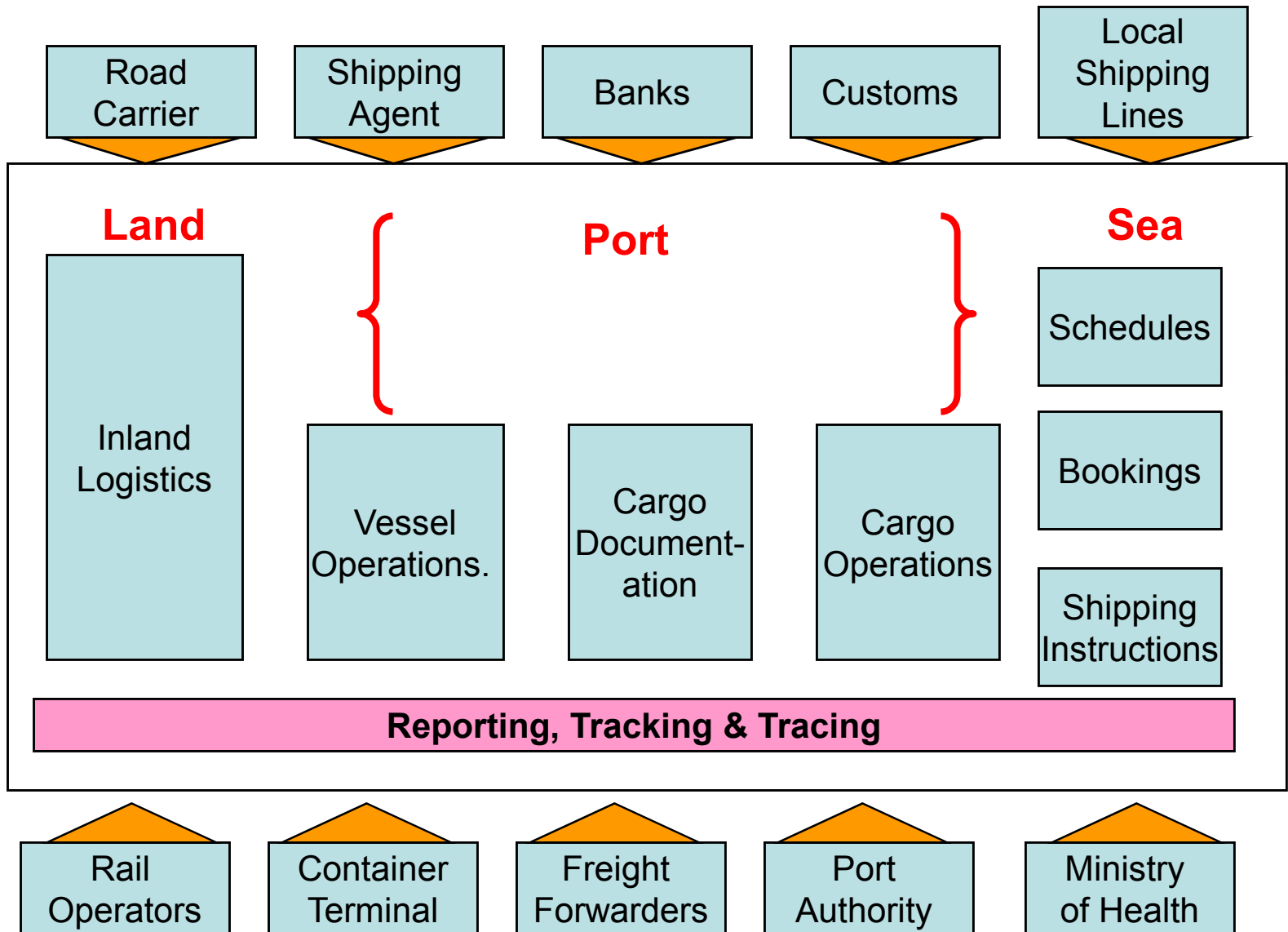


Major Objectives

- ❖ Elimination of the vicious cycle of logistics unfriendliness, ineffectiveness and inefficiencies while safeguarding legitimate regulatory objectives



Major Features & Users





Major Functions

- ❖ Processing of all Customs declarations e.g. manifest, the integration of Importer and Exporter Declarations, Warehousing Valuation and Transit Shed Tracking.
- ❖ Electronic payments
- ❖ Processing of shipping documents
- ❖ Electronic issuance of certificates, permits, licenses and exemptions from Customs clearances



Major Functions

- ❖ Connectivity to regulatory agencies
- ❖ Statistics for statutory reports
- ❖ Checking on status on various declaration through e-service portal



Requirements for Successful Operations

- ❖ Chosen technology must have a proven track record of delivery of the envisioned goals
- ❖ Project partners must have substantial international business i.e. have a strong vested interest in the success of the system
- ❖ Public and private sector partnership must foster stakeholder buy-in and project sustainability



Requirements for Successful Operations

- ❖ Legislative Review: to ensure that legal changes such as those required by Customs are done e.g. to support e-processing
- ❖ Process Review: to ensure that rationalization and reengineering can be done
- ❖ Training: to support institutional change



Major Benefits

- ❖ Simplification of trading process with a one-stop interface for all trade permits, applications and electronic payments
- ❖ Faster response through real time processing
- ❖ Increase in revenue collection estimated from 33-90%
- ❖ Streamlining of Customs procedure to conform to WCO SAFE Framework



Major Benefits

- ❖ Reduction of dwell time and transit time of cargo
- ❖ Enhancement of port productivity
- ❖ Improvement of export competitiveness through improving export efficiency i.e. issuance of permits, licenses certificate of origin etc.



Major Benefits

- ❖ Upgrading of processing function in agencies i.e. agencies that complement trade clearance process e.g. Ministry of Health
- ❖ Increase the number of documents that are processed per day
- ❖ Improve the reliability of the data



Towards Tomorrow

- ❖ Global supply will place a premium on rapid, reliable and cheap movement of cargo which is highly connectivity
- ❖ Work in trade facilitation indicates that the challenge of international competitiveness cannot be solved in the long run by the individual reform programmes of Customs, IT and port infrastructure



Towards Tomorrow

Increasing importance of regional trade (CSM) requires a common system

Trade community system provides a common approach through logistical links

It serves also to create logistical efficiency for the Single Market through the provision of economies of scale via transaction cost



Towards Tomorrow

- ❖ Regional trade system that is internationally competitive will assist in trade negotiations
- ❖ Continued low ranking in the Logistic Performance Index or similar indicators in a post-recessionary global economy will serve to the region's detriment as the expectation is:



Towards Tomorrow

Increasing levels of international competitiveness through:

- a. highly integrated economies
- b. systems integration
- c. increasing usage of just-in-time systems in manufacturing
- d. an overall reduction in the cost of doing business



Logistics Performance Index Rank 2009 Selected Countries

Economy	Trade Across Border Rank
Singapore	1
Trinidad & Tobago	48
Jamaica	102
Suriname	101
Guyana	76

Source: World Bank Doing
Business Report 2008



Logistics Performance Index Selected Countries 2008

Economy	Docu ments for Export #	Time for Export dys.	Cost for Exp orts US\$	Docu ments for Import #	Time for Import dys.	Cost for Impor ts US\$
Singapore	4	5	456	4	3	439
Trinidad & Tobago	5	14	693	7	26	1100
Jamaica	6	21	1750	6	22	1420
Suriname	8	25	957	7	25	885
Guyana	7	20	730	8	24	730

Source: World Bank Doing Business Report 2008



Recommendations

- ❖ Provision of training that is geared towards current technology
- ❖ Assist in the development of Regional Trade Agreements .e.g. amongst ports, stevedoring companies etc.
- ❖ Partnering with the public sector in the simplification, harmonization and standardization of trade processes



Recommendations

- ❖ Review successful systems e.g. Asia and EU and assist in selection of a regional benchmark system
- ❖ Lobby for the completion of work relating to a single regional SAD
- ❖ Assist in the promotion of a single platform especially in amongst smaller states so as to promote cost sharing and to prevent underutilization of capacity



Recommendations

- ❖ Invest in the project through national associations – to overcome paucity of infrastructure that might exist in some member states
- ❖ Development of a phase strategy per country and across region–take responsibility for the development of a strategic plan
- ❖ Development of a plan and role out for the region