



Facilitating Trade: Enhancing Public Availability of Customs Information in the OIC Countries

Part II: State of Customs Information Availability in the OIC: Case Studies and Recommendations

Ben Shepherd, Principal.

13th Meeting of the COMCEC Trade Working Group.
March 7th, 2018.

Outline

1. Overview of Case Studies
2. Desk Review Case Studies
 1. United Arab Emirates (OIC)
 2. Malaysia (OIC)
 3. Medico (Non-OIC)
 4. Singapore (Non-OIC)
3. Field Visit Case Studies
 1. Senegal (Africa Group)
 2. Morocco (Arab Group)
 3. Bangladesh (Asian Group)
4. Policy Recommendations

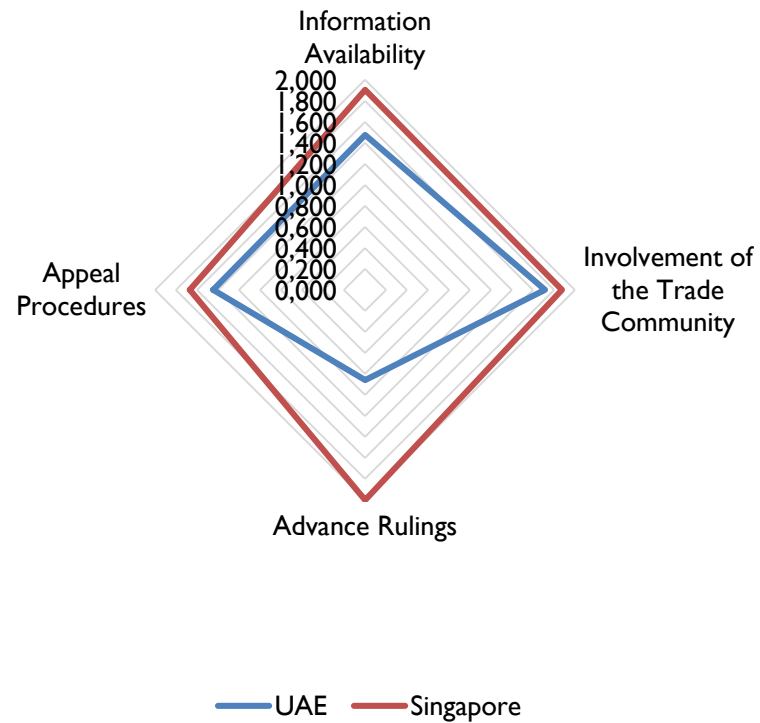
1. Overview of Case Studies

- ▶ Two types of case studies against the background of the data presented in the first session:
 - ▶ Desk review: 2 OIC and 2 non-OIC.
 - ▶ Field visit: 3 OIC.
- ▶ Case study methodology is combination of qualitative and quantitative:
 - ▶ Qualitative: literature review, review of online resources, interviews (field visits).
 - ▶ Quantitative: detailed review of data for individual countries, focusing on TFIs and UNGS.
- ▶ Purpose of case studies is to obtain concrete details on information availability in practice, particularly within OIC, and to identify policy recommendations.

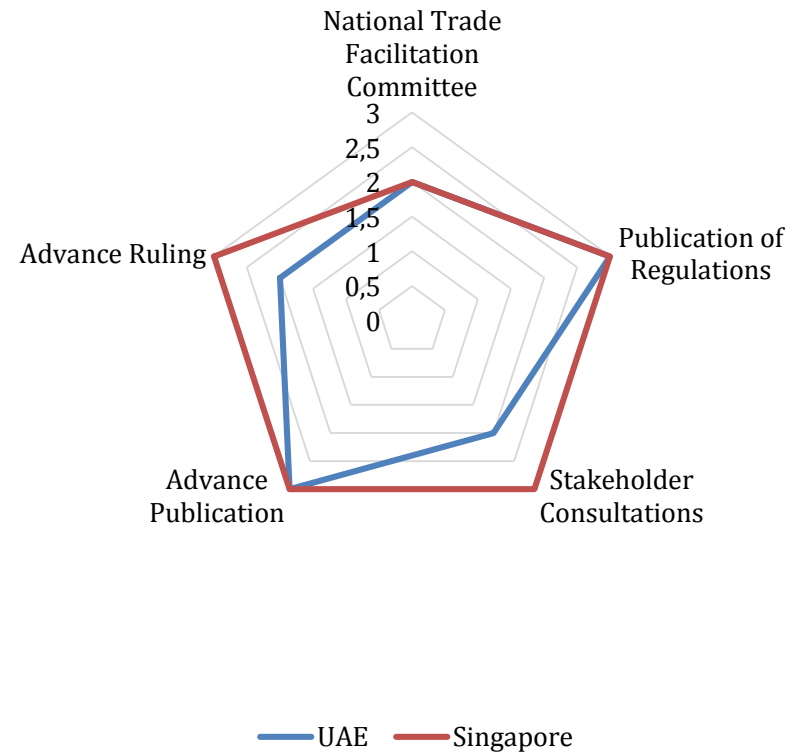
2. Desk Review Case Studies

United Arab Emirates

TFIs



UNGS



2. Desk Review Case Studies

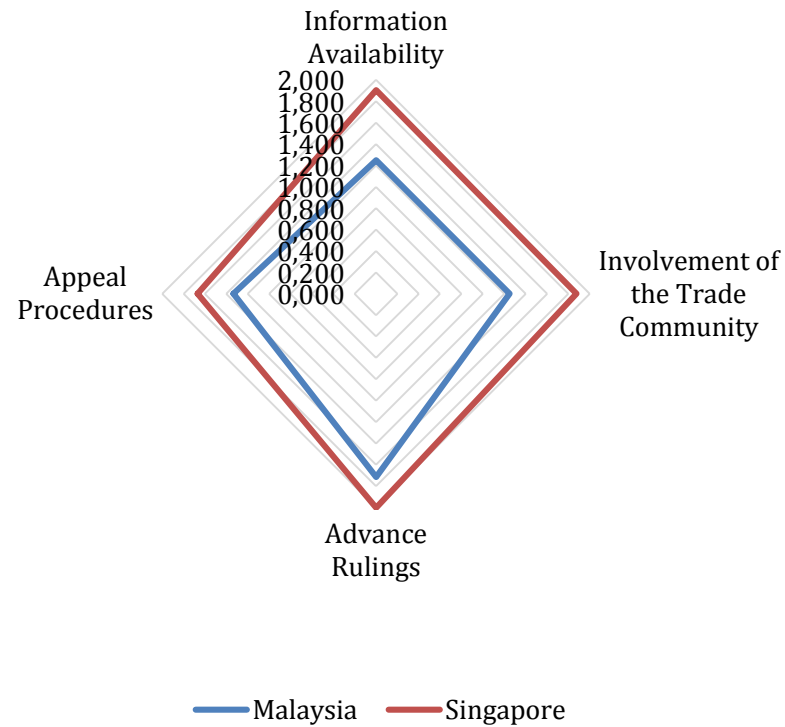
United Arab Emirates

- ▶ UAE is a strong performer relative to global best practice (Singapore).
- ▶ Advance rulings system is currently being reviewed and redeveloped to improve performance.
- ▶ UAE has ratified the TFA, and included all of the first four articles in Category A, except for advance rulings.
- ▶ Dubai Trade provides an online Single Window, combined with UAE customs website.
 - ▶ Trade-related rules and regulations.
 - ▶ Procedures and documents, with online processing capability.
 - ▶ User guides and descriptions to inform traders.
- ▶ Trade information availability has benefited from:
 - ▶ High level government impetus.
 - ▶ Objective of becoming a global logistics hub.
 - ▶ Involvement of whole trade community, and leveraging of ICTs.

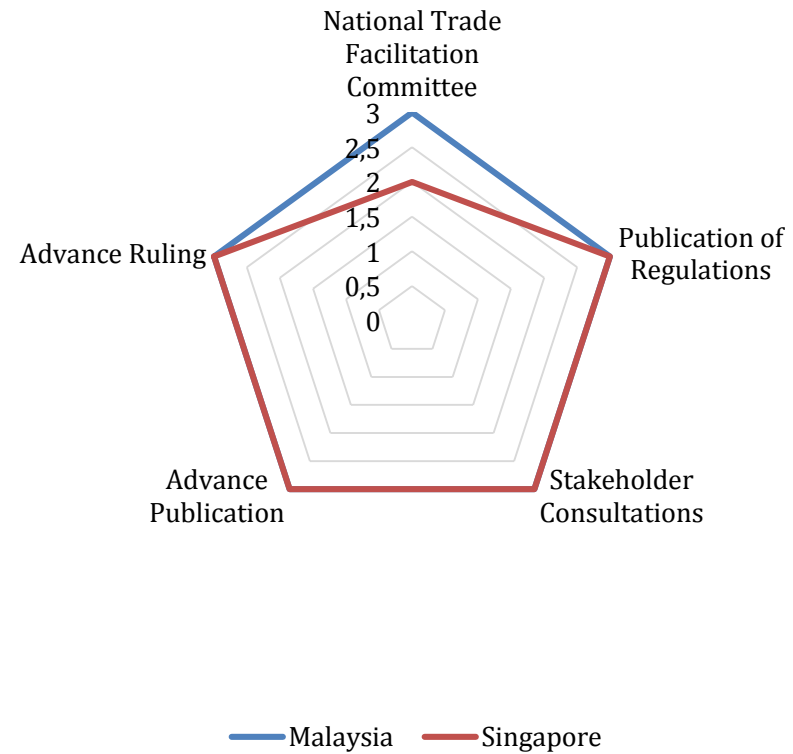
2. Desk Review Case Studies

Malaysia

TFIs



UNGS



2. Desk Review Case Studies

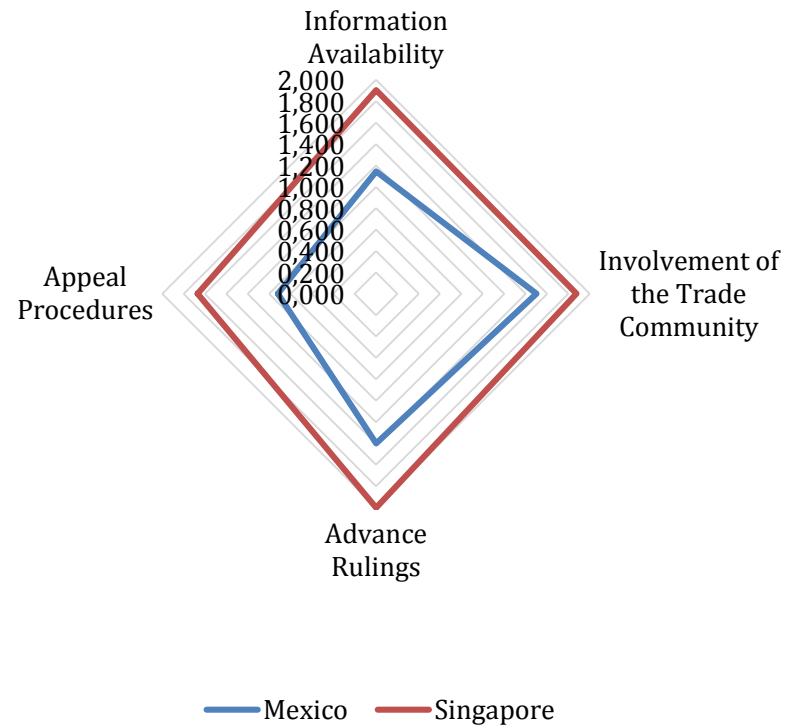
Malaysia

- ▶ Strong global performer relative to best practice benchmark (neighboring Singapore).
- ▶ At least partial implementation in all areas. TFA ratified, with all four information articles in Category A.
- ▶ myTRADELINK online Single Window provides relevant information and processing capabilities.
 - ▶ Less informative than Singapore's online portal, but key elements present.
- ▶ Regional initiatives through ASEAN have helped support Single Window development + information availability.
- ▶ Combining information and transaction processing makes the system as useful as possible to the trade community.
- ▶ Incentive to upgrade performance because very trade dependent economy.

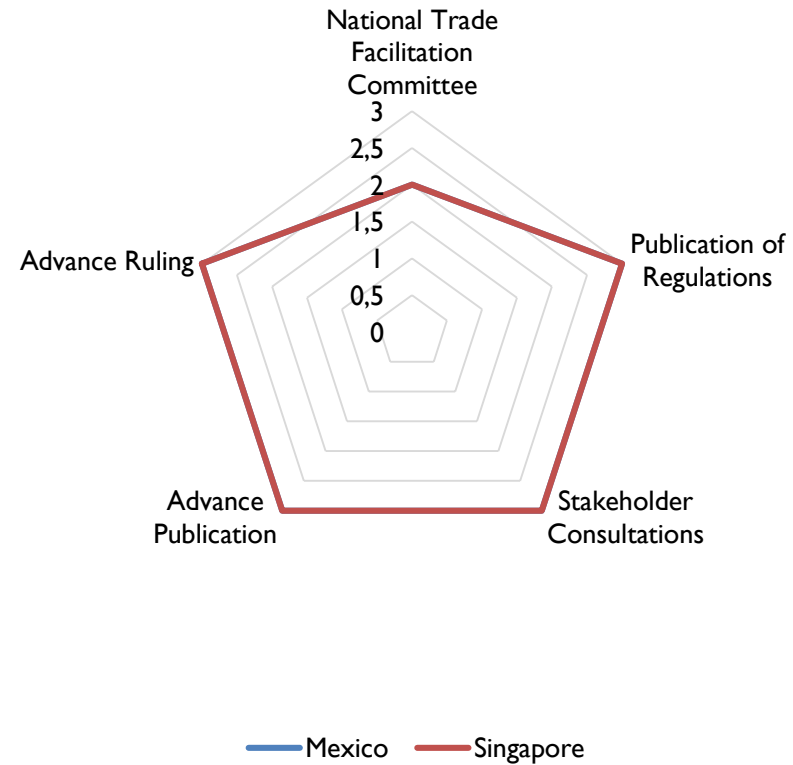
2. Desk Review Case Studies

Mexico

TFIs



UNGS



2. Desk Review Case Studies

Mexico

- ▶ First Single Window in North America (VUCEM).
- ▶ Customs website and VUCEM have key information elements available, and online processing capability.
- ▶ TFA ratified, and first four articles all in Category A.
- ▶ Not as user friendly as Singapore, and not all information is available in English.
- ▶ Involvement in value chain trade provides an incentive to upgrade performance.
- ▶ As in other countries, TFA disciplines are a benchmark, not an objective.

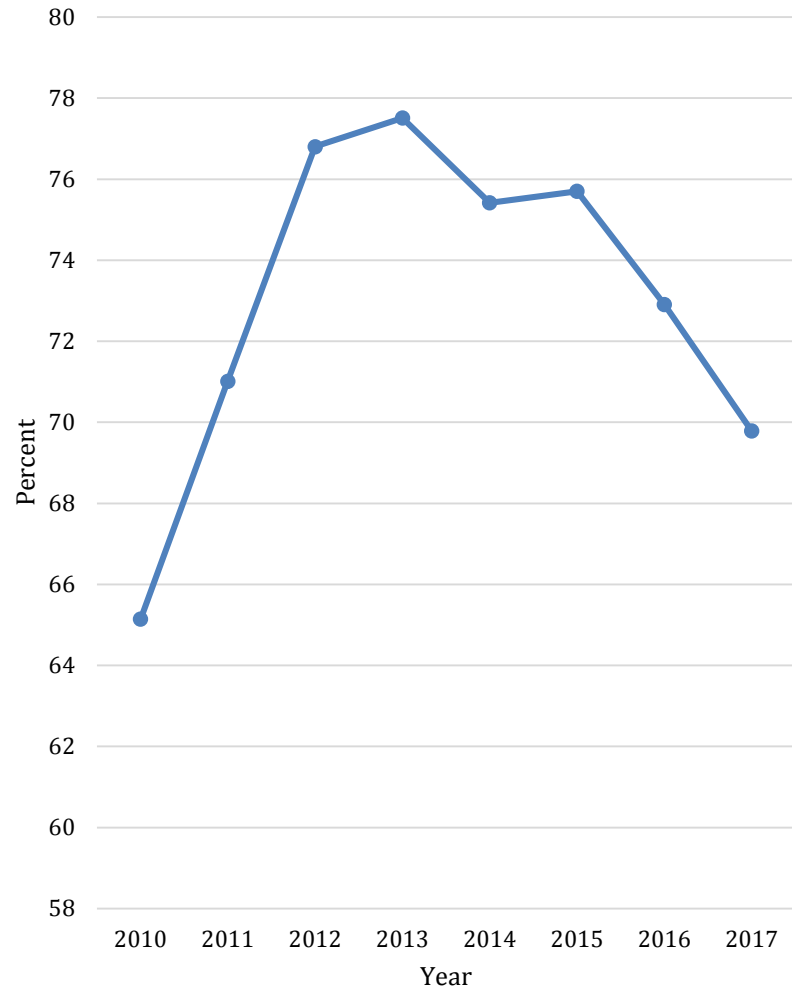
2. Desk Review Case Studies

Singapore

- ▶ Example of global best practice, full implementation of TFA articles (Category A).
- ▶ Singapore Customs website has all relevant information, along with user guides, documents, and examples.
- ▶ Online processing capability through the Single Window.
- ▶ Currently upgrading performance through a new Networked Trade Platform, to fully integrate app development, payments, information, and processing.
- ▶ Part of a general commitment by government to transparency, incentivized by importance of trade relative to GDP.

3. Field Visit Case Studies

Senegal

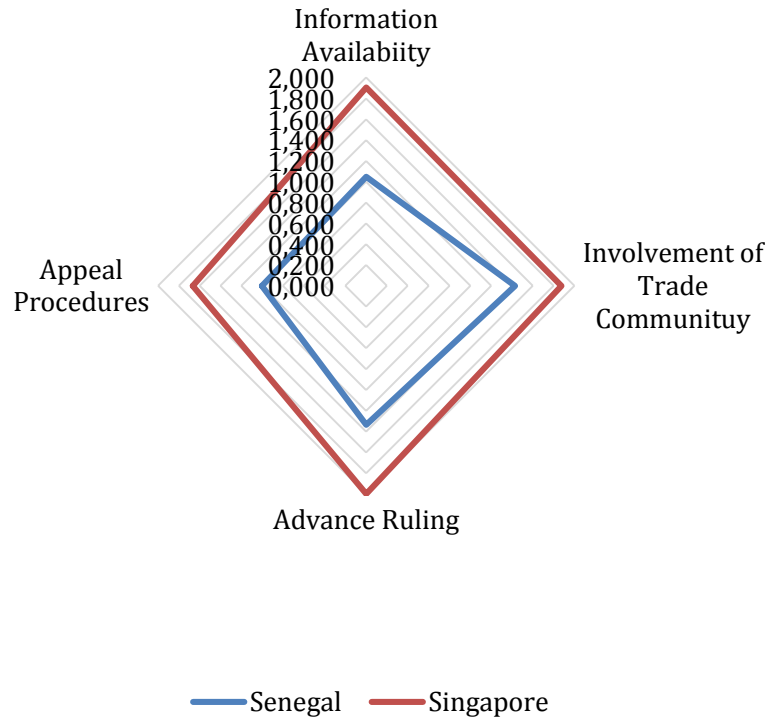


- ▶ Least developed country, but with solid GDP per capita growth over recent years.
- ▶ Trade plays an important role in the economy (left).
- ▶ Ambition, partially achieved, of being a trade hub in West Africa.

3. Field Visit Case Studies

Senegal

TfIs



- ▶ Substantial distance to global best practice.
- ▶ Most of first four articles of TFA in Category A, but not:
 - ▶ Advance rulings.
 - ▶ Publication.
 - ▶ Online availability.
- ▶ Single window in place.
- ▶ Trade Information Portal (TIP) developed with external support (WB and USAID).

3. Field Visit Case Studies

Senegal

- ▶ TIP was launched in 2018, but still under development.
- ▶ Single Window has helped bring together and coordinate administrative agencies involved in trade. Consolidates information and assists dissemination.
- ▶ Advance rulings in place, but improvements still to be made.
- ▶ Appeal system in place, but can be costly to navigate.
- ▶ Senegal is poised to consolidate progress and move forward with donor assistance. Demonstrates that significant work to reduce information costs can be undertaken even in a resource constrained environment.
- ▶ Further work required to progress regional initiatives, such as SWs.

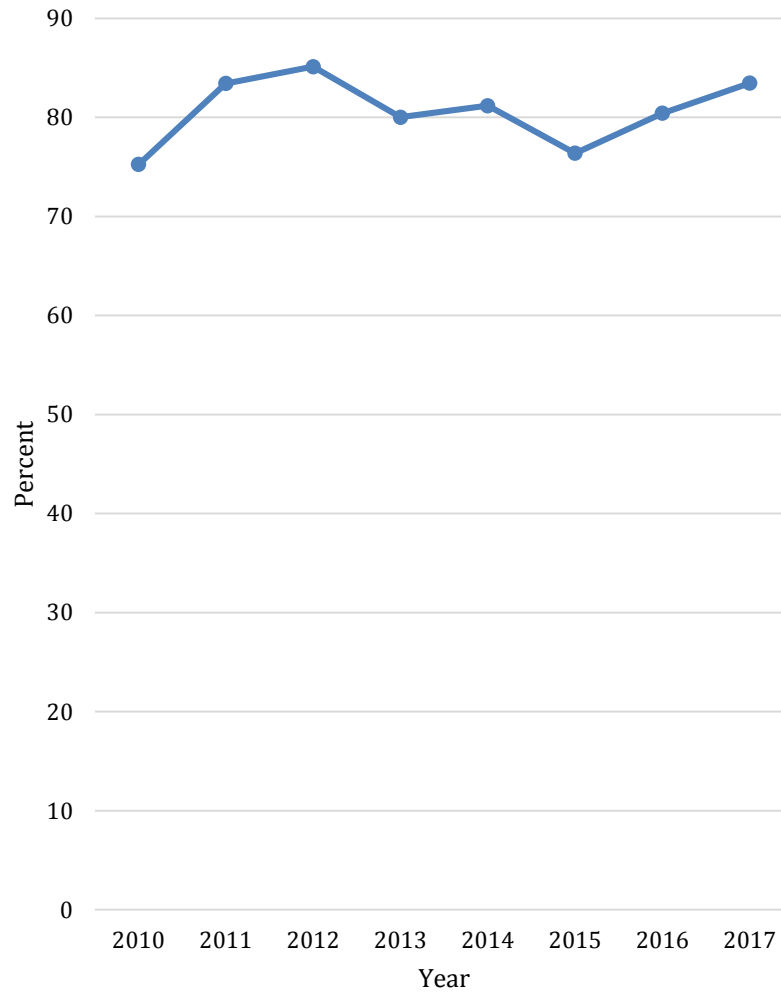
3. Field Visit Case Studies

Senegal

- ▶ **Key benefits identified by stakeholders included:**
 - ▶ Boosting Senegal's image and branding the country as a hub for doing business in West Africa. Positive reputational effect in the region.
 - ▶ Ensuring the accuracy and transparency of customs information helps reduce the cost of doing business.
 - ▶ Fostering greater timeliness in information provision and updating, enabling the trade community to access it when it needs it.

3. Field Visit Case Studies

Morocco

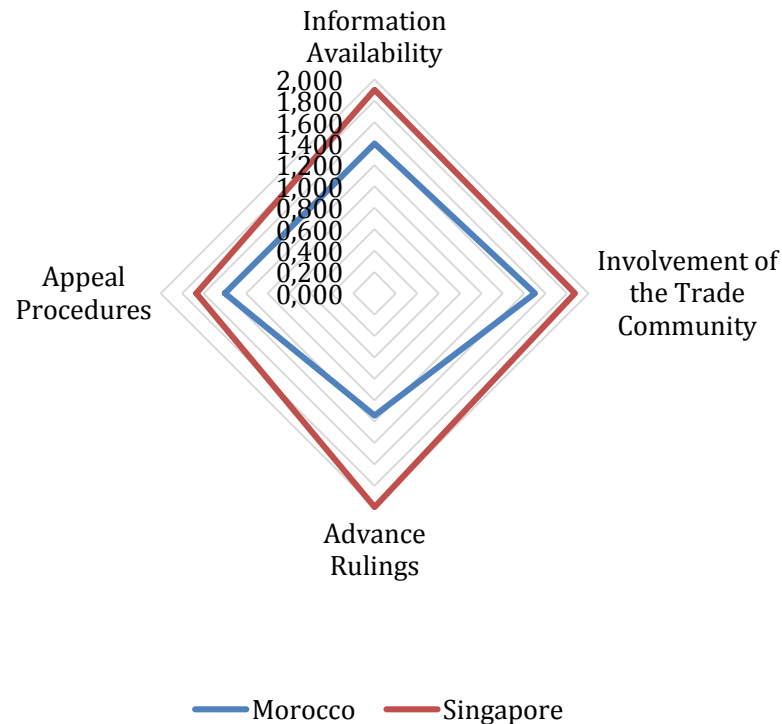


- ▶ Lower middle income country, with significant growth in per capita income over the last decade.
- ▶ Trade plays an important role in the economy (left).
- ▶ Regional integration is especially prominent:
 - ▶ Regional partners.
 - ▶ Other partners (US, EU).

3. Field Visit Case Studies

Morocco

TFIs



- ▶ Real progress towards global best practice in most areas; advance rulings stand out as needing more attention.
- ▶ TFA not yet ratified due to internal processes, but all of first four articles in Category A.
- ▶ Key resource is PortNet, private company bringing trade community together.
 - ▶ Information.
 - ▶ Single window processing.
 - ▶ Payments and other interactions.

3. Field Visit Case Studies

Morocco

- ▶ TIP, TradeSense, under development with World Bank; but PortNet already provides all key information and processing capabilities.
- ▶ Morocco's experience shows the importance of bringing the whole trade community together to design solutions to reduce information costs. Collaborative process.
 - ▶ Government needs to support and facilitate, but implementation can in some countries be left to the private sector.
 - ▶ Involvement of external actors (World Bank, Global Alliance on Trade Facilitation, African Development Bank).
 - ▶ Morocco now frequently gives, rather than receives, technical assistance and training.
- ▶ FTAs have provided impetus to improve transparency in trade, as well as more generally. Agreement with the USA was key.
 - ▶ Also general shift in governance post-2011.
- ▶ Case shows that it is possible to make major advances towards global best practice in middle income environments if political will and coordination are sufficient.

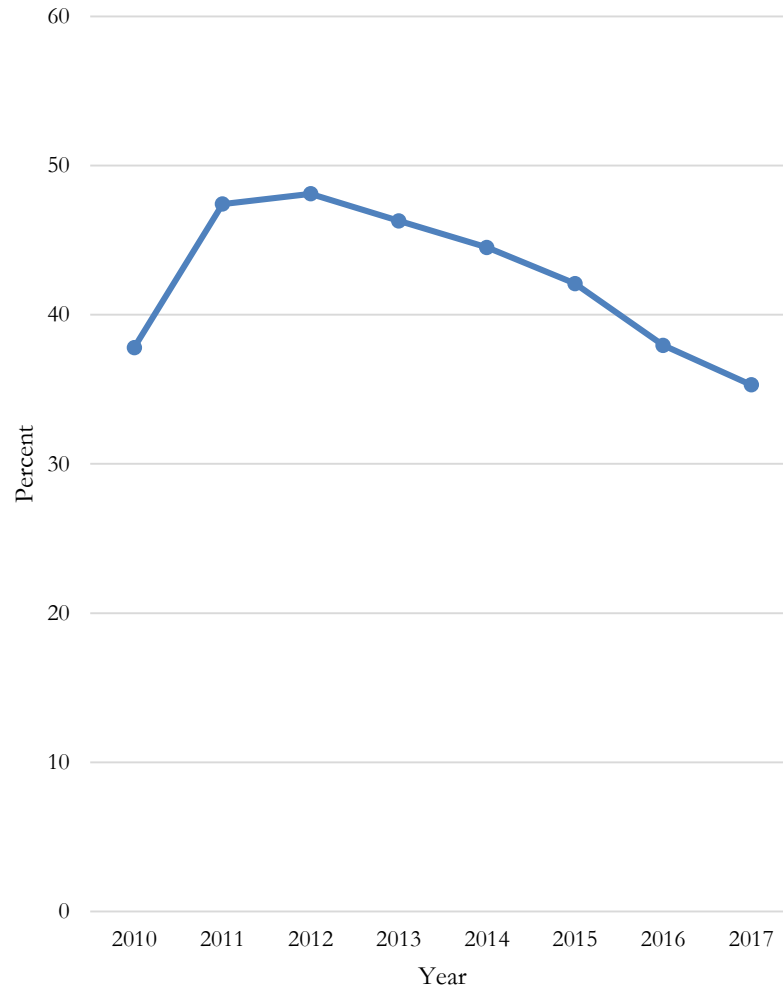
3. Field Visit Case Studies

Morocco

- ▶ Key benefits identified by stakeholders included:
 - ▶ Reduced fees and time costs of delays.
 - ▶ Increased security of transactions.
 - ▶ Elimination of special treatment for certain actors. Assurance of equality of treatment for all users.
 - ▶ Reducing response times.
 - ▶ 24 hour 365 day access to information and forms.

3. Field Visit Case Studies

Bangladesh

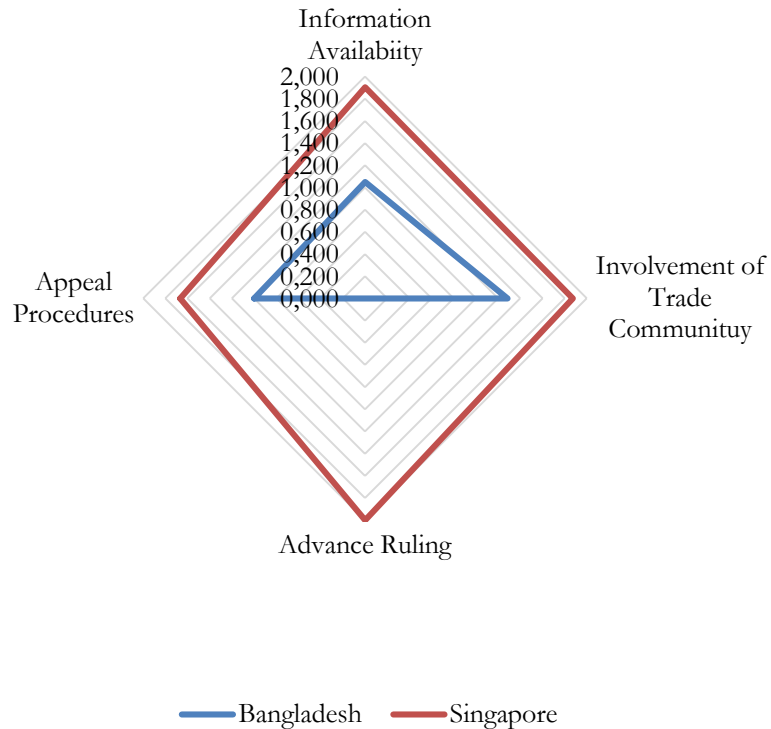


- ▶ Least Developed Country that has been experiencing rapid per capita income growth over the last decade.
- ▶ Trade is less important than in some other countries, but certain sectors like readymade garments have been key to development and poverty reduction.
- ▶ Ratified TFA, listed most of first four articles in Category A, some in Category B.

3. Field Visit Case Studies

Bangladesh

TFIs



- ▶ Evidence of progress, but still substantial gaps to best practice.
- ▶ Advance rulings is an area that stands out as requiring further work.
- ▶ Trade Portal and Customs Portal have key information available online in English, along with user guides and descriptions.

3. Field Visit Case Studies

Bangladesh

- ▶ USAID and the World Bank provided technical and financial assistance to support the development of online resources (Trade Portal).
- ▶ Development of online portals has helped coordinate and facilitate information sharing by government agencies.
 - ▶ Cooperation to intensify as Single Window is rolled out.
 - ▶ Move from information provision to including transaction processing capability, which has been a key reform elsewhere.
- ▶ Resources are constrained in Bangladesh, and much work remains to be done, but significant progress has been made in reducing information costs.
- ▶ Government has recognized trade as key to development and poverty reduction potential, so strong incentive to reduce trade costs of all types.

3. Field Visit Case Studies

Bangladesh

- ▶ **Benefits identified by stakeholders include:**
 - ▶ Increased customs compliance and expedited customs clearance.
 - ▶ Increased transparency, clarity, and predictability of customs procedures.
 - ▶ Improved integrity due to reduced levels of discretionary power.
 - ▶ Reduced workload of customs and border agencies officials (no need for multiple clarifications).
 - ▶ Easy access to relevant customs rules, regulations, procedures, and forms and documents for traders -> lower trade costs.

4. Policy Recommendations

General Recommendations

1. Progress on trade information availability depends on a general commitment to transparency in government.
2. The trade community as a whole needs to be involved in changes.
3. Even low and middle income countries can effectively adopt ICTs as part of the solution to reduce information costs.
4. Important to be ambitious in TFA notifications.
5. Successful countries go well beyond the TFA.
6. Real scope for South-South technical assistance.
7. Important synergies between Single Windows and TIPs.

4. Policy Recommendations

African Group

1. Work with aid agencies and donors to expand technical and financial assistance.
2. Move towards ICT-based solutions to reducing information costs.
3. Engage with the private sector, especially through NTFCs.
4. Work with NTFCs to develop TIPs and Single Windows.
5. Use TIPs and SWs to facilitate electronic transactions.
6. Develop realistic ambition for TFA implementation.
7. Work on institutions and governance (key for advance rulings and appeals).

4. Policy Recommendations

Arab Group

1. Involve the whole trade community in improving information availability, through NTFCs.
2. Mobilize the private sector and involve them in solutions.
3. Aim to integrate SW and TIP through an online platform.
4. Leverage trade agreements to promote transparency and technology upgrading.
5. Focus on moving closer to global best practice; TFA as benchmark not objective.



4. Policy Recommendations

Asian Group

1. Develop legal infrastructure for border agency cooperation.
2. Work with international organizations and donors to leverage technical and financial assistance.
3. Work to develop integrated SW and TIP systems online.
4. Leverage development on online resources to promote inter-agency collaboration and information sharing.
5. Be ambitious in TFA notifications, moving as much as possible into Category A.