

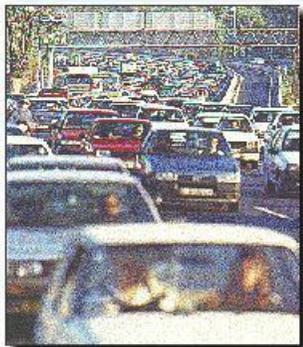
UNECE - Trade Facilitation Recommendation, Standards and Implementation Tools



**Tom Butterly
Chief, Global Trade Solutions Section
Trade Division
UNECE**

Istanbul - October 2011

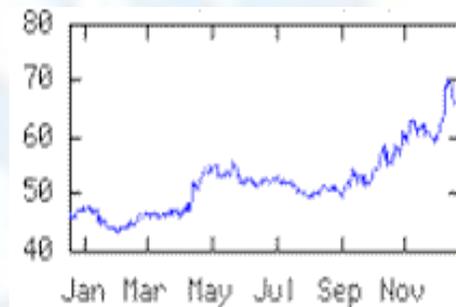
UNECE Work Areas



Transport



Economic cooperation



Statistics



Sustainable energy



Housing



Trade



Environmental policy

GLOBAL LOGISTICS

Third Party Logistics Providers
Buying Agents
Freight Forwarders
Consolidators
Ocean Intermediaries

Government and Financial Agencies
Customs
Banks
Border Security

Manufacturer

Distribution Centers

Foreign Trucking and Rail Companies

Domestic Trucking and Rail Companies

Foreign Ports

Domestic Ports

Steamship Companies



11/29/08 00:00:00

Economic impact of business processes on cross border trade

- Each additional day of delay (e.g. because of trade logistics procedures) reduces trade **by at least 1%**

Source: Simeon Djankov, Caroline Freund, and Cong S. Pham. (2007). *Trading on Time*. Washington, D.C.: World Bank.

“Direct and Indirect Cost from import/export-related procedures and required documents is about 1-15% of product cost.”

Source: OECD. (2003). *Quantitative Assessment of the Benefits of Trade Facilitation*. Paris: OECD Publications

Some figures:

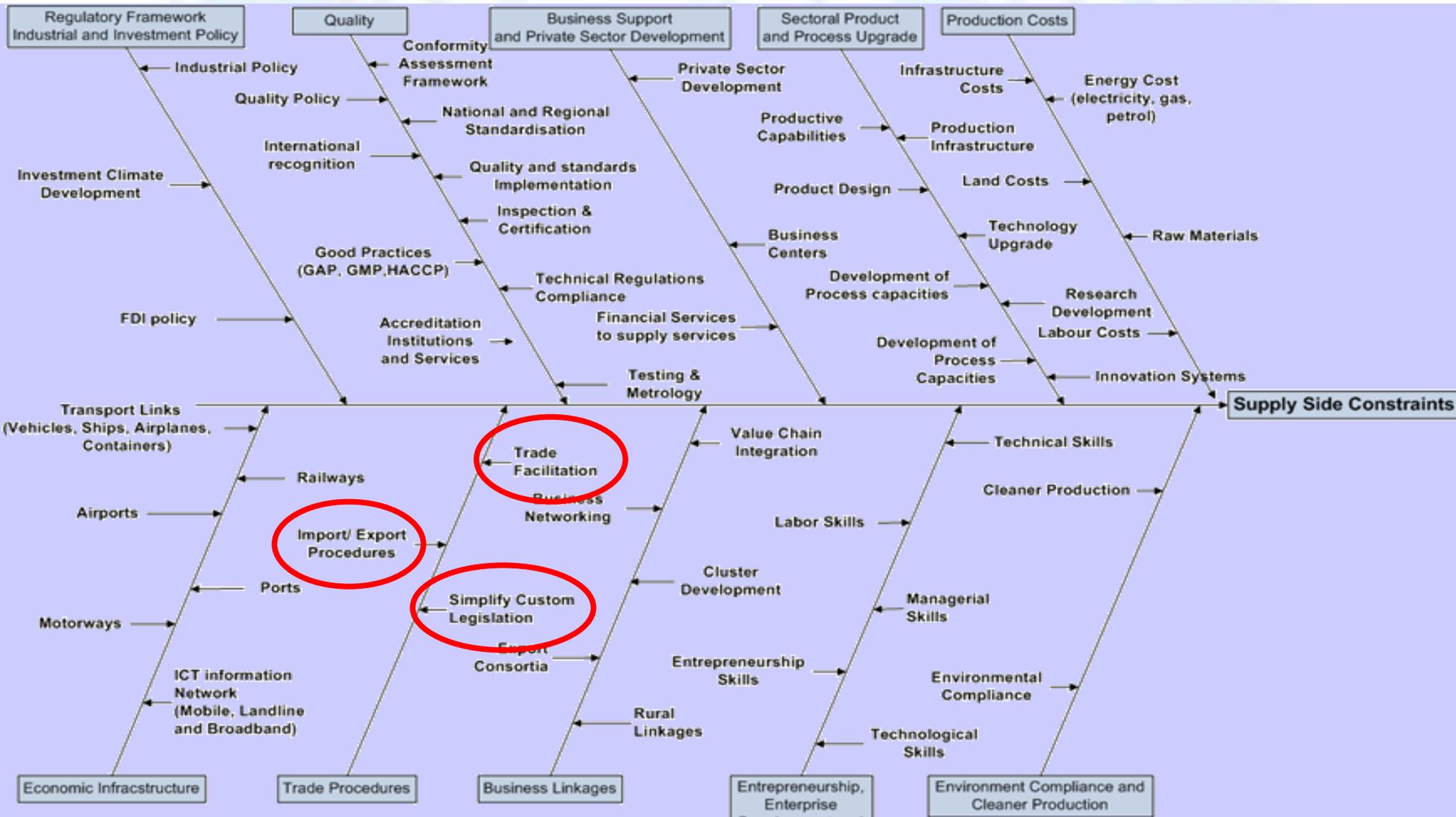
- ❑ Export process average: 27 Parties involved, 40+ documents, 300+ copies to manage export processes - UN/CEFACT
- ❑ 5 Billion Trade and Transport documents are issued annually - UNCTAD
- ❑ 35 million airway bills issued every year, with a paper processing cost of US\$30 per airway bill. Total cost – US\$ 1 Billion per year - IATA
- ❑ Total US international trade documentation annually consumes more than one billion man hours, equal to 600 thousand work years
- ❑ Australia: 22 Agencies collect the name of the exporter on 118 different forms

..described in 61 different ways

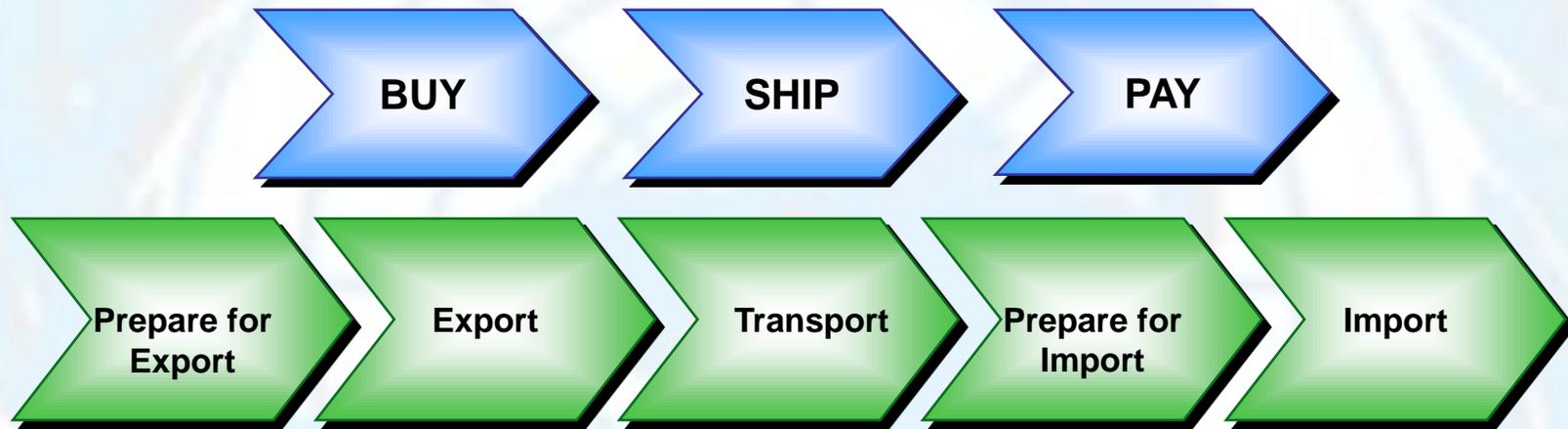
More figures (perishable food supply chain - UK) ...

- ❑ UK import perishable food supply chain generates 1 billion pieces of paper annually;
- ❑ the total cost of generating paper documentation for the perishable sectors (4.5 million document sets) is estimated at £126 million per annum;
- ❑ delayed, incorrect or missing paperwork costs over £1 billion per annum for the sectors studied;
- ❑ duplicate consignment data is keyed in at least 189 million times every year;
- ❑ document-related administration in the sector is estimated to be around 11% of the supply chain value per annum.
 - ❑ Source: SITPRO (<http://www.sitpro.org.uk/reports/hermes.pdf>)

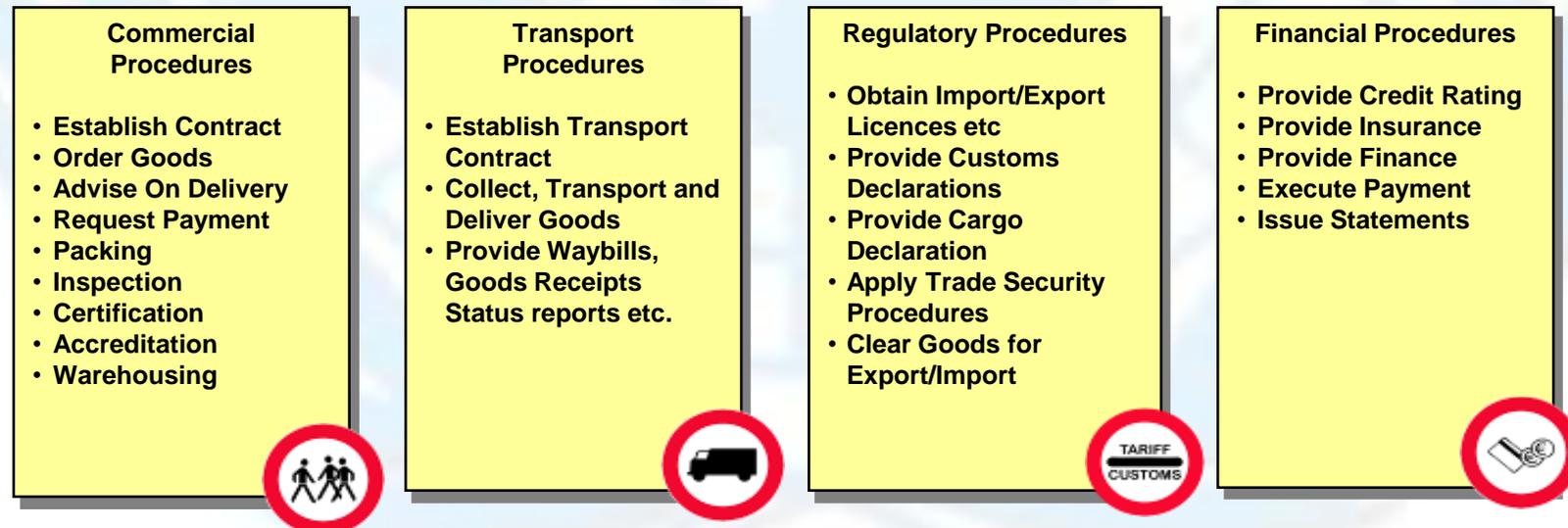
Overall Mapping of Supply-side Constraints



International Trade Transaction Process



INVOLVES



The background of the slide features a large, faded, light blue version of the United Nations emblem. The emblem consists of a world map centered on the North Pole, surrounded by a laurel wreath. The map shows the outlines of continents and latitude/longitude lines.

UNECE Recommendations and Standards for Trade Facilitation and Electronic Business

UN/CEFACT

Recommendations and Standards

UN/CEFACT Compendium of Trade Facilitation Recommendations (over 35 Recommendations)

- Recommendation 1 – UN Layout Key for Trade Documents (ISO 6422)
 - Recommendation 4 – Trade Facilitation Structures
 - Recommendation 18 – Trade Facilitation Measures
 - Recommendation 25 – UN/EDIFACT (ISO 9735)
 - Recommendation 33 – Single Window
- Plus:
- Code Lists, such as Recommendation 16 – LOCODE

Many are ISO Standards and covered in the WTO Trade Facilitation Negotiations



UNECE

United Nations Economic Commission for Europe


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Trade

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List of Trade Facilitation Recommendations

[Download summary of all UN/CEFACT Recommendations](#)
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Symbol	Issued date	Title	English	Français	Русский
Recommendation N°. 1 - United Nations Layout Key for Trade Documents			Download as package [ZIP]		
ECE/TRADE/270	2002	UN Layout Key for Trade Documents - Guidelines for Applications	PDF		
TRADE/CEFACT/2001/15	2001	Addendum to Recommendation N°. 1	PDF	PDF	PDF
ECE/TRADE/137	1981	Recommendation N°. 1	PDF	PDF	PDF
Recommendation N°. 2 - Locations of Codes in Trade Documents			Download as package [ZIP]		
	1973	Recommendation N°. 2	PDF		
Recommendation N°. 3 - Code for the Representation of Names of Countries			Download as package [ZIP]		

Success Stories

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

UN Layout Key

The diagram illustrates the layout of the European Community Export Customs Declaration (UNECSAD) form, divided into three main sections: A. OFFICE OF ORIGIN EXPORT, B. ACCOUNTING DETAILS, and C. OFFICE OF ORIGIN. Section A includes fields for Declaration (1-7), Person responsible (8), Country of origin (9-11), Country of origin code (12-14), and Country of origin (15). Section B includes fields for Commodity Code (16-18), Value (19-21), and Accounting Details (22-24). Section C includes fields for Office of Origin (25-27), Signature (28-30), and Office of Origin Code (31-33). The diagram also shows the positions of various boxes for 'DECLARATION', 'ACCOUNTING DETAILS', and 'OFFICE OF ORIGIN'.

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 EXPOR... CUSTOMS DECLARATION". The form is displayed in a software application window titled "at Professional - [UNSad_SAMPLE.pdf]". The form contains several fields and sections, including:

- 1 Declaration
- 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 Grant / 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)

Callouts from external boxes point to specific fields in the form:

- 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 30.
- Rec:20 Units of Measurement points to field 35.

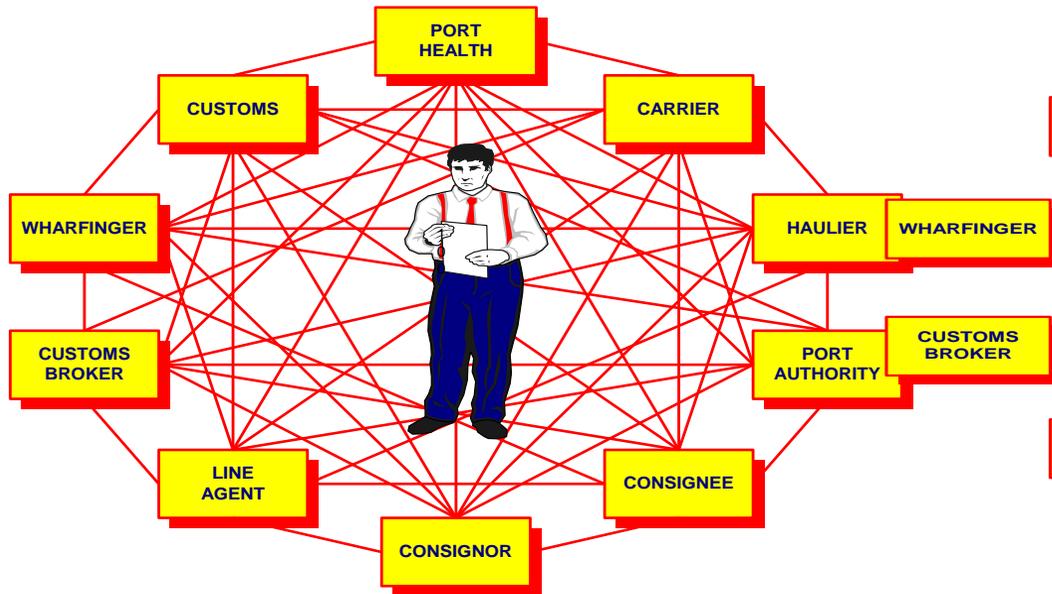
Rec: 28
Means of Transport

Rec: 21
Package Codes

Rec:20 Units of
Measurement

Streamlining trade information: The Single Window Concept

FROM

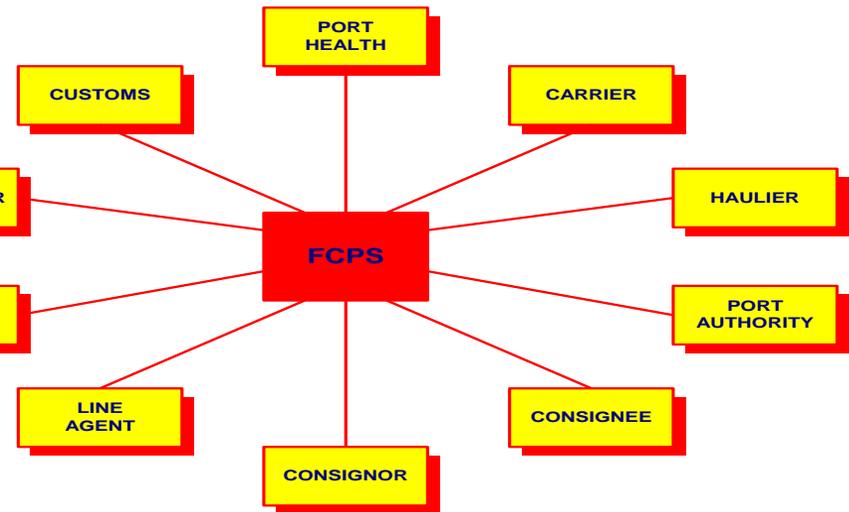


Mountains of paper

30% mistakes

Weeks for clearance

TO

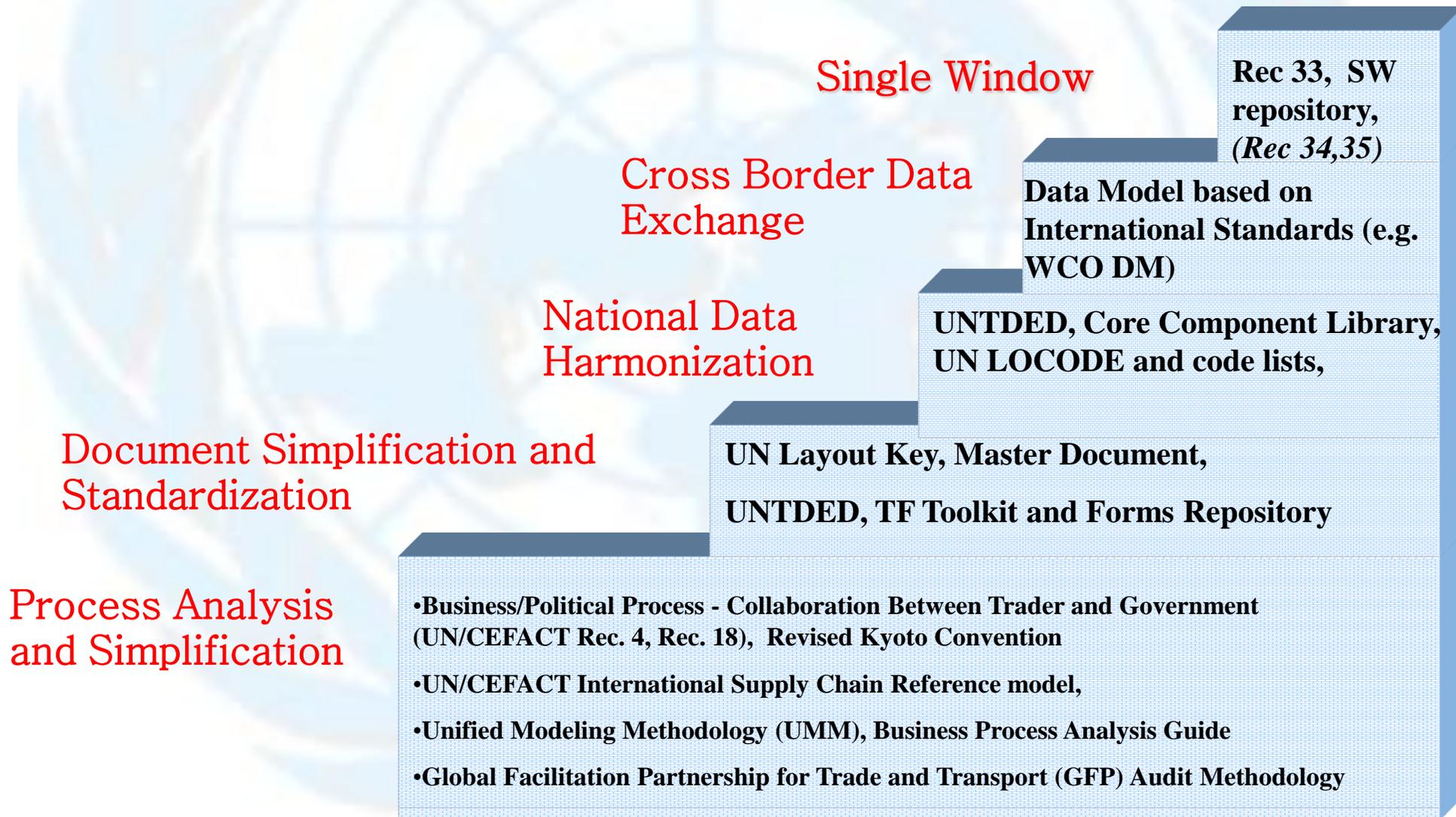


**Customs, export, import, etc.
processes together**

Many documents filed together

Appr. 1 hour for clearance

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





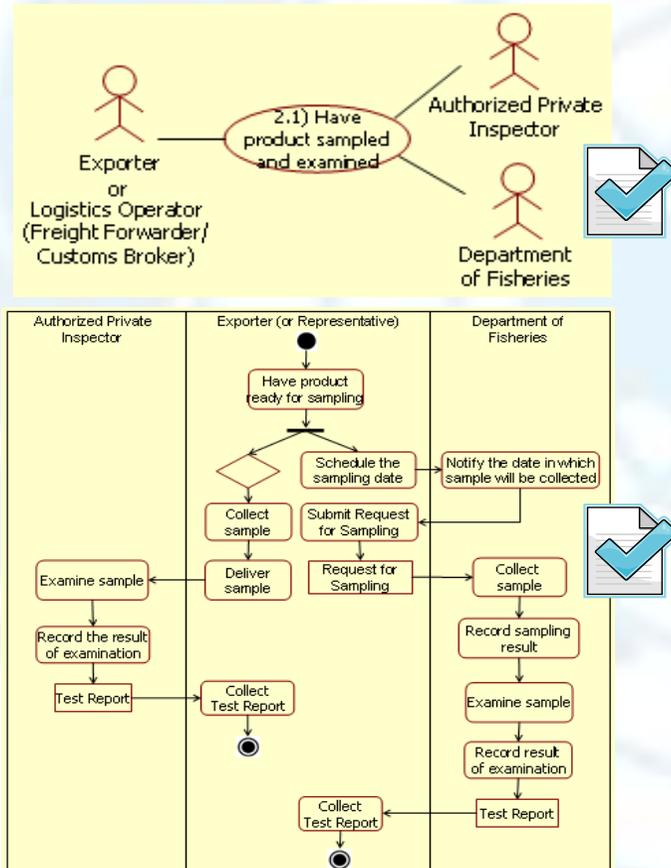
Implementation Guides, Tools and Training

- ❑ Trade Facilitation Audits
- ❑ Business Process Analysis
- ❑ Documentation Simplification
- ❑ Data Harmonization

Business Process Analysis

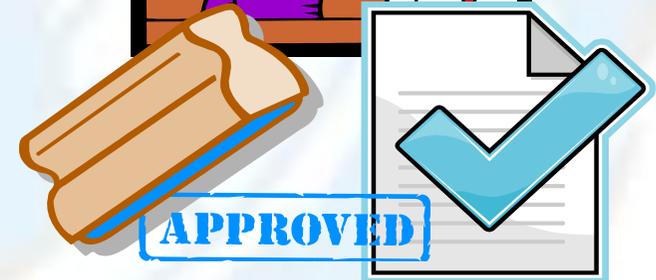
- The purpose of business process analysis is to understand the current processes and its attributes
 - What is done
 - Who is involved,
 - Documents required,
 - Procedures, rules and regulations, and
 - Some quantitative indicators
(e.g. number of steps, time & costs needed)

Analyse Business Processes

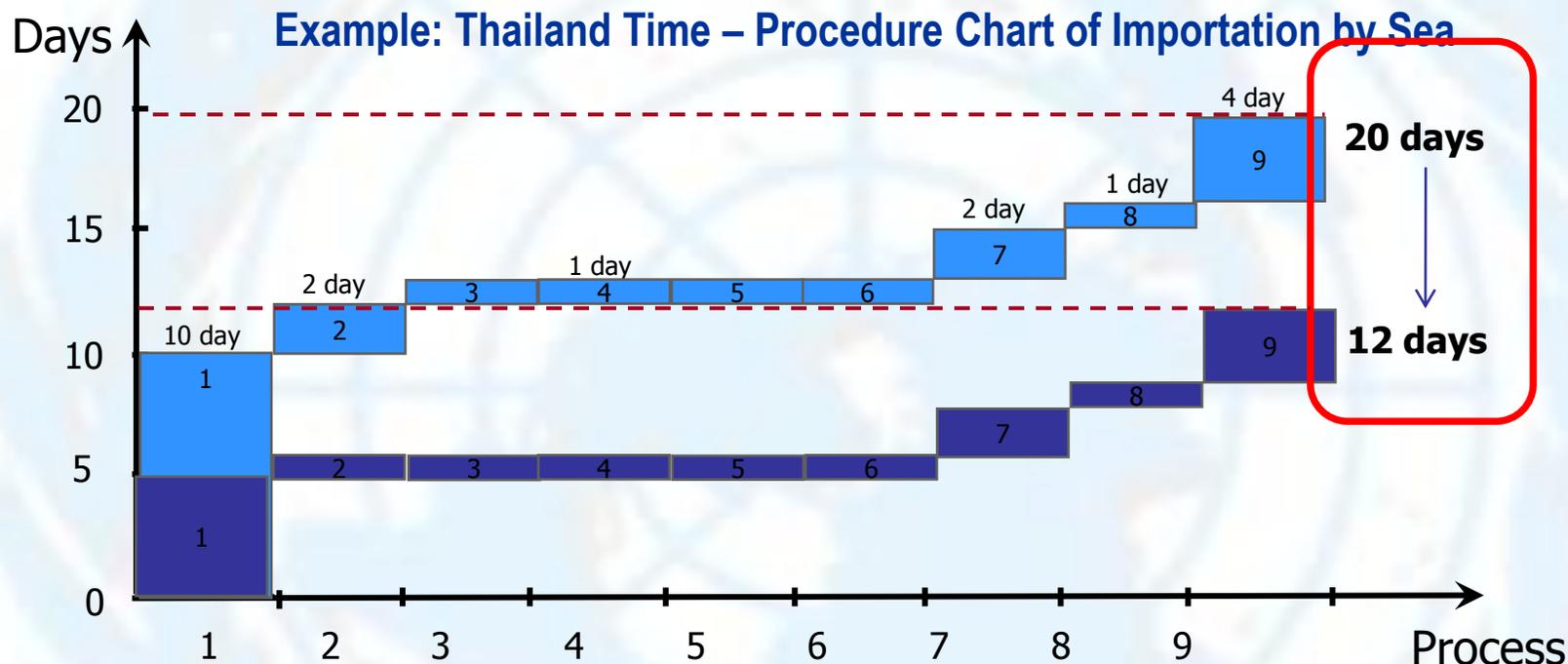


Reviewing and Approving

Stakeholders



Business Processes Simplification



Simplification of processes:

1. Analyse Business process and establish a common view
2. Identify the bottlenecks
3. Prioritise
4. Simplify

Document Harmonization and Simplification

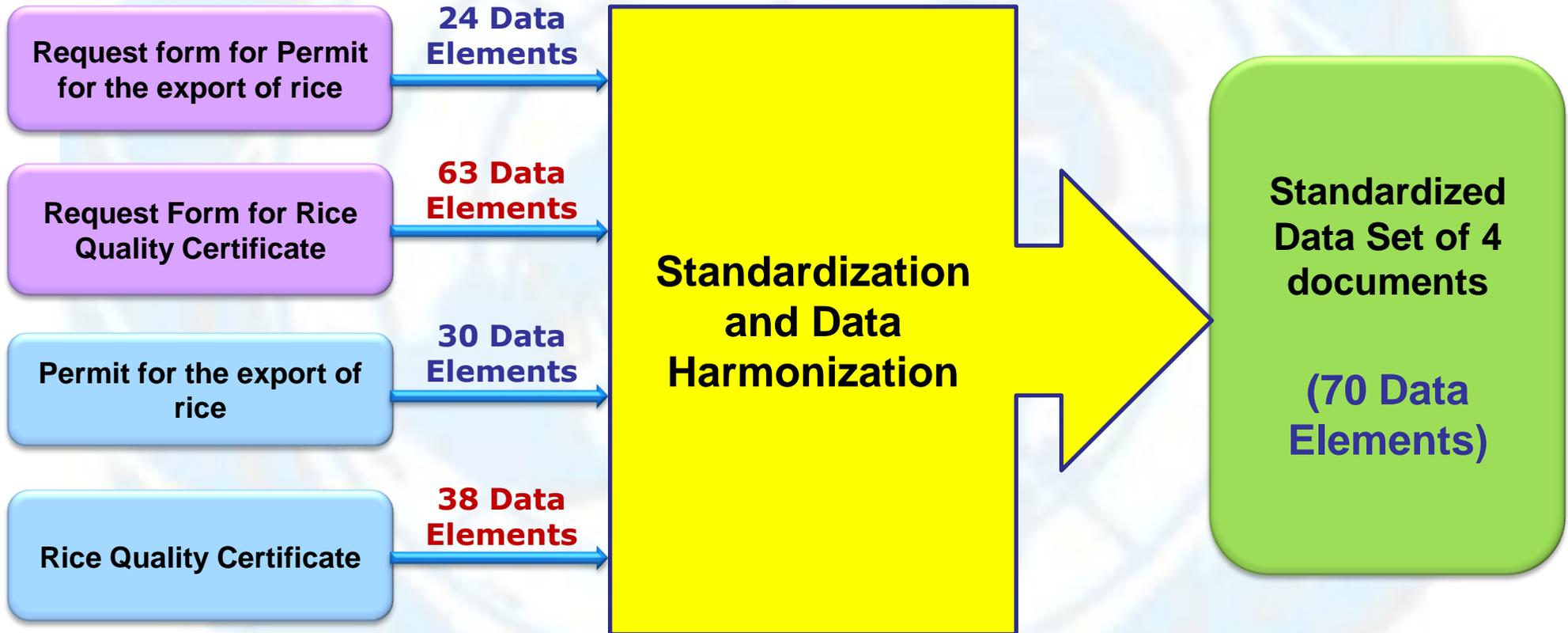
Objective: harmonise, simplify, standardise documents and data

- ❑ Align documents to international standard: United Nations Layout Key (UNLK)
- ❑ Use international accepted codes for trade data: UN Code list recommendations
- ❑ Publish forms and regulations in the Internet

Standards & Tools: UN Layout Key, ECE/CEFACT Recommendations, WCO, IATA,...

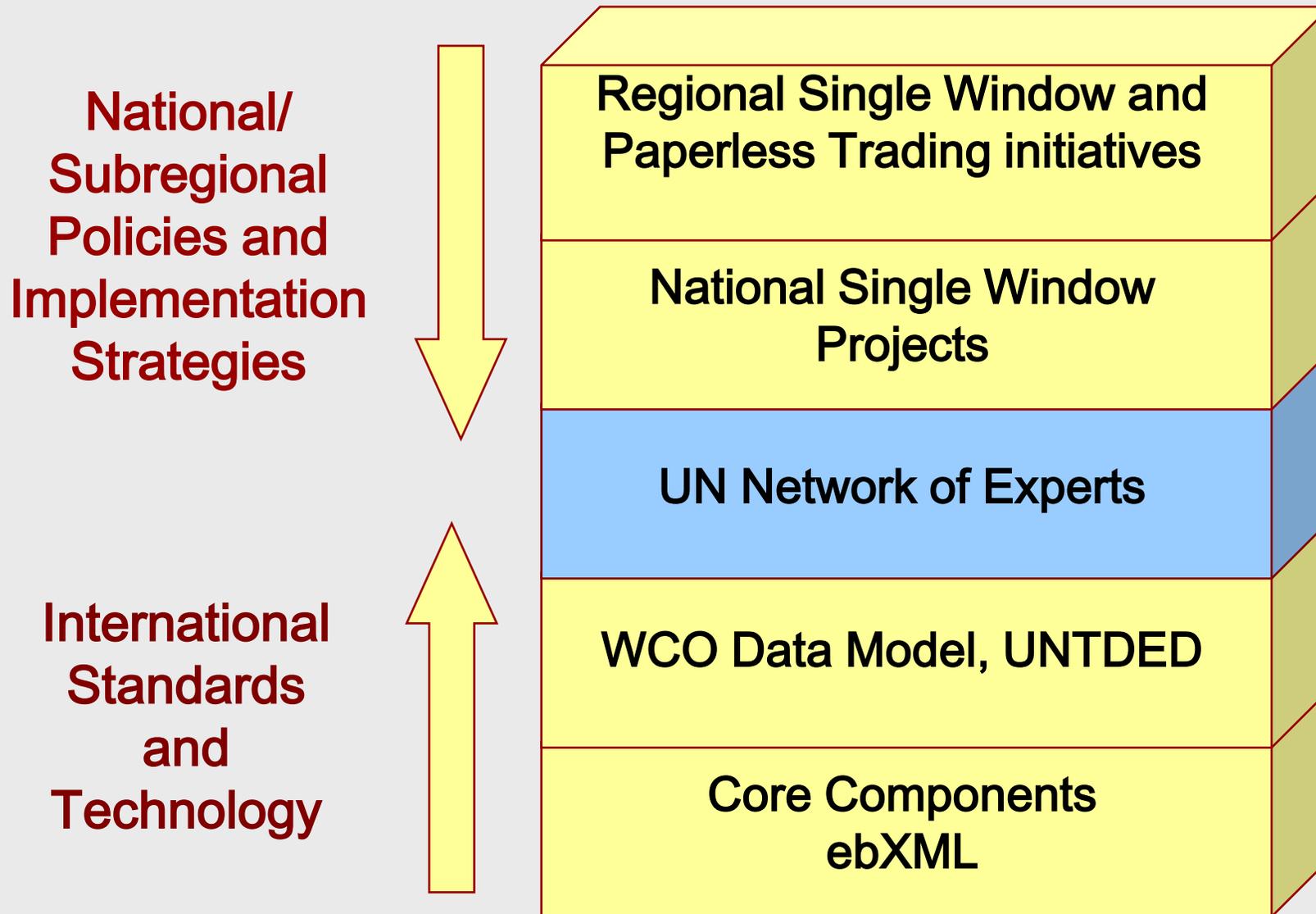
Data Harmonization

Example of four documents (Exporting Rice)



Standardization and Harmonization can reduce the data elements from $24+63+30+38=155$ data elements to **70 data elements using UNTEDE**

How do we bridge the gap between the policy framework & the implementation at regional/national level?



**UNECE -
UN/CEFACT**

**UNECE in partnership
with other
organizations**

**UNCTAD, WB, W
CO, UNIDO, etc**

**Recommendations/
Standards
Development and
Maintenance**

Capacity Building
(Helping
governments
elaborate a national
TF strategy)

**Technical
Assistance**
(Donors decide what
is to be done) -
UNECE does not
provide long term TA



WTO

to create the standards, standards committees, States and the business
groups. We engage in an active capacity building programme to help countries
standards, given their unique needs, priorities and resources while other organ
form technical assistance (UNCTAD, WB etc). The WTO sets the rules

Team Work



UN Global Conference on Single Window and Supply Chains



- Jointly organised by the five UN Regional Commissions - in **Geneva** on **12-13 December 2011**

Objectives:

- To look at latest trends, opportunities' and technologies for Single Window and Supply Chain in global trade – prepare for the next generation

For the programme and registration see

<http://www.unece.org/swglobalconference2011>



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Global Trade Facilitation Conference 2011

Schedule of the Week

Conference Themes

Conference Programme

Capacity-building workshop

Workshop Programme

Registration and Visa Information

Information Note and Accommodation

Contacts

Global Trade Facilitation Conference 2011

ECONOMIC COMMISSION FOR AFRICA



ECONOMIC COMMISSION FOR EUROPE

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA



Connecting International Trade: Single Windows and Supply Chains in the next decade

12-13 December 2011

Palais des Nations, Geneva, Switzerland

On the 12 and 13 December 2011, Governments and traders from all over the world, will come together to review the progress of the Trade Facilitation agenda and to explore the way ahead. They will develop a joint vision and framework to guide the future of Single Windows and their support to global supply chains. They will also formulate recommendations to Governments, and regional and international organisations.

Single Window has become a major instrument for simplifying and automating trade procedures. It supports paperless trade

Follow-up

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

- www.unece.org/
- www.unece.org/trade
- www.unece.org/cefact/

- E-mail: tom.butterly@unece.org