Developing a vision for the national Single Window

–The Trade Facilitation Roadmap –

International Islamic Trade Finance Corporation (ITFC)
Casablanca, Morocco,
February 2013
This presentation

- Trends in information exchange for global trade
- The Single Window concept
- National Trade Facilitation Strategy and Single Window Vision
- Example for Trade Facilitation strategy for Single Window planning
UNECE: Who we are and what we do

- UN Economic Commission for Europe (UNECE): North America, Europe, Central Asia, Western Asia and Caucasus
- Focal point in the UN system to develop standards and best practice for trade facilitation
- Simplified and harmonized trade documents, processes and information flows throughout the supply chain
- Standards & Recommendations: United Nations Centre for Trade Facilitation and electronic Business (UN/CEFACT)
- Capacity building & advisory services: United Nations Network of Experts for Paperless Trade (UNNExT)
UN conference organised by all five Regional Commissions

Current state and future of information exchange in the global supply chain

Ask the billion dollar question

“Where are we now?”
“What did we learn?”
“What is lying ahead?”
Trade facilitation is high on the political agenda

« Trade facilitation is a true win-win for all countries, and it particularly benefits small and medium-sized enterprises (SMEs) and least developed countries (LDCs)»
Source: Ed Fast, Canadian International Trade Minister, May 2012

« Where the trade environment is more favourable, businesses are better positioned to take advantage of new opportunities, to grow and to create jobs»
Source: WB, World Business Report, 2010

« Every extra day required to ready goods for import or export decreases trade by around 4%. This is why a trade facilitation deal would be a tremendous value for our trading communities and in particular for SMEs»
Source: Pascal Lamy, WTO Director General, Dec 2011
Trade facilitation and the international political agenda

More than 2000 trade facilitation (TF) reforms all over the world in the last 8 years. Why?

- From tariff barriers to non-tariff barriers
- Emergence of global value chains
- Need for more efficient, simple and transparent trade transactions
- Evidence of benefits...

Trading across Borders

Source: WB, Doing Business in the Arab World 2012
Information is the key resource in the global supply chain

Global Trade 2011* :

- Goods 18.2 trillion
- Services 4.2 trillion
- DC 47%

Outlook:

- More countries, products, containers, regulatory requirements, ..
- Need for faster and more reliable trade
- Information is the key to efficiency and security
- Management of information in the SC is the next challenge/opportunity

*Source: WB 2011
Global Trade: a $18 trillion business run with last century information technology

Trade documents:

- Concept hasn’t changed much for centuries
- Data push concept
- One size fits all
- Human processing only
- Fax, photocopy, printers: even more paper
Many parties that know very little for sure

Essential information is often not from the originator

Most information is «agent to agent», «said to contain», ...

What’s in the box? Who stuffed it? Is the consignment complete? ...

Traders state a general lack of transparency in global supply chains

.. leading to huge and costs..

.. and risks for the governments
Governments taking the lead: Risk management through advance information

- Assess the risk BEFORE the goods arrive
- Manage the risk: automated information exchange and assessment
- WCO SAFE Framework: "The central tenet .. is the use of advance electronic information to identify high-risk containers or cargo."
- National and regional: EU ICS & ECS, US C-TPAT 10+2, ..
- Advance information becoming driver for cross border information exchange
- Agent to agent issue: Automated risk assessment based on 2nd hand data
Private Sector: «Not information is power but sharing the information is the real power* »

- Towards an information managed supply chain
- Information sharing: data pull instead of push
- Powered by new concepts: Cloud Computing, Internet of Things, Data Models

- Implications:
  - new ways of collaboration
  - new frameworks for trust, accessibility, integration, ..
  - Governments need to provide these frameworks

*GS1, 2012
UNECE Single Window Recommendation: Streamlining information exchange and processes

FROM

Mountains of paper
Up to 30% mistakes

TO

One time submission, re-use of information, co-ordinated control
UNECE Recommendation 33 on Single Window

Features of a Single Window:

- one time submission of data
- standardized information and documents
- sharing of information
- coordinated controls and inspections
- disseminate trade related government information

Implication for Single Window implementation:

- National data analysis and standardization
- Reorganization of information flows and processes
- Enabling legal environment
- Interagency collaboration
- Cross border collaboration
Experiences from Single Window Implementation

- Many implementations in developing countries and emerging economies
- Slow: Europe and N-America
- Countries feedback:
  - SW increases national competitiveness
  - SW become an asset for organising information exchange in global trade
  - Very diverse SW implementations
- Lesson learned: Single Window project needs to be embedded in a national trade facilitation strategy
National Trade Facilitation Strategy

The National trade facilitation strategy provides the framework for the planning of the Single Window:

- Policy vision for national trade development
  - were are we now
  - were do we want to be
- National/regional integration of stakeholders
- Phases
- Projects and Priorities
- SW as an instrument for the TF strategy
- Key Performance Indicators to measure progress of TF strategy
Example: Greek National Trade Facilitation Strategy (2013-2015)

Objectives:

"Reducing time to export by 50% and costs by 20% by the end of 2015, thus leading to at least 10% increase in exports’ value, 1.7% increase of the GDP and 80,000 new jobs"

Greek trade competitiveness now and in the future:
Example: Greek National Trade Facilitation Strategy (II)

Projects and priorities:

SW development:
Summary TF Strategy for SW planning

- Single Window today: one term with many meanings
- SW have become a strategic instrument for trade policy: reform and innovation
- A long term engagement with implementation phases
- The Single Window must be based on a strategic vision and objectives for trade facilitation and development
- A national Trade Facilitation strategy provides a stable, long term framework for the planning of the SW development in the country and across borders.
Single Window today: one term with many meanings
SW needs to integrate many different trade platforms

Discussion on SW is changing:

⇒ SW becoming a tool for trade policy: reform and innovation
⇒ Main objective simplification and collaboration
⇒ Automation an instrument, not means end
⇒ From central SW towards networks for information management in supply chains
⇒ Policy makers need to plan and manage the evolution of their SW systems
Recommendations for policy makers
Development of a National Strategy for Trade Facilitation

- Identify relevant national, regional and global trends that will affect national competitiveness in the future
- A vision of the development of the national economy
- Trade facilitation strategy that will support this vision and..
- ..activities that implement the strategy
- embed Single Window as a component of this strategy
- Communicate, get buy-in, commitment and resources
Capacity building for policy makers
Thank You

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