Digital Trade Facilitation Reforms and Engagement of Transport and Logistics Sector - Cambodia’s Experience

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SOK Kha is the technical lead of the Improving Small Package e-Trade for SMEs (SeT4SME) project, flagship project of the Global Alliance for Trade Facilitation (GATF) implemented by Swisscontact in collaboration with the Ministry of Commerce. He is concurrently a trade facilitation advisor for ASEAN–EU project ARISE Plus Cambodia, to support the Cambodian government in implementing various trade facilitation measures, with a view to better integrate Cambodia into ASEAN Economic Community and to accelerate the implementation of WTO’s TFA. SOK Kha has written and published articles and book chapters on SMEs, trade policy and trade facilitation, and regional integration.
Objectives

- Uptrends in e-government services and ICT applications in cross-border trade
- Mechanisms for transport and logistics sector engagement
- Offer perspectives on building forward better engagement in trade facilitation reforms in Cambodia
CHAPTER 1:

UPTRENDS IN E-GOVERNMENT SERVICES AND ICT APPLICATIONS IN CROSS-BORDER TRADE
12TH
Edition of the
UN E-Government Survey

The Survey includes digital government ranking of the 193 UN Member States. The 2022 Survey also marks the first study to incorporate an assessment of e-government in the most populous city in each of UN Member State.

More than 20 years of data – and a vision of the future

The Survey looks at how digital government can facilitate integrated policies and services across 193 UN Member States. It supports countries’ efforts to provide effective, accountable and inclusive digital services to all, bridge the digital divide and leave no one behind.

Data collected by UN DESA for the E-Government Survey

Data from UNESCO

Data from International Telecommunications Union

Global Trend and Cambodia’s Position

- The trend for the last 8 years suggests increasing number of countries improving e-government development.
- Cambodia’s E-Government Development Index (EDGI) is 127th this year, scoring at 0.5056. It was 155th in 2012.

<table>
<thead>
<tr>
<th>EGDI level</th>
<th>Low EGDI</th>
<th>Middle EGDI</th>
<th>High EGDI</th>
<th>Very high EGDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range</td>
<td>0.0 to 0.25</td>
<td>0.25 to 0.05</td>
<td>0.5 to 0.75</td>
<td>0.75 to 1.0</td>
</tr>
<tr>
<td>Number of countries</td>
<td>7</td>
<td>53</td>
<td>73</td>
<td>60</td>
</tr>
</tbody>
</table>

Public Services Increasingly Available Online
Improvements in the implementation rate across surveyed TF measures are already taking place, particularly recent progress in cross-border paperless trade.

Scores remain low across measures in such categories as SME-, Agricultural-, and Women-related.
Using ICT for trade-related services is the core commitment of government.

Reforms to automation of certain trade-related regulatory processes have kicked off one after another.

Digital TF become even more crucial in the contexts that Cambodia is losing market access privileges in the EU and the US that Cambodia enjoys as a LDC.
Consolidated Business Registration and Data Exchange Platform

- Implemented since 2020, originally onboarding 5 government ministries and agencies and currently scaled up to 19.
- 26,232 companies have already benefited from this portal, in terms of simplified processes and reduced time/cost.

Source: United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)
Facilitated Customs Procedures

- Automated systems
  - ASYCUDA, e-Customs, ACTS, Cargo Tracking System, Global Travelers Assessment System (GTAS)
- Mobile apps: Cambodia Customs Tariff, Cambodia Trader Application, Vehicle Document Verification, CNSW Document Verification, Customs Inspection Records
- Electronic data exchange with General Department of Taxation and port operators
- Electronic data exchange of e-Form D and ACDD with ASEAN countries through NSW
- Secretariate of NSW and NCTF
- ASYHUB for electronic data exchange with postal operators, express operator, shipping lines, air cargo for PAP / PDP
- AEO rolled out
Categorization and Clarity on Clearance Processes

- Automatic release of category 1 (Documents & correspondence) upon arrival of the consignment
- Immediate release of category 2 - negligible value (USD <50), on the basis of the electronic waybill provided by the express operator
- Submission and processing of simplified declaration for category 3 (Low-value dutiable consignments)
- Submission and processing of detailed declaration for category 4 (High-value consignments and/or restricted items)
## Current ASYCUDA Modules in Cambodia

<table>
<thead>
<tr>
<th>No</th>
<th>Functions/Modules</th>
<th>No</th>
<th>Functions/Modules</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Automated Customs Declaration Clearance</td>
<td>10</td>
<td>Accounting Module (Payment and Refund)</td>
</tr>
<tr>
<td>02</td>
<td>Customs Release Note Module</td>
<td>11</td>
<td>Record of Inspection Act</td>
</tr>
<tr>
<td>03</td>
<td>Customs Bonded Warehouse Module</td>
<td>12</td>
<td>Generation Reports Module</td>
</tr>
<tr>
<td>04</td>
<td>Vehicle Document Module</td>
<td>13</td>
<td>Document versioning Module</td>
</tr>
<tr>
<td>05</td>
<td>Risk Management</td>
<td>14</td>
<td>Exchange Rates Module</td>
</tr>
<tr>
<td>06</td>
<td>Dynamic Taxation and Selectivity Rules</td>
<td>15</td>
<td>Cambodia Customs Tariff Management</td>
</tr>
<tr>
<td>07</td>
<td>Risk Selectivity Criteria Module</td>
<td>16</td>
<td>Reference Data Management</td>
</tr>
<tr>
<td>08</td>
<td>Customs Declaration Risk Assessment</td>
<td>17</td>
<td>Users Management</td>
</tr>
<tr>
<td>09</td>
<td>Manifest and Bill of Lading Module</td>
<td></td>
<td><strong>ASYHUB, AW-UPU, &amp; Simplified Declaration will be implemented soon.</strong></td>
</tr>
</tbody>
</table>


**Current e-Customs System Modules in Cambodia**

<table>
<thead>
<tr>
<th>No.</th>
<th>Functions/Modules</th>
<th>No.</th>
<th>Functions/Modules</th>
</tr>
</thead>
<tbody>
<tr>
<td>02</td>
<td>Guarantee Deposit Receipt Management</td>
<td>18</td>
<td>Truck License for Qualified Investors Management</td>
</tr>
<tr>
<td>03</td>
<td>Exchange Rate Management</td>
<td>19</td>
<td>Truck License for Petroleum Product</td>
</tr>
<tr>
<td>04</td>
<td>Legal Document Management</td>
<td>20</td>
<td>Local Goods Management</td>
</tr>
<tr>
<td>05</td>
<td>Inventory Management</td>
<td>21</td>
<td>Automated Summary Customs Declaration</td>
</tr>
<tr>
<td>06</td>
<td>Companies and Traders Management</td>
<td>22</td>
<td>Automated Customs Transit Declaration</td>
</tr>
<tr>
<td>07</td>
<td>Customs Declaration Status Monitoring</td>
<td>23</td>
<td>Integration the vehicle documents to the MPWT</td>
</tr>
<tr>
<td>08</td>
<td>Integration the national revenue settlement to the FMIS</td>
<td>24</td>
<td>Integration the LPCOs to the CNSW</td>
</tr>
<tr>
<td>09</td>
<td>Integration the Companies and Traders to the GDT</td>
<td>25</td>
<td>Daily Revenue Report Management</td>
</tr>
<tr>
<td>10</td>
<td>Electronic Payment (e-Payment)</td>
<td>26</td>
<td>Balance and Burden by State Report Management</td>
</tr>
<tr>
<td>11</td>
<td>Statistics Management</td>
<td>27</td>
<td>Temporary Entry and Exit Vehicle Management</td>
</tr>
<tr>
<td>12</td>
<td>Meeting Schedule and Mission Management</td>
<td>28</td>
<td>Printing Documents Management</td>
</tr>
<tr>
<td>13</td>
<td>Vehicle Documents Management</td>
<td>29</td>
<td>Customs Seal Management</td>
</tr>
<tr>
<td>14</td>
<td>Scan Container Result Management</td>
<td>30</td>
<td>Customs Officers Management</td>
</tr>
<tr>
<td>15</td>
<td>Mobile &amp; SIM Card Devices Management</td>
<td>31</td>
<td>Customs Brokers Management</td>
</tr>
<tr>
<td>16</td>
<td>Transport Document Management for Petroleum Product</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Automated simplified customs declaration is to be moved to ASYCUDA in 2023*
Adoption and Application of ICT in Trade Facilitation

- **Pre-Customs Processing**
  - OGAs
    - MOC
    - MAFF
    - MISTI
    - MOH
    - CDC
    -...
  - GDCE
    - Customs Permit
    - C.O Verification
    - Customs Valuation
    - Etc.,

- **Border Crossing Point Processing**
  - Customs Clearance
    - ASYCUDA
    - E-Customs
    - ACTS

- Consolidated registration and data exchange portal among government ministries and agencies - CamDX
- Trade information available through internet (i.e., customs website and mobile app, NCTF website, …)
- National Trade Repository
- NSW and ASW
## Improvements in TRS 2019 - 2021

### Imports (7 check points)

<table>
<thead>
<tr>
<th>TRS</th>
<th>Pre-Customs Clearance</th>
<th>Customs Clearance</th>
<th>Post-Customs Clearance</th>
<th>Overall Average Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Arrival → SAD Lodgement</td>
<td>SAD Lodgement → Cargo Release Note</td>
<td>Cargo Release Note → Physical Release</td>
<td>Arrival → Physical Release</td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>2d 9h 40m</td>
<td>0d 1h 8m</td>
<td>0d 6h 41m</td>
<td>2d 17h 13m</td>
</tr>
<tr>
<td>2019</td>
<td>3d 6h 27m</td>
<td>0d 1h 5m</td>
<td>0d 5h 39m</td>
<td>3d 13h 11m</td>
</tr>
</tbody>
</table>

### Exports (SHV Port)

<table>
<thead>
<tr>
<th>TRS</th>
<th>Pre-Customs Clearance</th>
<th>Customs Clearance</th>
<th>Post-Customs Clearance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Arrival → SAD Lodgement</td>
<td>SAD Lodgement → Cargo Release Note</td>
<td>Cargo Release Note → Physical Release</td>
<td>Arrival → Physical Release</td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>0d 1h 32m</td>
<td>0d 1h 23m</td>
<td>0d 6h 48m</td>
<td>0d 3h 44m</td>
</tr>
<tr>
<td>2019</td>
<td>0d 3h 24m</td>
<td>0d 1h 22m</td>
<td>0d 6h 9m</td>
<td>0d 4h 55m</td>
</tr>
</tbody>
</table>

Source: Cambodia TRS
Trade Facilitation Reforms in Relation to WTO TFA

<table>
<thead>
<tr>
<th>Provision</th>
<th>Heading/Description</th>
<th>Category</th>
<th>Definitive date for implementation for category C</th>
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<tbody>
<tr>
<td>Article 1.4</td>
<td>Notification</td>
<td>C</td>
<td>31 December 2023</td>
</tr>
<tr>
<td>Article 7.1</td>
<td>Pre-arrival Processing</td>
<td>C</td>
<td>31 December 2025</td>
</tr>
<tr>
<td>Article 7.7</td>
<td>Trade Facilitation Measures for Authorized Operators</td>
<td>C</td>
<td>31 December 2023</td>
</tr>
<tr>
<td>Article 8.2</td>
<td>Border Agency Cooperation</td>
<td>C</td>
<td>31 December 2025</td>
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<tr>
<td>Article 10.4</td>
<td>Single Window</td>
<td>C</td>
<td>31 December 2025</td>
</tr>
<tr>
<td>Article 11.5</td>
<td>Transit</td>
<td>C</td>
<td>31 December 2025</td>
</tr>
</tbody>
</table>
CHAPTER 2:
MECHANISMS FOR TRANSPORT
AND LOGISTICS SECTOR
ENGAGEMENT
**Customs-Private Sector Partnership Mechanism (CPPM)**

Established 2009 and officially launched 2010

- Cooperation and mutual understanding between Customs and private sector to address customs-related issues to the fullest extent possible.
- Four working groups: Customs-Export Oriented Garment Industry, Customs-Export Oriented Non-Garment Industry, Customs-Domestic Market Oriented Business, Customs-SME WG.
### CPPM Meetings and Private Sector Actors

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
<th>Num. Issues raised by Private Sector</th>
<th>Num. Issues Addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPPM 1</td>
<td>Oct-09</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>CPPM 2</td>
<td>Feb-10</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>CPPM 3</td>
<td>Jun-11</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>CPPM 4</td>
<td>Feb-14</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>CPPM 5</td>
<td>Jul-15</td>
<td>48</td>
<td>45</td>
</tr>
<tr>
<td>CPPM 6</td>
<td>Jun-16</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>CPPM 7</td>
<td>Dec-18</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>CPPM Special</td>
<td>Jul-20</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>CPPM 8</td>
<td>Nov-21</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>CPPM 9</td>
<td>Feb-22</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

Cambodia Chamber of Commerce  
Textile, Apparel, Footwear & Travel Goods Association in Cambodia  
Cambodia Trucking Association  
Cambodia Logistic Association  
Cambodia Rice Federation  
Federation of Associations for SMEs of Cambodia  
Young Entrepreneurs Association of Cambodia  
Cambodia Women Entrepreneurs Association
Other Customs-Private Sector Consultative Mechanism

Foreign Biz Associations
- Japan Business Association in Cambodia (JBAC)
- European Chamber of Commerce (EUROCHAM)
- American Chamber of Commerce (AMCHAM)
- Japan External Trade Organization (JETRO)
- Korea Trade-Investment Promotion Agency (KOTRA)

Cambodian Biz
- Automotive Industry Federation of Cambodia (CAIF)
- Cambodian Automobile Dealers Association (CADA)
- Cambodia Livestock Raisers Association (CLRA)

EUROCHAM WHITE BOOK 2023 to include chapters specifically on ‘Customs, Transport, and Logistics’ as well as ‘Trade Policy’
Government - Private Sector Forum (G-PSF)

Launched by Prime Minister in 1999 to:

- Resolve problems raised by Private sector
- Collect feedback on draft private sector-related policy laws and regulations from the Private Sector

Government, Sec at CDC

- Ministry of Agriculture
- Ministry of Tourism
- Min/ of Industry
- Ministry of Economy & Fin.
- Ministry of Economy & Fin.

Working Groups

- Agriculture
- Tourism
- Manuf and SME
- Law, Tax, Governance
- Export processing and trade facilitation
- Banking and Fin
- Energy & Transport Infrastructure
- Industrial relations

Private Sector, Sec at CCC

- Agriculture Associations
- Tourism Associations
- SME Associations
- International Business Chamber
- Export, Transports and Logistics Associations
- Banking Associations
- Transports and Logistics Associations
- Employers and Business Associations
**Private Sector WG**
- Identify issues to be advocated
- Agree with government on issues to be solved
- Assess progress and address urgent matters
- Hold regular meetings, every 1 or 2 months
- Open to all rep of private companies and business association

**WG Dialogue**
- With rep from gov ministries and agencies
- Dialogue on implementation of the strategic issues
- Address new urgent issues
- Meet regularly (twice a year)
- Participants: rep of association or owners of the issues

**Plenary Forums**
- Reports from gov Co-Chairs to PM
- Private Sector Co Chairs present 2-3 Issues not yet solved
- PM Recommends action
- Meet once a year
- Announces decisions
NCTF – an inter-agency mechanism established in 2020, with Sec at Customs

Enable non-customs authorities and related private sector stakeholders to take part in a structured dialogue on trade facilitation.

- Comment on the proposed introduction or amendment of laws and regulations related to trade facilitation
- Capacity building on WTO TFA measures including AEO, Single Window, Transits, PAP, and others.
CHAPTER 3:

FOR THOUGHT: ENGAGE MORE AND ENGAGE BETTER
Engage More and Engage Better

- Recognizing the relationships between T&L actors and customs / related government institutions, existing and emerging mechanism of engagement, and structures.

- Targeting specific groups or individuals who are openly & actively engaged in dialogues with gov, i.e., CCC, TAFTAC, CLA.

- Proactive advocacy by creating opportunities to participate at related consultation dialogues with government, i.e., to jointly review the current supporting environment and gaps in term rule & procedures, legal and regulatory aspects, and application of the ICT solution, and to offer expert inputs & regional and int'l best practice and experience; through White Book.

- Making environment conductive for electronic data exchange with customs to benefit from TF measures such as PAP/PDP – to be soon implemented for maritime, express, and postal shipments.
Showcase 1: EuroCham Transport and Logistics Committee Engaging with Gov on Trade

- 3 March 2021 T&L representatives participated in Technical Working Group 3 "Customs-Trading for Local Consumption"
- 23 March 2021 T&L participated in a virtual consultative meeting with the EU Delegation of Trade on Cambodia Customs Progress and Challenge
- 21 Oct 2021 – T&L joined EU-ABC meeting with Minister of Commerce to discuss on trade facilitation of E-Commerce and Cross-border Paperless.

- 22 Oct 2021 – T&L joined EU-ABC meeting with Minister of Health to discuss on Import and Export license for medical supplies.
- 24 Jun 2022 T&L joined MEF's Policy Department Consultative meeting on GDCE customs service provision.
- 24 Jun 2022 T&L joined MEF's Policy Department Consultative meeting on GDCE customs service provision.
- 28 March 2023: Courtesy meeting with H.E. Dr Kun Nhem at the GDCE
Showcase 2: Engagement Opportunities through DP Programs and Projects

- Interest of various development partners (DPs) in trade facilitation support in Cambodia is high
  - ARISE Plus Cambodia project, for example, is currently considered the largest among all in terms of scope and scale, working on NSW, AEO, RM, PAP/PDP
  - Swisscontact, on behalf of the Global Alliance for Trade Facilitation, is working alongside GDCE and Cambodia Post for the implementation of the Electronic Advanced Data (EAD) to expedite the customs clearance process of int'l postal shipments.

- DPs frequently coordinated and facilitate for participation of industry experts at consultative meetings with customs, i.e., CAPEC and 26 express operators were invited to customs workshop on cross-border express shipments.