Enhancing Information Exchange in International Supply Chains

Asia Pacific Trade Facilitation Forum
October 2012, Colombo, Sri Lanka
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 SM Es »
Source: Pascal Lamy, WTO Director General, Dec 2011
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
How to run a $18 trillion business with last centuries technology

Trade documents:
- Concept hasn’t changed much for centuries
- Data push concept
- One size fits all
- Work flow in the document: signatures, authentication,..
- Human processing only
- Fax, photocopy, printers: even more paper
Information in global supply chains
- The blind leading the blind -

- Many parties that know very little for sure
- What's in the box? Who stuffed it? Is the consignment complete? ...
- Essential information is often not from the originator
- Most information is «agent to agent», «said to contain»,...
- Traders state a general lack of transparency in global supply chains
- .. leading to huge and costs..
- .. and risks for the governments

Source: CEFACT Logistics Process BRS, Cargo Tracking, P108
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
- CEFACT Revision of Rec 14 on authentication of documents by means other than signature-with ISO and UNCITRAL
- new frameworks for trust, accessibility, ..
- Governments need to provide these frameworks

*GS1, 2012
Single Window recommendation

- UNECE Recommendation
- Asia and Central Asia, Africa, Central and Latin America
- Spearheaded by developing countries and emerging economies
- SWs increased the national competitiveness
- SW become an asset for organising information exchange in global trade
Single Window concepts today

- Single Window today: one term, many meanings
- Many information systems for global supply chains:
  - e-Customs, PCS, Government agency systems, national logistics systems, cross border information systems, ..
- SW as a network of systems
- Objective is collaboration of stakeholders and simplification of procedures
- SW planning as a challenge
Evolution of the Single Window concept

- SW seen as a process of reform and innovation
- Main objective: simplification and collaboration
- Automation an instrument, not means end
- From central SW towards networks for information management in SC
- Countries need to plan the evolution of their SW systems

Single Window: *The journey has just begun!*
- Port Community Systems within Single Window
- Cross border information exchange
- Connecting SW from developing and developed countries
- Smart supply chains: T&T, smart food, data pipeline concepts,..
Policy makers and managers to develop a SW vision and plan

Evolution of the SW: phases, objectives, costs, benefits, KPI

Structured approaches to plan and manage SW projects

UNNEXT Guide bringing together standards, research and managerial best practices

A network for exchange of experience and knowledge
A tool for simplifying cross-border trade
Purpose:
• Present concepts, standards and recommendations that can simplify trade throughout the international SC, along with implementation approaches & methodologies.

Target:
• Policymakers and high-level managers
• Implementers and technical experts
…from governments, businesses and international organizations

Format:
• A web-based interactive tool
• In a wikipedia style (with entry points and cross links to navigate contents)

Key milestones:
• Sept 2011: launch of the project
• Jul-Aug 2012: final draft and peer review
• Sept 2012: online publication
• Oct-Dec 2012: translation into French and Russian
• Jan-Dec 2013: Workshops in Europe, Central Asia, Asia Pacific, Africa, Middle East and Latin America
Why

- Suggested Itineraries:
  1. Reducing border delays,
  2. Documents simplification and data harmonisation;
  3. Creating partnership with trade;
  4. ICT application;
  5. WTO negotiations,....

Domains:

- Business: Purchasing, Shipping & Transport, Customs & Cross Border Management, Payment
- Approaches and Methodologies: Business Process Analysis, Consultation_Collaboration, E-Business Solutions

Where

How

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With what

- Instruments
  Conventions, Standards and Recommendation, Guides, Case Stories

Who

- Organisations
  UNECE – UN/CEFACT, UNESCAP, WTO, UNCTAD, ITC, WCO, etc.
Thank you

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United Nations, UNECE

UNNEXT: www.unece.org/trade/unnext.html
TIFIG: www.unece.org/trade/tfig