



Business Process Analysis: on Export of Cassava/Maize

Presentation of Findings to
the Supreme National Economic Council

InterContinental Hotel, Phnom Penh
April 19, 2013

Scope/Methodology

- The BPA is based on Unified Modeling Language (UML), which provides a set of standard graphical notations for business process modeling.
- The use case diagram serves as a project's frame of reference.
 - Its purpose is to present a graphical overview of core business processes including all stakeholders that are involved in these business processes.
- The activities diagram an elaboration of each business process displayed in the use case diagram.
 - It portrays a sequence of activities and documentary flows from one responsible party to another.

Scope/Methodology

- The first BPA was conducted in 2010-2011 “An Analysis of Trade Facilitation and Import/Export Processes in Cambodia” at the requested by the Supreme National Economic Council.
- The BPA of cassava and maize export was commissioned in 2012 with the aim to include these 2 strategic crops in the recently implemented one window service, i.e., a facility that facilitates exporters in completing documentary requirements of various government agencies involved in the international trade.

Scope/Methodology

- The compelling reason, then as it's now, for conducting the BPA survey is that the results of the analysis may well be served as a baseline for implementing trade facilitation measures, not only for the selected products, but for the export/import sector such as:
 1. Simplification of trade procedures (including commercial, transport, regulatory and financial procedures);
 2. Simplification of documentary requirements and their alignment with international standards; and
 3. Ultimately automation of international trade transaction and its associated electronic documents for paperless trade systems.

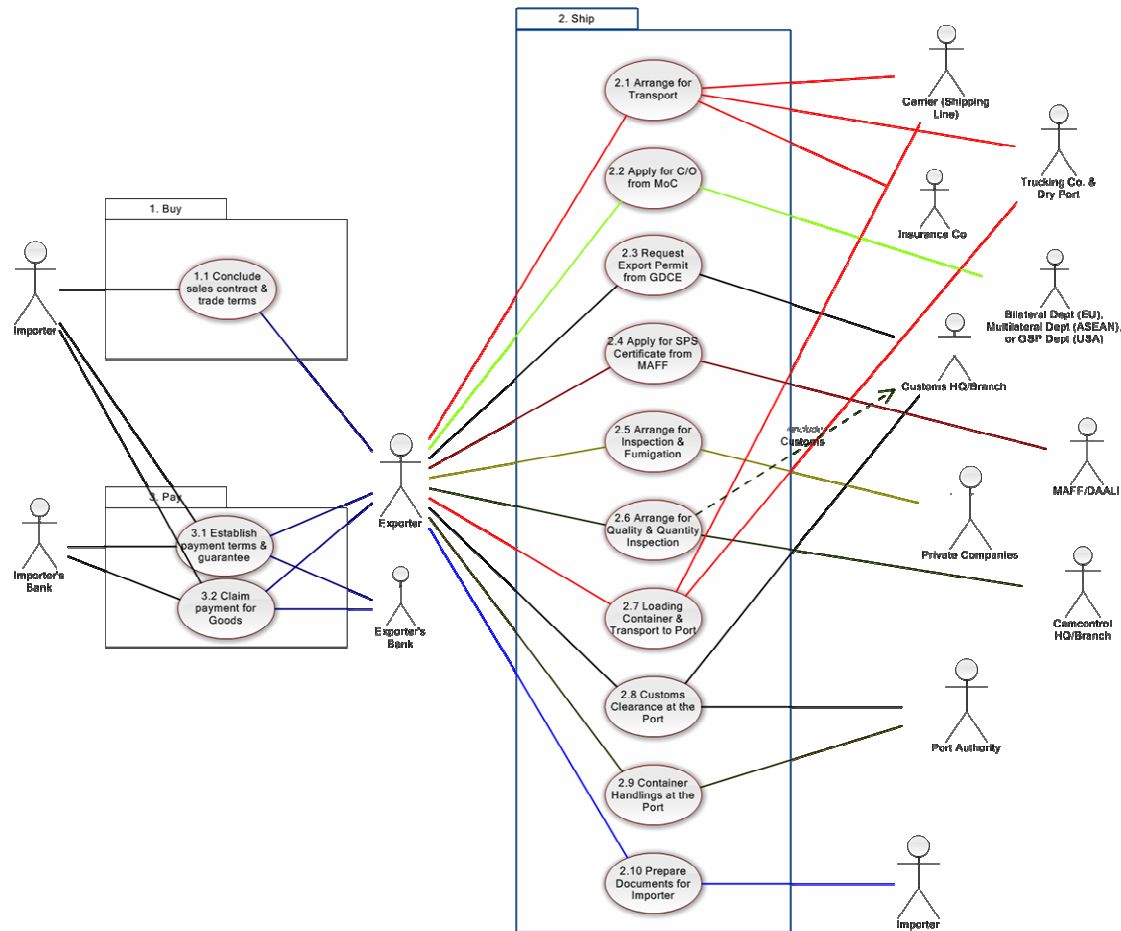
Scope/Methodology

- The analysis of cassava and maize export process covered all 3 processes areas of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) International Supply Chain Model.
1. **Buy:** the conclusion of trade terms and the establishment of sales contract.
 2. **Ship:** the arrangements for cargo movement and the completion of necessary actions to meet regulatory requirements of both export and import countries.
 3. **Pay:** the claim for the payment for the purchased cargo, once its delivered and meet all certain conditions and requirements.

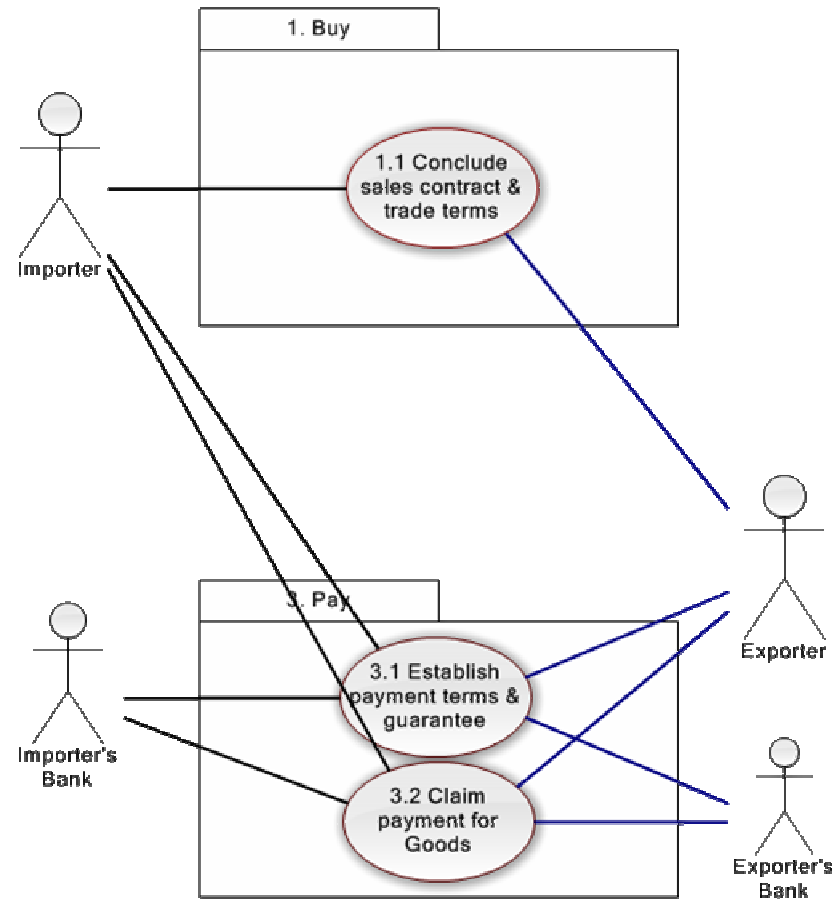
Scope/Methodology

- The analysis of cassava and maize export process was based on the assumptions of which.
 1. Cassava and maize is exported to China.
 2. Cassava and maize is shipped by an ocean transport via SAP.
 3. Cassava and maize is sent in a 20-foot full container load.
 4. Trucking co. delivers an empty container to exporter's premise for loading and brings the loaded container to the Port container yard before loading it onto the vessel.
 5. The cargo is delivered under the C.F.R term for cassava where an exporter arranges and absorbs the costs of shipping to the port of destination and F.O.B term for maize.
 6. Cassava C.F.R. US\$255 per ton and maize F.O.B. US\$250 per ton.
 7. The payment for the purchased is made by a letter of credit, involved only the importer and exporter banks, no third party guarantee bank.
 8. Quoted price in November 2012.

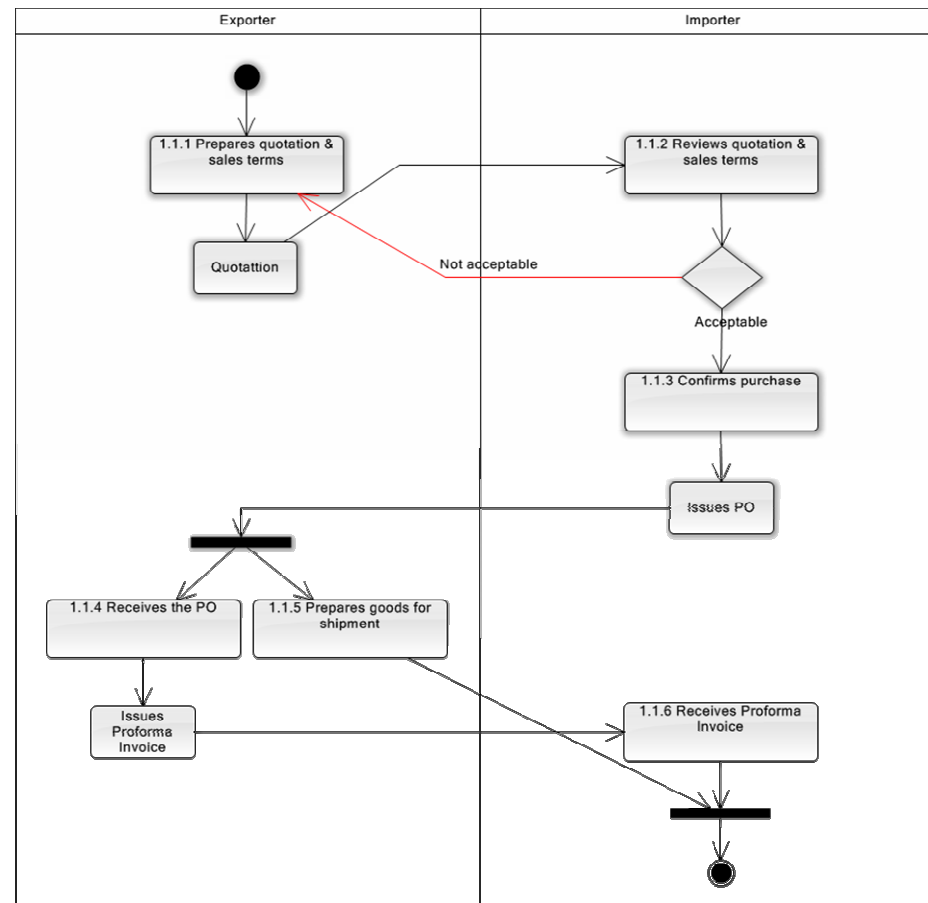
Use Case Diagram of Business Processes of Cassava/Maize Exports



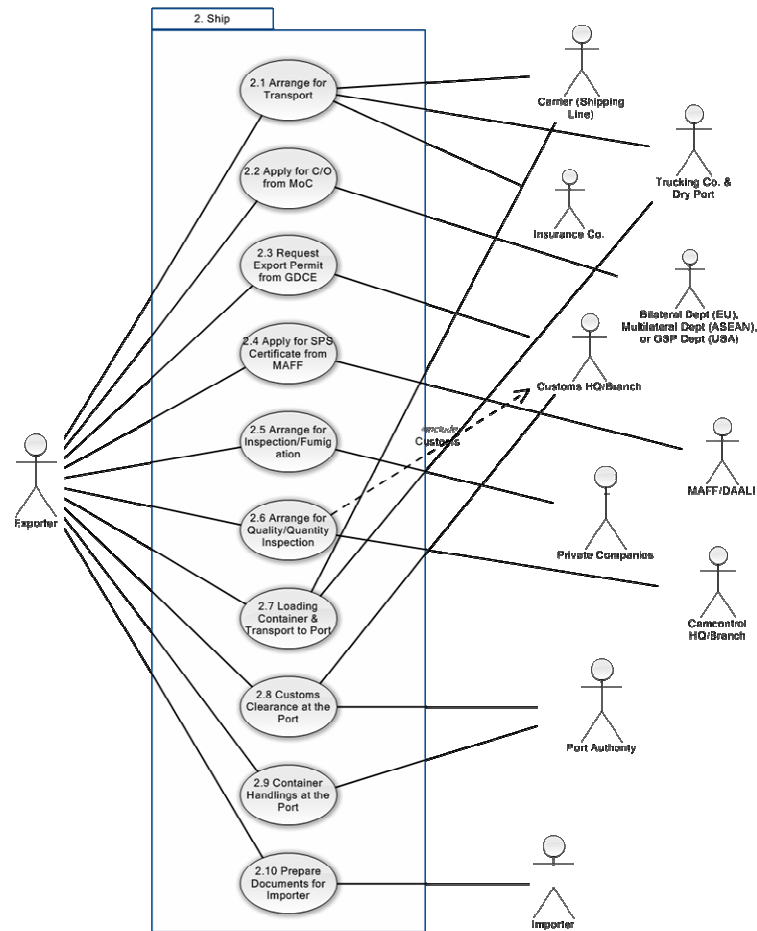
Use Case Diagram Process Area: 1. Buy



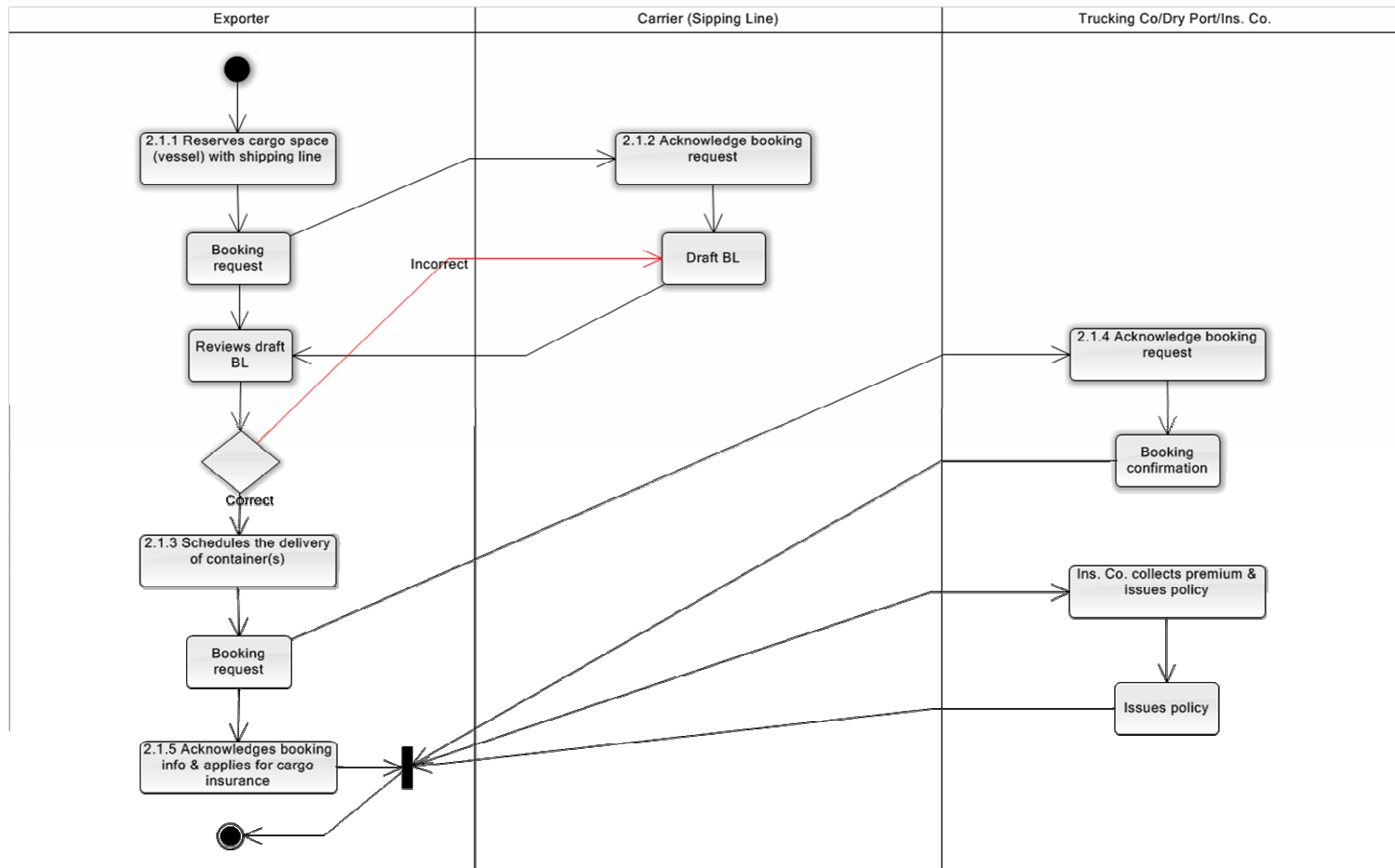
Core Business Process Area 1.1: Conclude Sales Contract/Trade Terms



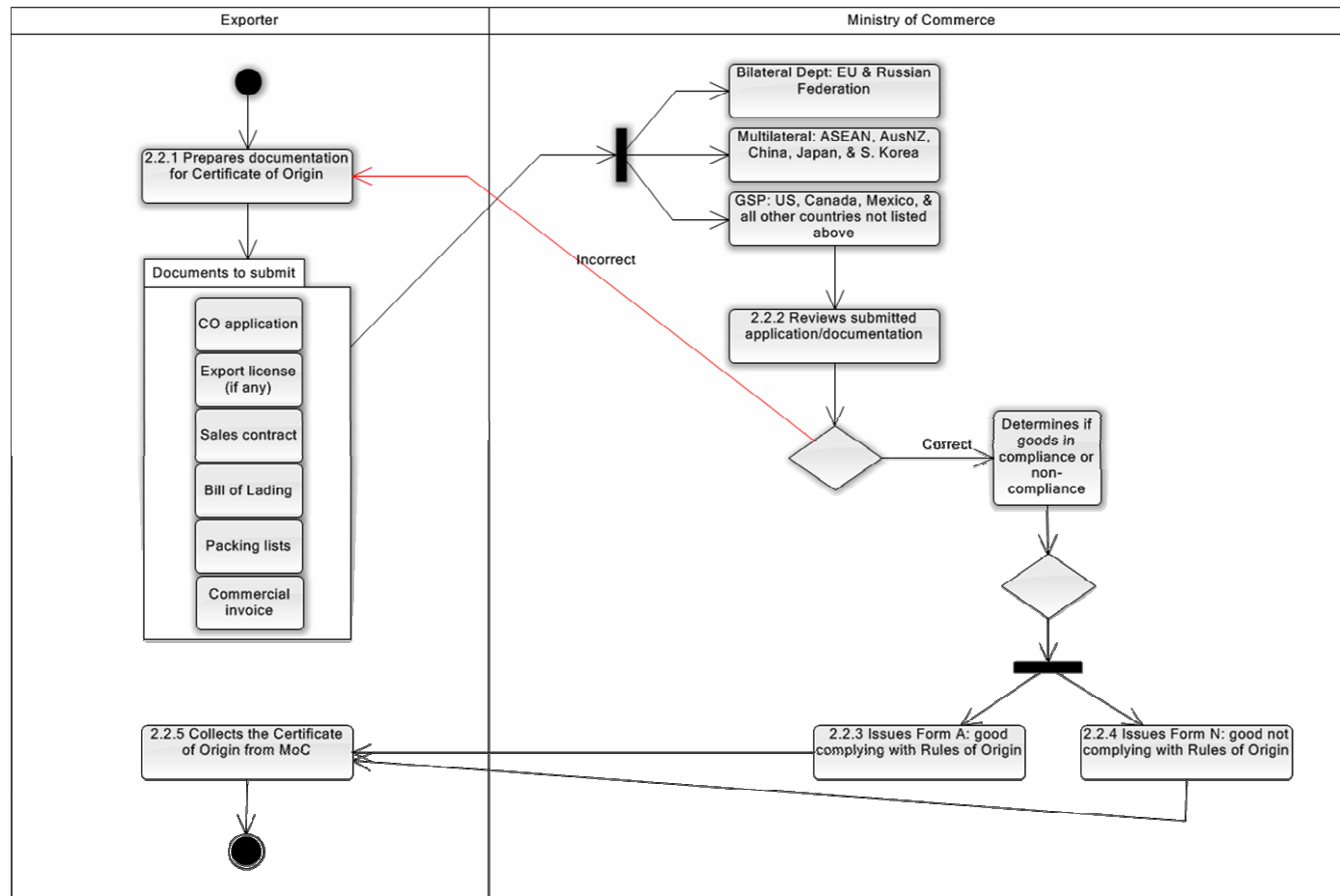
Use Case Diagram Process Area: 2. Ship



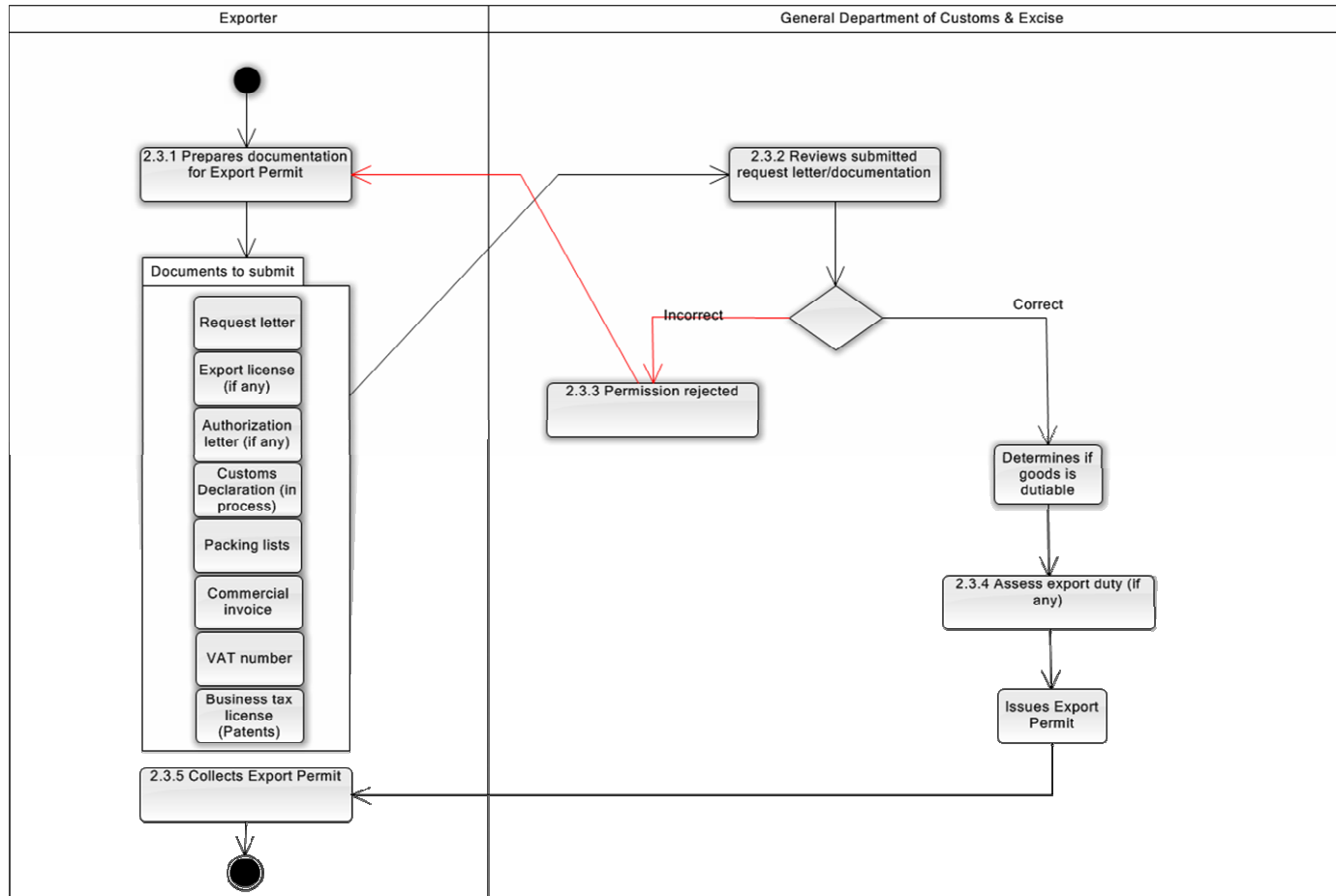
Core Business Process Area 2.1: Arrange for Transport



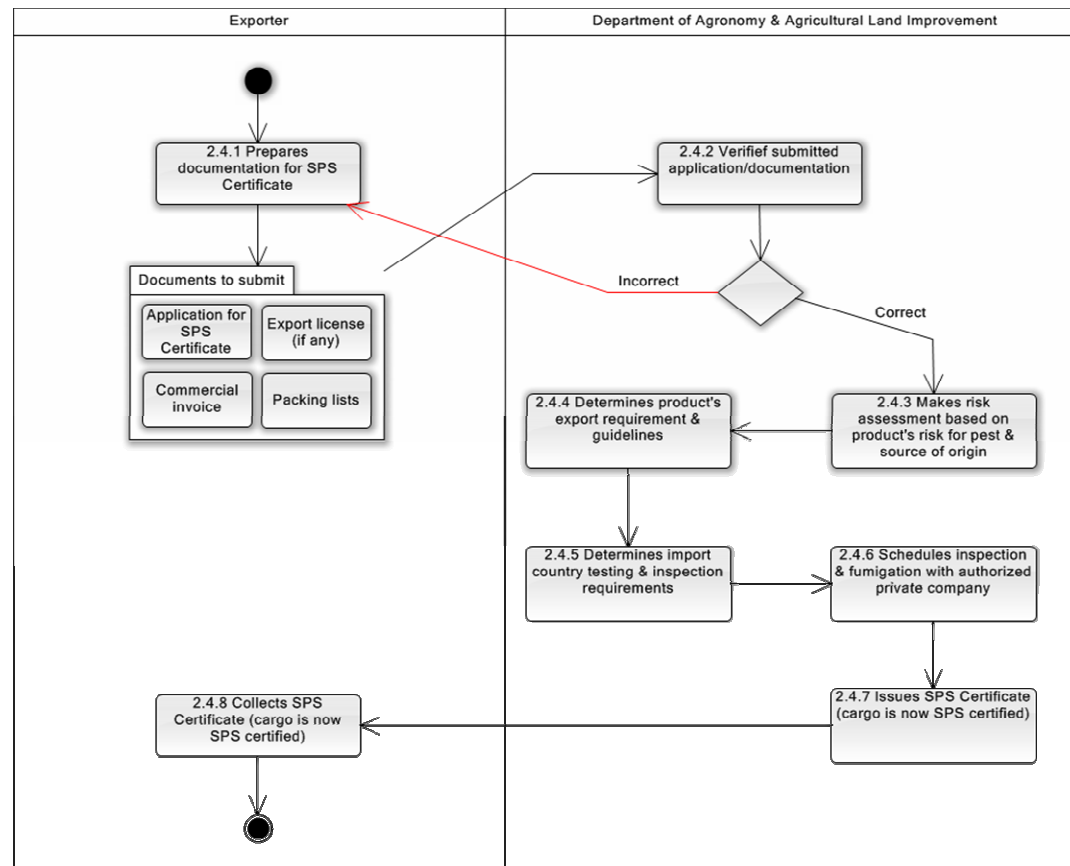
Core Business Process Area 2.2: Apply for Certificate of Origin



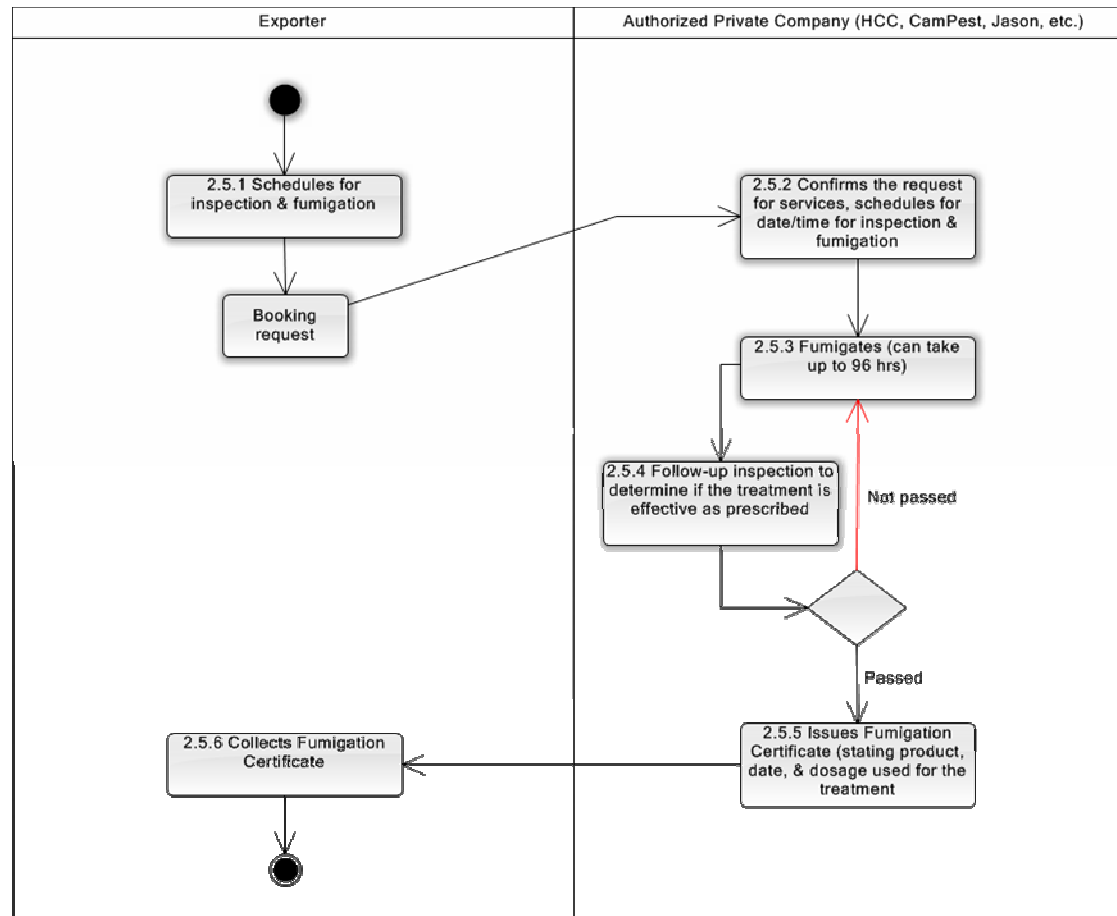
Core Business Process Area 2.3: Request for Export Permit from GDCE



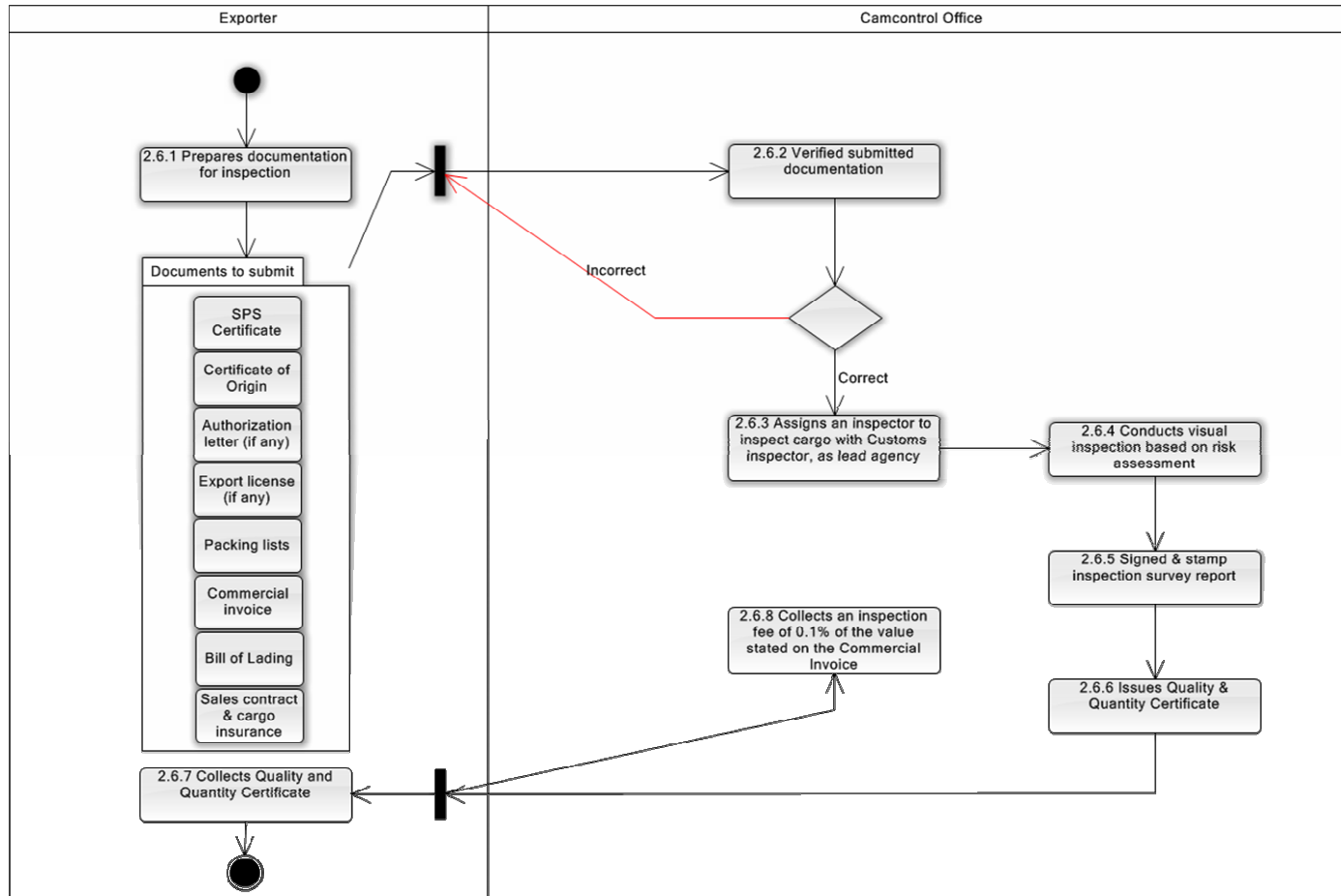
Core Business Process Area 2.4: Apply for SPS Certificate



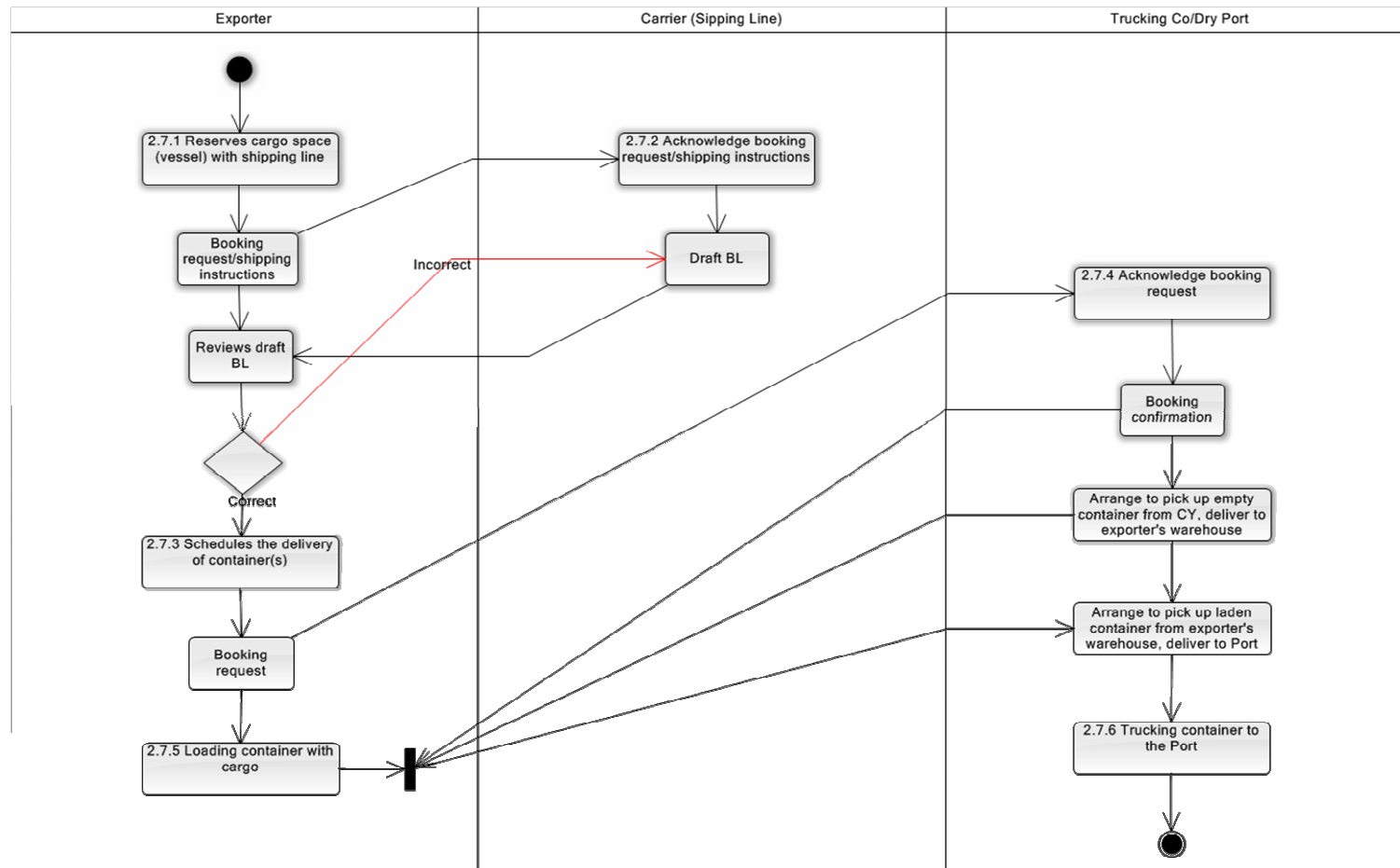
Core Business Process Area 2.5: Arrange for Inspection/Fumigation



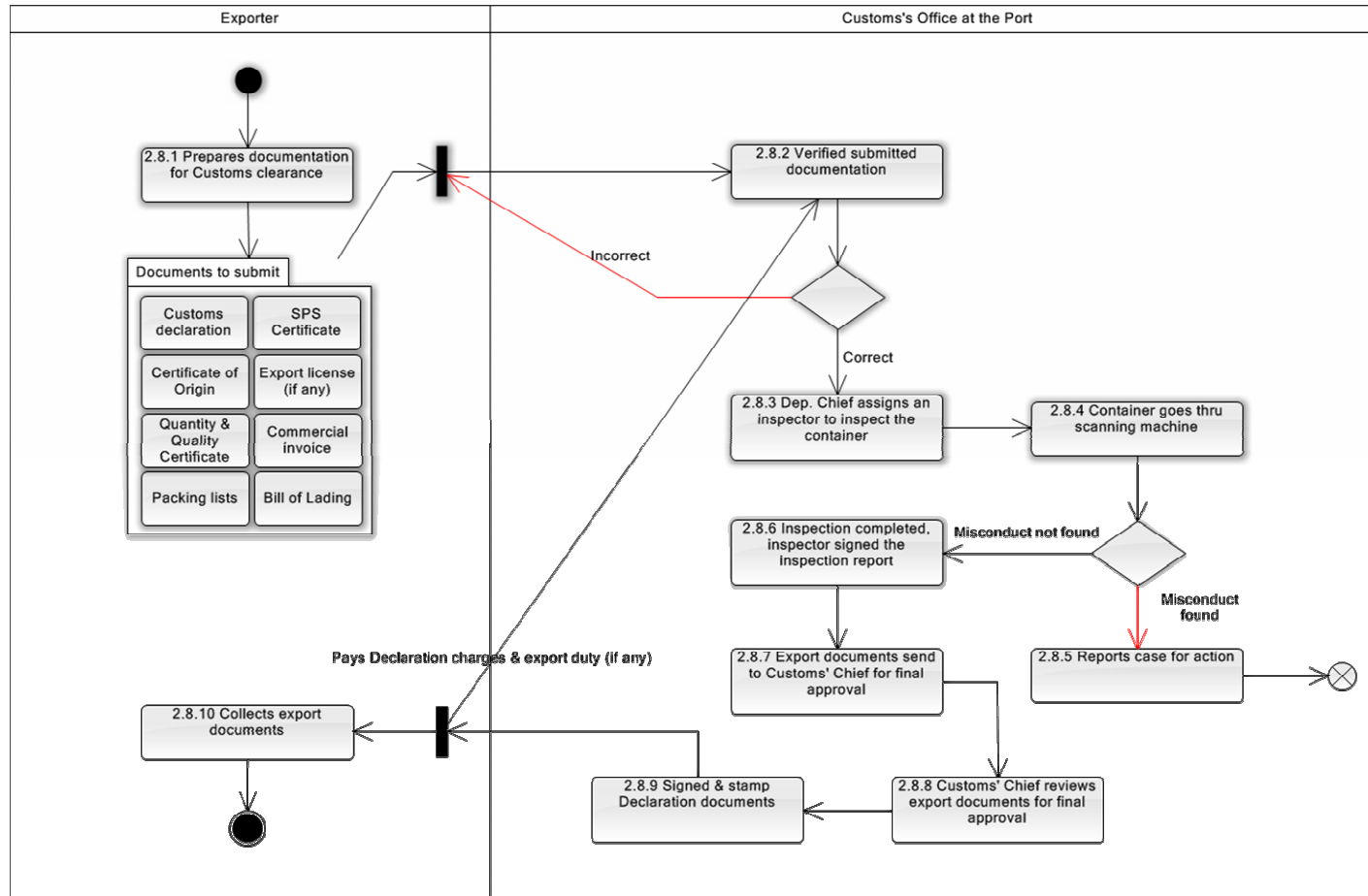
Core Business Process Area 2.6: Arrange for Quality/Quantity Inspection



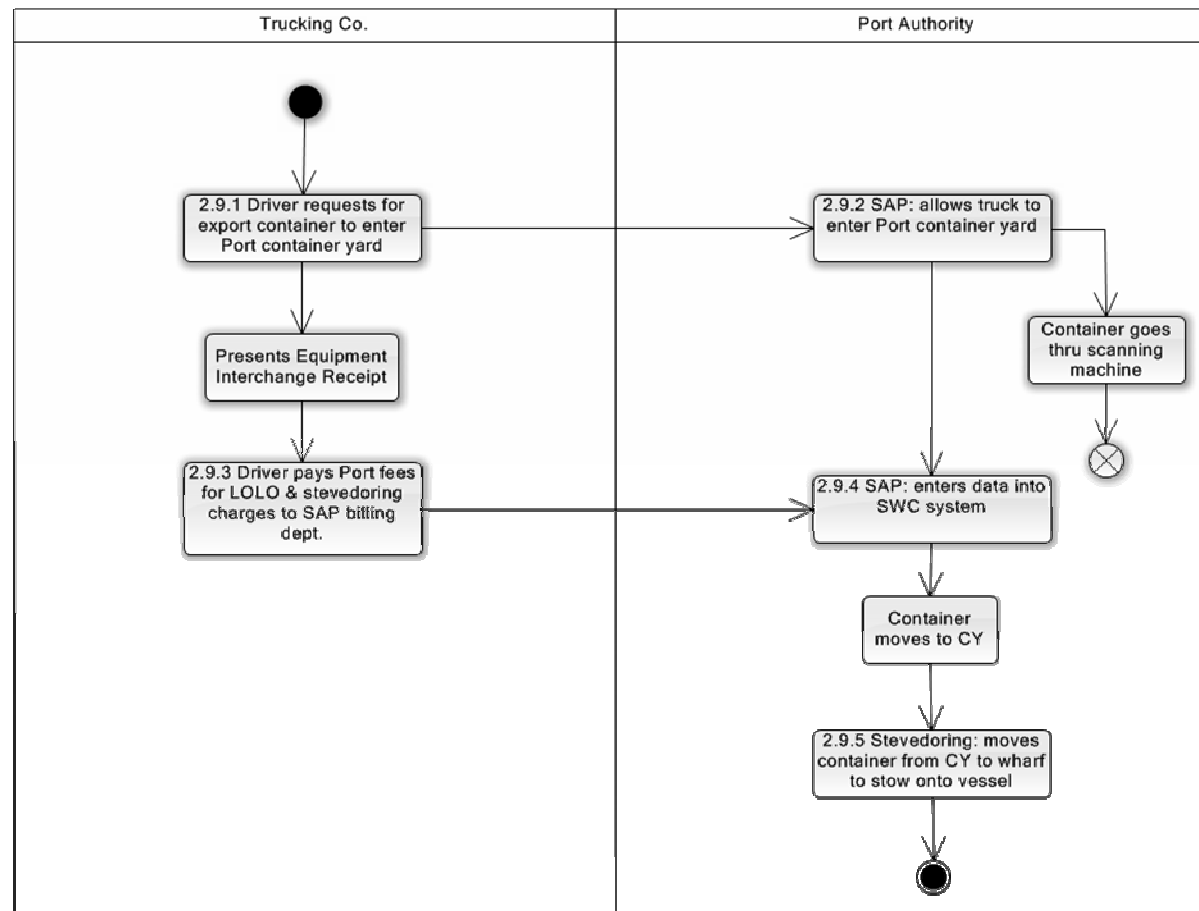
Core Business Process Area 2.7: Loading Container/Transport to Port



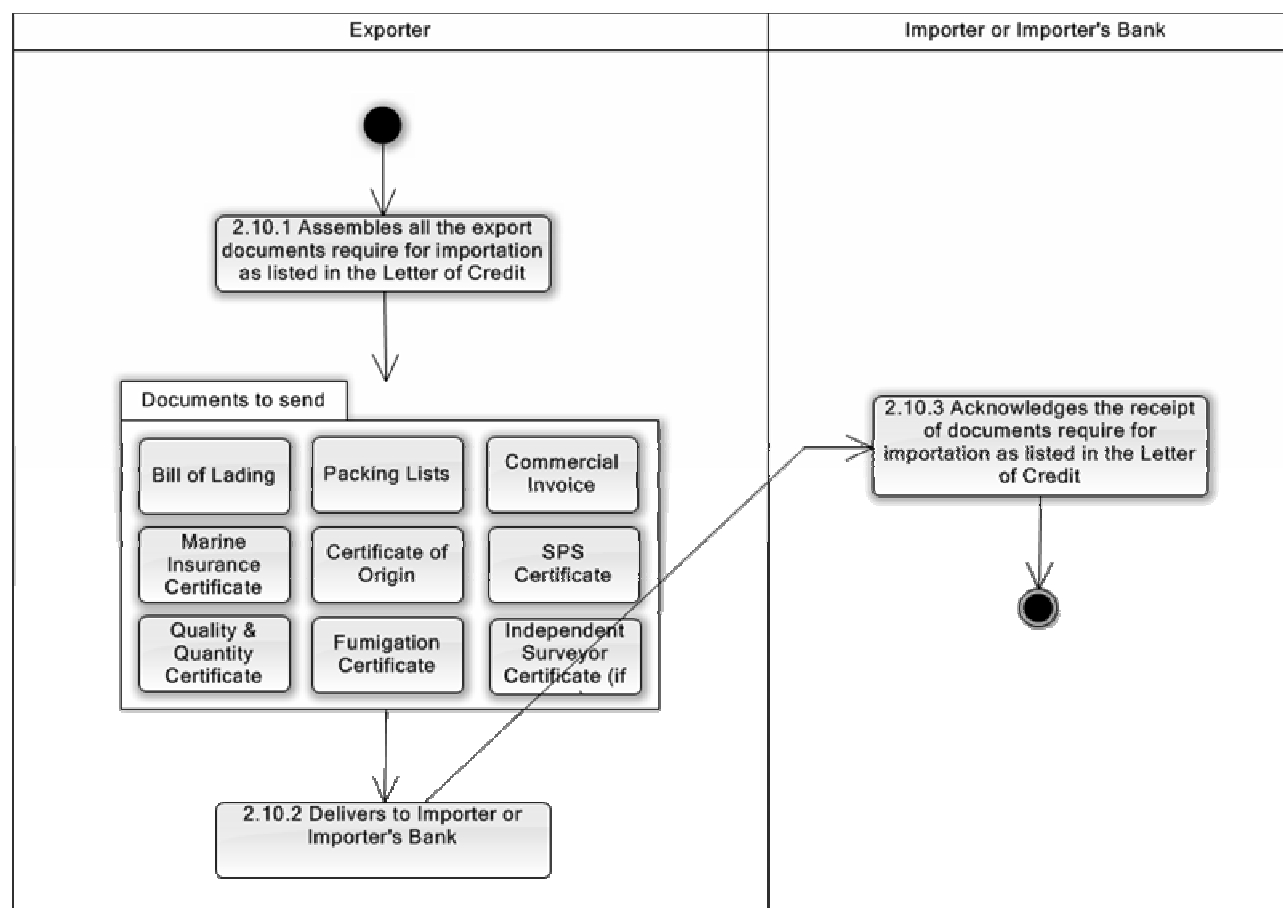
Core Business Process Area 2.8: Customs Clearance at the Port



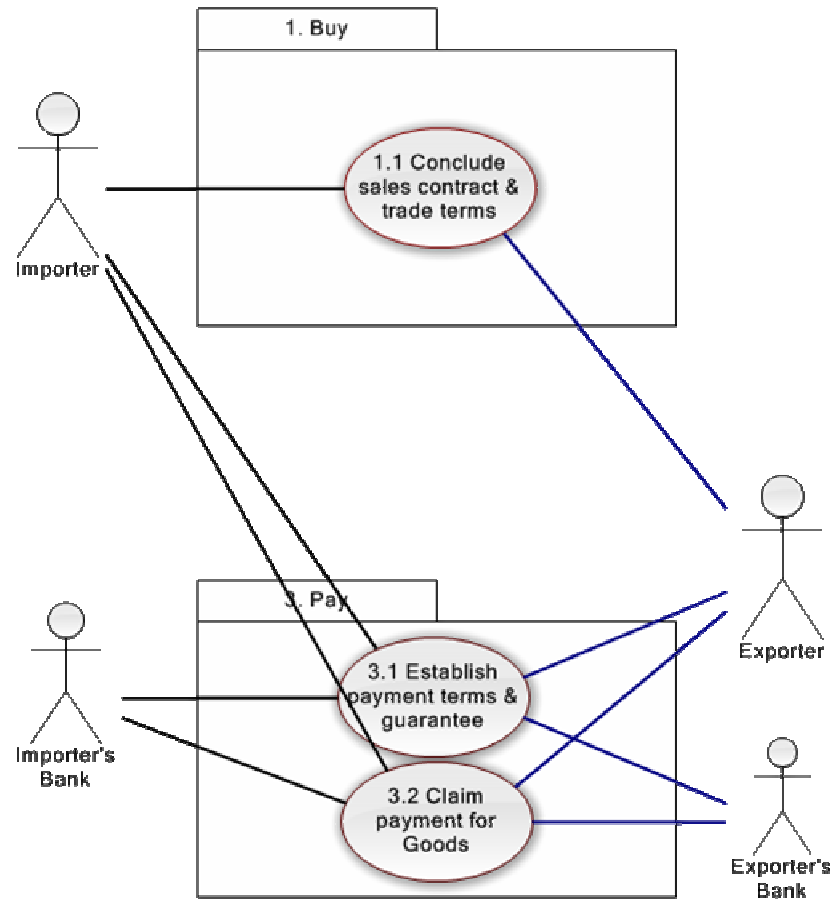
Core Business Process Area 2.9: Container Handlings at the Port



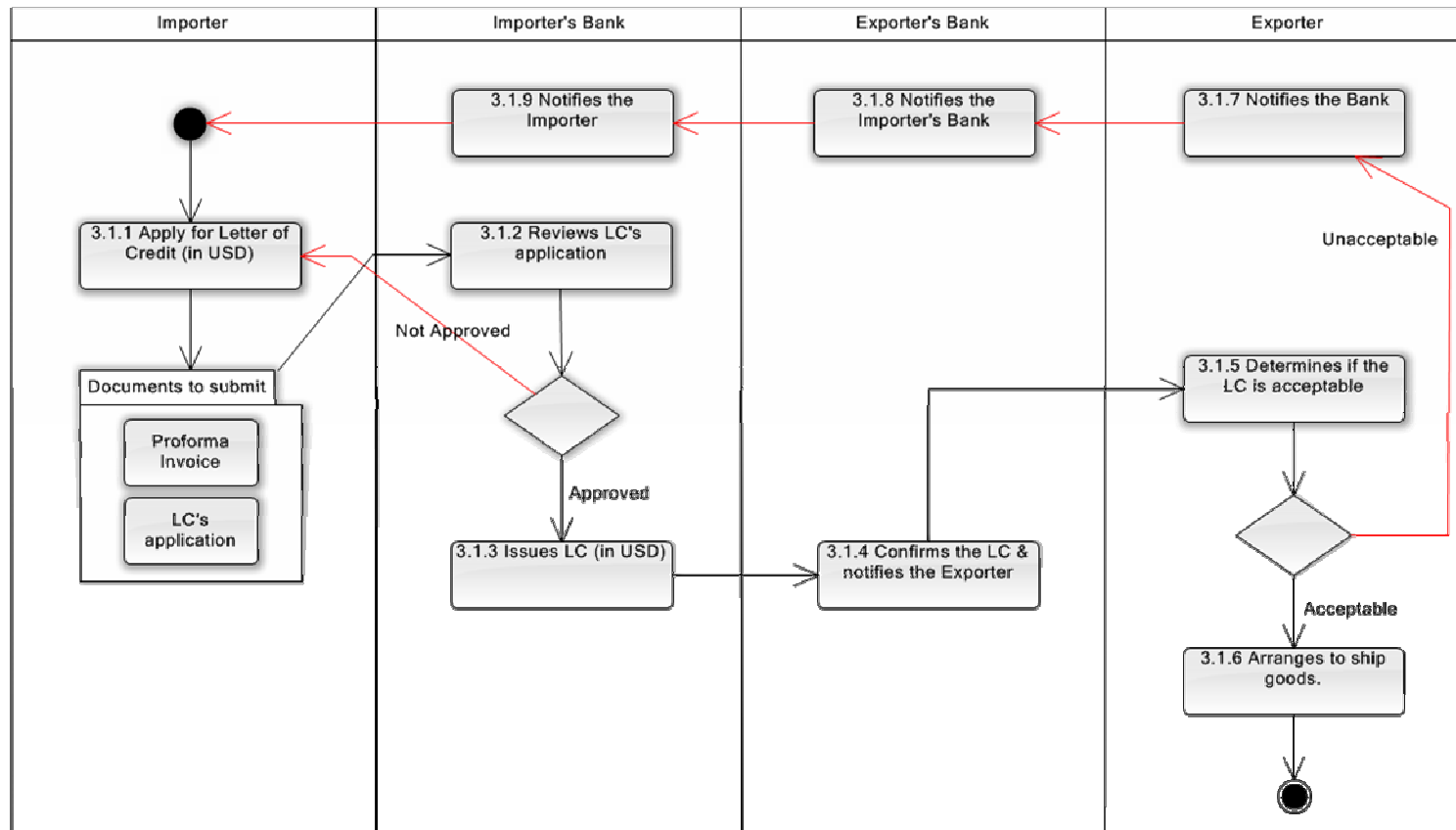
Core Business Process Area 2.10: Arrange for Transport



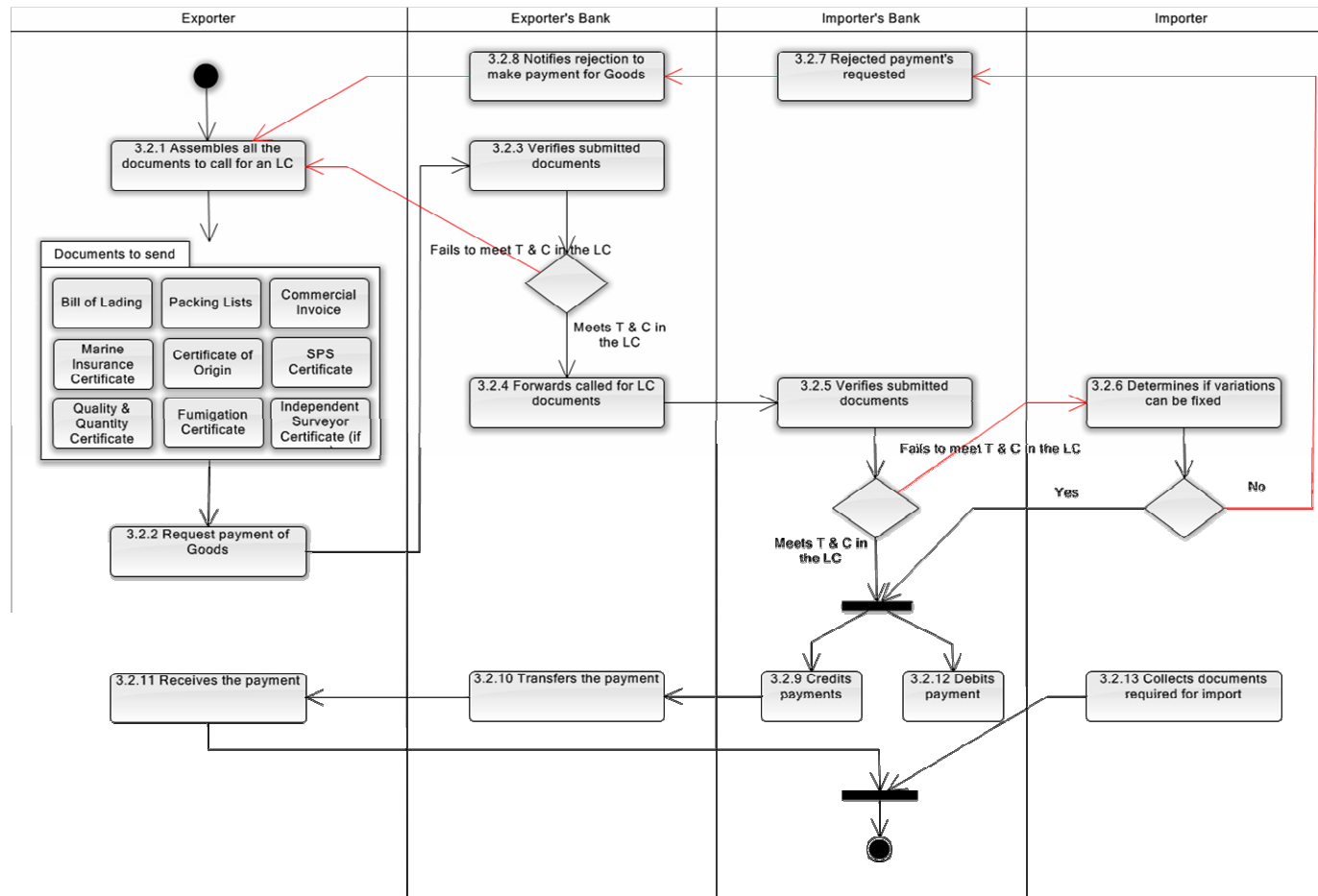
Use Case Diagram Process Area: 3. Pay



Core Business Process Area 3.1: Establish Payment Terms/Guarantee

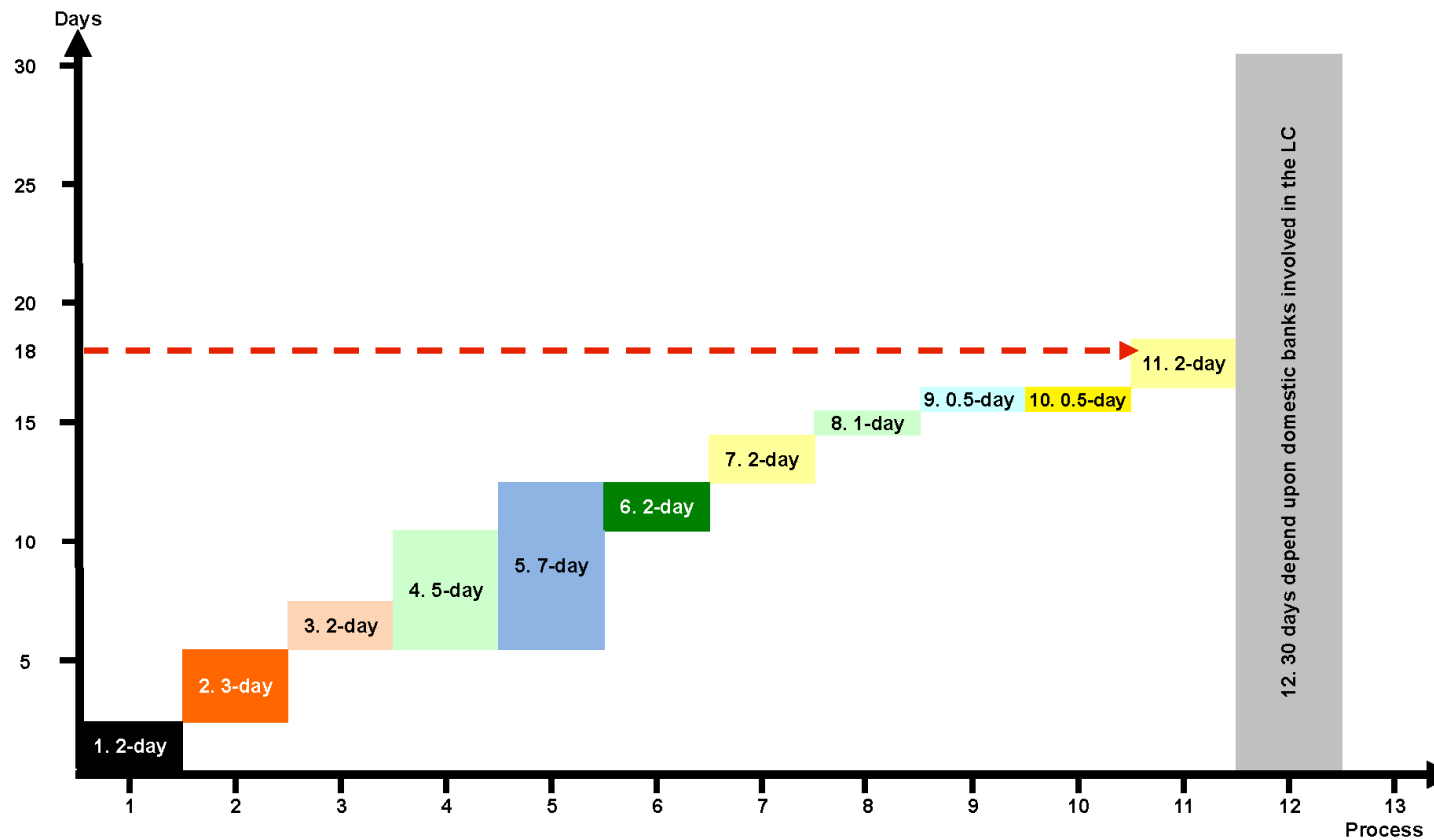


Core Business Process Area 3.2: Claim Payment for Goods



Time Chart to Export Cassava/Maize

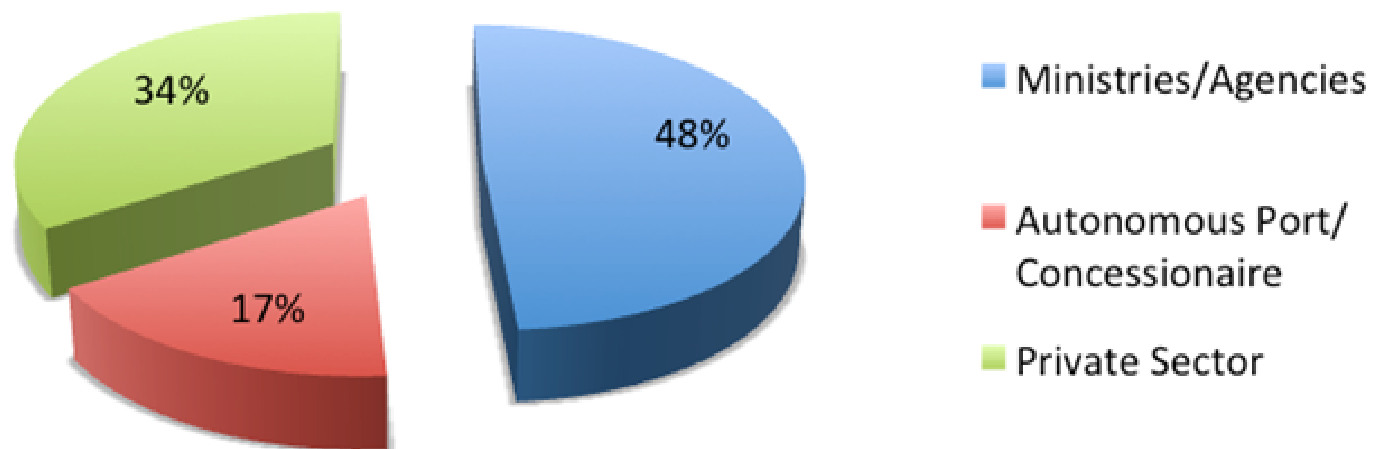
TIME PROCEDURE: CASSAVA & MAIZE EXPORT PROCESSES



Time Chart to Export Cassava/Maize

Processes	Days
1. Buy	2
2. Arrange for Transport	3
3. Apply for CO	2
4. Request for Inspection/Fumigation	7
5. Apply for SPS Certificate	
6. Apply for Export Permit	2
7. Load & Transport Container to Port	2
8. Request for Weight & Quality Inspection	1
9. Customs Clearance at the Port	1
10. Container Handlings at the Terminal & Stow onto Vessel	
11. Prepare Documents for Importer as Listed on LC	2
12. Claim Payments for Goods, may be up to...	30
Total Costs (US\$)	\$1,124
Number of Days to Complete the Processes	18
Number of Days to Receive Payment (approximately)	30

Estimated Export Costs in % (US\$1,124) per TEU



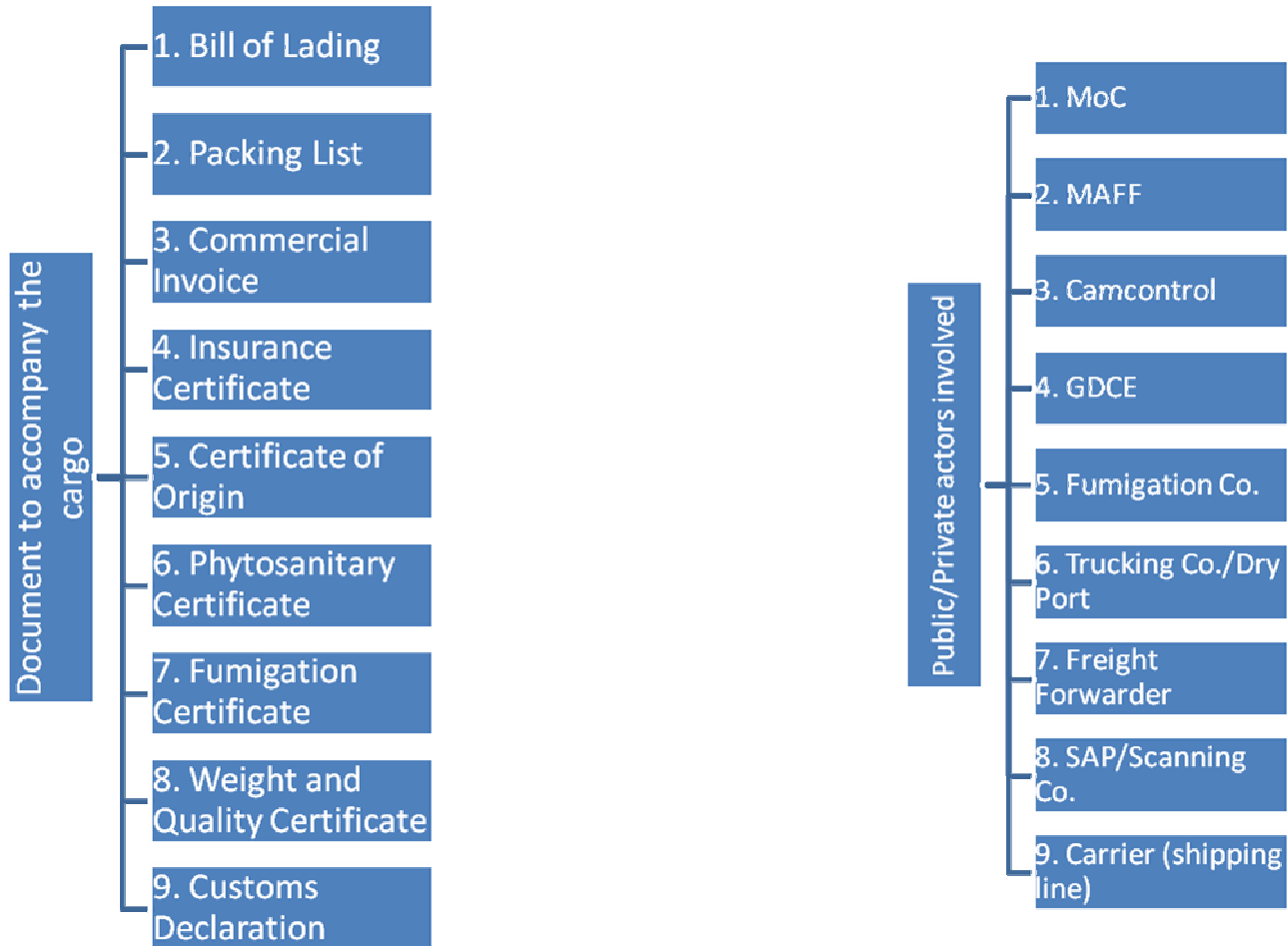
Costs Involved in Exporting

Ministries/Agencies	Fees	Costs (%)	Applied to
• MoC			
1. Certificate of Origin	\$200	17.8	Shipment
• Camcontrol			
1. Certificate of Weight/Quality	30	2.7	TEU
2. Inspection	35	3.1	
• GDCE			
1. Export Permit	170	15.1	TEU
2. Customs Clearance	70	6.2	
• MAFF			
1. SPS Certificate	35	3.1	TEU
Sub-total	\$540	48.0	

Costs Involved in Exporting

Autonomous Port/Concessionaire	Fees	Costs (%)	Applied to
• Private Co.			
1. Container scanning	\$40	3.6	Shipment
• SAP			
1. LOLO	26	2.3	TEU
2. THC	120	10.7	
Sub-total	\$186	16.6	
• Private Sector			
1. Fumigation Certificate	\$50	4.4	TEU
• Inland Transport	268	23.8	TEU
• Freight Forwarder	80	7.2	TEU
Sub-total	\$398	33.6	

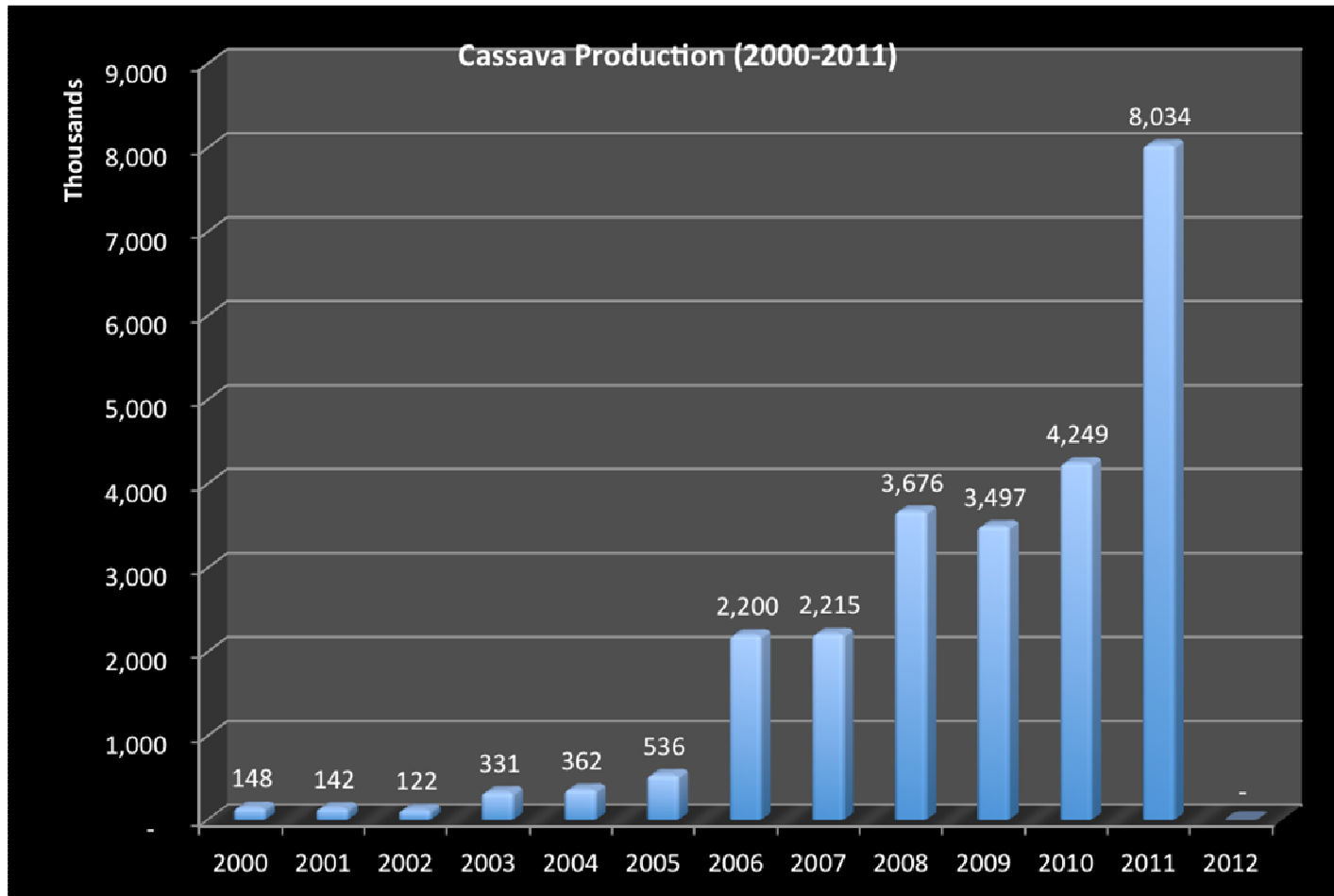
Documents Involved in Exporting



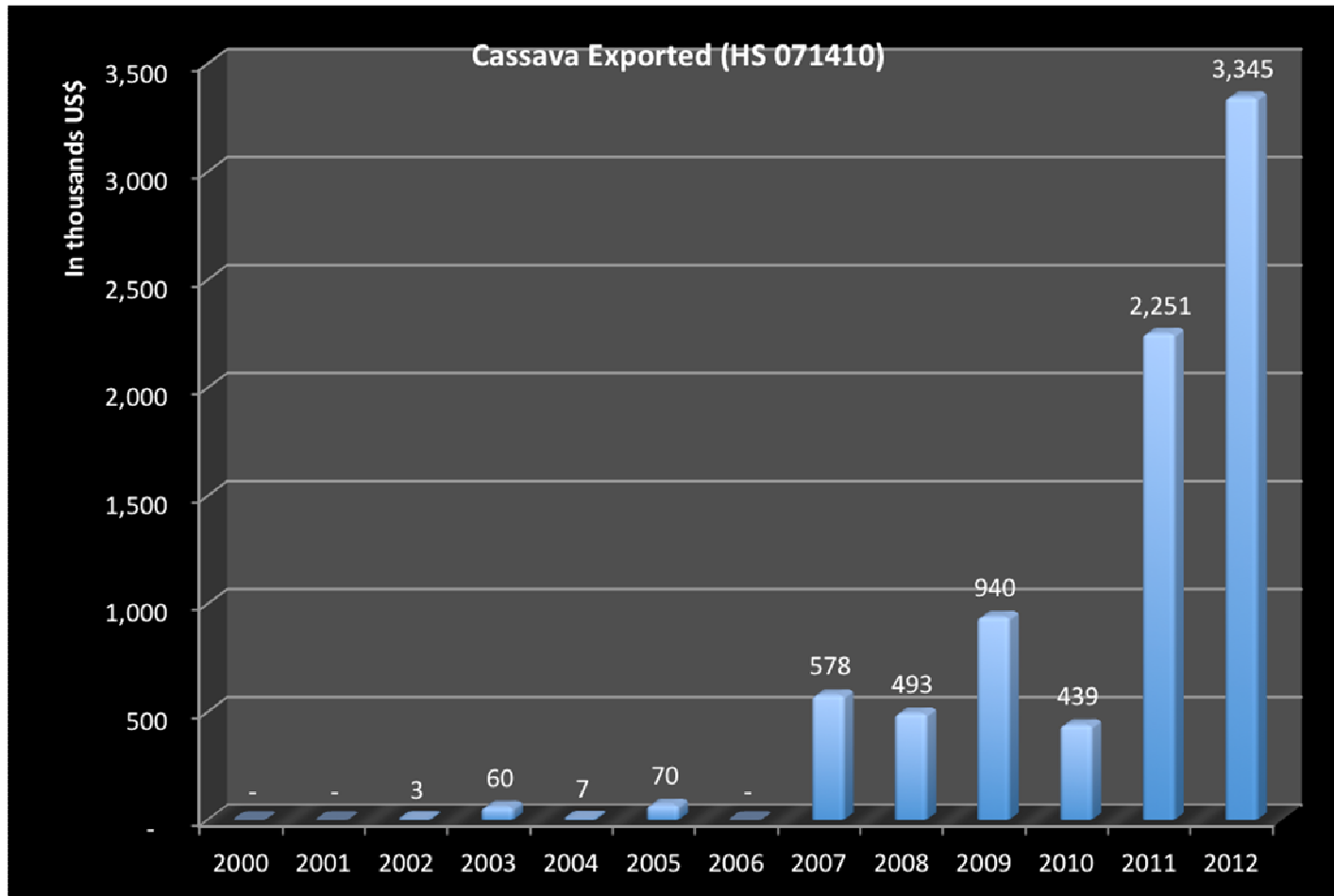
Recommendation

- Measure 1 – One window service should be made available to exporter of cassava/maize
- Measure 2 – Eliminate export tax of 0.1% of commercial value by Camcontrol.
- Measure 3 – Eliminate weight/quality inspection and certificate.

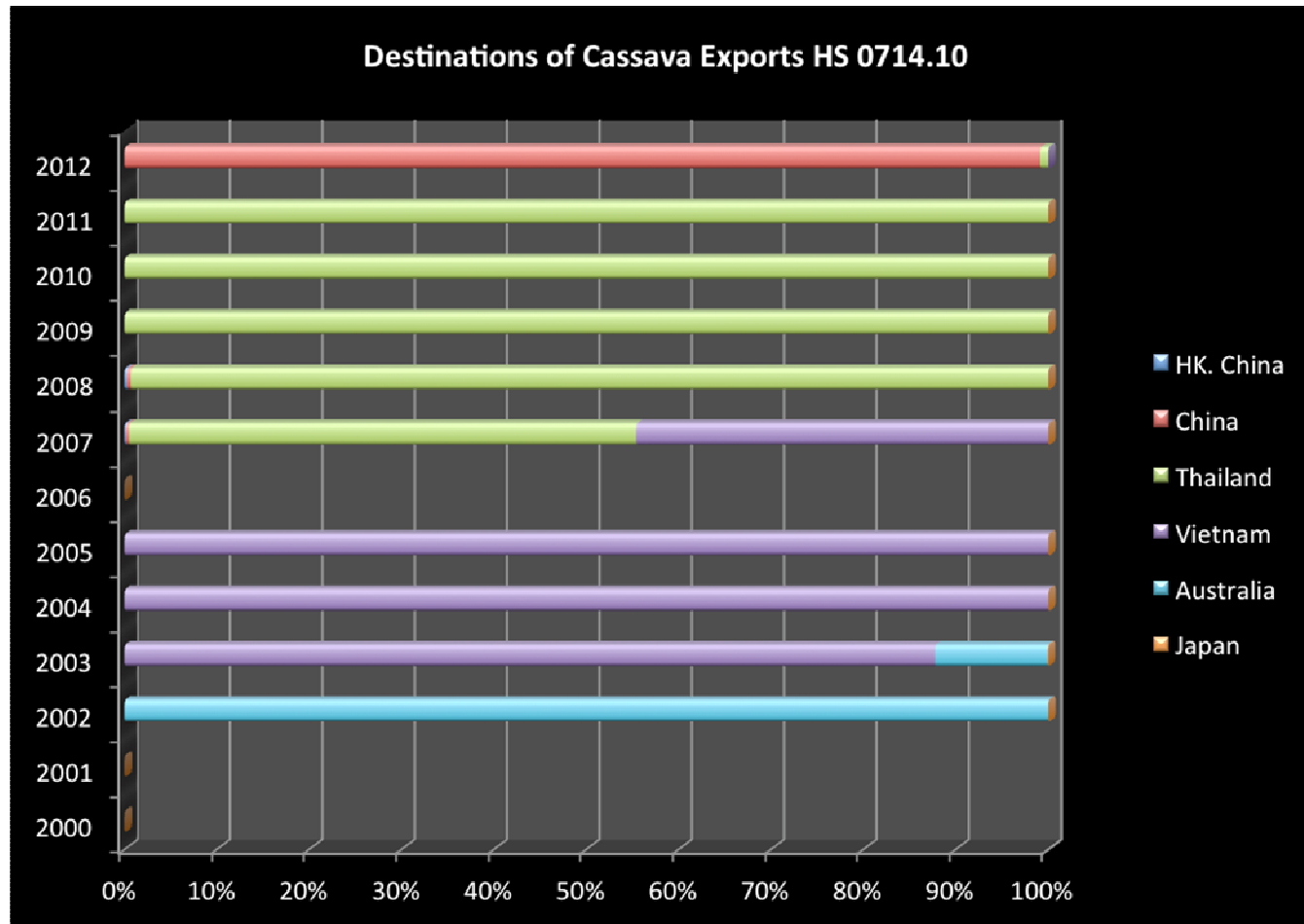
MAFF Data



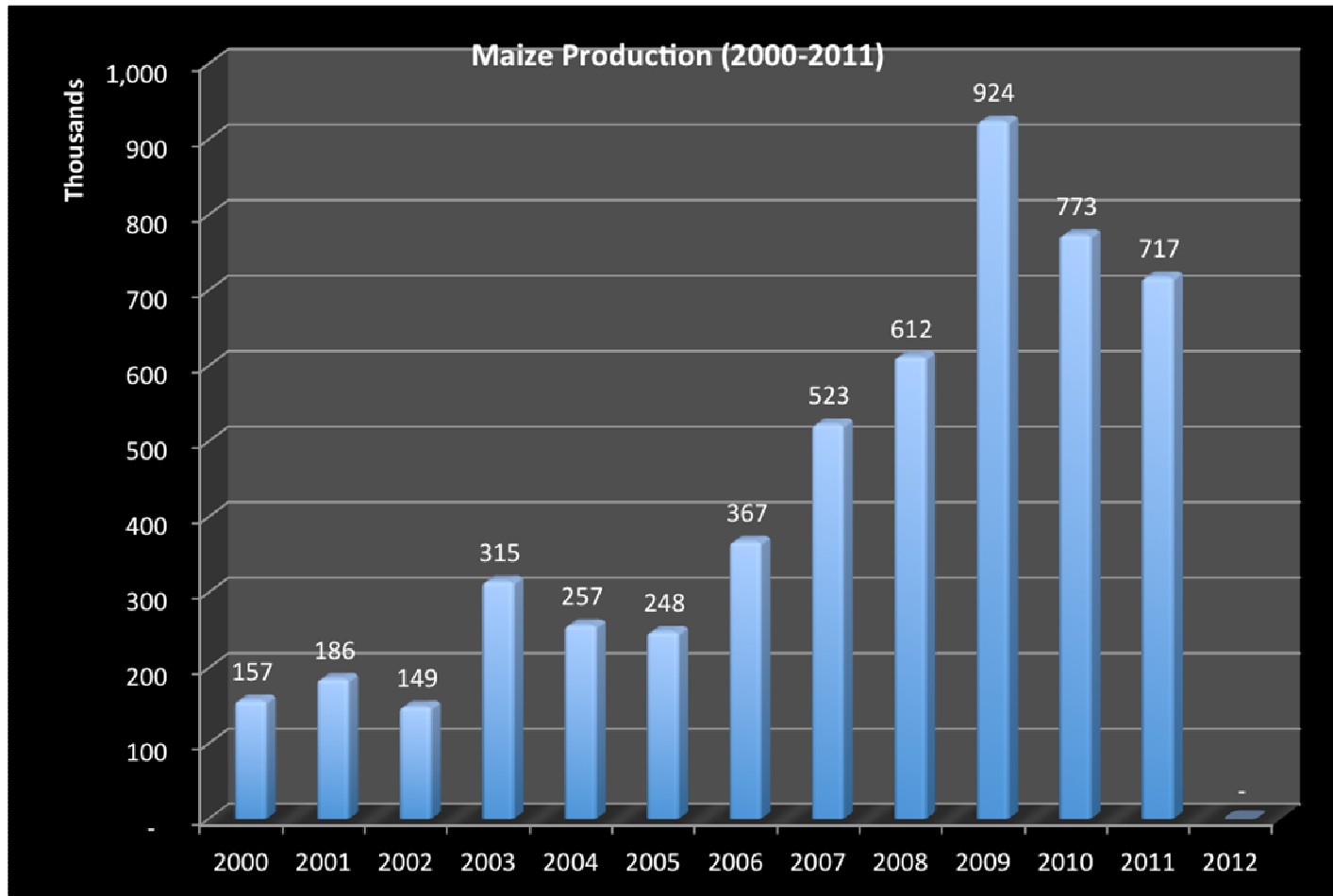
GDCE Data



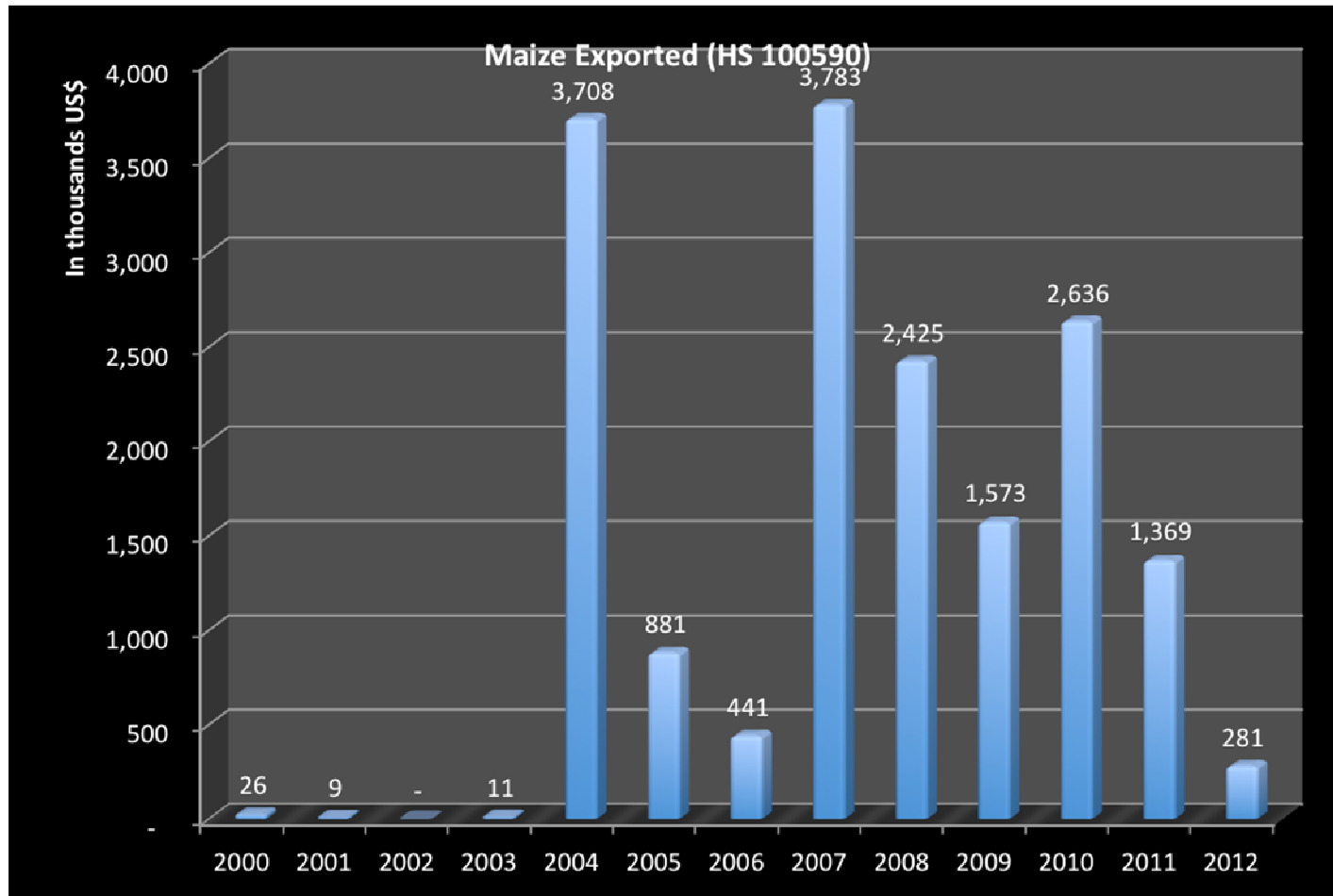
GDCE Data



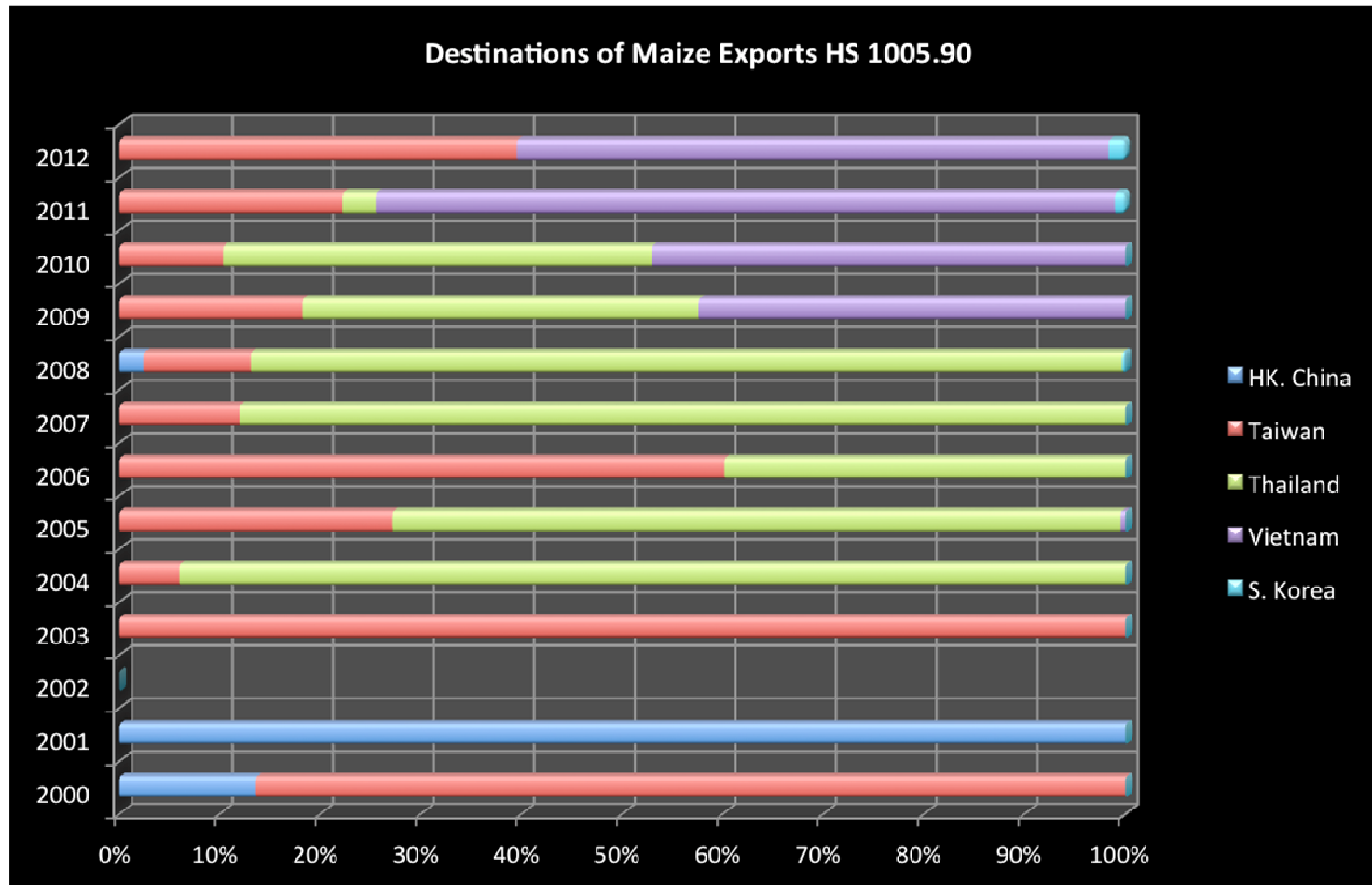
MAFF Data



GDCE Data



GDCE Data





Thank You