



Private sector standards in the public sector:

How industry standards can improve product visibility at the border

September 11, 2013





ABOUT GS1

Independent, Neutral and Collaborative

GS1 is a not-for-profit organization dedicated to the design and implementation of **global standards** to improve the efficiency and visibility of the **supply and chain** globally and across sectors with standardized barcodes.

GS1 speaks and acts local and thinks global with offices in 111 countries

**111 Member Organisations
150 Countries Covered
2 million Member Companies
12 Million Products Listed
6 billion Transactions Daily !**



Partner with 100+ Organizations



**Asia-Pacific
Economic Cooperation**





Industry Driven and Governed

P&G



**RECKITT
BENCKISER**



METRO Group

WAL★MART



Johnson & Johnson



B | BRAUN
SHARING EXPERTISE



Driven and Governed by
local industry in
ASEAN/Asia-Pacific

E.g.. FMM, FTI, SMA, KCCI



Public Sector: Key issue

Governments cannot keep pace with today's globalized supply chains using traditional inspection methods as it is time consuming, costly, and often manual

Efficient cross-border supply chains benefits both **Business and Government.**

New forms of collaboration are critical with smart use of industry standards and industry generated product data which will create more connected, more efficient, safer supply chains for Asia-Pacific



Why the path of Global Product Data Standards?

- The use of industry standards, generally referred to as Global Product Data Standards could lead to improved supply chain outcomes for all stakeholders, such as:
 - Improved product traceability and visibility across international borders
 - Accurately determination of jurisdiction and risk profile for each product
 - Enhanced consumer safety (related to unsafe, recalled or fake products)

Resulting in:

- Speedier and more efficient supply chains
- Cost savings for government, industry, national regulators, and consumers
- Enhanced consumer safety





Example:

Global Product Data Standards are widely used by industry

Voluntary standards like the bar code and the embedded globally unique product identification that are widely used by industry – and more increasingly by Governments





Global Product Data Standards Offer Governments a Way Forward

Importers and Governments can classify products using the standards to:

- leverage from data in existing e-commerce catalogs
- **classify products more accurately by distinguishing low-risk from high-risk products**
- and **reuse the previous admission history** for that model, saving time and energy





HOW GS1 STANDARDS WORK IN THE SUPPLY CHAIN



1

Product
manufactured

2

Product supplier
authoritatively
publishes product
information in GS1
product catalog
(where available)

3

Customs
downloads
published product
information from
catalog

4

Customs matches
product information
using global
product data
standards

5

If product data
indicates low risk,
customs releases
product without
inspection

6

If product data
indicates high risk
or non-compliant,
customs flags for
further inspection



Example:

GS1 Global Classification Codes (GPC)

Extend Product Visibility and compliments WCO HS code



DESCRIPTION	STEP START WALK N RIDE	BOUNCIN BABBLES	HEROES ACTION FIGURES
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Why the Interest in Global Data Standards among Asia-Pacific Private Sector?

APEC Business Advisory Council (ABAC) has identified the positive benefits of using industry standards in cross border processes across Asia-Pacific. ABAC sees significant value of using global product data standards to reduce the identified supply chain chokepoints

ABAC has confirmed its readiness to work with APEC in mapping out a multi-year agenda of implementation including capacity building and pilots – to be discussed further in Bali in week 1 October at the APEC summit.





Asia-Pacific Private Sector

ABAC has issued recommendations to APEC Leaders stressing the importance of use of Global Product Data Standards in the cross border supply chain processes across the Asia-Pacific

ABAC Chair letter to APEC Chair President of Indonesia

“ABAC ... calls for further steps to ... improve supply chain performance by at least 10% by 2015. We are certain that the adoption of common global data standards will help economies achieve this goal and we urge Leaders to direct Ministers to incorporate global data standards into their plans for enhancing supply chain connectivity.”





What are the pilots and research showing?

US ITDS (single window initiative)

USA Gov. ITDS program proposing GDS to improve customs risk mgmt., enhance port efficiency and flow-through while reducing risks to consumer safety and national security.

- **Product examinations could be reduced by 80%** with GTINs and GPC codes
- Products known to be low-risk by GTIN, when released in advance, will **improve reliability of product flow**
- Government can focus on 10 to 20% of remaining products, **increasing targeting efficiency** with existing resources

GPC is aligned with UNSPSC (United Nations Standard Products and Services Code)



What is Currently Being Done in Asia-Pacific ?

- **New Zealand** – GDS accepted by single window (JBMS) by 1-Aug. '13
- **Thailand** – framework agreement w/Prime Ministers Office (Jan '13)
- **Korea** – MoH regulation requiring GDS on consumer level pharma.(Jan '13)
- **Canada** – GDS single window pilot late 2013 or 2014
- **ASEAN** – advisory role to enhance consumer safety in discussion (Q3 '13)





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