Designing and integrating risk management systems (RMS) for agricultural and food products into Customs RMS

Key Considerations and Lessons from the Region

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Presentation for the **Regional Training of Trainer Workshop Trade Facilitation& Paperless Systems for Agrifood Products, Bangkok, Thailand Dec 16**

OUTLINE::

- **International trade logistics**
- **Illustrate why today’s current practices unsustainable**
- **Risk management for the border**
- **Immediate challenges for implementation**

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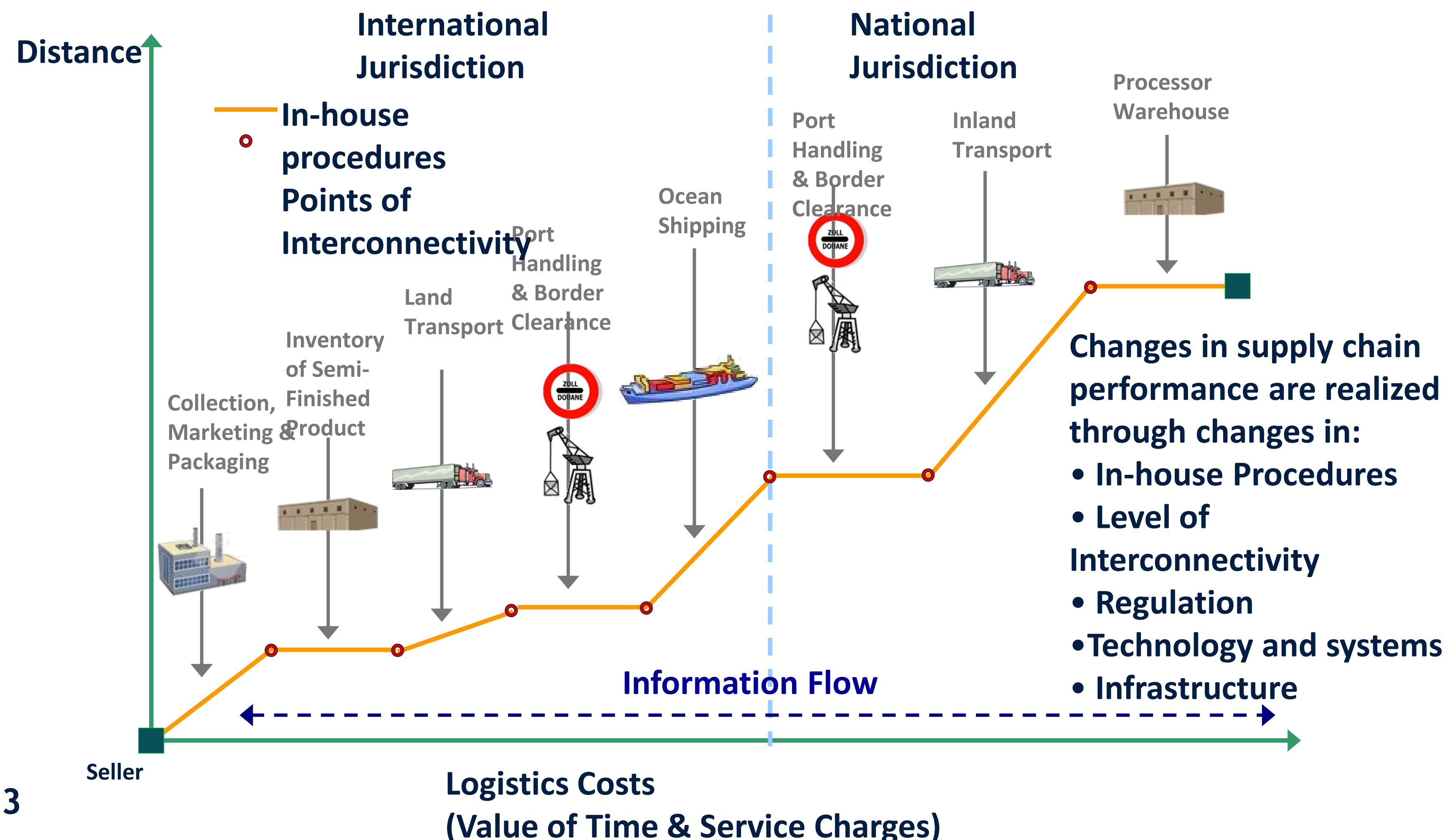
INTERNATIONAL TRADE LOGISTICS & FACILITATION

Trade Facilitation – a couple of definitions

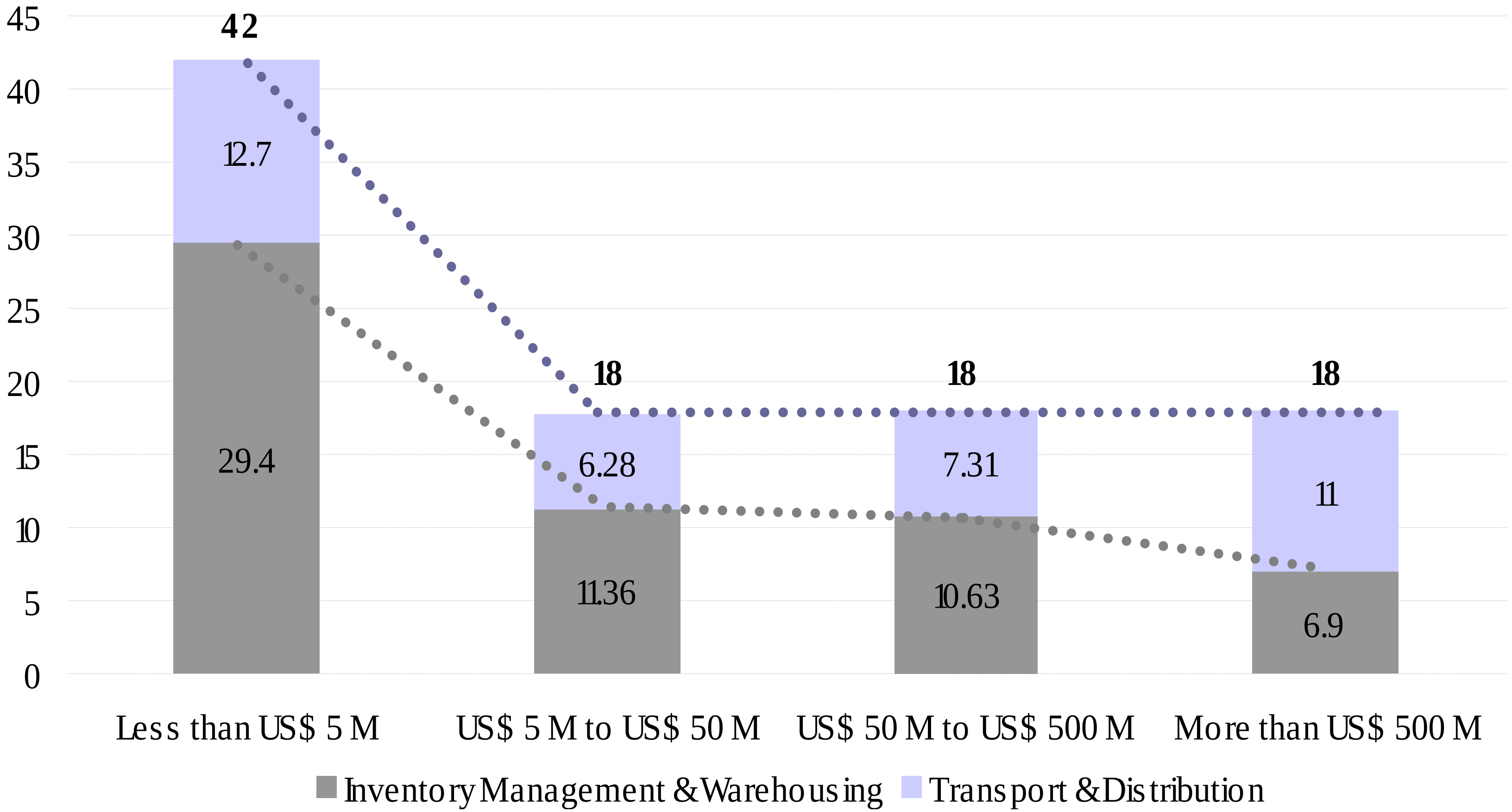
"simplification, standardization, and harmonization of procedures & processes and associated information flows to move goods through the supply chain in a transparent and predictable manner"

"identifying and addressing bottlenecks that are imposed by weaknesses in trade related logistics and regulatory regimes and that prevent the timely, cost effective movement of goods."



DISPROPROTIONATE BURDEN ON SMALLER FIRMS

Average logistics cost as a % of sales



Source: Centro Logístico de Latinoamérica, Bogotá, Colombia. Benchmarking 2007: Estado de la Logística en América Latina Anexo, María Rey Logistic Summit 2008

GAINS FROM TRADE FACILITATION

- if all countries reduce supply chain barriers halfway to global best practice (i.e. Singapore), global GDP could increase by 4.7% or US$ 2.6 trillion and world trade by 14.5% or US$ 1.6 trillion, far outweighing the benefits from the elimination of all import tariffs (WEF).
- each additional day that a product is delayed prior to being shipped reduces trade by more than 1 percent.
- improving the quality of physical infrastructure increase its exports by more than 10 percent
- 1 percent increase in aid-for-trade facilitation potentially result in US$290 million of additional exports.
- Adopting electronic documentation for the air cargo industry could yield US$ 12 billion in annual savings and prevent 70-80% of paperwork-related delays.

NEW LANDSCAPE – WTO TFA

(Article 8) Border agency coordination

23. 2. National Committee on Trade Facilitation

10.1 Formalities and Documentation Requirements

- **1.1 Publication (Publication and availability of information)**
- **1.2 Information Available Through Internet (Publication and availability of information)**
- **1.3 Enquiry Points (Publication and availability of information)**
- **2.1 Opportunity to Comment and Information before Entry into Force**
- **2.2 Consultations**
- **10.1 Formalities and Documentation Requirements**

Automation (10.4 Single Window)

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The TFA emphasizes a coordinated Border Management Approach to Trade Facilitation to address common challenges faced by traders

Lack of coordination and communication among border agencies leads to:

- **Unnecessary delays export and import clearance and transit procedures**
- **Lack of a risk based approach to border clearance**
- **Strains on infrastructure/border post facilities due to increased congestion**
- **Increased loss of perishable goods**
- **Increase in overall time to release of goods**