UN/CEFACT Solutions in International Transport and Trade Facilitation

eCommerce Week
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The UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) serves as the focal point for trade facilitation recommendations and electronic business standards, covering both commercial and government business processes that can foster growth in international trade and related services.
What is UN/CEFACT

Objectives

- Simple, transparent and effective processes for global business
- Efficient and automated exchange of information

Outputs

- Global Trade Facilitation and Electronic Business Recommendations and Standards

Means

- Public Private Sector Partnership – over 300 experts from government and business
- Meet virtually every week plus two Forums per year
UN/CEFACT’s mission is to improve the ability of business, trade and administrative organizations, from developed, developing and transitional economies, to exchange products and relevant services effectively.
UN/CEFACT’s pillars

Facilitating national and international transactions

Transparency
Simplification
Harmonization
Standardization

of processes, procedures and information flows
UN/CEFACT’s Work

- Trade Facilitation Policy Recommendations
- eBusiness Standards
- Guidelines, Briefs, Case Studies

Outreach and Support
The supply chain perspective

**BUY**
- Prepare for export
  - Establish sales contracts
  - Order goods
  - Advise on delivery
  - Request payment

**SHIP**
- Export
  - Establish transport and deliver goods
  - Provide waybills, goods receipts, status reports

**PAY**
- Prepare for import
  - Obtain import/export licences
  - Provide customs declarations
  - Provide cargo declarations
  - Apply trade security procedures
  - Clear goods for imports/exports

The UN/CEFACT Buy Ship Pay Model
(Source: UN/CEFACT International Supply Chain Reference Model)
UN/CEFACT outputs

Trade Facilitation Recommendations (some 40 Recommendations)

– Recommendation 1 UN Layout Key for Trade Documents
– Recommendation 4 National Trade Facilitation Bodies
– Recommendation 14 on Authentication of Trade Documents
– Recommendation 18 Trade Facilitation Measures
– Recommendation 25 UN/EDIFACT
– Recommendation 33 - 36 Single Window
– Recommendation 16 UN/LOCODE

Many UN/CEFACT Recommendations and Standards are also ISO Standards and are covered in the WTO Trade Facilitation Agreement
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Electronic Documents

Electronic Document Exchange
XML or UN/EDIFACT

Paper Document aligned to UN Layout Key

Electronic Edit Form
Single Window Recommendations 33-36

Recmends Governments to establish Single Window for Cross Border Trade

Defines features:

- ... one time submission
- ...of standardized information and documents
- sharing of information amongst government agencies;
- coordinated controls and inspections of the various governmental authorities;
- Allow payment of duties and other charges;
- Be a source of trade related government information.
In Latin America and the Caribbean, exporting takes about 18 days, importing takes about 20 days, compared to OECD average of less than 11 days for both.

Each extra day of delay may reduce trade volume by at least 1% or about 7% if the products are agricultural commodities.

2 Djankov, S., Freund, C., and Pham, C. (2008)
The costs of paperwork account for 3.5 – 7% of the value of the goods and even can be as high as 10 – 15% if there are typing and other errors\(^1\). Each 1% reduction of such costs is worth an economic value of \textbf{up to USD 43 billion} worldwide\(^2\).

\(^1\) OECD (2002)
\(^2\) OECD (2003)
Pipeline project
- Basic principle is to capture data at its source and construct the transaction’s data flow as it progresses
- This new approach to exchanges ensures the complete reuse of data, reduces redundancy and offers to regulators and trading partners reliable information.

Multi Modal Transport (MMT) Reference Data Model
- Will allow a smooth migration from EDIFACT to XML and any other syntax
UN/CEFACT: eDocuments

- eCMR Project
  - Electronic equivalent to the CMR (road transport document); will ultimately allow a paperless flow of goods.
  - eCMR protocol adopted by 11 countries, but most of Europe is considering ratification.

- Animal traceability data exchange
  - e-Cert
  - eCITES
  - Standard for sustainable fisheries management: Fisheries Language for Universal Exchange (FLUX)
Impact of UN/CEFACT work

- **Recommendation 25 UN EDIFACT:** The Global EDI Standard for trade. The 12 largest European ports alone process more than 1.8 billion messages annually based on UN/EDIFACT.

- **UN/CCL Core Component Library:** The UN/CCL, together with the UNECE Trade Data Element Directory (UN/TDED), forms the basis for the World Customs Organization (WCO) Data Model for the exchange of Customs related information worldwide.

- **Recommendation 16 UN/LOCODE:** Use of UN/LOCODE helped reduce the costs of imports for a single company in China by almost USD 200 million per year!

- **Recommendation 33-36 Single Window:** 71 economies around the world, including UNECE and non UNECE Member States, have established “Single Windows” (SW) using this recommendation as a basis (WB DBR). The use of Single Window saves in some of these countries up to 10% of the value of goods (WB study).

- **Trade Facilitation Implementation Guide (TFIG):** Over half a billion hits per month!
More information on UN/CEFACT

• All UNECE and UN/CEFACT Recommendations, codes, standards and publications are available for free on our website at:

  • www.unece.org/cefact
  • http://tfig.unece.org

• E-mail: maria.ceccarelli@unece.org