

# **“Digitalisation and Simplification, the effect on the ship agent and the logistics chain”**

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# Topics

- Where it all started
- What are the driving forces behind current efforts of digitisation
- Single Window recommendations and projects and how should these be considered and implemented?
- What are the benefits and challenges to the industry ?

# Where it all started

- In the early 80's the retail sector was the first in using EDI to exchange info about inventory and supplies



- Ahold developed their own standard to communicate between their suppliers and their in-house system.
- In case a supplier could not fulfill this he would not be chosen for deliveries anymore.
- During the 80's Ahold asked the carriers to adopt their standard for exchange on shipping information.
- This was a new topic for carriers who started their developments soon afterwards.
- Not only to cope with above request, but
- Also to exchange manifest data between their agencies worldwide.



# Standardisation startup

- Ahold used for their setup the standard of the American National Standards Institute (ANSI) established in 1979.
- This standard is still in use .....
- Especially in the industry sectors in North America.
- More than 300.000 companies using X12 EDI standard still.
- The same standard was adopted by most of the carriers for a limited set of data that could be exchanged between their agencies.
- Few examples
  - Doc-ex
  - ManDef
- Both used for exchange of manifest data between the head office and their agencies.
- As their agency network implies global coverage, the carriers considered their setup as a global standard.
- However exchange outside their own trusted network was not possible.

# Next step in electronic data interchange

- The need for exchanging data electronically between the various parties was growing.
- The UN took the initiative in 1987 following the convergence of the 'UN and US/ANSI syntax proposal' .
- This resulted in a new ISO standard (9735).
- **United Nations/Electronic Data Interchange for Administration, Commerce and Transport**
  - UN/EDIFACT
- **(UN/EDIFACT)** is the international EDI standard developed under the United Nations.
- The phenomenon that different technologies and market had to grow together.

# The Development of Digitisation Groups

- UN started the setup of a variety on workgroups
- Each workgroup with their expertise.
- WCO.
  - Customs related messages (CUS.. / GOVCBR).
- SMDG.
  - Container related messages (CO... + BAPLI).
  - Set of freight movement **messages (IFTM...)**.
- IATA.
  - Airfreight related messages
  - (PADIS - Passenger and Airport Data Interchange Standards).
  - IATA
- PROTECT.
  - IMO FAL 1 & 7 (BERMAN / IFTDGN).

**Speak the same language**  
**Core Component Library of UN/CEFACT**

# Current Driving Forces

## WTO Trade Facilitation Agreement

- In December 2013, WTO members concluded negotiations on a Trade Facilitation Agreement
- The TFA entered into force once two-thirds of members have completed their domestic ratification process. – 22<sup>nd</sup> February 2017
- The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit.
- It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation & customs compliance issues.
- EU ratified as a bloc, how will it be implemented ?



# WTO Trade Facilitation Agreement

- ▶ 3 articles consisting of 23 sections – At least 8 relate to IT connectivity

## Section I

- Art.1 Publication and availability of information
- Art.2 Consultations
- Art.3 Advance ruling
- Art.4 Appeal/Review procedures
- Art.5 Other measures for transparency etc.
- Art.6 Fee, Charges and penalty
- Art.7 Release and Clearance of goods
- Art.8 Border Agency Cooperation
- Art.9 Movement of goods intended for import
- Art.10 Formalities
- Art.11 Transit
- Art.12 Customs cooperation

## Section II

### Special and Differential Treatment for Developing Countries and Least Developed Countries

- Rules about Categories A, B and C
- Assistance for Capacity Building
- Information to be submitted to the TF Committee

## Section III

### Institutional Arrangements and Final Provisions

- Committee on Trade Facilitation
- National Committee on Trade Facilitation
- Final provisions

Source: [www.tfafacility.org/trade-facilitation-agreement-facility](http://www.tfafacility.org/trade-facilitation-agreement-facility)



# TFA Links to Single Window

## Article 10.4 Single Window

4.1 Members shall endeavour to establish or maintain a single window

4.2 “single submission of information”

4.4 ....use information technology to support the single window.

**Section III** - contains provisions that establish a permanent committee on trade facilitation at the WTO, require members to have a national committee to facilitate domestic coordination and implementation of the provisions of the Agreement



# Single Window UNECE

## Recommendation 33

Recommends 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.

Recommendations 34, 35 and 36 (draft)

Projects – “Core Principles of Single Window Operations”



# ***Single Window is an environment and change management project, not an IT Project.***

## **Clear Simple Steps for implementation**

- Analyse the Processes
  - with industry input, what is needed and what is not.
  - Consideration of International Standards used by the industry
- Impact Analysis on industry (Benefits and Challenges)
  - Time, cost, economic impact
- Define Data Definitions and elements
  - Everyone has to speak the same language
- Process Engineering
  - Don't digitise paper re-engineer the processes


# Emerging Trends

- Whole Supply Chain Solution
  - Buy-Ship-Pay model of UN/CEFACT
  - Currently we have two separate streams



- Multiple Single Windows
  - Maritime, Customs, Health, Passengers, Crew etc.
- Increasing need for Port Community Systems
  - Link operational and administrative processes
  - Responsive to industry

# Challenges in the EU

- How is the European Commission considering the implementation of the WTO TFA ?
  - How will the Reporting Formalities Directive fit into this ?
- Two way communication not one way ?
  - TRADE  EMSA
- Technology Advancement ?
  - Blockchain
  - APIs (Application Programming Interface)



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PORT COMMUNITY SYSTEM



dbh Logistics IT AG



دبي التجارية DUBAI TRADE



FONASBA

