

CAREC

Pilot Trade Logistics and BTB Procedures Study

**Baku, Azerbaijan
25-26 July 2018**



Introduction

Reasons for Pilot Trade Logistics & BTB Procedures Study

- **Need a more comprehensive tracking of key trade process steps from end to end to support CAREC Integrated Trade Agenda**
- **Current CPMM measures time/cost of trade goods in transit**
 - **Main focus is on border crossing activities**
 - **Does not monitor time/cost of Behind the Border (BTB) trade procedures**

Objectives

- **Identify key steps in CAREC trade processes but not tracked by CPMM currently**
- **The metrics associated with these key trade process steps must be quantifiable and ascertainable**
- **Monitor these key trade process metrics and apply results towards trade facilitation**
- **End goal**
 - **Enhance transparency**
 - **Streamline trade processes**
 - **Slash trade cost**
 - **Reduce trade cycle time**

Trade Process Steps Can Be Classified into Groups

- 1. Infrequent process steps (e.g. obtain required product safety certification)**
- 2. Mandated steps required for each shipment (e.g. make Customs declaration)**
- 3. Steps needed for commercial implementation (e.g. obtain letter of credit, secure trade financing)**
- 4. Sudden trade process changes, often imposed as part of trade skirmish**

Infrequent but Necessary Trade Steps

Steps

Obtain Permit to Export/Import

Obtain HACCP/Food Safety Certificate

Obtain SPS Certificate

Obtain Veterinary Certificate

Obtain Technical Standard Certificate

Obtain Product Safety Certificate

Pass random SPS/HACCP/Food Safety
Inspection at factory

Government Mandated Steps Required for Each Shipment

Steps

Prepare Customs Declaration

Customs Inspection

Prepare SPS/Food Safety Declaration Form

SPS/Food Safety Inspection

Prepare Product Quality Inspection Form

Product Quality Inspection

Fumigate cargo, crates and pallets

Obtain Fumigation Certificate

Obtain Country of Origin Certificate

Prepare Commercial Invoice

Prepare Packing List and Bill of Lading

Weigh Goods and Obtain Weight Certificate

Obtain Quota Certificate

Steps Required for Commercial Implementation

Steps

Secure Insurance

Obtain Insurance Certificate

Secure Trade Financing

Obtain Letter of Credit

Buy Quotas (if needed)

Inspection by 3rd Party Agencies

Sudden trade process changes

(Not tracked in survey form, but please record as it occurs)

Steps

Higher tariffs (can be temporary)

New or enhanced safety requirements

New or enhanced technical requirements

New or more restrictive trade rules & regulations

New trade quotas

More stringent inspections

“Encouragement” to buy domestic or buy from other countries

Key Observations about PRC Trade Process

- 1. Good progress towards One Stop, Single Window**
- 2. Technology driven. Most trade steps are automated, with data shared among relevant agencies (e.g. truck weight at factory scale automatically sent to Customs)**
- 3. Merging of agencies simplifies trade process and reduced cycle time (e.g. AQSIQ merged into Customs)**
- 4. Working on common documents, data sharing and eventual Joint Customs Control with neighbors (e.g. PRC and Mongolia already utilize common declaration document, data sharing will be next step)**
- 5. Actively promotes Green Corridors**
- 6. “One Belt One Road” will support more improvements (e.g. streamlining of border management for PRC-Europe express container trains)**

Next Steps

- 1. Consolidate input from BTB surveys**
- 2. Review results**
- 3. Act to improve next study cycle**
- 4. Provide analysis to users**

Q & A

- 1. What process indicators are you able to obtain?**
- 2. What process indicators you cannot obtain?**
- 3. Approximate work hours to complete one survey?**
- 4. Deadline for survey submission? (e.g. 2 weeks after close of month?)**
- 5. Suggestions?**

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Thank you!

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