Workshop on CAREC Corridor Performance Measurement and Monitoring (CPMM), Time Release Study (TRS) and Behind-the-Border Indicators

Business Process Analysis (BPA) Experience in Northeast Asia

25 – 26 July 2018

Baku, Azerbaijan

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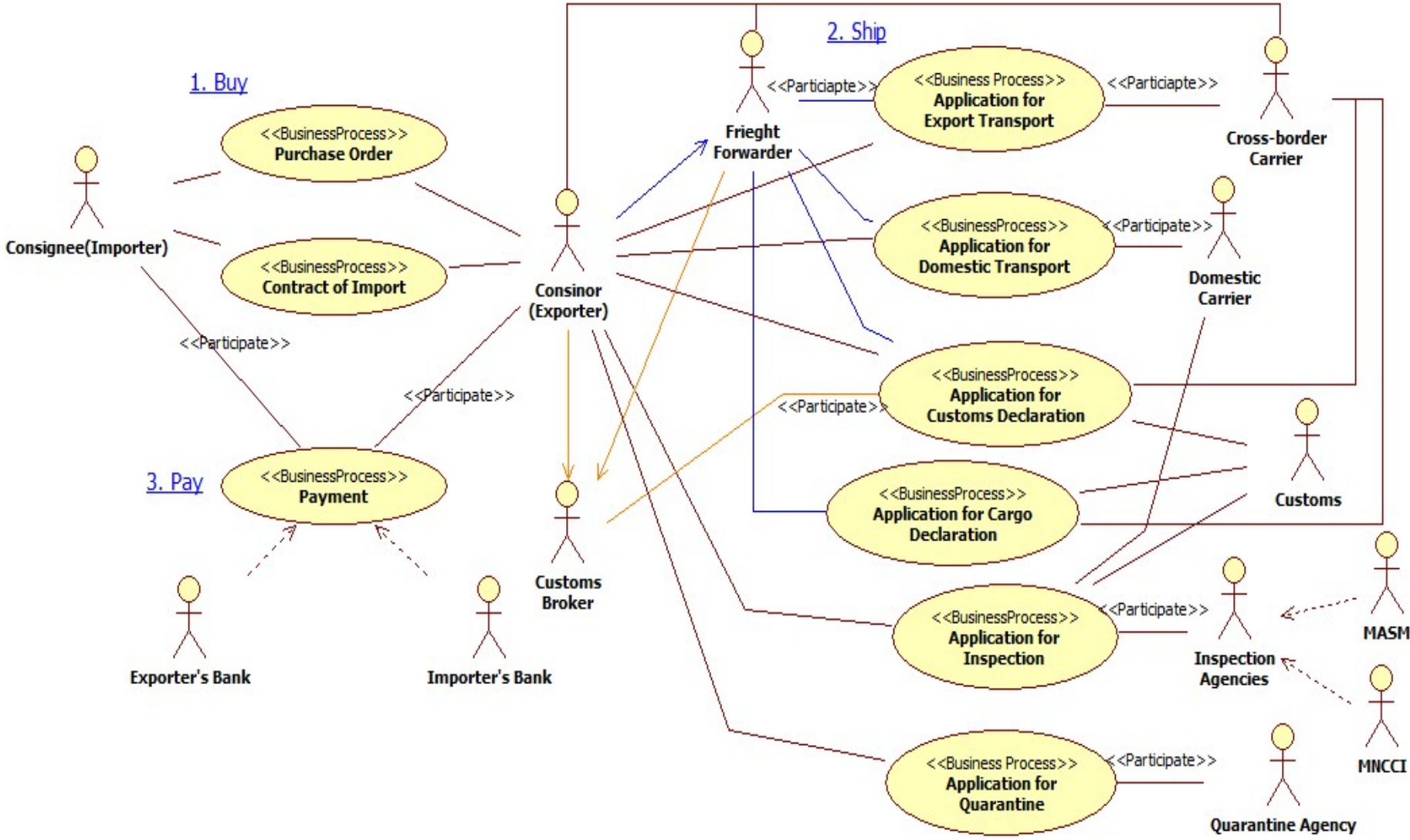**United Nations ESCAP**

What is Business Process Analysis (BPA)?

❖ An analysis and modelling of business processes for improvement and automation

❖ Uses Unified Modeling Language to model the processes, including usecase diagrams, activity diagrams, as well as time-procedure charts

❖ Based on UNNExT BPA guide

❖ Trade Process Analysis Database (TPAD): collection of BPAs for in-depth analysis and references

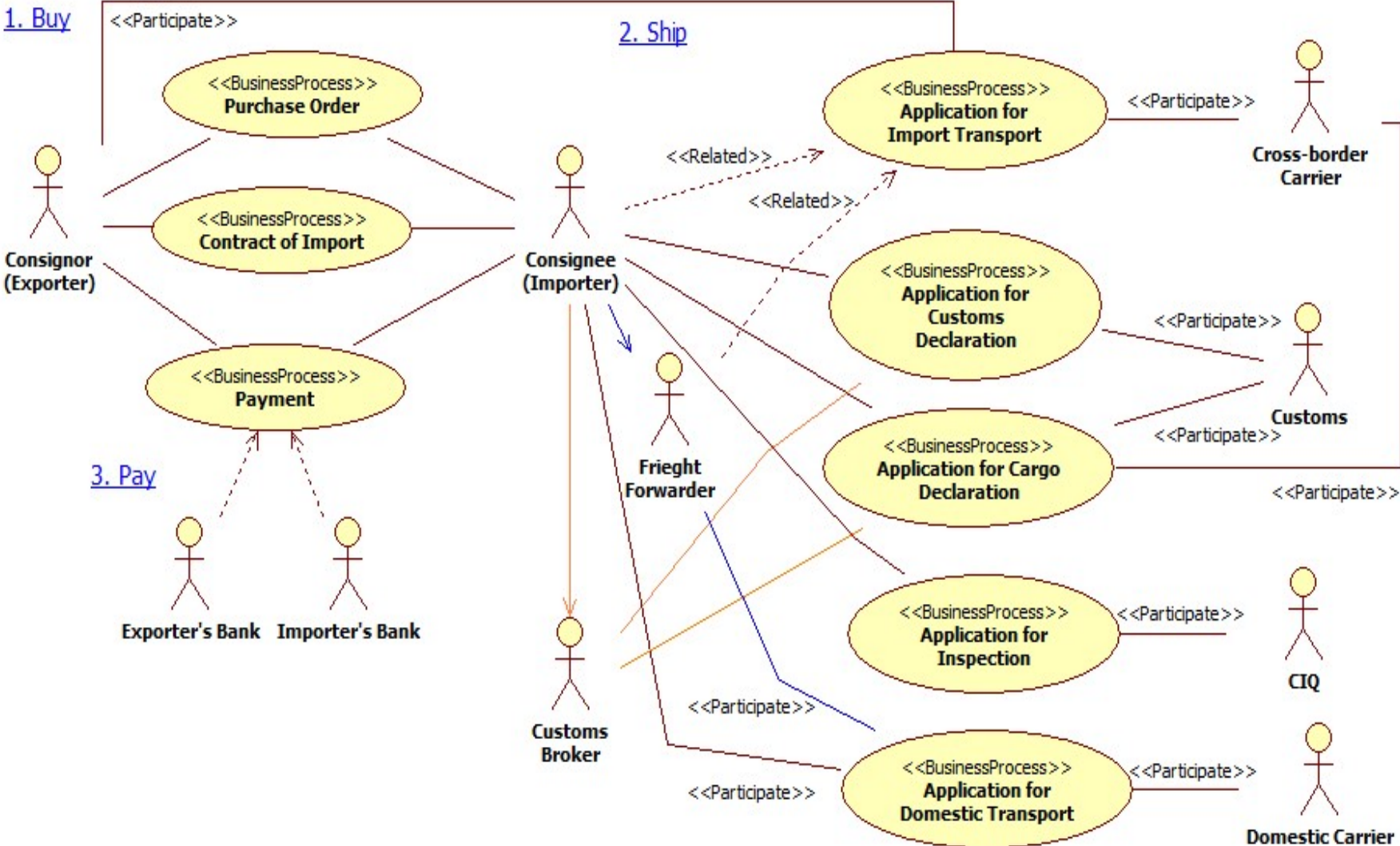❖ Cross-border BPA: carrying out BPA across borders among multiple countries

Target Goods in the Cross-border BPA

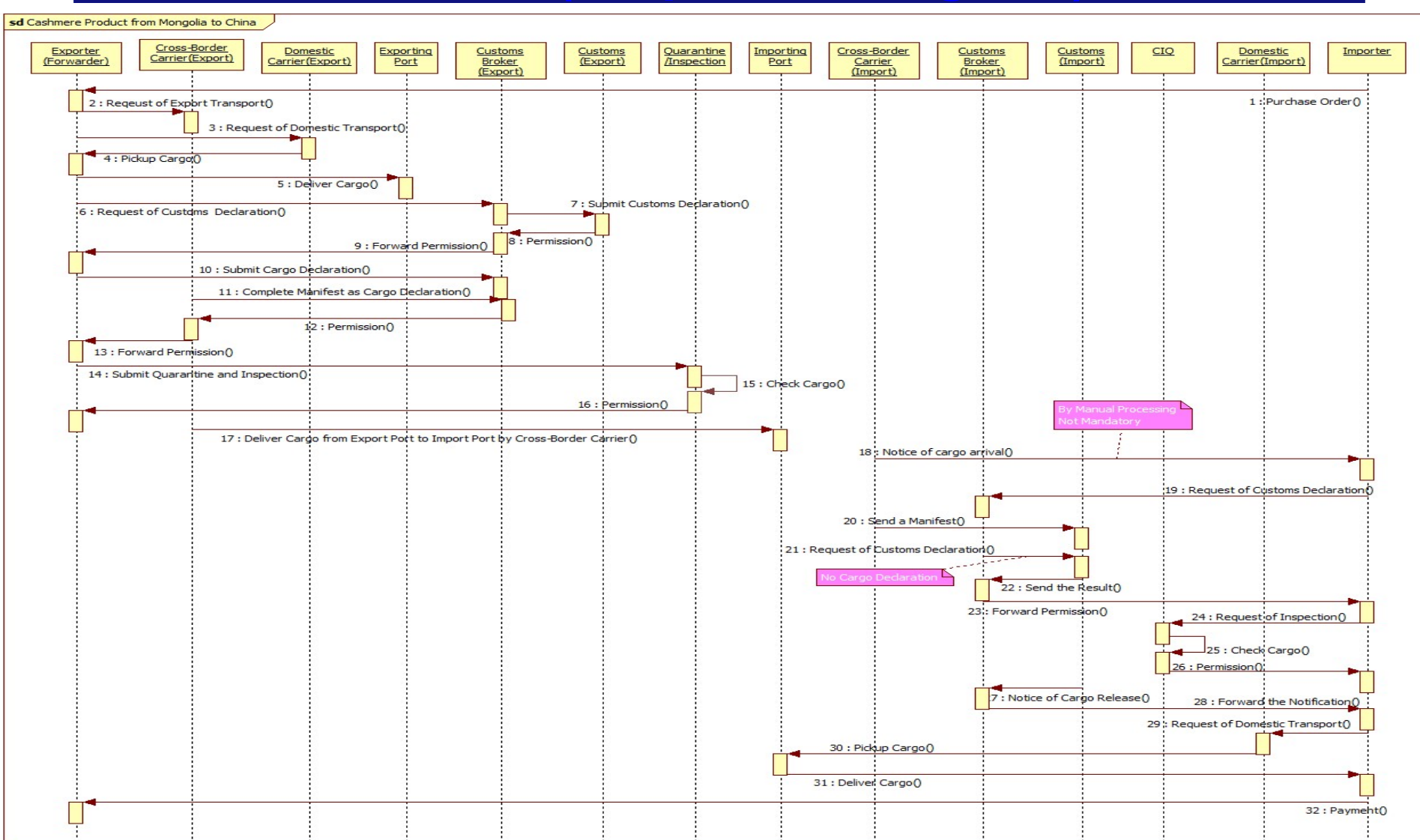| Import \ Export	Mongolia	China	ROK	Russian Federation
Mongolia		Machinery equipment (847170)	Electronic goods (Transit in China, 8528.72.2020)	Wood product (4407)
China	Cashmere (5105 and 611012)		Electronic goods	Wood product (Transit in Mongolia)
ROK	Cashmere (5105 and 611012) (Transit in China)	Machinery equipment (847170)		Wood product
Russian Federation	Cashmere (5105 and 611012)	Machinery equipment (847170)	Electronic goods	

Export of Cashmere to China: Usecases in Chinese part

Export of Cashmere to China: Overall cross-border flows (Sequence diagram)

sd Cashmere Product from Mongolia to China

| Exporter (Forwarder) | Cross-Border Carrier(Export) | Domestic Carrier(Export) | Exporting Port | Customs Broker (Export) | Customs (Export) | Quarantine /Inspection | Importing Port | Cross-Border Carrier (Import) | Customs Broker (Import) | Customs (Import) | CIQ | Domestic Carrier(Import) | Importer |

1 : Purchase Order()
2 : Request of Export Transport()
3 : Request of Domestic Transport()
4 : Pickup Cargo()
5 : Deliver Cargo()
6 : Request of Customs Declaration()
7 : Submit Customs Declaration()
8 : Permission()
9 : Forward Permission()
10 : Submit Cargo Declaration()
11 : Complete Manifest as Cargo Declaration()
12 : Permission()
13 : Forward Permission()
14 : Submit Quarantine and Inspection()
15 : Check Cargo()
16 : Permission()

By Manual Processing Not Mandatory

17 : Deliver Cargo from Export Port to Import Port by Cross-Border Carrier()
18 : Notice of cargo arrival()
19 : Request of Customs Declaration()
20 : Send a Manifest()
21 : Request of Customs Declaration()

No Cargo Declaration

22 : Send the Result()
23 : Forward Permission()
24 : Request of Inspection()
25 : Check Cargo()
26 : Permission()
27 : Notice of Cargo Release()
28 : Forward the Notification()
29 : Request of Domestic Transport()
30 : Pickup Cargo()
31 : Deliver Cargo()
32 : Payment()

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Issues and Challenges

❖ Too many steps in exporting cashmere, involving too many regulatory agencies and duplicate documentary requirements: extra cost and time burden to traders, in particular in relation to laboratory testing of samples

❖ No established electronic Single Window mechanism for cross-border trade and transit facilitation

❖ Lack of mutual electronic information exchange mechanism among parties and stakeholders in cross-border trade and transit

Recommendations for facilitating Cross-border Trade and Transit Cooperation

❖ Establish Single Window mechanism, while revising legal and technical environment to enable its operation

❖ Harmonize and standardize trade and transit procedures and documentary requirements, including cargo manifest, certificate of origin, pre-arrival notification, bill of lading, invoice, railway bill, etc.

❖ implement electronic systems to process regulatory procedures and make an agreement with neighboring countries for electronic data/information exchange

❖ Establish intergovernmental cooperation and coordination mechanism for cross-border trade and transit facilitation, including bilateral/subregional agreements, cross-border electronic information exchange, intergovernmental working group, etc.
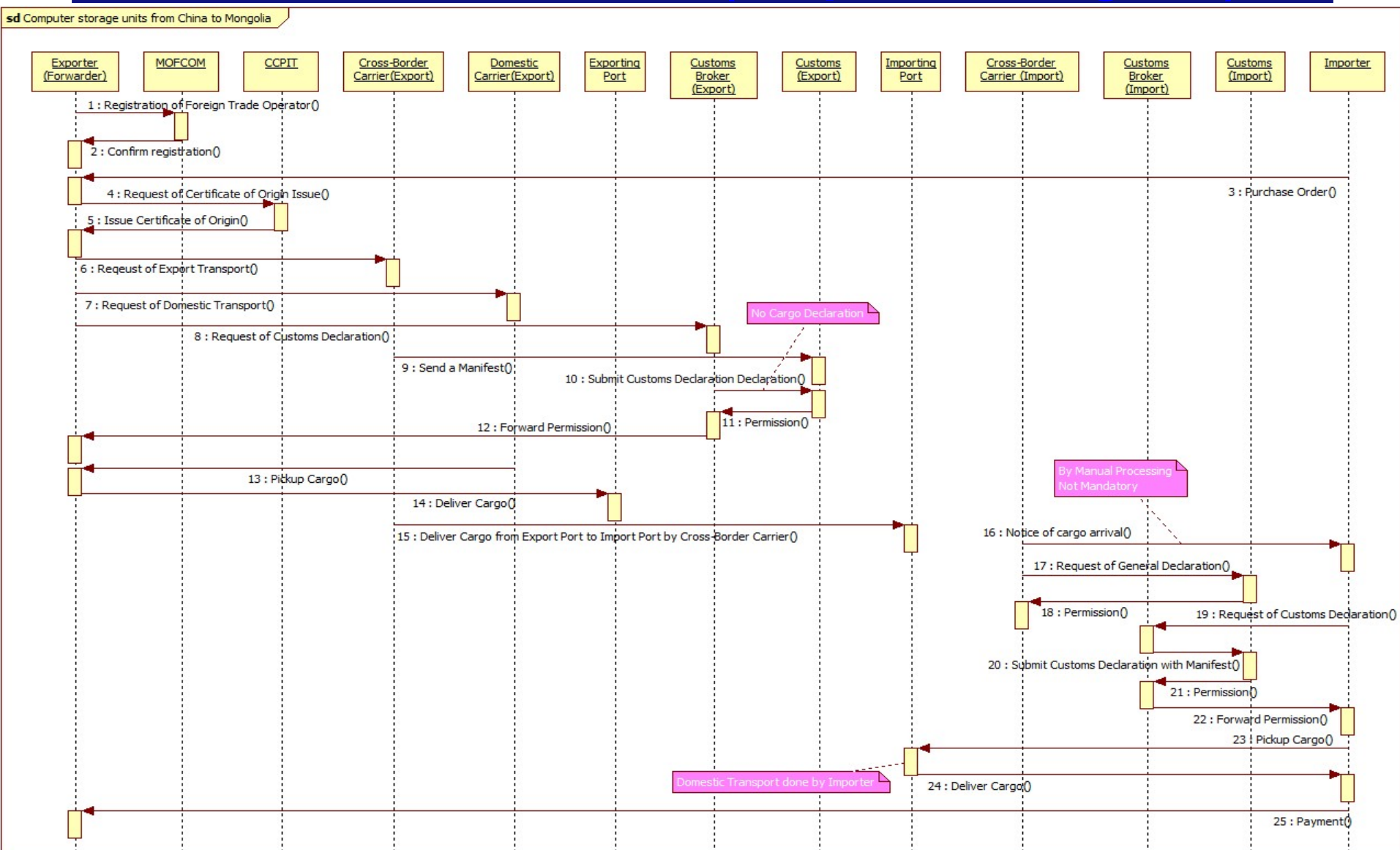
Export of Machinery Equipment to Mongolia: Usecases in Chinese part
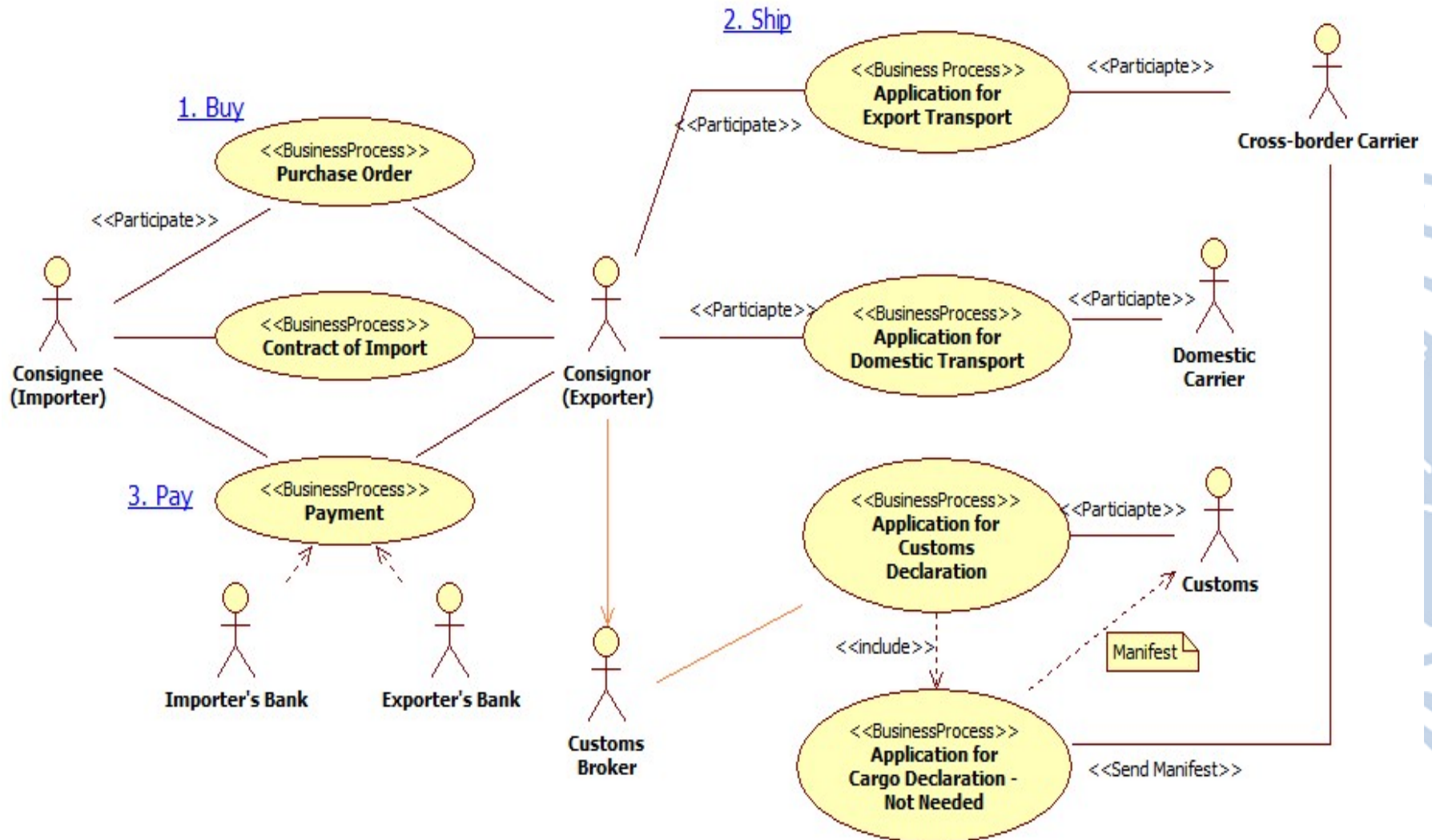
Export of Machinery Equipment to Mongolia: Usecases in Mongolian part
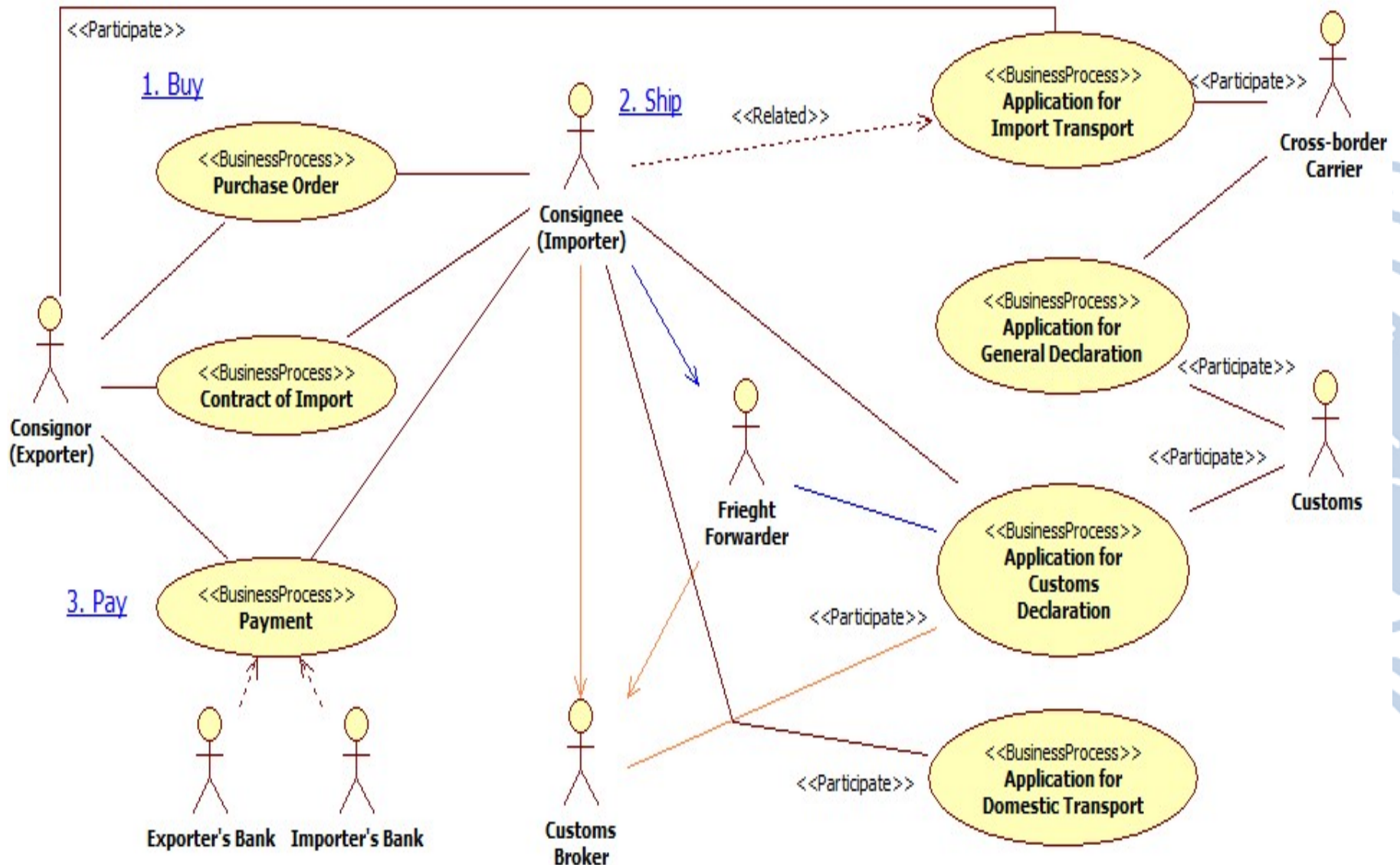
Export of Computer Storage to Mongolia: Overall cross-border flows (Sequence diagram)

Issues and Challenges

❖ Lack of legal framework for cross-border cooperation: legal framework mostly at national level for trade and transit facilitation

❖ Difficulty in adopting international regulations and practices in different countries and different environment

❖ Different ICT infrastructure and practices: lack of standardized and harmonized systems and practices

❖ Capacity gaps among countries in engaging in cross-border trade and transit facilitation

❖ Lack of effective cross-border cooperation and coordination mechanism at lateral and multilateral levels

Recommendations for facilitating Cross-border Trade and Transit Cooperation

❖ Establish legal framework for cross-border cooperation

❖ Harmonize common trade and transit procedures and border control procedures

❖ Simplify, harmonize and standardize documentary requirements using international standards, including such documents as invoice, bill of lading, cargo manifest, packing list, etc.

❖ Develop technical interoperability framework for enabling cross-border paperless trade

❖ Establish intergovernmental cooperation and coordination mechanism, at bilateral, subregional and regional level, to facilitate mutual recognition of trade-related data and documents in electronic form

Challenges and Lessons in Carrying out BPA and (Cross-border) BPA

❖ Scoping of target processes and products: Don't be too ambitious and make it manageable

❖ Data and information collection: Inherent reluctance of stakeholders to share unfavorable information

❖ Accurate modeling of processes and documentary requirements (UML modeling)

❖ Buy-in from policy-makers

❖ Moving it to the next step

❖ Effective representation of processes across borders (cross-border BPA)

Thank you

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