

Designing a sustainable e-Single Window Implementation Master Plan

Launch of Mongolia's Single Electronic Window Implementation Master Plan

Ulaanbaatar, Mongolia

by

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December 15, 2009



UNITED NATIONS
ESCAP

Economic and Social Commission for Asia and the Pacific

Overview



Overview

Business

- Less paperwork,
- Shorter time for document processing
- Cost-saving from less error and
- Faster clearance

Government

- Improved coordination of border controls,
- Higher compliance,
- Better risk management
- Accurate trade statistics

Overview

SINGLE WINDOW CONCEPT

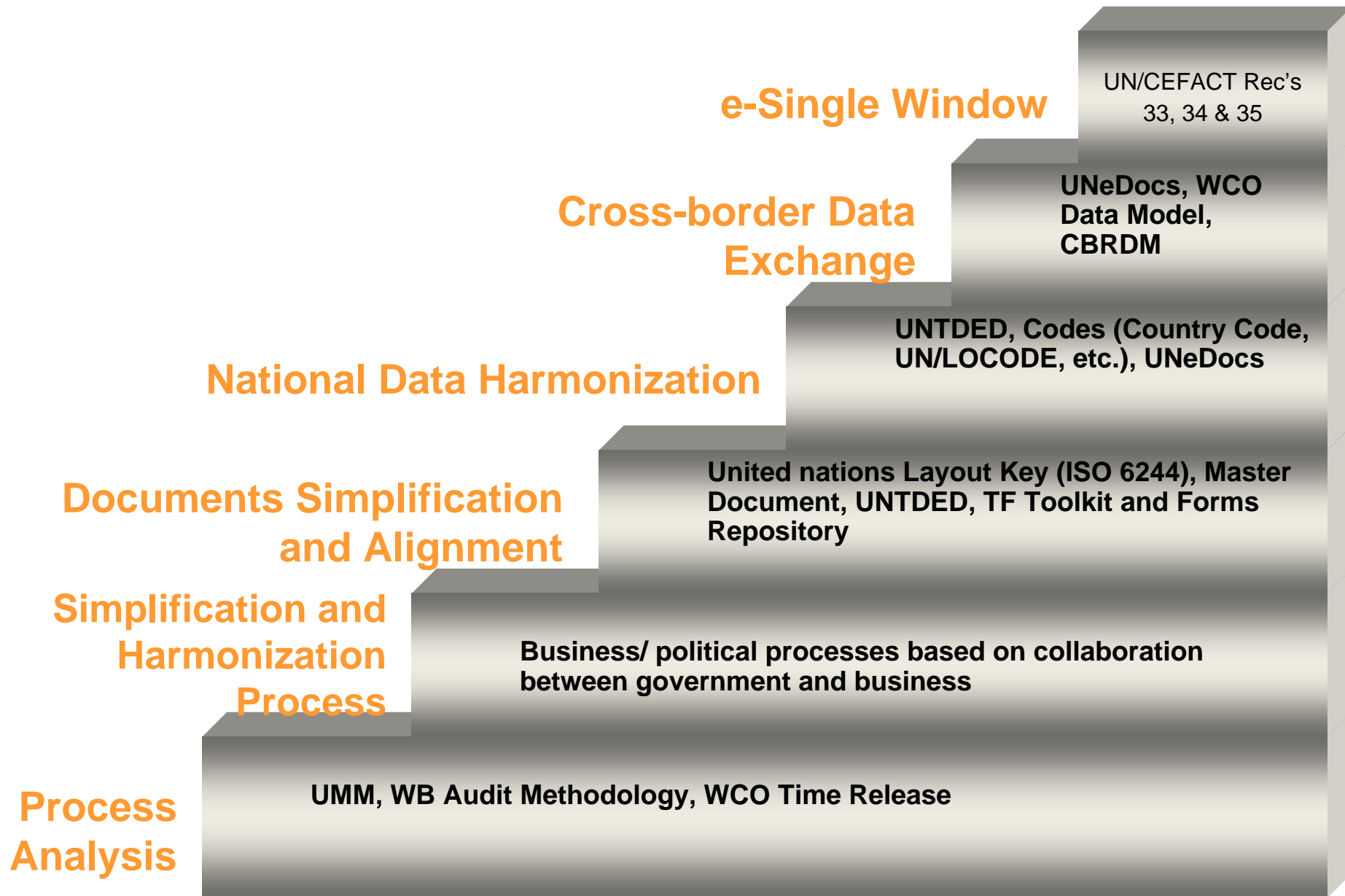
UNCEFACT RECOMMENDATION NO.33

- ✓ Single Submission
- ✓ Single and Synchronized Processing
- ✓ Single Decision-making

Single (Electronic) Window

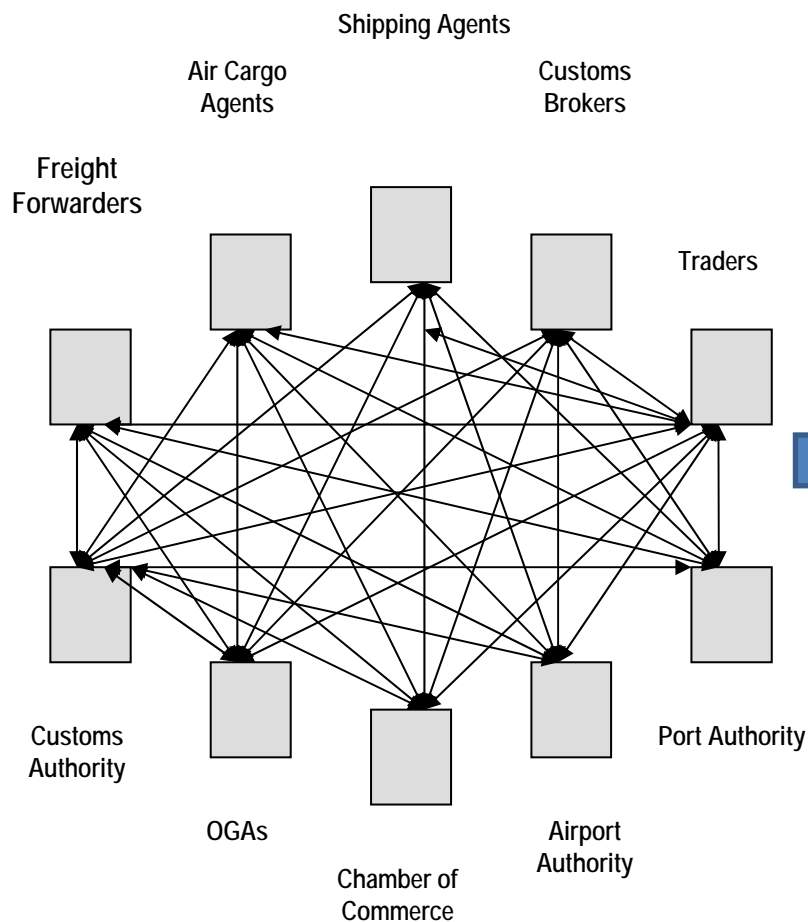
....a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once.”

Single Electronic Window Concept

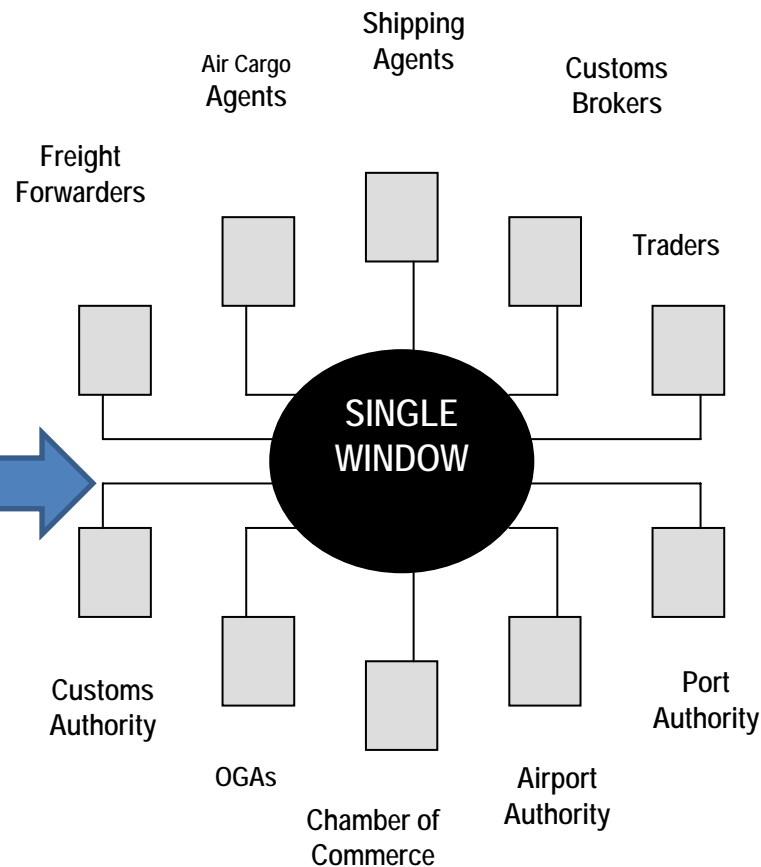


A single window leads to greater trade efficiency and more competitive trade

BEFORE



AFTER



Top 10 trade facilitators in the world

Economy	Trading across borders ranking	Documents for export (number)	Time for export (days)	Cost to export (US\$ per container)	Documents for import (number)	Time for import (days)	Cost to import (US\$ per container)
Singapore	1	4	5	456	4	3	439
Hong Kong, China	2	4	6	625	4	5	583
Estonia	3	3	5	730	4	5	740
Finland	4	4	8	540	5	8	620
United Arab Emirates	5	4	8	593	5	9	579
Denmark	6	4	5	744	3	5	744
Sweden	7	4	8	697	3	6	735
Republic of Korea	8	3	8	742	3	8	742
Norway	9	4	7	830	4	7	729
Panama	10	3	9	729	4	9	879

Source: Compiled based on World Bank, Doing Business 2010 Report

Mongolia in comparison

Trade facilitation performance: Business perspective

Country	Average time to clear direct exports through Customs (days)	Average time to clear imports from Customs (days)	% of firms that use material inputs and/or supplies of foreign origin	% of firms identifying Customs & trade regulations as a major constraints
East Asia & Pacific	5.35	5.95	67.15	18.42
Eastern Europe & Central Asia	4.39	8.8	62.56	13.39
South Asia	8.4	9.85	51.26	12.25
OECD	5.35	5.66	40.45	6.79
All countries	6.05	10.07	60.84	16.85
<i>Mongolia</i>	<i>18.56</i>	<i>8.23</i>	<i>67.37</i>	<i>23.71</i>

Source: World Bank, <http://www.enterprisesurveys.org>

Trade facilitation in Mongolia

Trade facilitation performance: Year on year change in Mongolia

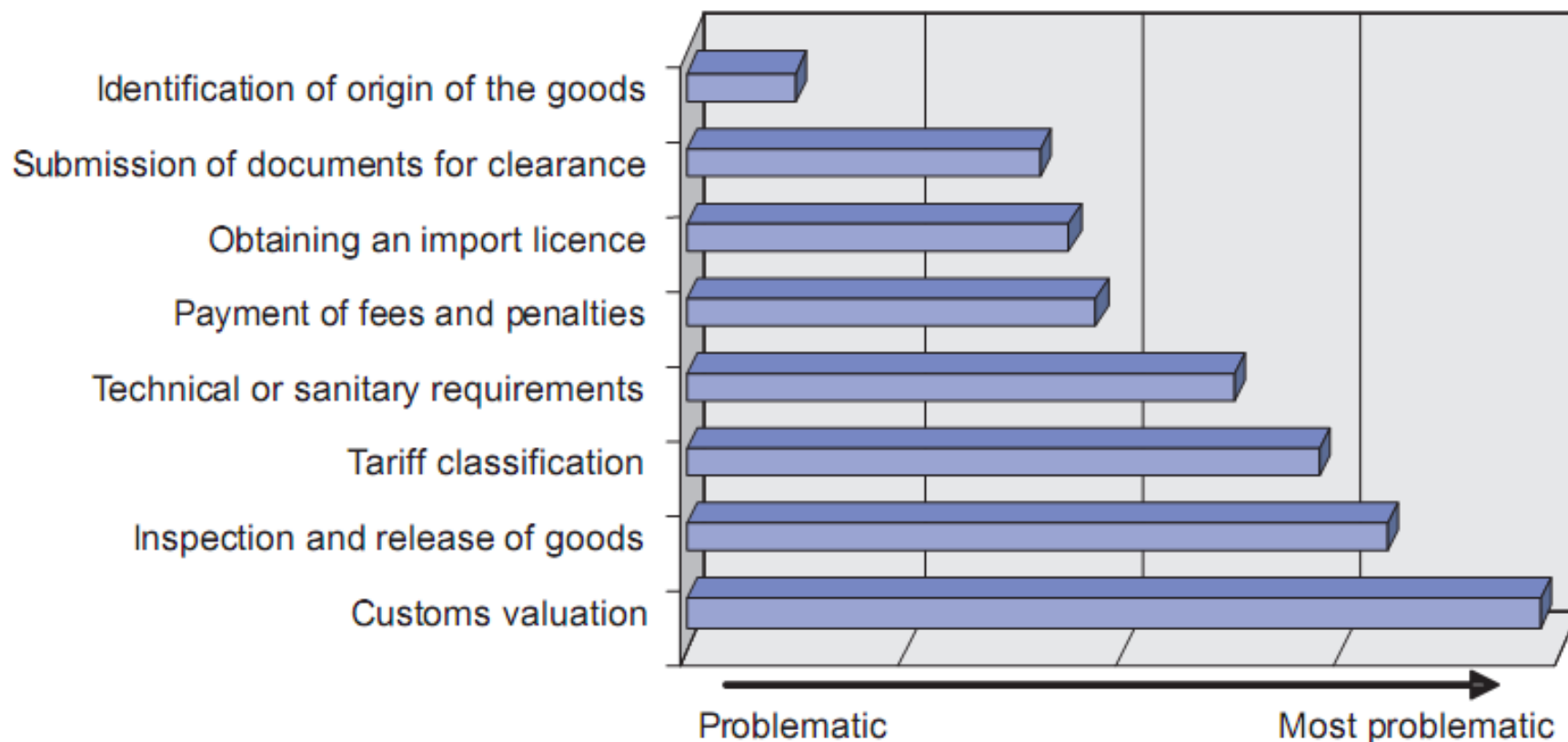
Year	Trading across borders ranking	Documents for export (number)	Time for export (days)	Cost to export (US\$ per container)	Documents for import (number)	Time for import (days)	Cost to import (US\$ per container)
2006	n.a	10	58	1,807	10	59	3,197
2007	n.a	8	33	1,807	8	33	2,274
2008	149	8	33	1,807	8	33	2,274
2009	156	8	49	2,131	8	49	2,274
2010	155	9	46	2,131	8	47	2,274

Note: Ranking among 181 economies

Source: World Bank, Doing Business (<http://www.doingbusiness.org>)

Constraints of doing business in developing countries

Figure II. Most problematic areas in conducting trade in selected developing countries in Asia and the Pacific*



Sources: ESCAP, *Studies in Trade and Investment*, No. 57, 2006; and Prasad, 2007.

* Based on exploratory private sector surveys in Bangladesh, China, Fiji, India, Indonesia and Nepal conducted in 2005.

Constraints of doing business in Mongolia

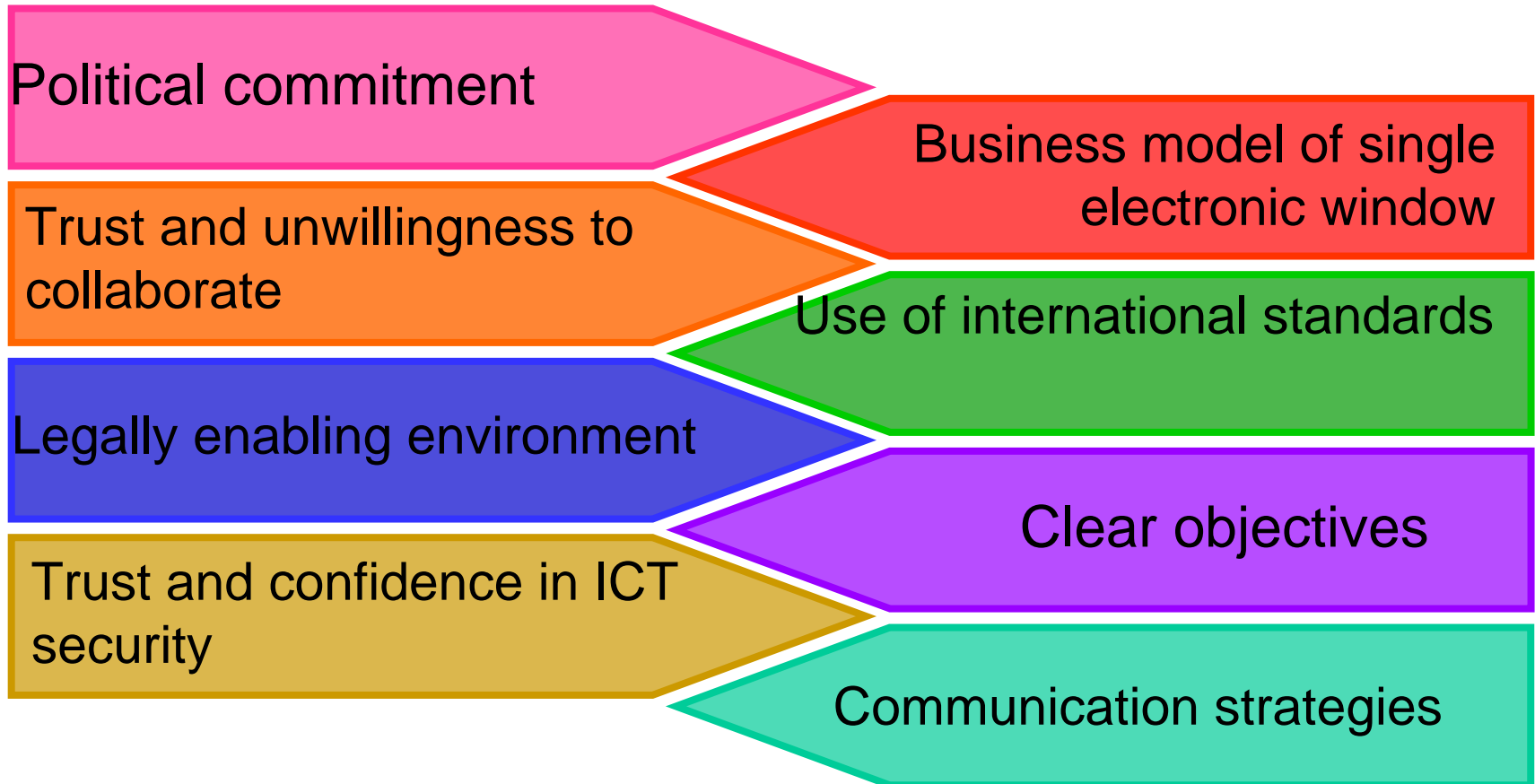
Time and costs associated with export and import procedures in Mongolia

	Export		Import	
Nature of procedures	Duration (days)	US\$ Cost	Duration (days)	US\$ Cost
Documents preparation	28	145	28	144
Customs clearance and technical control	2	126	4	50
Ports and terminal handling	2	80	2	80
Inland transportation and handling	14	1780	13	2000
Totals:	46	2131	47	2274

Source: World Bank, Doing Business 2010 Report

*Factors affecting the implementation
of the Single Electronic Window in
Mongolia are similar to those
affecting other countries elsewhere*

Factors affecting the implementation of Single Window



*Other ESCAP good practice countries
have addressed this specific issue.
Their approach offers lessons for
Mongolia*

Logistics Development Master Plan (2007 -2011)

endorsed by the Thai Cabinet on Feb 2007



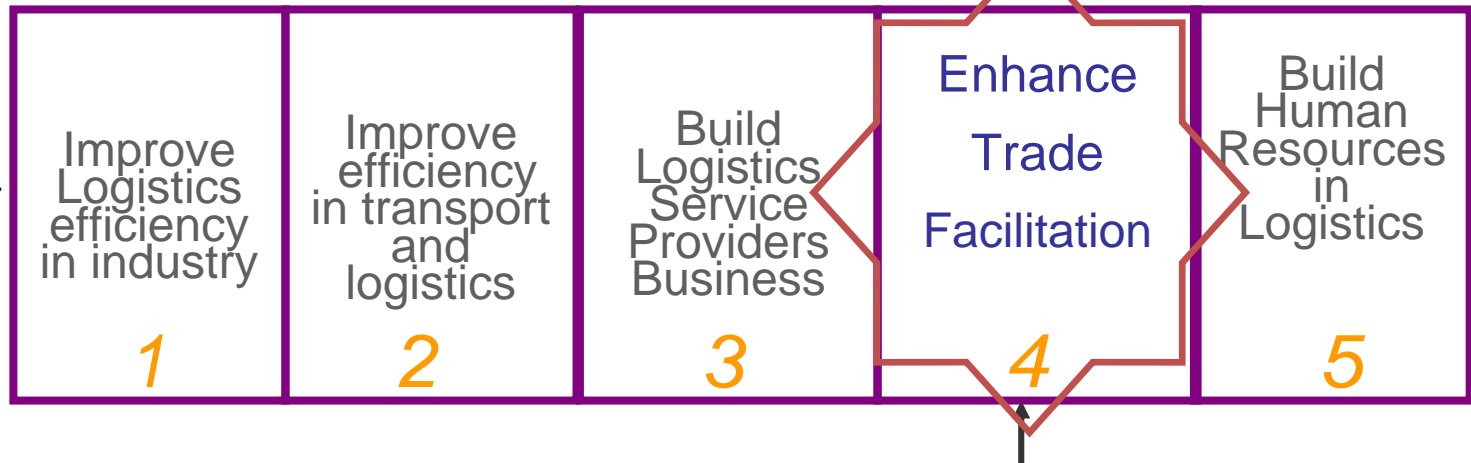
Vision

Having World-class National Logistics Environments to become a Trade Hub for Indochina

Objectives

1. Reducing logistics cost (*Cost Efficiency*), increase business *Responsiveness, Reliability* and *Security*
2. Create *Value-Added* on logistics industry and related business

Strategic Agenda



To reduce the trade logistics cost from 19% (2007) to 16% (2011) (comparing to GDP)

National Single Window (e-Logistics)

Action Plan to develop data exchange platform among different government agencies and business related to import/export procedures

Policy Directions for National Single Window

as mandated by the Cabinet in 2007

Goals:

- reducing trade transaction cost
- reducing numbers of days for exporting procedures from 24 to 14 days by 2011 (world bank statistics, www.doingbusiness.org)

Key Strategies:

- Development of **National Single Window** Exchange Hub and **Single Window Data Entry** environment for import/export trade and transport **procedures** and **document requirements**
- Promoting electronic transaction with **e-document exchange** and **interoperability** between **G2G**, **G2B** and **B2B**
 - Define common **standardized data set (Data Harmonization)**
 - Improve **laws and regulations** to enable to adopt of paperless environments.
 - Adopt **Interoperability** (common open protocols)

Impacts of IT-based Trade Facilitation Measures in Thailand

(through reform, and applying IT for Paperless Customs and NSW)

Trading Across Borders data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		51	10
Documents for export (number)	9	7	4
Time for export (days)	24	17	14
Cost to export (US\$ per container)	848	615	625
Documents for import (number)	12	9	3
Time for import (days)	22	14	13
Cost to import (US\$ per container)	1042	786	795

Transaction Cost reduction from 848 to 625 (~220 USD) per container
 (x 3.5 million TEU per year) = 770 Million USD transaction cost reduction per year

SMEs also benefit from the reduction of procedures and cost.

By World Bank www.doingbusiness.org Feb 2009 18

Mongolia: Moving Forward

Adopt:

- ✓ ***a simple vision and incremental build- up approach (Suriyon 2009)***

Example

Stage 1: Customs clearance and e-certificate

Stage 2: Transportation, financial settlement

Stage 3: Cross border paperless trading

- ✓ *A clear vision to guide development and prioritise needs*
- ✓ *Quick wins to meet immediate needs and sustain/revive organisational interest*

Issues for Consideration: The Implementation Master Plan

- *Content/Structure?*
- *Who is in charge?*
 - *IMP Coordinator?*
 - *Working Groups?*
 - *How should Working Groups be allocated?*
- *Resource Mobilisation Strategy?*
- *Timelines?*
- *ESCAP'S/ADB'S Role?*
- *IMPLEMENTATION*

Issues for Consideration: The Implementation Master Plan

EXECUTIVE SUMMARY

INTRODUCTION

THE TRADE CONTEXT

TRADE AND DEVELOPMENT

MONGOLIA: SOCIO-ECONOMIC CHALLENGES

THE IMPORTANCE OF TRADE FACILITATION

INTERNATIONAL PERSPECTIVE

THE REGIONAL PERSPECTIVE

The Mongolian Perspective

Issues for Consideration: The Implementation Master Plan

- **BARRIERS TO TRADE**
 - ADMINISTRATIVE BARRIERS
 - INFRASTRUCTURAL BARRIERS
 - POLICY BARRIERS
 - LEGISLATIVE BARRIERS
 - IMPACT OF BARRIERS TO TRADE
 - TIME DELAYS
 - Transaction Costs

Issues for Consideration: The Implementation Master Plan

- **STAKEHOLDERS AND TRADE FACILITATION REFORMS**
- **KEY STAKEHOLDERS**
- **TRADE FACILITATION REFORMS**
 - MCGA
 - MONGOLIA TAX DEPT.
 - MONGOLIA TRANSPORT PROVIDERS
 - GASI
 - MASM
 - MINISTRY OF AGRICULTURE

Issues for Consideration: The Implementation Master Plan

- **THE SINGLE ELECTRONIC WINDOW**
- [E-READINESS](#)
- **TELECOMMUNICATIONS INFRASTRUCTURE**
- **SURVEY OF PRIVATE SECTOR IT CAPABILITIES**
- **E-READINESS ISSUES**
- [Conclusions on Progress Achieved](#)

Issues for Consideration: The Implementation Master Plan

- THE CHALLENGES AND OPPORTUNITIES AHEAD
- OVERVIEW OF THE STRATEGY
- THE SEW AND WHAT IT CAN ACHIEVE
- IMPROVING THE SPEED AND COST OF CLEARANCE
- IMPROVED TRANSPARENCY AND CONTROL
- GREATER ACCESS TO INFORMATION
- IMPLEMENTING THE SEW
- IMPROVING THE WIDER ENVIRONMENT FOR TRADE FACILITATION
- IMPROVING THE ENVIRONMENT FOR ICT
- Investing in Transport Infrastructure

Issues for Consideration: The Implementation Master Plan

- Resource Mobilisation
 - ESCAP can with ADB and interested donors help to devise a resource mobilisation strategy drawing on the UN network and other development partners
- What deadlines for first inputs?
- And the draft implementation master plan?

Issues for Consideration:

The Implementation Master Plan

- How do we work with existing initiatives?
- How should the 'proposed plan' be organised?
- Is the current SEW working structure adequate?
- Other ideas?

Consultative Discussions

Thank you!

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