

UNECE/UNESCAP Workshop

Simplifying Trade Documents

Ulaanbaatar, Mongolia,

October 2009



Presentation

- ❑ Role of documents for data exchange in global trade
- ❑ Simplifying documents: United Nations Layout Key
- ❑ Simplifying data: Code Lists
- ❑ Standardising semantic: UN Trade Data Element Directory



Information Links the Supply Chain



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Trade Documents and Cross Border Supply Chains

- ❑ Goods can't move faster than the information that controls them
- ❑ Information is crucial for efficiency and security of the SC
- ❑ Trade Documents are the core means of exchanging this information
- ❑ Efficiency of documents and related procedures has a key impact on transaction costs, time and risks



Large document volume in global trade

- ❑ UN/CEFACT: export process average: 27 Parties involved, 40+ documents, 300+ copies to manage export processes
 - ❑ UNCTAD: 5 Bio Trade and Transport documents are issued annually
 - ❑ Total US international trade documentation annually consumes more than one billion man hours, equal to 600 thousand work years
 - ❑ Australia: 22 Agencies collect the name of the exporter on 118 different forms
- ..described in 61 different ways

..causing cost and inefficiency

Efficiency of documents and related procedures has a key impact on transaction costs, time and risks:

- ❑ **Container clearance costs in Japan:**

paper documents	26" Yen and 23 hours,
electronic documents	11" Yen and 4 hours

- ❑ **Each day saved in shipping time is be worth 1 %, ad valorem, of the manufactured goods**
- ❑ **Induced costs (storage, non delivery and delays) are often higher than freight and other costs related to shipment**
- ❑ **The same car manufacturer carries 7 days of inventory in Italy, in Morocco 37 days**

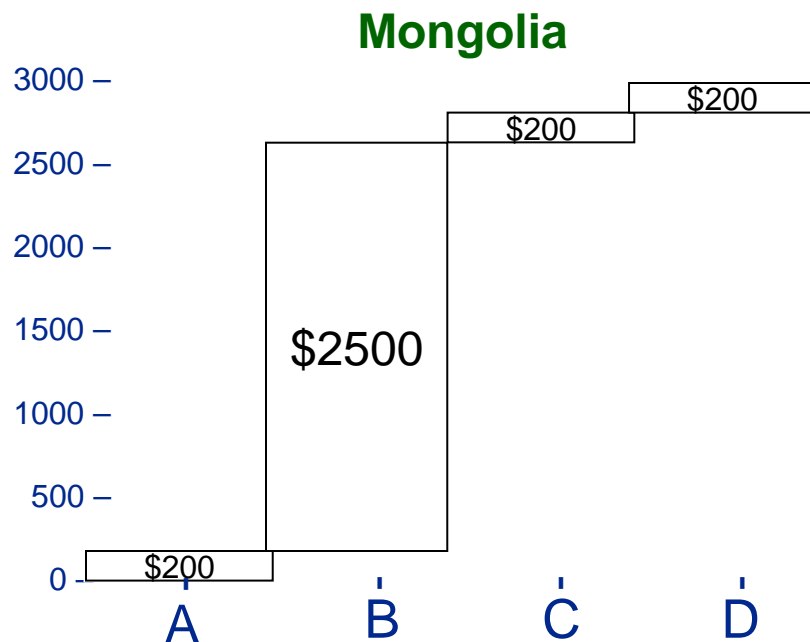


..and there are many types of documents

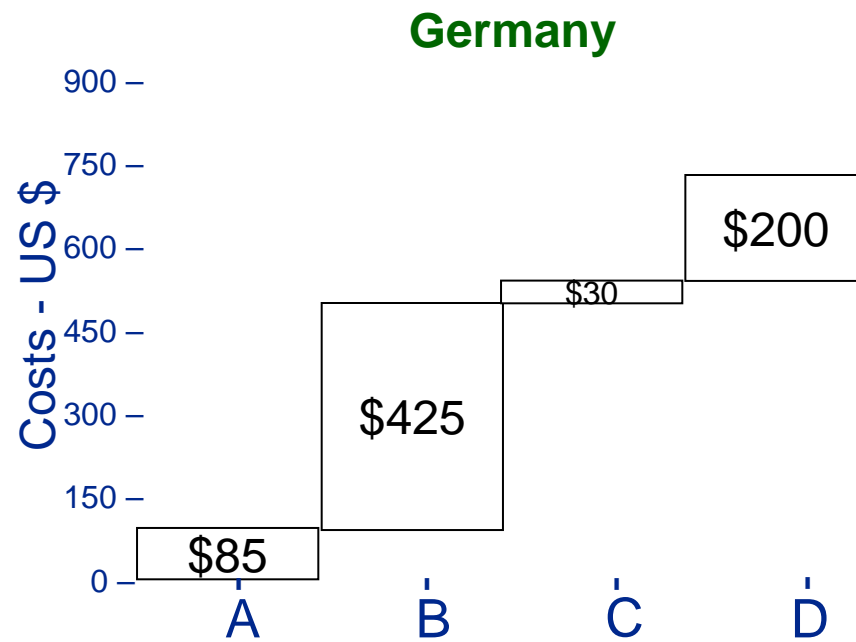
- | | |
|---------------------------|---------------------|
| ❑ Enquiry | Order |
| ❑ Despatch advice | Collection order |
| ❑ Payment order | Documentary credit |
| ❑ Forwarding instructions | Forwarder's invoice |
| ❑ Goods receipt | Sea waybill |
| ❑ Rail consignment note | Bill of lading |
| ❑ TIR carnet | ATA carnet |

The UN/EDIFACT standard knows 998 different document names!

Costs to Export: Mongolia Republic/Germany



Total duration: 64 days
Total cost: \$3100



Total duration: 6 days
Total cost: \$740

- A. Documents Preparation →
- B. Inland transportation and handling →
- C. Customs clearance and technical control →
- D. Ports and terminal handling →

Mongolia (days)	Germany (days)
24	3
34	1
3	1
3	1



United Nations Layout Key (UNLK)

Three aspects of standardization of trade documents:

1. Standard layout for trade documents and rules for modification of the standard layout key
2. Use of Code lists
3. Semantic description of data elements (UNTDDED)





LAYOUT KEY FOR TRADE DOCUMENTS

Consignor (Exporter)		Date, Reference No, etc.		
Consignee		Byer (if other than consignee) or other address		
Notify or delivery address	Country whence consigned			
	Country of origin		Country of destination	
Transport details		Terms of delivery and payment		
Shipping marks ; Container No. Number and kind of packages ; Goods description		Commodity No.	Gross weight	Cube
			Net quantity	Value
<div>Free disposal</div>				



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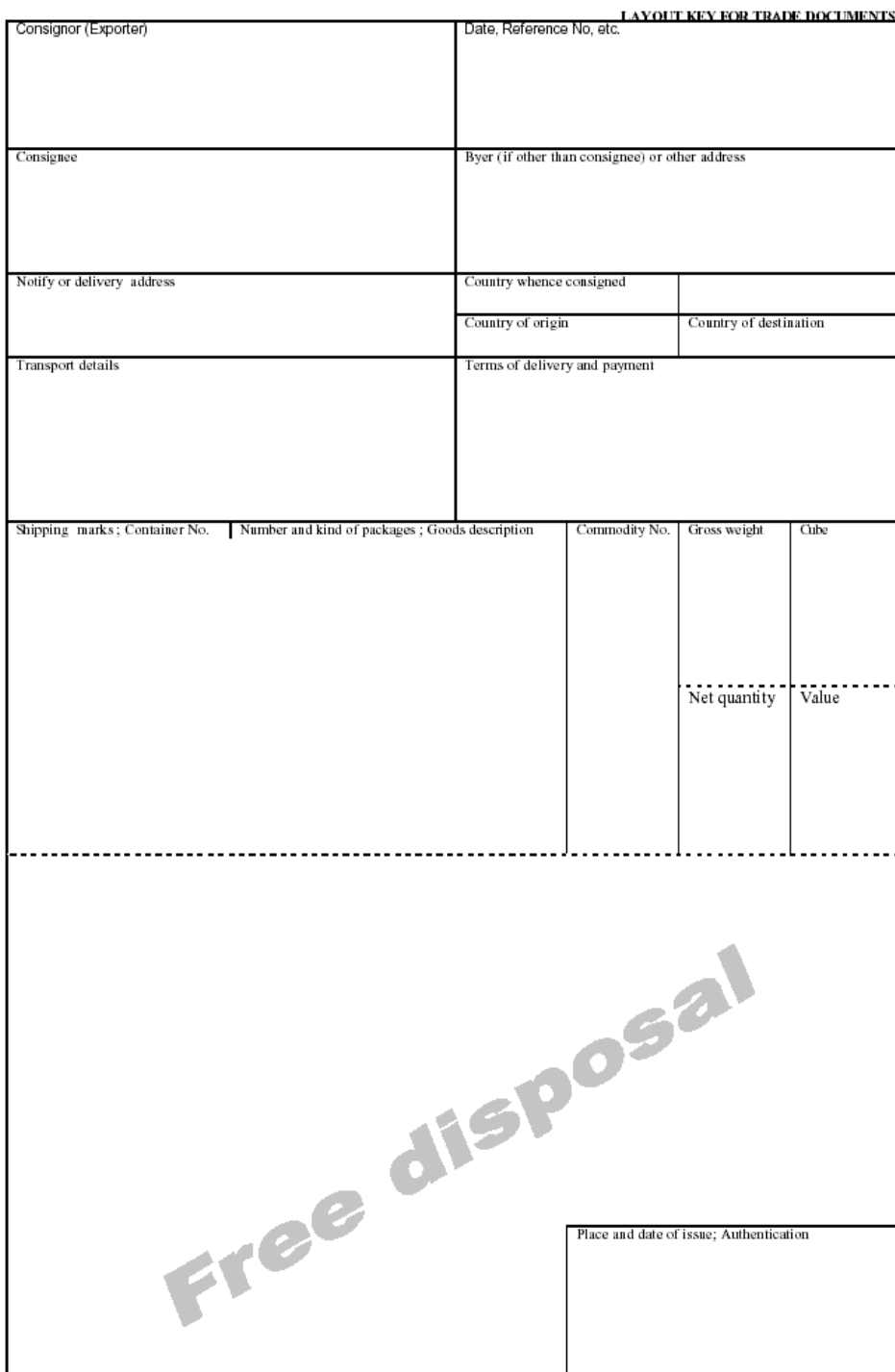
UNLK: Layout Key for Trade Documents

LAYOUT KEY FOR TRADE DOCUMENTS					
Consigner (Exporter)	Consigner (Exporter)		Date, Reference No, etc.		
Consignee	Consignee		Buyer (if other than consignee) or other address		
Notify or delivery address	Notify or delivery address		Country whence consigned		
Transport details	Transport details		Country of origin	Country of destination	
			Commodity No.	Gross weight	
Shipping marks; Container No.	Number and kind of packages; Goods description	Commodity No.	Gross weight	Cube	Value
				Net quantity	
More particular needs in individual applications					
Place and date of issue; Authentication			Place and date of issue; Authentication		



Three rules for aligning a trade document

- ❑ **Rule 1:** Data elements that are specified in the UNLK are placed in the corresponding space in the aligned form.
- ❑ **Rule 2:** Data elements that are not specified in the UNLK should be placed in the “free disposal” area of the derived form.
- ❑ **Rule 3:** Data elements that are not required in the derived form can be disregarded. This space can be used for other purposes in the same way as the “free disposal” area.



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Codes in trade documents: Did you say Paris?

There are six locations in the world called
“Paris”

USIL	PRP	Paris
USKY	PZT	Paris
USTN	PHT	Paris
USTX	PRX	Paris
CAON	PAO	Paris
FR75	PAR	Paris

The Paris in Canada is identified by
CAPAO, the Paris in France by FRPAR
...just try to send a container to Paris in
Canada without a UN/LOCODE



Use of Codes for Trade Data

- ❑ Language independent
- ❑ Avoids costly errors and misunderstandings
- ❑ Uniform representation = possibility to integrate into various paper-based and electronic applications
- ❑ Maintenance outsourced
- ❑ Worldwide usage: by WCO, IATA, FIATA, UPU, UN/EDIFACT, UNLK etc.



Rec:19
Mode of Transport

Rec:16
UN/Locode

ISO Country
Code

Rec: 17
Payment
Terms

at Professional - [UNSAID_SAMPLE.pdf]

Document Tools Advanced Window

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Review & Comment Secure Sign Advanced Editing Select Text Save

UNeDocs EUROPEAN COMMUNITY EXPORT CUSTOMS DECLARATION

1 Consignor / Exporter

3 Forms 4 Loading lists

5 Items 6 Total packages 7 Reference number

9 Person responsible for financial settlement No

10 Country first 11 Trading 13 CAP

14 Consignee / Representative No

15 Country of despatch / export 16 Country of origin 17 Country of final destination

18 Identity and nationality of means of transport / departure 19 Ctr. 20 Delivery terms

21 Identity and nationality of active means of transport crossing the border 22 Currency and total amount invoiced

25 Mode of transport 26 Inland mode 27 Place of loading 28 Financial and banking data

29 Office of exit 30 Location of goods

31 Marks and numbers - Container No(s) - Numbers and kind

32 Article No. 33 Commodity code

34 Country origin code 35 Gross mass (kg)

Rec:9
Currency Code

Commodity
Code

Rec: 28
Means of
Transport

Rec: 21
Package Codes

Rec:20 Units of
Measurement



Semantic: UN Trade Data Element Directory

UNTED (ISO 7372): Semantic definition of document data

Simplification and standardization of semantic, representation and data content

3230 Port of loading

Desc: Name of the port on which the goods are loaded on to the vessel used for their transport

Rep: an..17

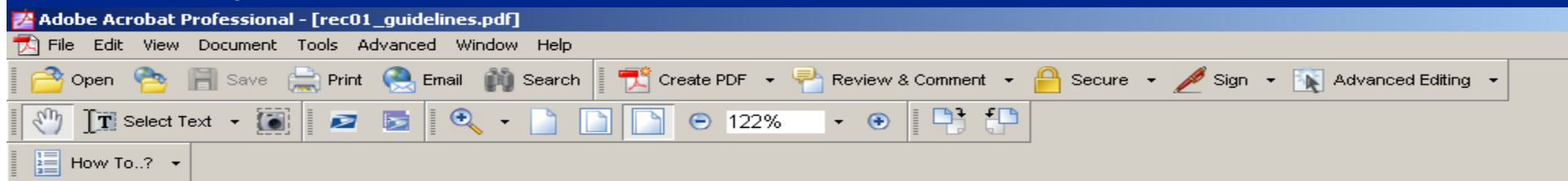


United Nations Trade Data Elements (UNTDDED)

3230 Port of loading

Desc: Name of the port on which the goods are
loaded on to the vessel used for their
transport

Rep: an..17



4. Data elements included

(E/I = Export and import entries; Tr = Transit entries; Or = Certificates of origin; GSP = GSP Certificates; FAO = Phytosanitary certificates; IMO = IMO Cargo declarations)

	UNTDDED tag	E/I	Tr	Or	GSP	FAO	IMO
4.1 Identical to the UNLK							
Reference No.	1472	x	x	x	x	x	x
Consignor/Exporter	3336	x	x	x	x	x	x
Consignee	3132		x	x		x	
Delivery address	3246		x				
Country whence consigned	3220		x	x			

UN Layout Key: State of Implementation

- ❑ Most international Trade Documents are aligned to the UN Layout Key
SAD, IATA AWB, FIATA BoL, CITES Certificate, ASEAN CEPT D, GSP ...
- ❑ Many national regulatory documents are aligned to the UNLK
- ❑ Gaps exist in particular in developing countries and transition economies

Thank You

Markus.Pikart@unece.org

