



# ICT & Innovation in International Trade

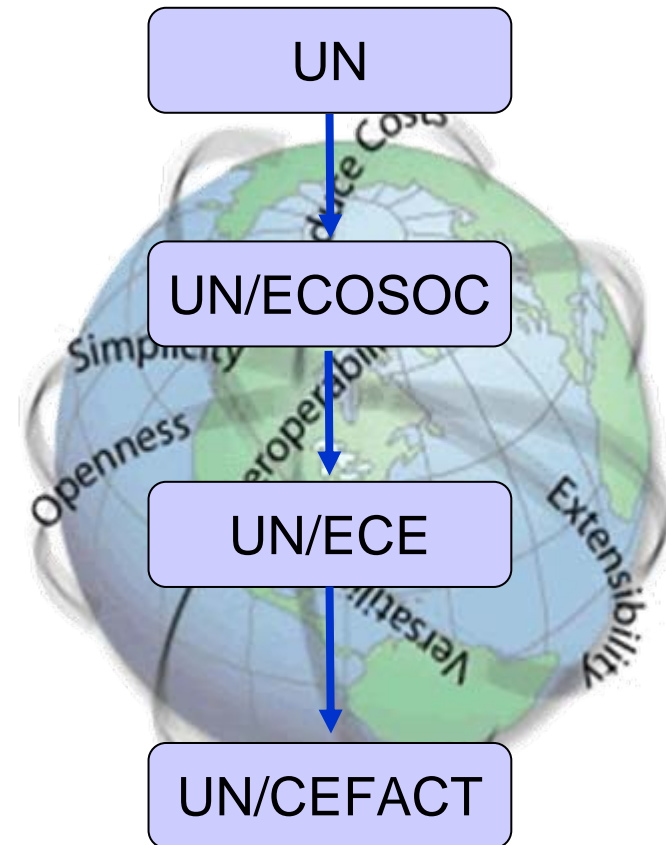
## UN/CEFACT's Experience

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Chairman, UN/CEFACT Forum Management Group



**“UN Centre for Trade Facilitation and Electronic Business** *supports activities dedicated to improving the ability of business, trade and administrative organizations, from developed, developing and transitional economies, to exchange products and relevant services effectively.*”





### UN/CEFACT has a Global Mandate

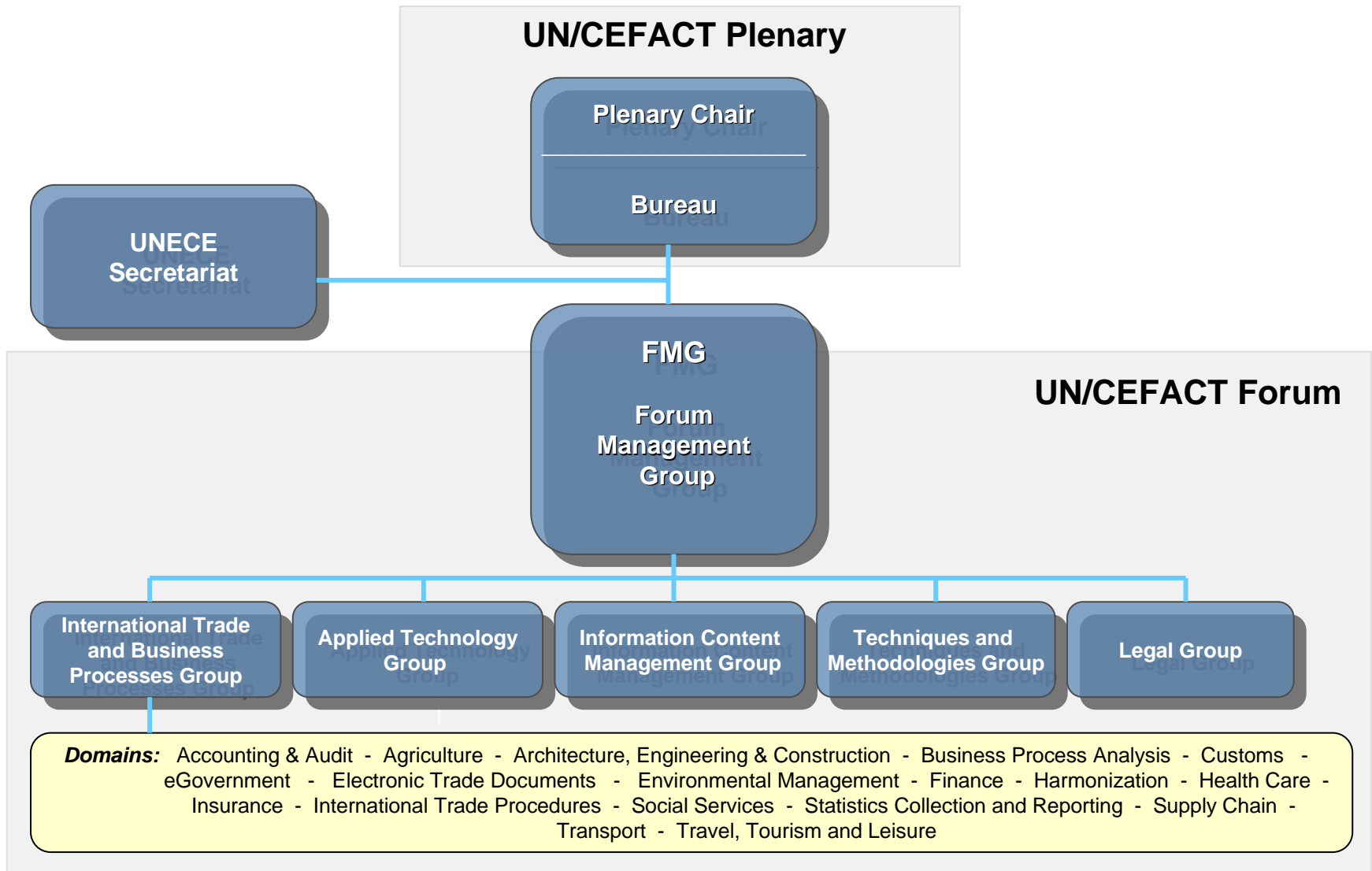
Participation in the UN/CEFACT Forum is open to all United Nations Member states. There are some 300 experts representing every region in the World

UN/CEFACT's Mission is to develop:

Simple, Transparent & Effective Processes

For Global Business, through the development of:

Trade Facilitating Recommendations &  
E-Business Standards





## Trade Facilitation Strategy

- UN/CEFACT takes a holistic approach to the International Trade Transaction Process
- Identifies ways to identify & eliminate regulatory & procedural barriers to trade through international best practices that cut red tape and reduce delays within and between countries & enhances predictability
- Develops Trade Facilitation Recommendations & eBusiness Standards
- Develops Capacity Building Programmes on trade facilitation implementation

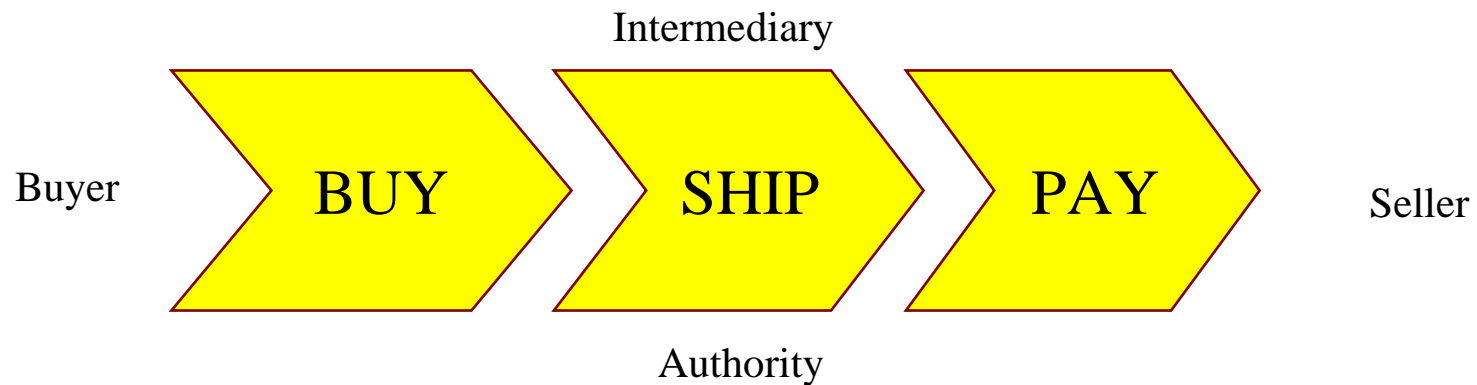


## Based on:

- Cross-**sectoral** analysis (to promote interoperability & supply chain synchronicity)
- Business process and information modeling (to capture **user** requirements, independent of any specific technology)
- New technologies as they emerge (e.g., eXtensible Markup language (XML), webServices,...)
- International standards for enabling e-business development
- Disseminating results in an efficient way



# International Trade Transaction Process

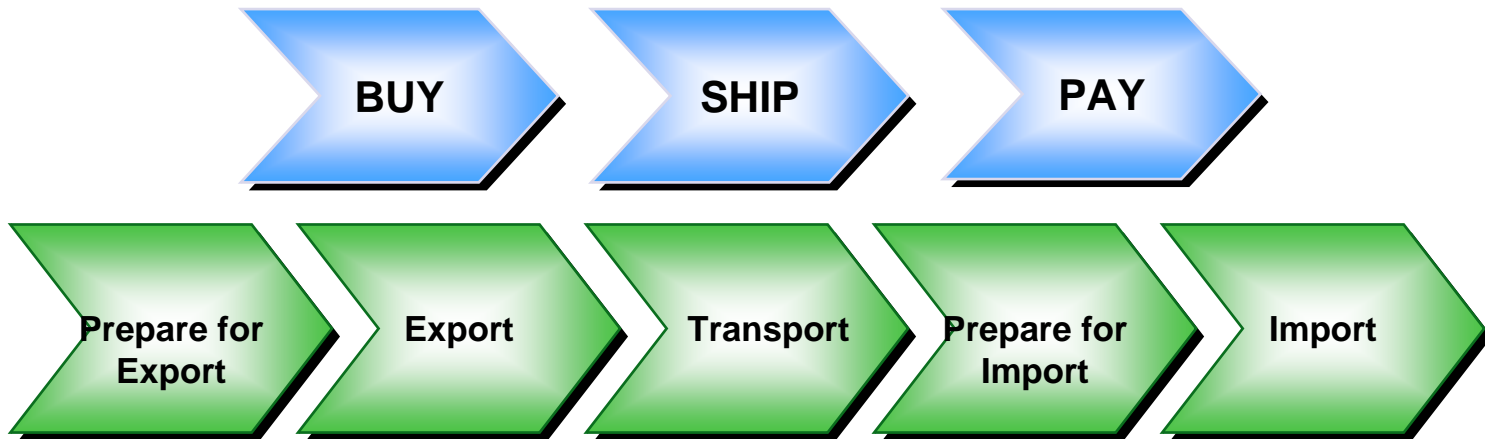


The International Trade Transaction Process consists of integrated & coordinated flows of information, goods & payments

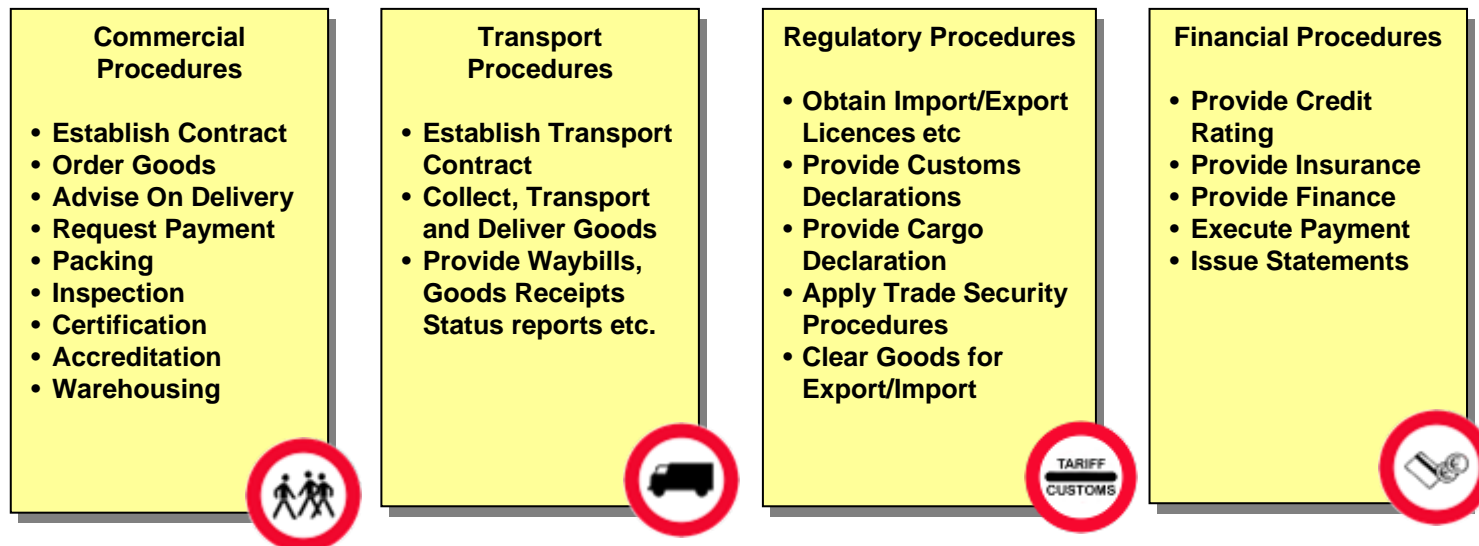
Source: UN/CEFACT International Supply Chain Reference Model



## International Trade Transaction Process



### INVOLVES





## UN RECOMMENDATION 1

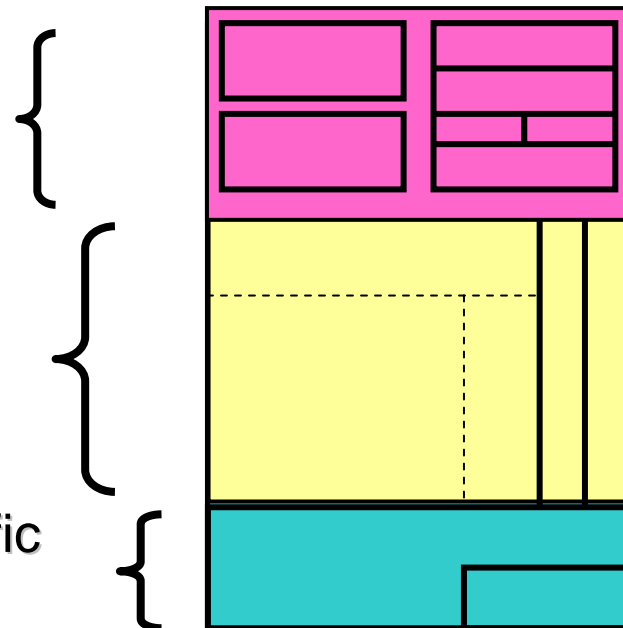
### UN Layout Key (UNLK)

**A standard and template for aligning international trade documents**

Cross-Sector Transaction Data  
(mainly business driven)

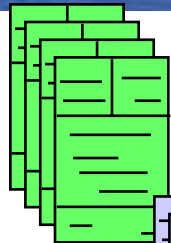
Sector Specific Detail  
goods items, order line items ...

Document Function Specific  
(Free Text Area)

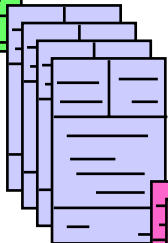




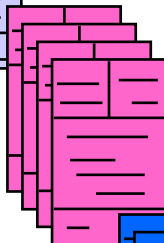
## UNLK Form Families



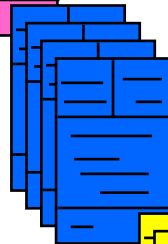
Trade Documents – Quotation, Order, Invoice etc.



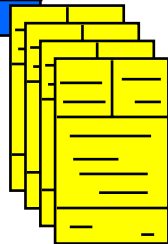
Materials Management Documents – Despatch Advice, Pick List, Packing List etc.



Transport Documents – Bill of Lading, Shipping Instructions etc.



Customs Documents – Export, Import, Transit Declarations, Cargo Reports etc.



Other Regulatory Documents – Cert of Origin, DGN etc.

Rec:19  
Mode of Transport

Rec:16  
UN/Locode

ISO Country  
Code

Rec: 17  
Payment  
Terms

The image shows a screenshot of a PDF form titled "EUROPEAN COMMUNITY EXPORT CUSTOMS DECLARATION" within a software application window. The form is divided into several sections with numbered fields. Blue callout boxes point to specific fields: "Rec:19 Mode of Transport" points to field 25; "Rec:16 UN/Locode" points to field 27; "ISO Country Code" points to field 13; "Rec: 17 Payment Terms" points to field 17; "Rec:9 Currency Code" points to field 22; "Commodity Code" points to field 33; "Rec:20 Units of Measurement" points to field 35; "Rec: 21 Package Codes" points to field 30; and "Rec: 28 Means of Transport" points to field 21. The form includes fields for Consignor/Exporter, Consignee, Country of origin, Country of despatch, and various codes and numbers.

Rec:9  
Currency Code

Commodity  
Code

Rec: 28  
Means of  
Transport

Rec: 21  
Package Codes

Rec:20 Units of  
Measurement



### **UN/CEFACT Compendium of Trade Facilitation Recommendations ( 33 published Recommendations)**

- Recommendation 1 - UN Layout Key for Trade Documents (ISO 6422)
- Recommendation 4 - National Trade Facilitation Bodies
- Recommendation 18 - Facilitation Measures Related to International Trade Procedures
- Recommendation 16 - UN/LOCODE: Code for Trade & Transport Locations
- Recommendation 25 -Use of UN/EDIFACT (ISO 9735)
- Recommendation 33 - Recommendation & Guidelines Establishing a Single Window



## Some of the Benefits

### UN/EDIFACT (ISO 9735)

- **Customs** (Source: EU-TAXUD):
  - 175 Million Customs Declarations per year
    - 480'000 per day
    - 333 per minute
    - 5.5 per second
- **Fiscal Declarations** (Source EDIFICAS, France):
  - 1987 - 100 companies
  - 2004 - 1 million companies
    - 92% of VAT collected using EDIFACT
    - 45% of revenues collected by the French Government
- **Benefit to the State** (Source EDIFICAS, France):
  - Euros 100M per year



## Some of the Benefits

### UN/EDIFACT

- **International Maritime Transport**
  - **Bayplan Loading Message**
    - 200 Million Messages per year
  - **Container Movements**
    - 100 Million container movements per year
  - **Dangerous Goods**
    - 80%by volume shipped using EDIFACT

(Source: UN/CEFACT Transport Working Group - TBG3)



## eBusiness Standards Development

- Business Process Models
- Business Requirements Specifications-BRS
- Requirements Specification Mapping-RSM
- Core Component Technical Specifications
- Core Component Libraries
- Naming & Design Rules
- Schema Generation

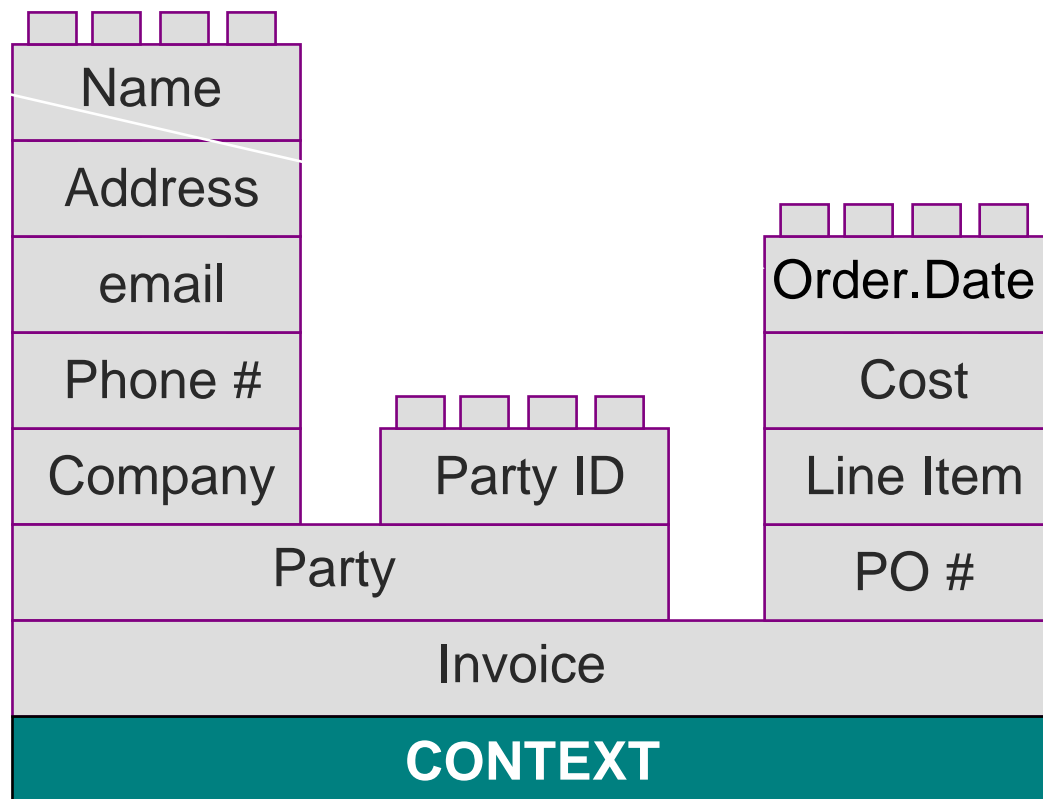
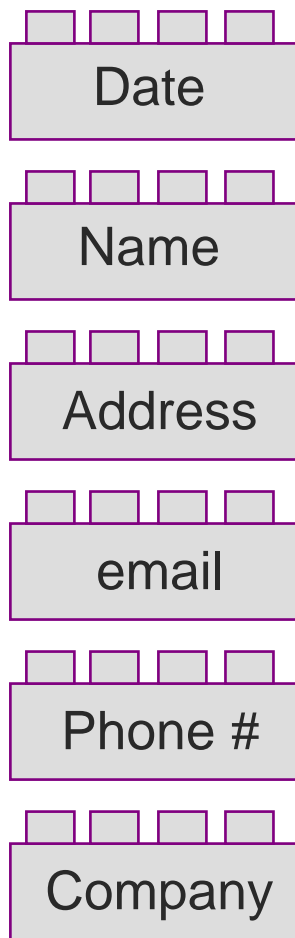


## **United Nations Trade Data Elements Directory International Standards Organisation ISO 7372**

- Developed to provide a Directory to facilitate open interchange of data in international trade
- Standard data element names with description of meaning (data value) and a specification of character representation
- Supports and is fully consistent with Recommendation 1 – UN Layout Key for Trade Documents
- Fully consistent with UN/EDIFACT
- Multimodal & multisectoral
- Technology & syntax independent
- ebXML Core Components Technical Specification compliant



## Core Components





### Formal Memorandum of Understanding (MoU)

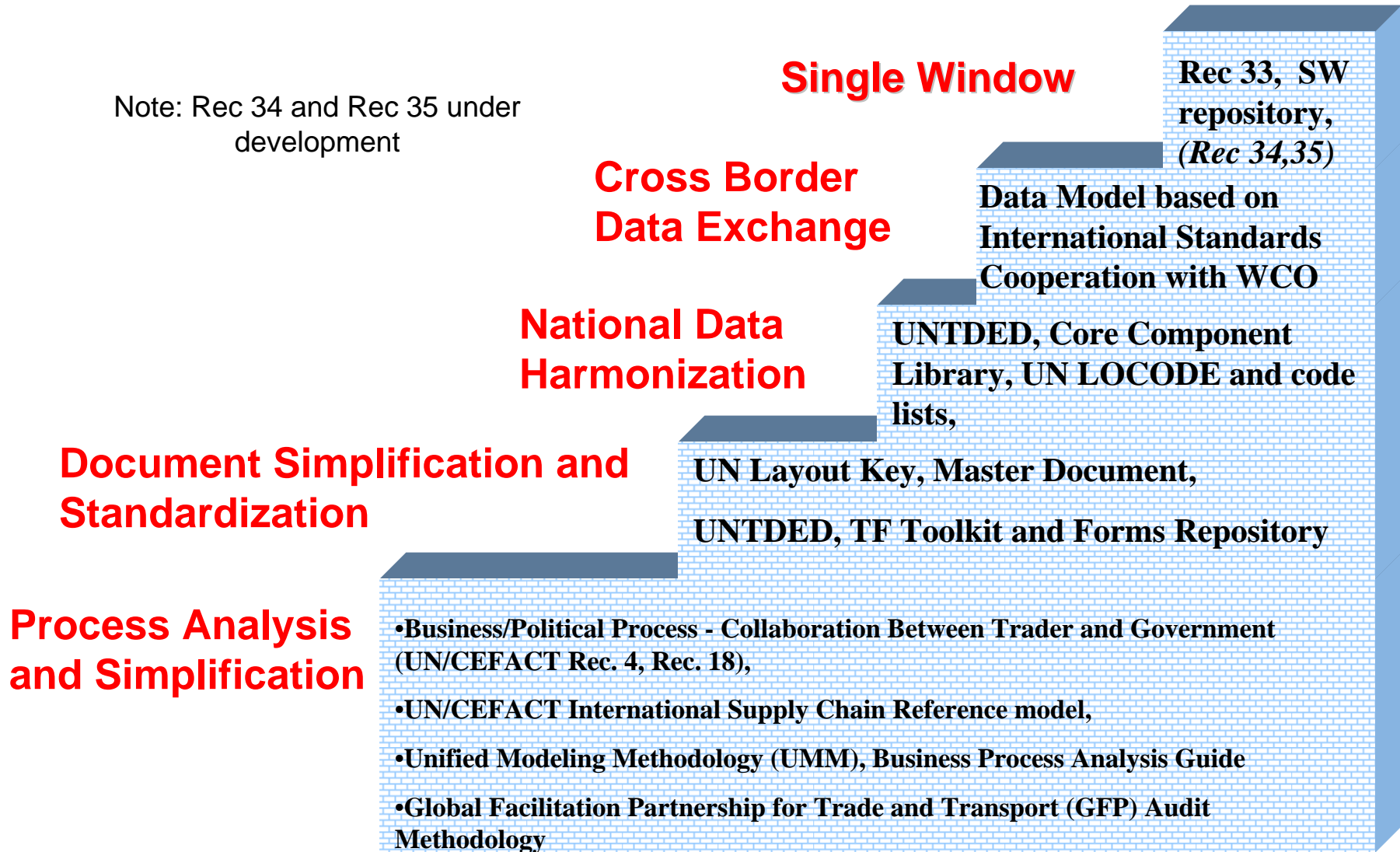
#### Commits participants to:

- Avoid divergent and conflicting approaches to standardization
- Eliminate duplication of effort
- Provide a clear roadmap for users
- Ensure intersectoral coherence in the field of electronic business



# Implementing UN/CEFACT Standards & Recommendations

Note: Rec 34 and Rec 35 under development





## Single Window Definition

### UN/CEFACT Recommendation 33

*“A facility that allows parties involved in trade and transport to lodge standardised 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.”*



## Draft UN CEFACT Recommendation 34

Recommendation 34 recommends  
data simplification and standardization by:

- **Capturing** existing requirements into a national trade data inventory
- **Defining** the individual data elements
- **Analyzing** the need for, and context of the data requirements
- **Reconciling** the national trade data inventory with international standards

TO PRODUCE A SIMPLIFIED, STANDARDIZED NATIONAL DATA SET  
FOR THE EXCHANGE OF INFORMATION WITH A SINGLE WINDOW  
FACILITY



## THE WAY FORWARD

- Compelling demand from stakeholders (governments, businesses, standards development organizations) for bringing together an end-to-end global core of recommendations & standards for:
  - Trade Facilitation implementation
  - e-business, e-government and e-trade
- Standards that are open, interoperable and freely available. Robust, scalable, and maintained over time. Available in both paper & electronic formats, avoids re-working & implementable by SMEs in developing, transition & developed economies alike.



**UN/CEFACT**  
SIMPLE, TRANSPARENT AND EFFECTIVE PROCESSES  
FOR GLOBAL COMMERCE

<http://www.UNCEFACT.org>