Facilitating Cross Border Transit with CamelONE™

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Agenda

1. Transit Trade and Its Importance

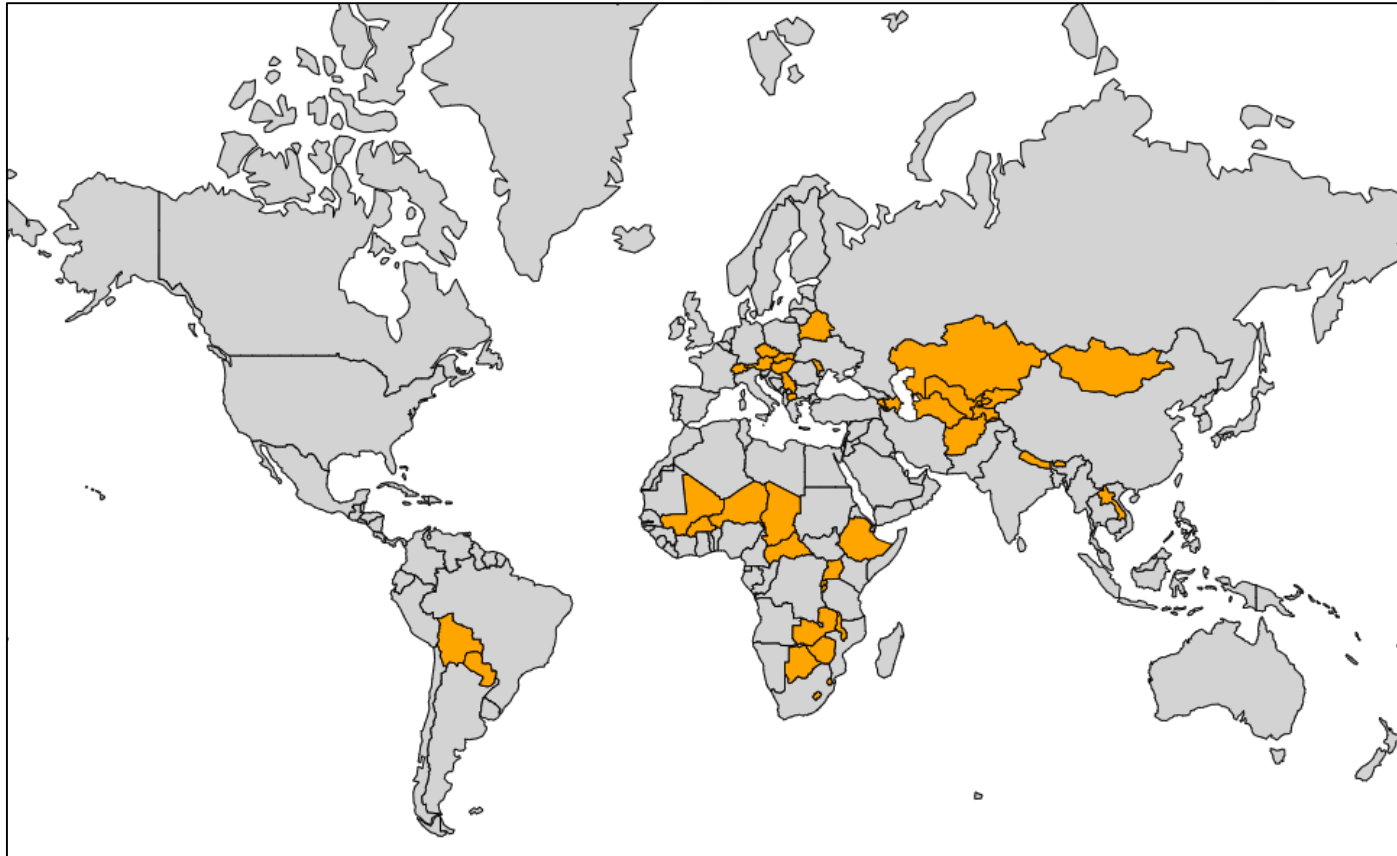**2.** East Africa Community Single Customs Territory Centralised Platform

3. CAREC Advanced Transit System (CATS) and Customs Information Common Exchange (ICE)

Transit Trade

Landlocked Countries

There are 49 – or about 20% of the countries in the world – that are landlocked.

Landlocked countries have around 590 million population. 7.66% of world population.

* From http://worldpopulationreview.com
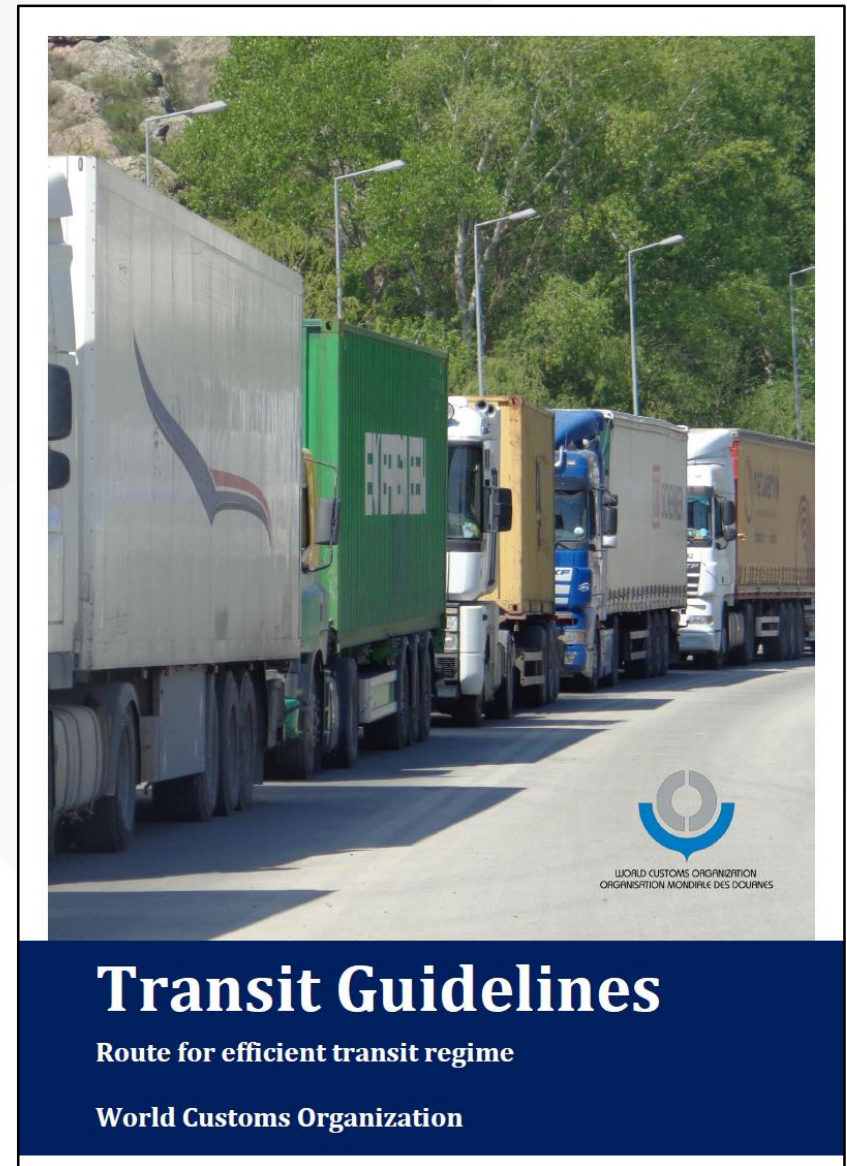
Importance of Cross Border Transit Trade

➢ Landlocked developing countries (LLDCs) face special trade and development challenges, arising from their lack of territorial access to the sea and geographical remoteness from international markets.

➢ Exports and imports of LLDCs are required to transit through at least one neighboring State, and often have to change the mode of transport frequently.

➢ This substantially increases the cost of trade for LLDCs and is a key factor in preventing their effective integration into the global trading system.

➢ At present, 32 countries belong to the group of LLDCs: 16 are located in Africa, 12 in Asia, 2 in Latin America and 2 in Central and Eastern Europe

References and Best Practice

➢ WCO released a new Transit Guidelines in 2017, documenting the best practices and guidelines on implementing transit regime.
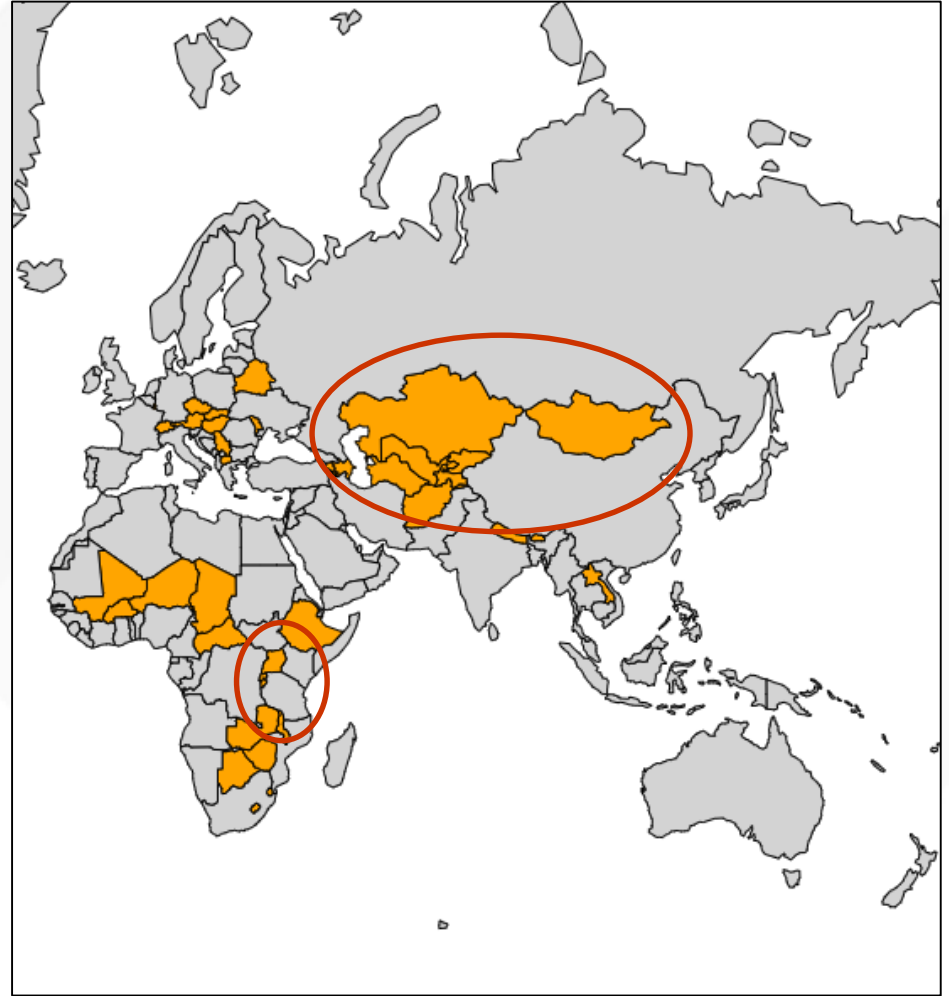
Current practice and case studies:

➢ Eurasian Economic Union (EAEU)

➢ New Computerized Transit System (NCTS)

➢ TIR and e-TIR

Transit Guidelines

Route for efficient transit regime

World Customs Organization

Current Practice Limitations

- ➢ Eurasian Economic Union (EAEU)

  - Russia and 4 other countries

- ➢ New Computerized Transit System (NCTS)

  - Mostly among European Union members

- ➢ TIR and e-TIR

  - Not in Africa, and most still use paper based TIR

Therefore, there was a need for common transit solutions in Africa, and Central Asia.
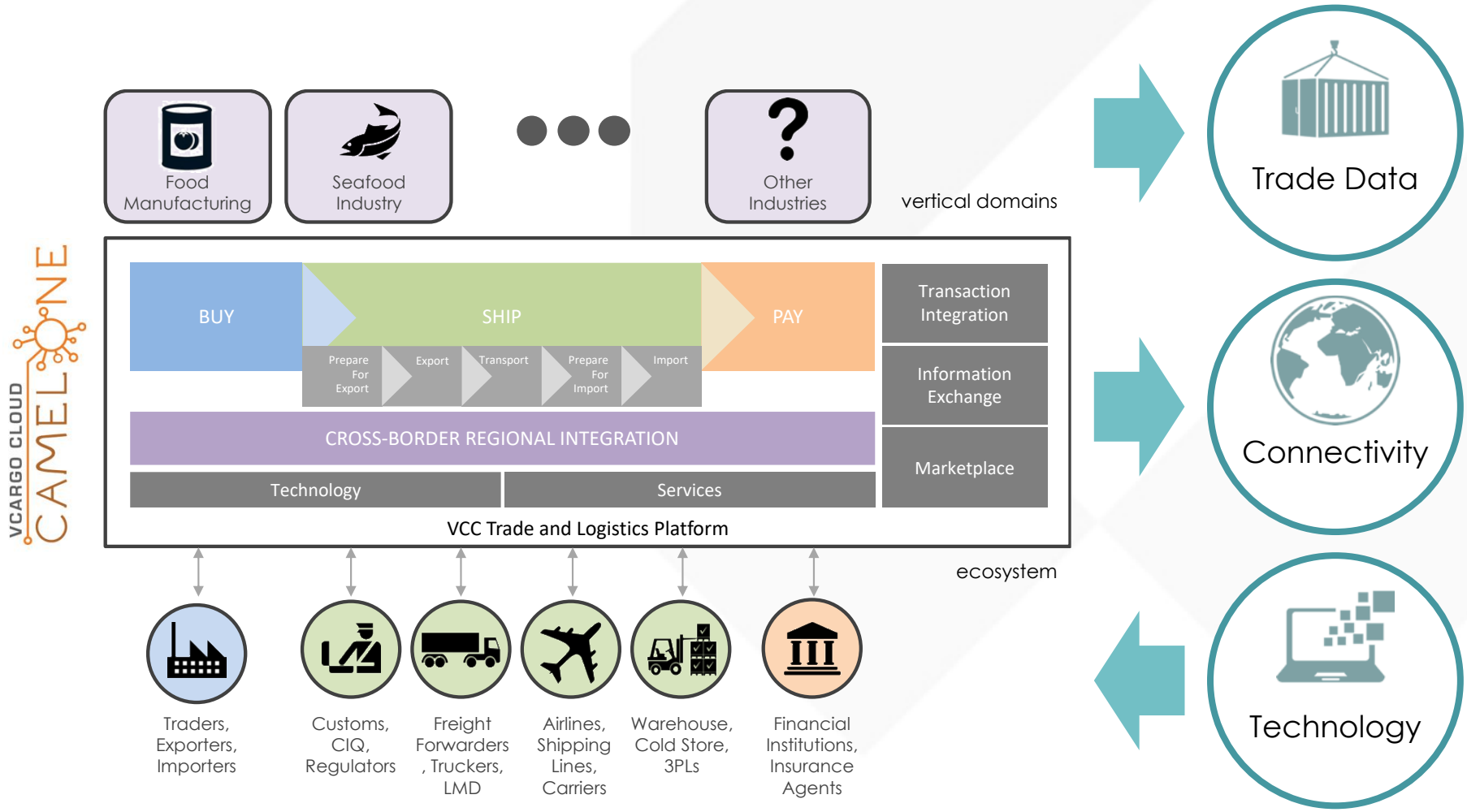
Facilitating Cross Border Transit

- vCargo Cloud has been working with funding agencies to implement cross border transit solutions with our CamelONE™ Platform.
    - Trade Mark East Africa (TMEA) in East Africa Community region
    - Asian Development Bank (ADB) in Central Asia region

vCargo Cloud's CamelONE™ Platform

vertical domains

- Food Manufacturing
- Seafood Industry
- Other Industries

VCARGO CLOUD CAMELONE

BUY | SHIP | PAY

Prepare For Export | Export | Transport | Prepare For Import | Import

Transaction Integration

Information Exchange

Marketplace

CROSS-BORDER REGIONAL INTEGRATION

Technology | Services

VCC Trade and Logistics Platform

ecosystem

- Traders, Exporters, Importers
- Customs, CIQ, Regulators
- Freight Forwarders, Truckers, LMD
- Airlines, Shipping Lines, Carriers
- Warehouse, Cold Store, 3PLs
- Financial Institutions, Insurance Agents

Trade Data

Connectivity

Technology

East Africa Community Single Customs Territory Centralised Platform

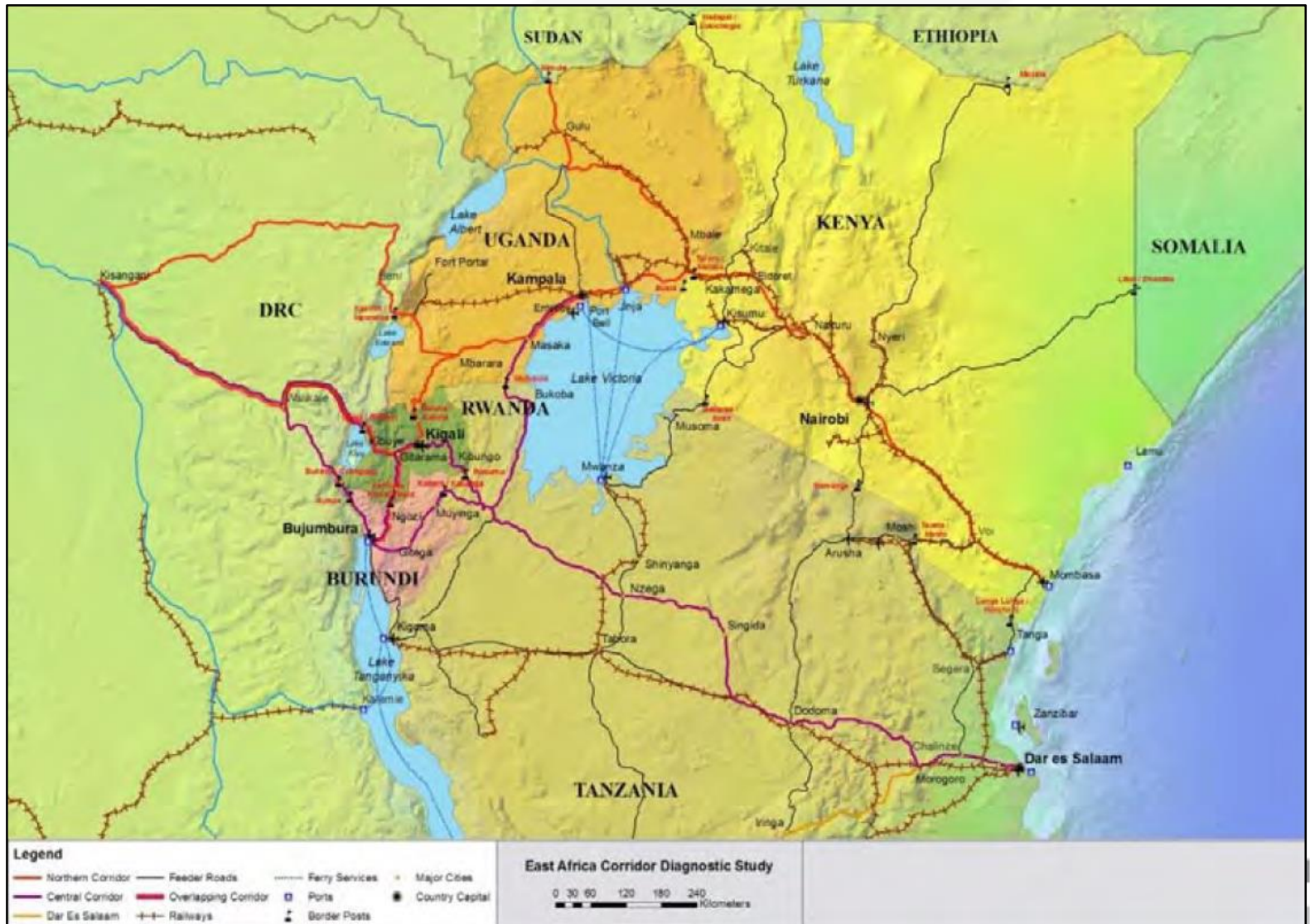East African Community

South Sudan

Uganda

Rwanda

Burundi

Kenya

Tanzania

6 Countries (4 landlocked)

The Northern and Central Corridors
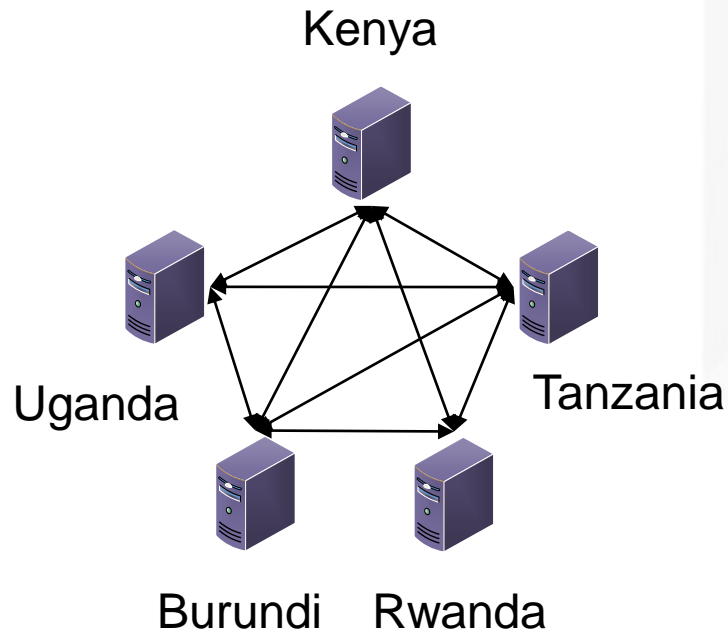
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Single Customs Territory (SCT) Project

Funded by TMEA with the key objectives:

➢ Seamless Flow of Goods to Enhance EAC Trade

➢ Reduce Cost of Clearance

➢ Shift from Physical to Electronic Control

➢ Enhance Compliance Across EAC Region
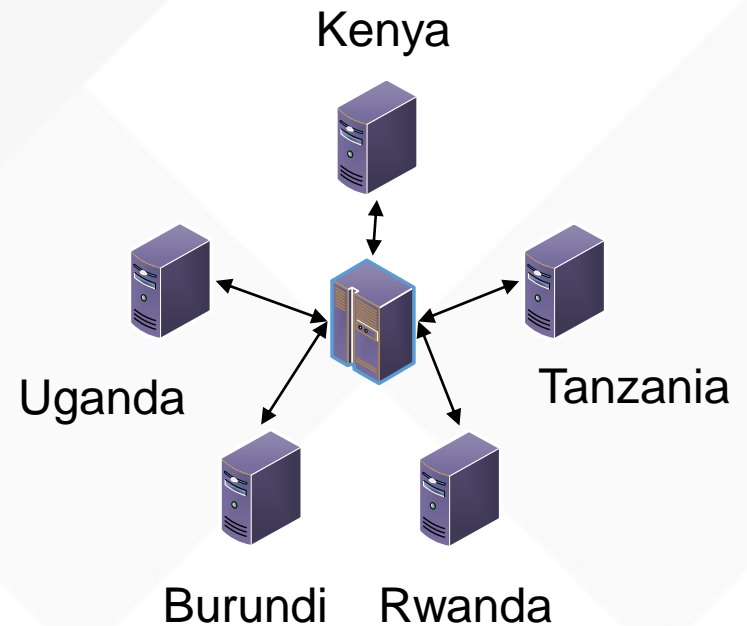
➢ Optimization of Resources in Clearance of Goods

Before and After EAC SCT Implementation
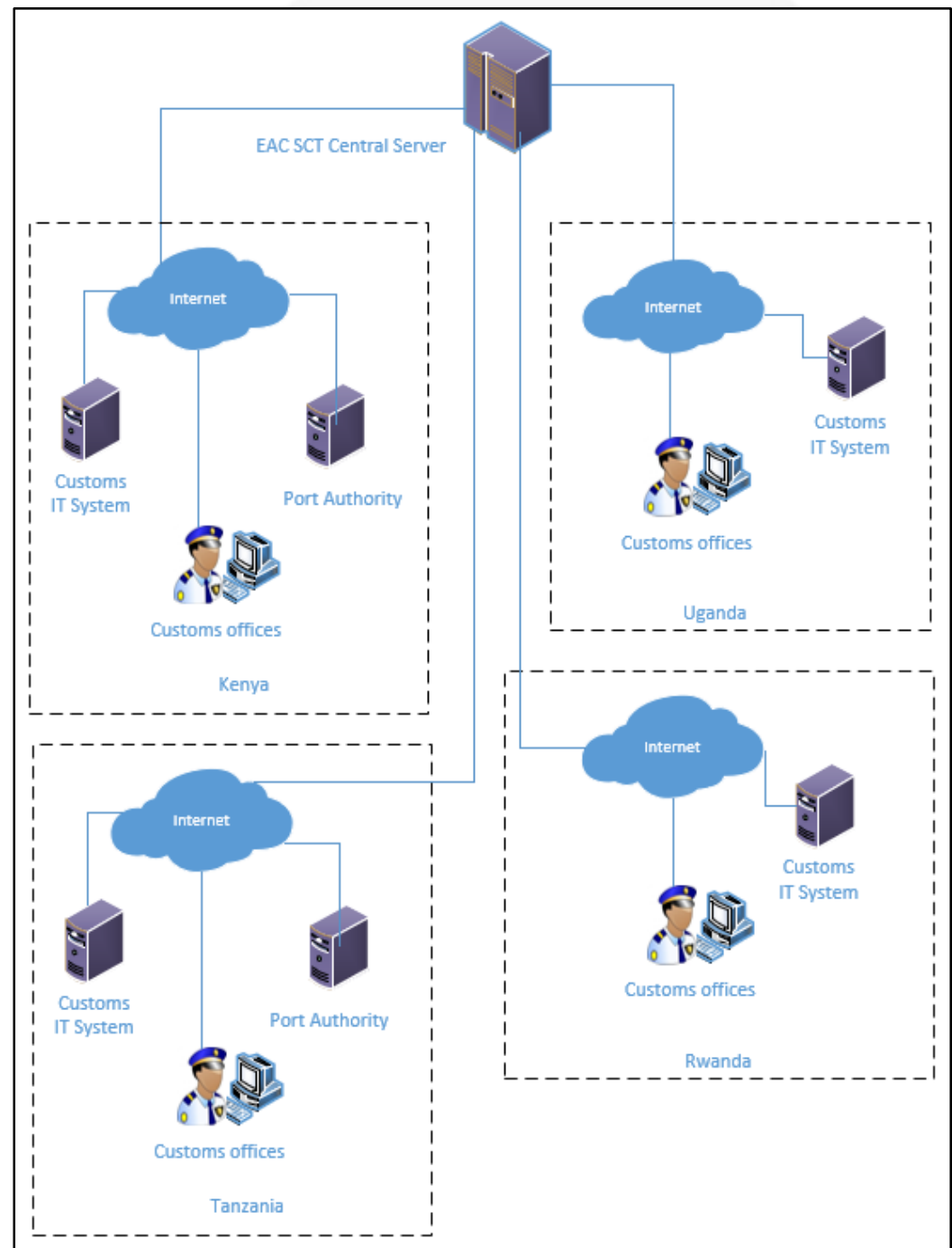
From Customs Systems peer-to-peer Connectivity
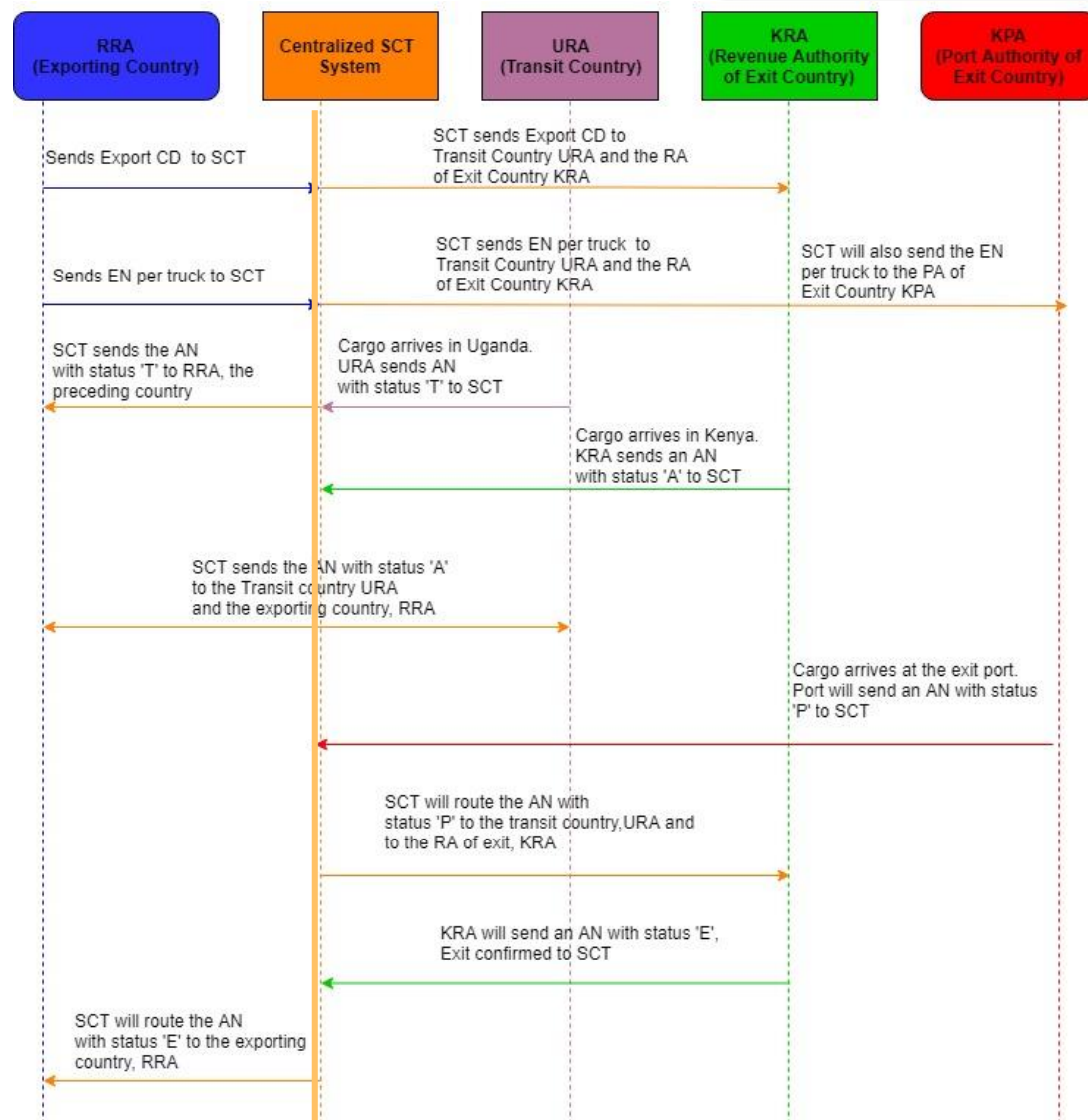
To a centralised platform with CamelONE™

Centralised Model of EAC SCT with CamelONE™

❑ One central platform.

❑ Each Revenue Authority (Customs) connects to it with their own IT system.

❑ Port Authorities connect to it as well.

❑ The central platform keeps each IT system synchronized.

❑ Went live in April 2017.

Export from Rwanda through the Mombasa Port in Kenya

RRA (Exporting Country) | **Centralized SCT System** | **URA (Transit Country)** | **KRA (Revenue Authority of Exit Country)** | **KPA (Port Authority of Exit Country)**

Sends Export CD to SCT

SCT sends Export CD to Transit Country URA and the RA of Exit Country KRA

Sends EN per truck to SCT

SCT sends EN per truck to Transit Country URA and the RA of Exit Country KRA

SCT will also send the EN per truck to the PA of Exit Country KPA

SCT sends the AN with status 'T' to RRA, the preceding country

Cargo arrives in Uganda. URA sends AN with status 'T' to SCT

Cargo arrives in Kenya. KRA sends an AN with status 'A' to SCT

SCT sends the AN with status 'A' to the Transit country URA and the exporting country, RRA

Cargo arrives at the exit port. Port will send an AN with status 'P' to SCT

SCT will route the AN with status 'P' to the transit country, URA and to the RA of exit, KRA

KRA will send an AN with status 'E', Exit confirmed to SCT

SCT will route the AN with status 'E' to the exporting country, RRA

KEY:
CD - Custom Declaration
EN - Exit Note
AN - Arrival Notification
SCT - Single Custom Territory
'T' - Transit
'A' - Arrival
'P' - Port arrival
'E' - Exit confirmed

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Success Story of SCT Implementation in Northern Corridor

- Reduced Turn Around Time by More Than 70%

- Single Weighing for Transit Cargo

- Single Customs Declaration for Goods Destined to Rwanda and Uganda

- Reduce Customs Documentation and Cost of Doing Business

- Enhanced Information Exchange Between Revenue Authority

CAREC Advanced Transit System (CATS) and
Customs Information Common Exchange (ICE)

Background

CAREC Advanced Transit System (CATS) and Customs Information Common Exchange (ICE) projects are trade facilitation projects funded by ADB

➢ Both Technical Assistant projects were approved in Dec 2013 and are on-going projects

➢ **CATS**: A harmonised electronic system for the control of the movement of goods in transit through CAREC Member States

➢ **ICE**: An information exchange system that will promote electronic customs-to-customs data and document exchange among the CAREC Member States

Support from
CAREC Customs Cooperation Committee (CCC)

CATS and ICE are two of the five priority areas identified by the CCC.

The five areas are:

1. Simplification and harmonization of customs procedures

2. Expand joint customs control

3. Upgrade risk management systems

4. Remove regional transit impediments (CATS)

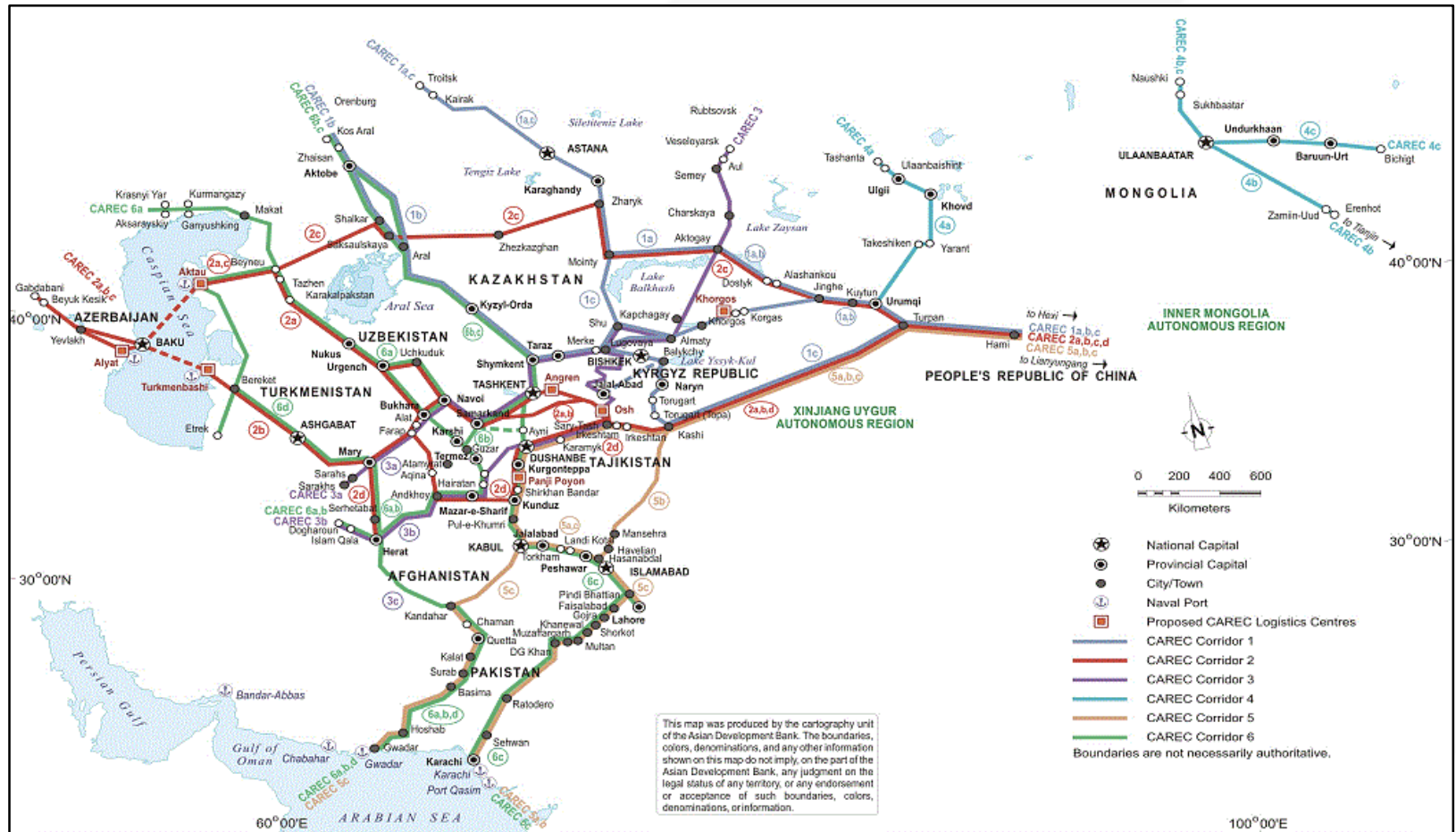5. Establish a data exchange mechanism (ICE)

Goals and Objectives

The main Goals of **CATS** are:

➢ To enhance the security of the supply chain across the CAREC region

➢ To help trade flow more smoothly and efficiently across the borders

➢ To reduce the overall cost of trade

The main Goals of **ICE** are:

➢ To establish the protocol and standards for customs-to-customs information exchange

➢ To specify and provide the platform for transit information exchange

➢ To specify and provide the platform for pre-arrival information exchange for risk management

CAREC Corridors

Route for POC and Pilot
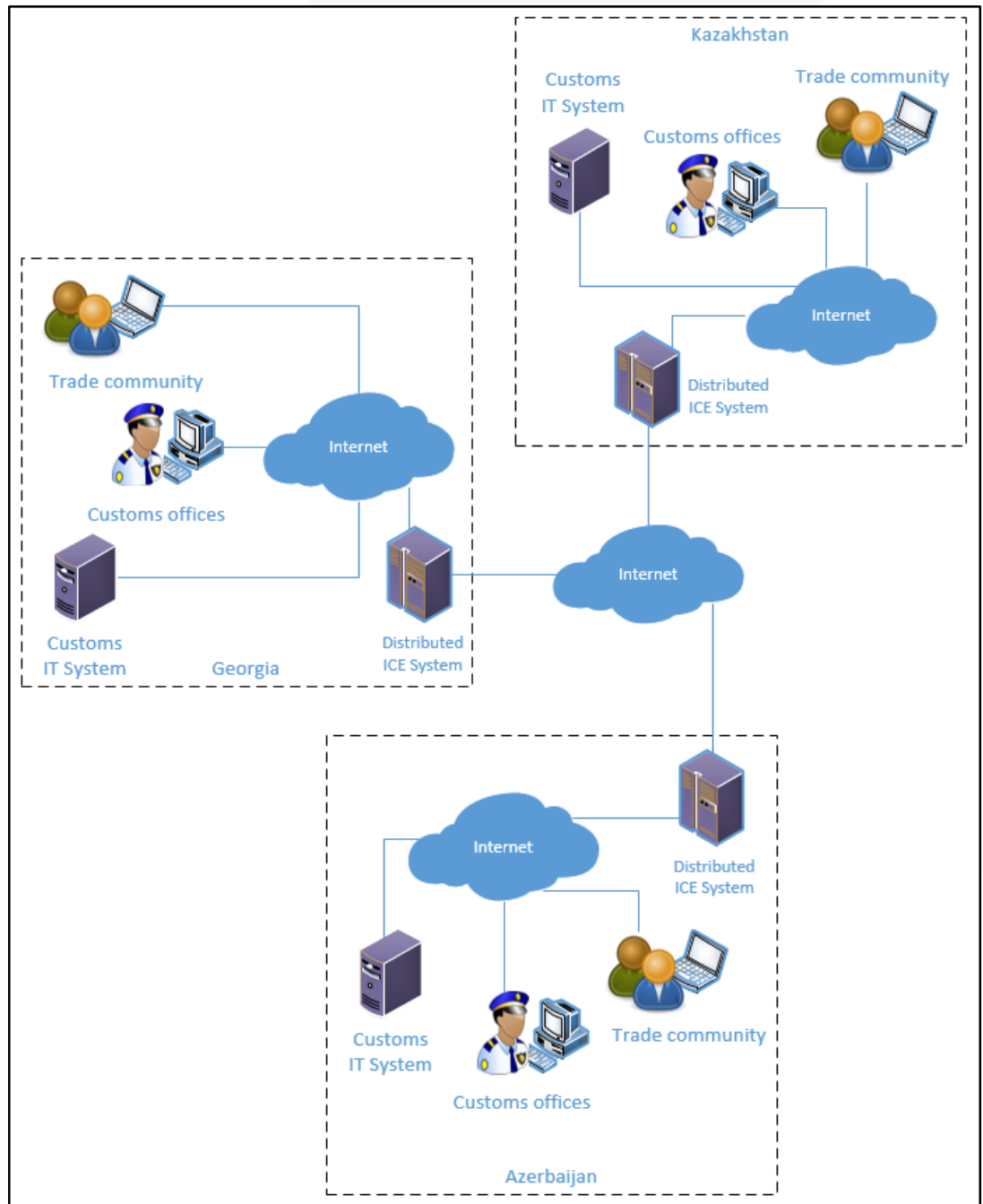
Proof of Concept and Pilot

Pilot Countries:
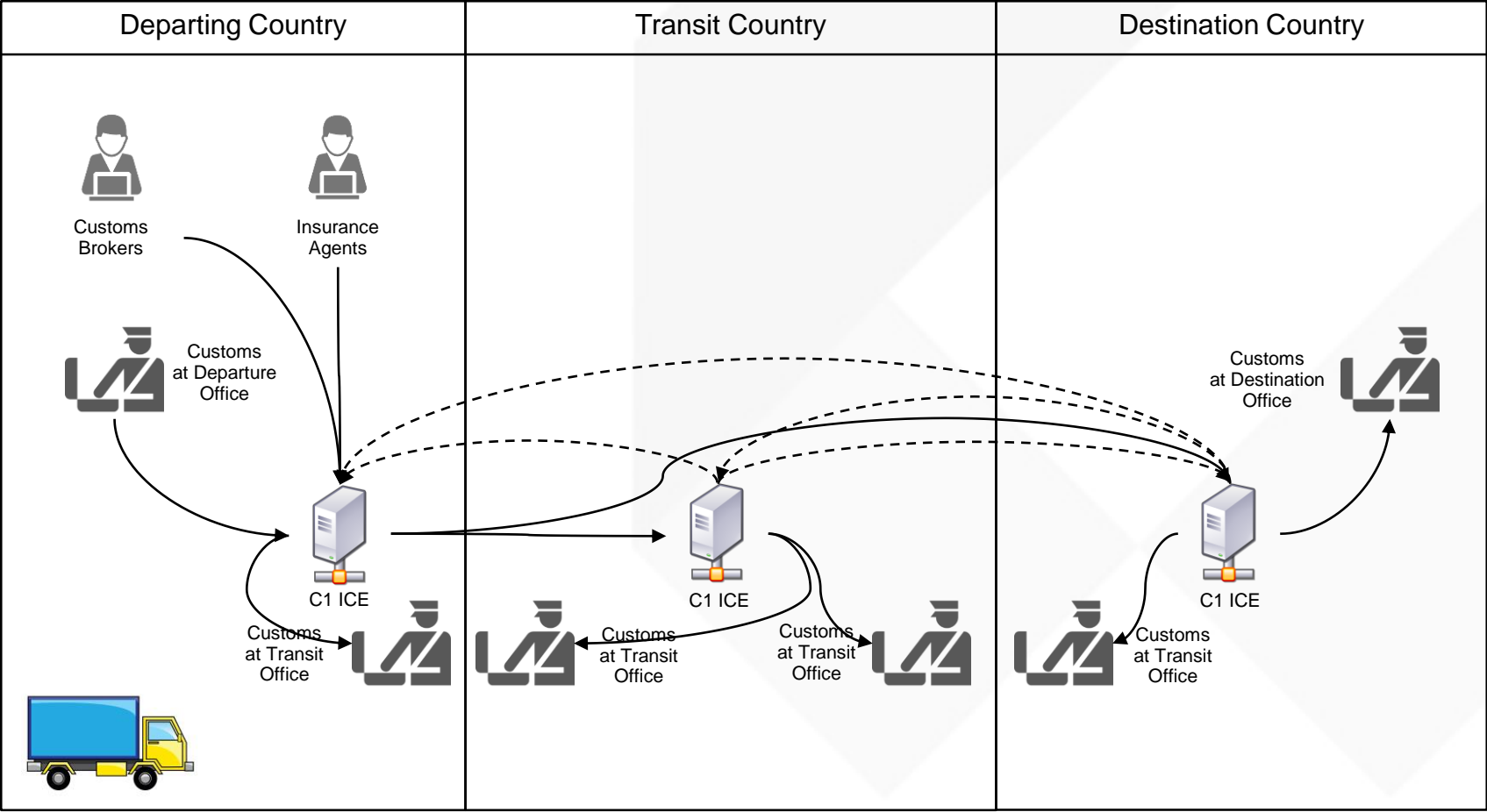
➢ Azerbaijan, Georgia and Kazakhstan.

Core concept:

➢ Single regional electronic transit system, which uses a common transit declaration.

➢ Comprehensive Risk-based Guarantee Mechanism.

➢ Platform for the above documents as well as specification for message exchanges.

Distributed Model ICE System with CamelONE™

❑ Installation in each country.

❑ Each Customs Authority access its own copy.

❑ The Pilot System exchange information with each other to keep data synchronize

CATS Pilot

Current State

➢ Country focal points have been appointed, and three working groups have been formed:

  ➢ Legal and Regulatory

  ➢ Risk Management

  ➢ IT

➢ The pilot countries are working on a Trilateral Agreement to be signed.

➢ Meanwhile the Pilot System is under development and will be ready by this year.

Key Issues that CATS/ICE Faced

➢ Concerns over legal implication of a regional transit system to Customs and trade community.

➢ Some countries are moving cargo without guarantees now (example Georgia).

➢ Identifying and participation of private sector takes time.

➢ Other regional transit systems have to be taken into consideration (example NCTS, EAEU System).

Parting Thoughts

Parting Thoughts

Transit Guidelines

Route for efficient transit regime

World Customs Organization

➢ There seems to be no solution that will fit everyone. Circumstances dictate the solutions.

➢ Therefore it is important that WCO Transit Guidelines serve as the reference for Customs and funding agencies to refer to when it embarks on such as project.

➢ Azerbaijan may be at a cross-road of three transit systems: NCTS, EAEU, and CATS. Thus it is important that these system are interoperable with each other as well as with the Customs System.

We Are At Booth 10!

THANK YOU

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