Why Trade Facilitation?
Customs Business Partnership: The Brazilian Experience

209th/210th Session
Permanent Technical Committee

Perspective on the Future of Customs
Why Trade Facilitation?

Total delays at Brazilian Customs impose an extra tariff on Brazilian imports of 14.2%...

The costs of total delays for import procedures at Brazilian customs are more relevant than existing import tariffs...

Total delays at customs in Brazil impose an extra tax on Brazilian exports of 13.04%...

Competitiveness

Brazil - Germany

Competitiveness

Brazil - Argentina
Total delays at Brazilian Customs impose an extra tariff on Brazilian imports of **14.2%**...
The costs of total delays for import procedures at Brazilian customs are more relevant than existing import tariffs...

*Ad Valorem equivalente dos Atrasos x Tarifas de Importação (2013)*
Total delays at customs in Brazil impose an extra tax on Brazilian exports of **13.04%**...
Competitiveness

Brazil - Germany 2014

Logistics Performance Index - World Bank

chart by amcharts.com
Competitiveness

Brasil - Espanha 2014

Brasil - Argentina 2014

Logistics Performance Index - World Bank

Receita Federal

Procomex
Private Sector Representation

Characteristics of representation

- Multi-sector
- Multiple players
- True operators
  - Professionals who are in day-to-day operations and not only the political representation

Forms of Partnership

- Operational – AEO
- Continuous Dialogue and Consultation – Committees
- Development/Improvement – Procomex type
Pillars of success

- COMPANIES
  - Knowledge
  - Funding

- ASSOCIATIONS
  - Representativeness

- GOVERNMENT
  - Change

PROCOMEX
Pillars of success

PRIVATE SECTOR

ASSOCIATIONS

PUBLIC SECTOR
Putting it in Perspective

Private Sector

Government

Freight

Customs
Putting it in Perspective

Private Sector
- Associations
- Customs Broker
- Terminal Operators
- Exporters
- Importers
- Transporters
- Freight Forwarders

Government
- Customs
- Agriculture
- Army
- Ministry of Trade
- Police
- Several other Agencies...

Health
Different Drivers

Public Sector
- Protection
  - Health
  - Food
  - Revenue
    - Taxes
    - Tariffs
  - Local industry
  - Intellectual Property
- Security
  - Terrorism
  - Drug Trade
  - Organized Crime
  - Contraband

Private Sector
- Profit
- Survival
- Competitiveness
  - Cost
  - Efficiency
  - Reliability
- Time
- Steps in Process
- Interlocutors

Private Agenda
- Unions
- Personal Gain
Trust
Win-Win Partnership
Methodology Kaizen

Integration and Partnership
- Public/private
- Private/Private
- Public/Public

Learn to listen to others

Iconic Syntax

Lower defenses

Instrument for the development of Social Capital
As Is
To Be
Results

Input

201 Meetings
217 Companies from Private Sector
11 Government Organizations
45 Associations
617 Professionals from Private Sector
129 Government Employees

process

output

62 Maps Completed
8 Reports Completed
2 Reports in progress
Single Window Brasil

What it is -> A reformulation of import, export and customs transit processes that aims to expedite and simplify information flows between the government and all other parties involved in cross-border trade.

Benefits -> Greater speed for companies that present low risk.

Objective -> The simplification of trade processes as well as reduced administrative and customs bureaucracy.

The Three Pillars of the Single Window Program

Integration
- Cooperation between the government and private sector
- The harmonization of trade procedures and data requirements.

The Redesign of Processes
- Mapping processes, data requirements and existing documents.

Information Technology
- Modern technological resources for the computerization of the redesigned processes.
The Three Pillars of the Single Window Program

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Benefits

• A Systemic view
• A process approach
• Multi-stakeholder view and design
• Iconic language
• Representation
• Negotiated Private Sector Positions
Lessons Learned

- Importance of Top Level Political Commitment
- A Methodology
- A highly qualified Public sector Team
- Close Integration between the Team and the authors of the Regulations
- Willingness to review jointly
Challenges

- Identifying balanced public and private sector leadership
- Engaging the leadership
- Mobilizing the participants
- Getting the ball moving
- Sustainability of the effort
- The results are longer term than most Corporate Executives are willing to commit.
- The risk of the change of the guard
Customs' side of the fence

- Knowing private sector's needs
- Improving procedures
- Adopting best practices
- Following RKC recommendations
- Enhancing foreign trade

This leads to the mentioned Win Win Partnership and contributes to knock down fences
Thank you