Dematerialization of international trade procedures

Christophe Hypolite
• **Dematerialization is trendy**
  – More an organizational & simplification purpose than an IT problem

• **With a double stake**
  – To simplify trading firms life and reduce their costs
  – To improve competitiveness and attractiveness of the French supply chain

• **Including the international environment**
  – EU e-Customs connectivity program
  – Security regulation for import and export
  – Private international programs implementation (e.g. IATA e-Freight)
  – Foreign platforms emergence… and competition
France background

• **France is already experienced in terms of dematerialization**
  – French customs DELT@ system (SAD dematerialization since 2007)
  – Chamber of commerce portal
  – French ports Cargo community systems (AP+)
  – Bank systems
  – Contribution to international normalization

• **This bottom up development don’t benefit to all the actors**
  – It leads to an isolated organization, a local solution lacking of coherence
5 types of actors

- Transport suppliers
- Public authorities
- Exporters / importers
- Ports and airports infrastructures
- Finance
- Other CCS
- UE (e-custom)
- SWIFT
The firms’ point of view

- As many dematerialization projects as actors
  
  => Everyone dematerializes his doorstep but it is still a long way from a single window, even a B2G single window

- Very various opinions depending on the firms size
  
  – Large groups using service providers
  – SMEs

- Suspicion of the platform concept…
  
  – Openness ? Governance ? Earnings sharing ?
  – Till now, dematerialization has increased costs (digital archiving, information system adaptation…)

Challenges (1/2)

• Paper is costly but...
  – Every firm doesn’t necessarily consolidate this cost, making harder the evaluation of what they are ready to pay for
  – Surely, dematerialization will reduce these costs, but only when it is possible from end-to-end. Meanwhile...

• … we have to expect an intermediate era, living with paper and paperless
  – Unknown transition duration
  – Risks of increasing costs during the transition phase
Challenges (2/2)

• The two projects funded by the French government have shown that this is not a technical issue…
  – ORANGE / AXWAY market study, PLACE INTERNATIONAL demonstrator

• … but a French B2B single window is not reliable
  – Unknown return on investment duration
  – Before talking about solution, we need to answer many questions : stakes for clients ? value added ? terms of service and prices ?

• … legal aspects need changes to dematerialize
  – Without forgetting simplification aspects…
A four level classification

- **N1** = dematerialized customs clearance system
- **N2** = N1 + ports and airports CCS infrastructures
- **N3** = N2 + government single window B2G (*Business to Government*)
- **N4** = N3 + B2B interface connected to banks, insurance companies, and other platforms
Level 2 (CCS)
Level 3 (B to G)
Level 4 (B to B)
• **A middle term program**

  – 3 years

  – To simplify the international trade procedures by dematerializing and considering the level 4 platform as a guiding line and all the issues considered
A group of coherent actions (2/3)

• Short term projects

  – 1 year

  – Proof of concept

  – Focusing on the most used documents

  – Relying on existing building blocks
A group of coherent actions (3/3)

• **2009 short term projects**

  – EU e-customs and security regulation implementation

  – Dematerialization of most used paper documents: commercial certificate of origin, sanitary certificate

  – Access by authorities to securized third party archiving systems
Thank you

Christophe Hypolite

Direction Générale des Douanes et Droits Indirects
Mission dématérialisation des procédures du commerce international

French Customs General Directorate
Mission dematerialization of international trade procedures

christophe.hypolite@douane.finances.gouv.fr