

World Customs and Trade Forum 2011  
Knowledge, a Catalyst for Customs Excellence Sharing Knowledge:  
Inspiration for Trade Development and Economic Prosperity  
Chimelong Hotel, Guangzhou, China



野村総合研究所

---

## Session 6

Customs-Trade Partnership: Is open debate the best means to foster  
knowledge exchange?

# International trade facilitation by SCM Visibility Initiative

25 November 2011

---

Dr. Shinichi Ishii,  
Senior Consultant for Transport and Logistics Industry  
Nomura Research Institute, Ltd.

〒100-0005  
東京都千代田区丸の内1-6-5 丸の内北口ビルBldg.

---

# Content

1. Why Visibility

2. Application use case of Visibility

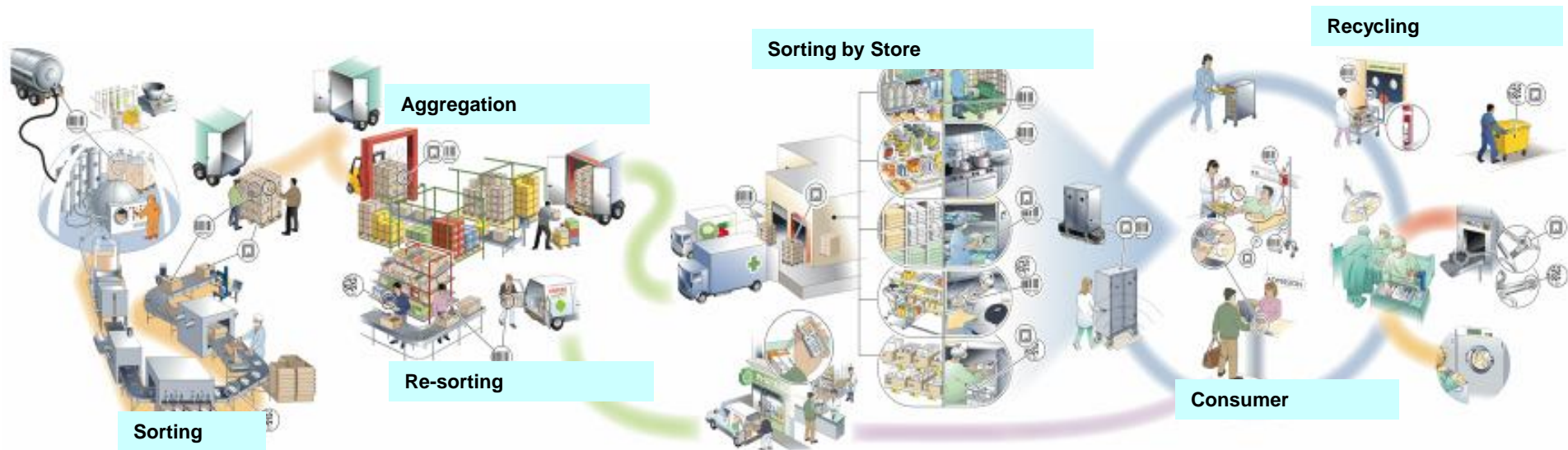
3. Initiatives to support realizing Visibility Platform

4. Challenges for realizing Visibility Platform

# 1 . Why Visibility

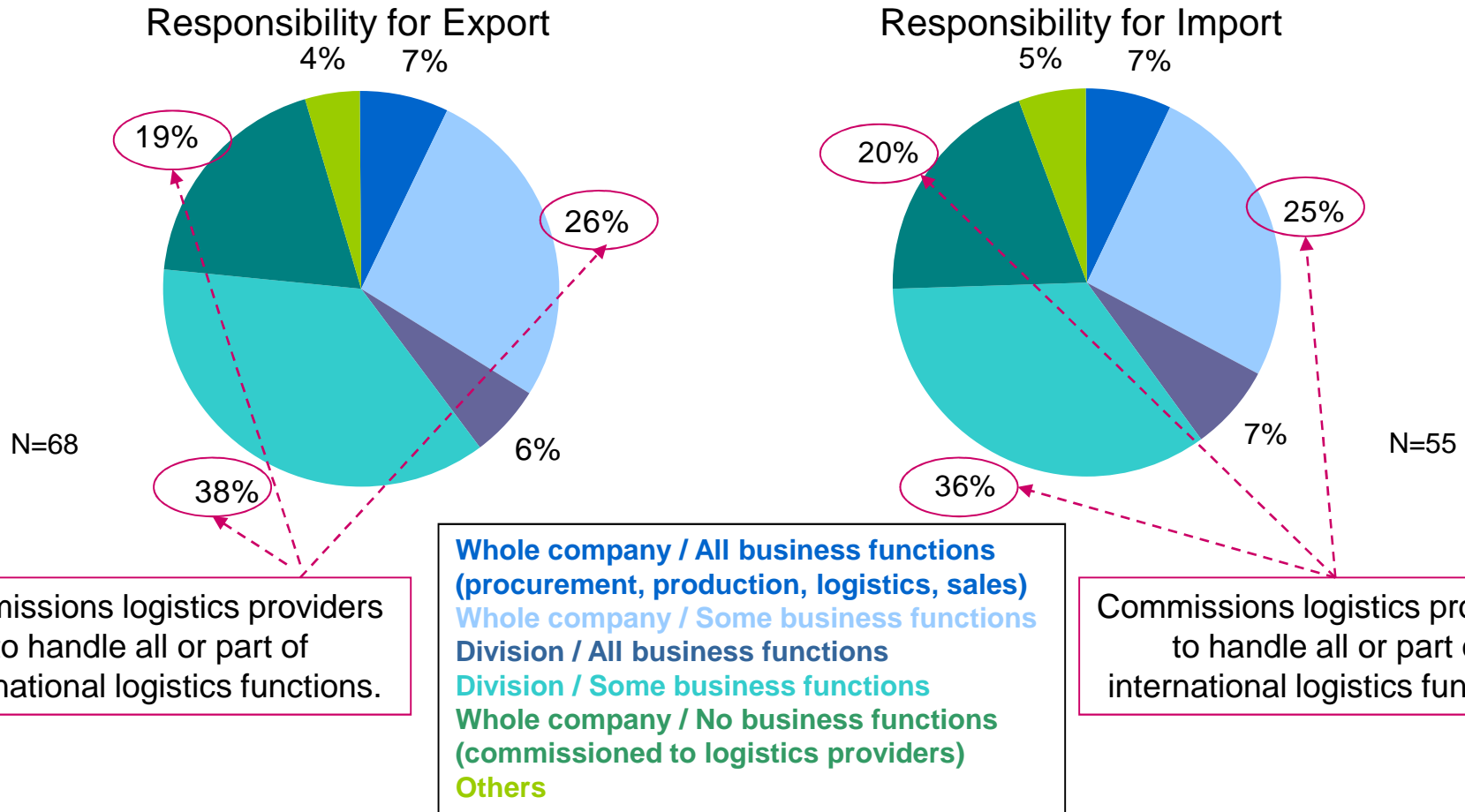
## What happen in Global Logistics Chain

- Manufacturers are trying to reduce lead time and inventory, but No visible!
- There are many processes in end to end logistics. Sorting, Aggregation, Re-sorting, disaggregation .....
- Every shipper gives up to control logistics to improve efficiency!



# 1. Why Visibility

## Current status of international – Collaboration with SCM parties involved...Maybe complicated situation!!

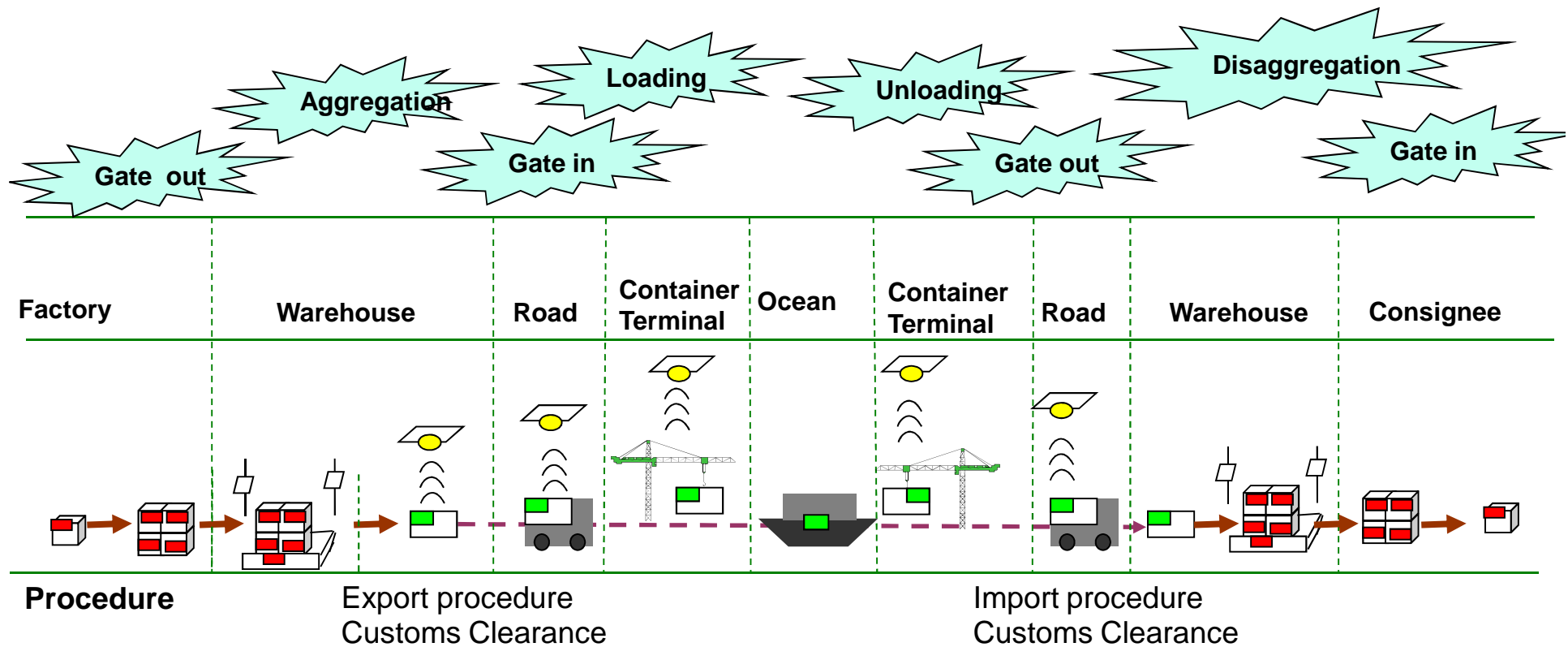


Source) questionnaire survey conducted by the Ministry of Economy, Trade and Industry, JPN in 2009

# 1. Why Visibility

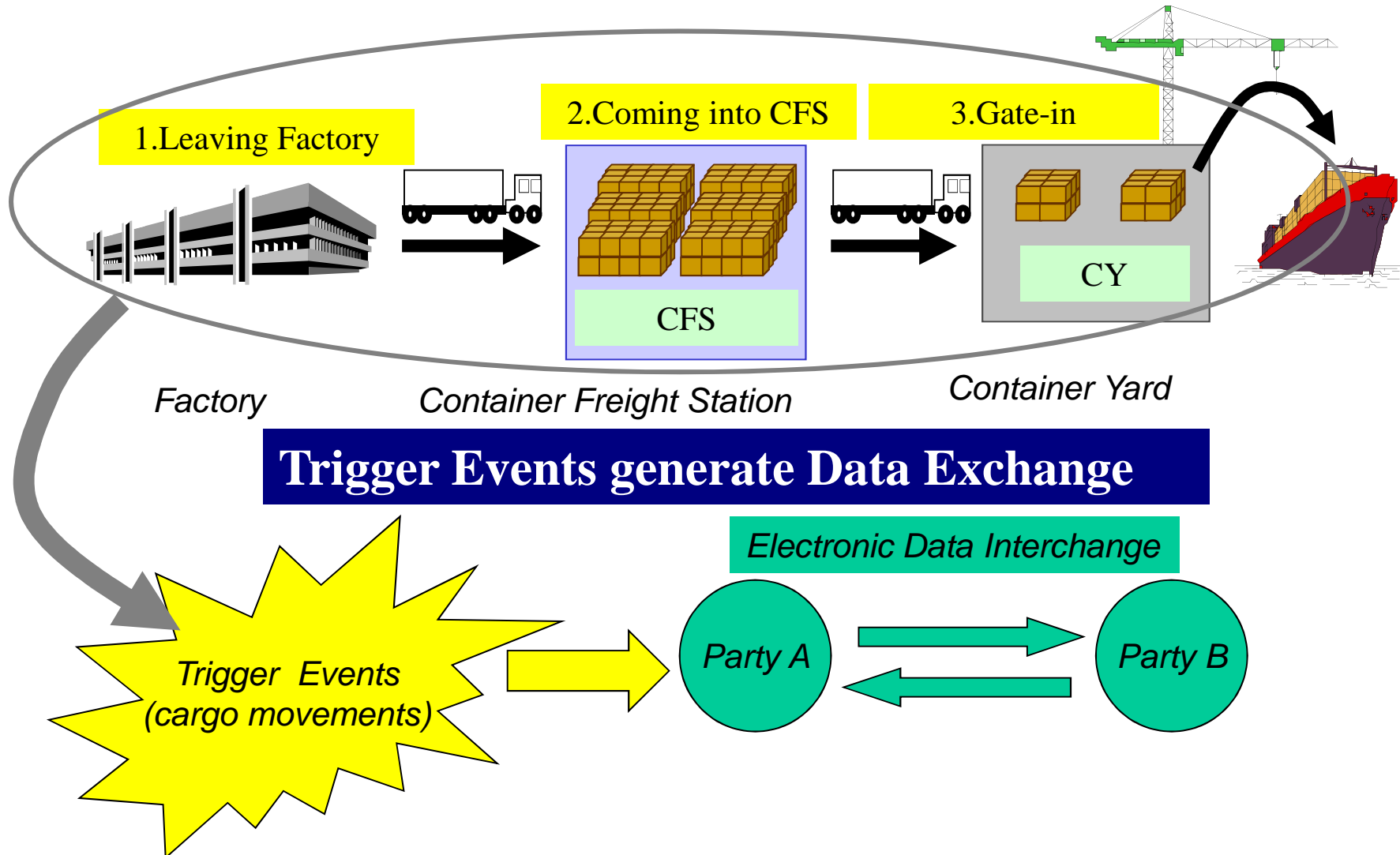
## Already available - Visibility facilitated by IT

- Unique Identifier, Standard data carrier, Interoperable database
- Combination of existing technologies (Bar Code, RFID, ITS and GPS etc.)



# 1. Why Visibility

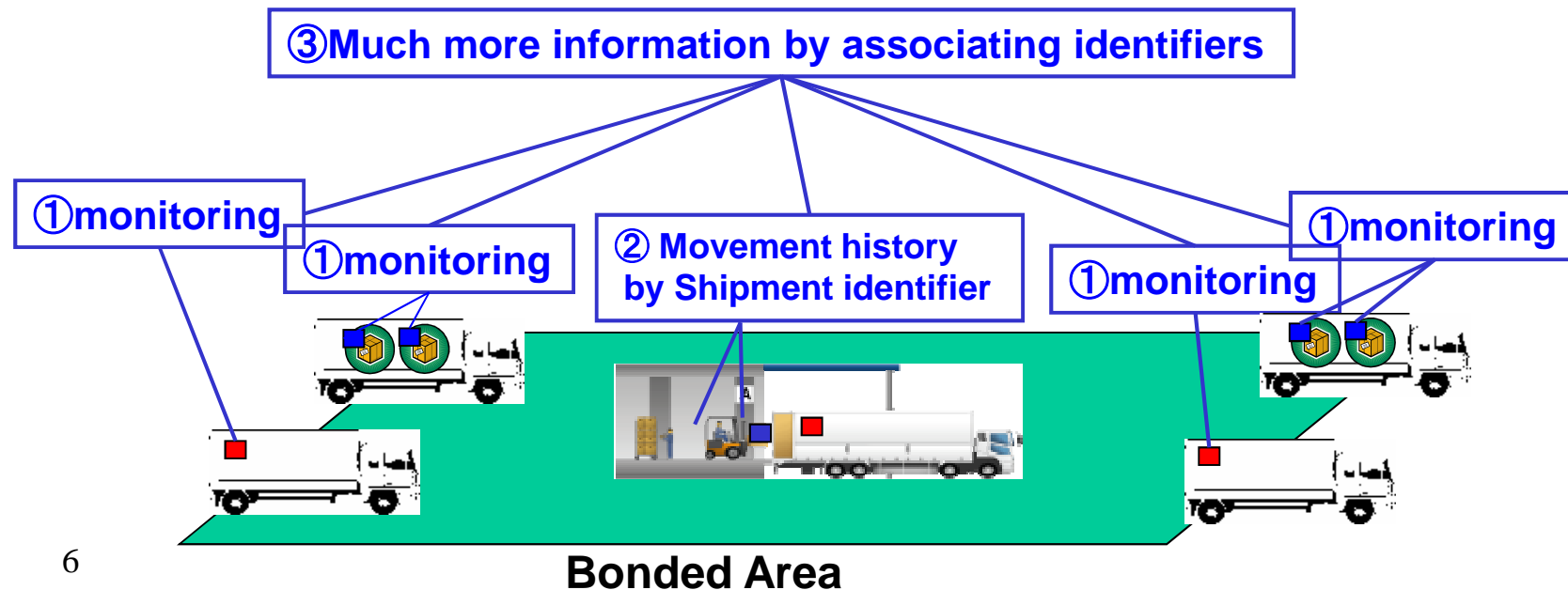
## Visibility – Events (Cargo movements) can be triggers in Data Exchange



## 2. Application use case of Visibility

# Monitoring cargo/ vehicle/equipement movements at a designated area

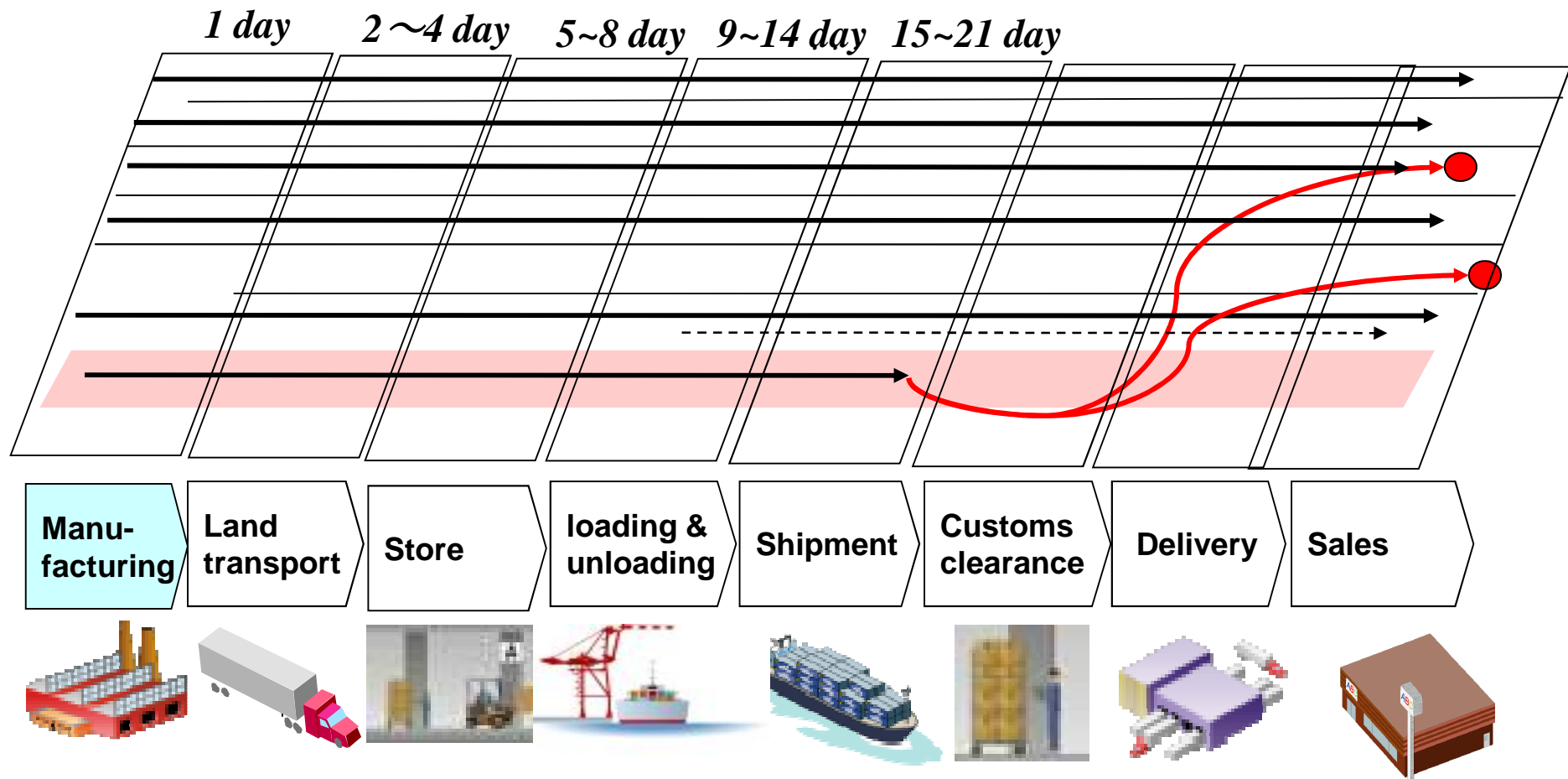
- ① Monitoring movement of cargo and fleet by unique code and unique number
- ② Refer the cargo movement/handling history with where, when and How!
- ③ Much more information about clearance unit by associating with such identifiers as clearance unit, Container Number., B/L Number, P.O. number, .....



## 2. Application use case of Visibility

# Concept : Pipeline Inventory Control

Short Sea : Intra Asia within a week , But what happen in Deep Sea for North America and Europe

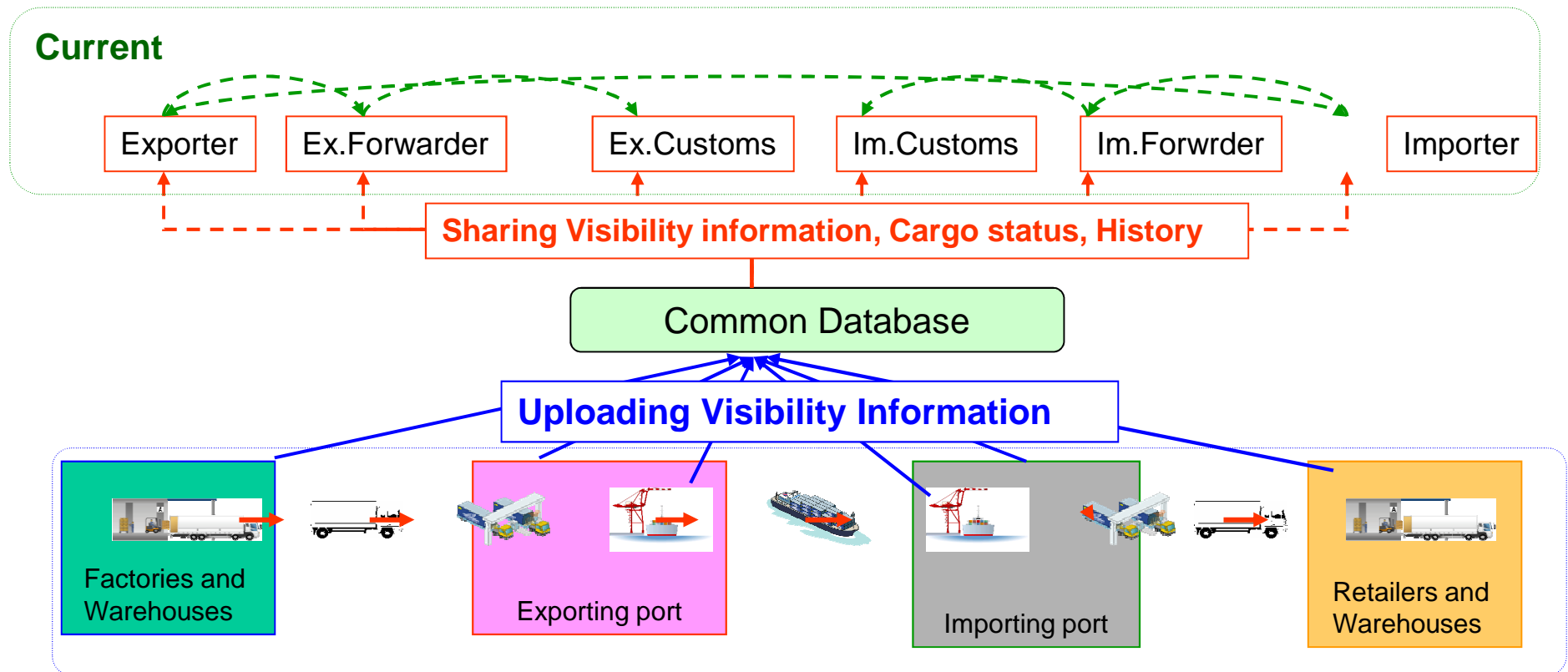




## 2. Application use case of Visibility

# Visibility with every consignment and transport

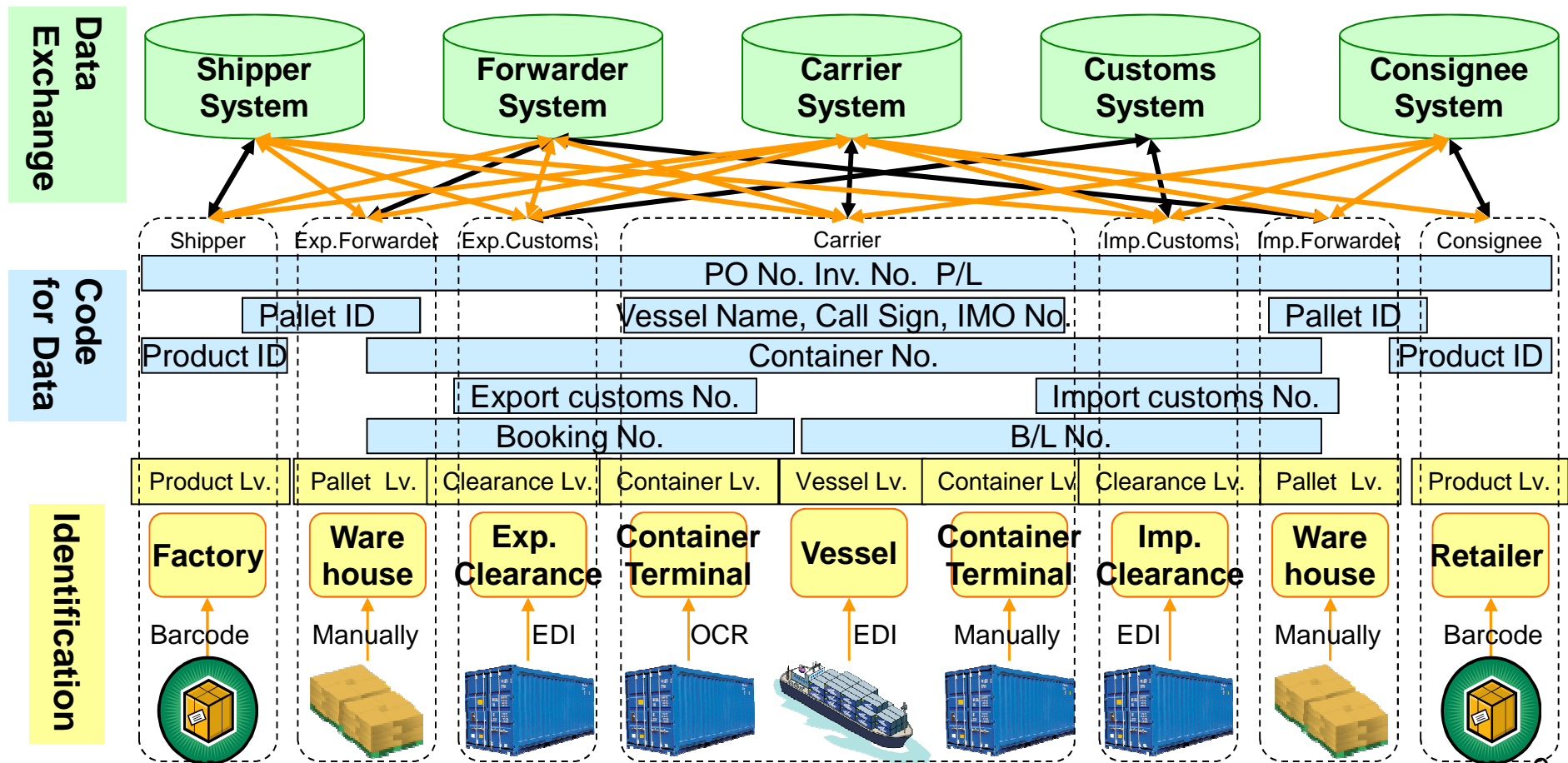
How to identify transport unit – We are considering how to prove the concept of operation of UCR



### 3. Initiatives to support realizing Visibility Platform

## Challenges of establishing a visibility platform

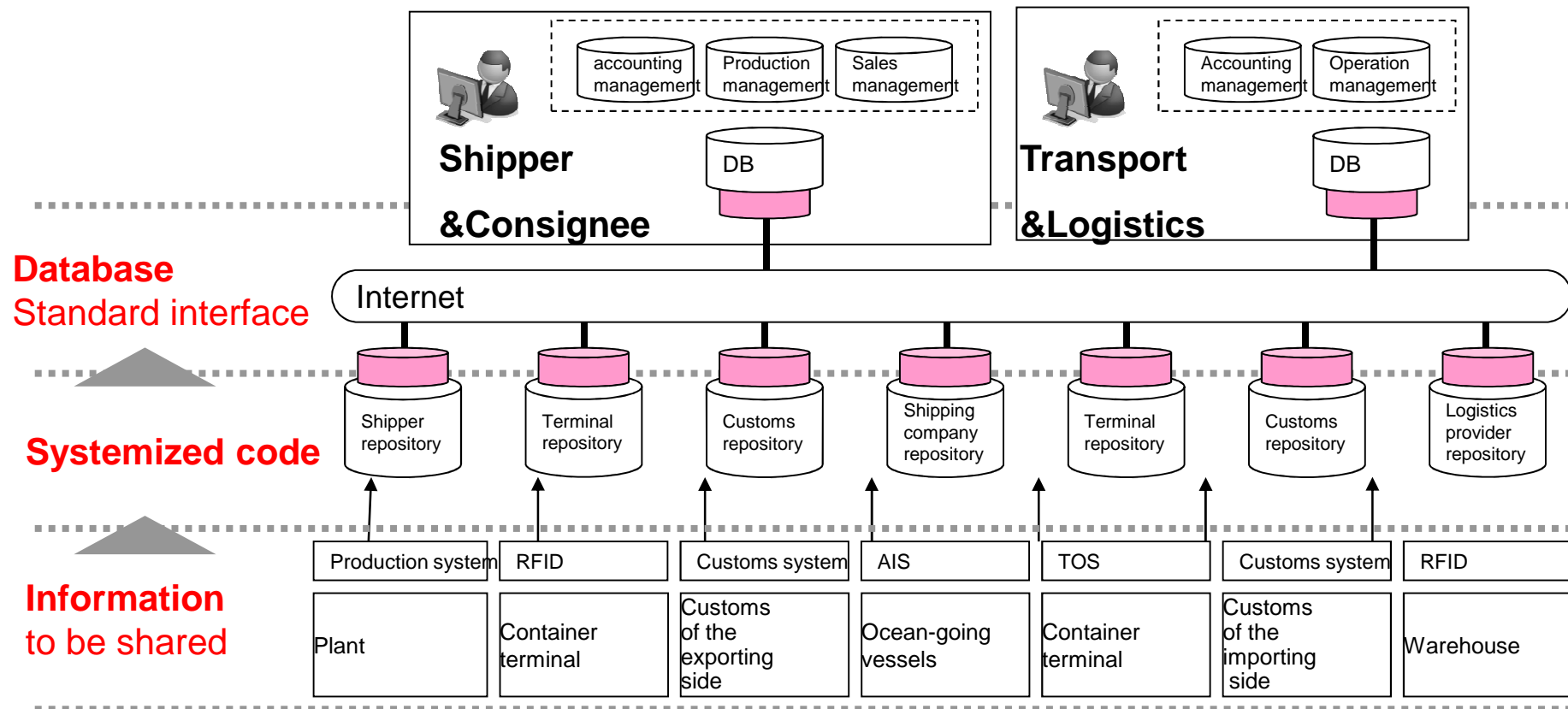
- Possible to establish a visibility platform by utilizing standardized database
  - ❑ Ensure **interoperability** among standards currently used
  - ❑ Set up an **operational rule**; a data set, code structure



### 3. Initiatives to support realizing Visibility Platform

## Interoperability of Global ID Code, Information and Interface

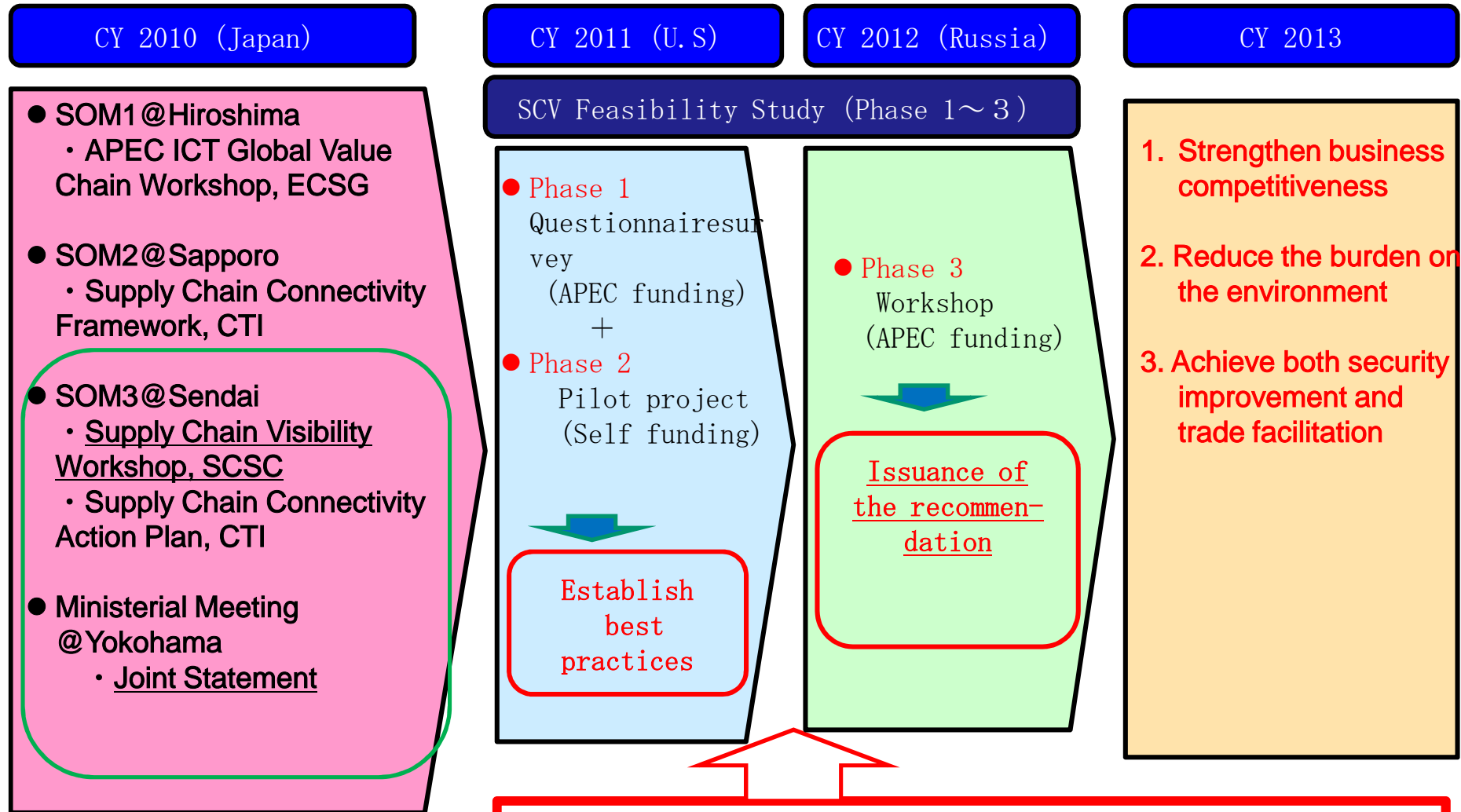
### From APEC to the worldwide



Source) Ministry of Economic, Trade and Industry , Japan

### 3. Initiatives to support realizing Visibility Platform

## Supply Chain Visibility Initiative in APEC



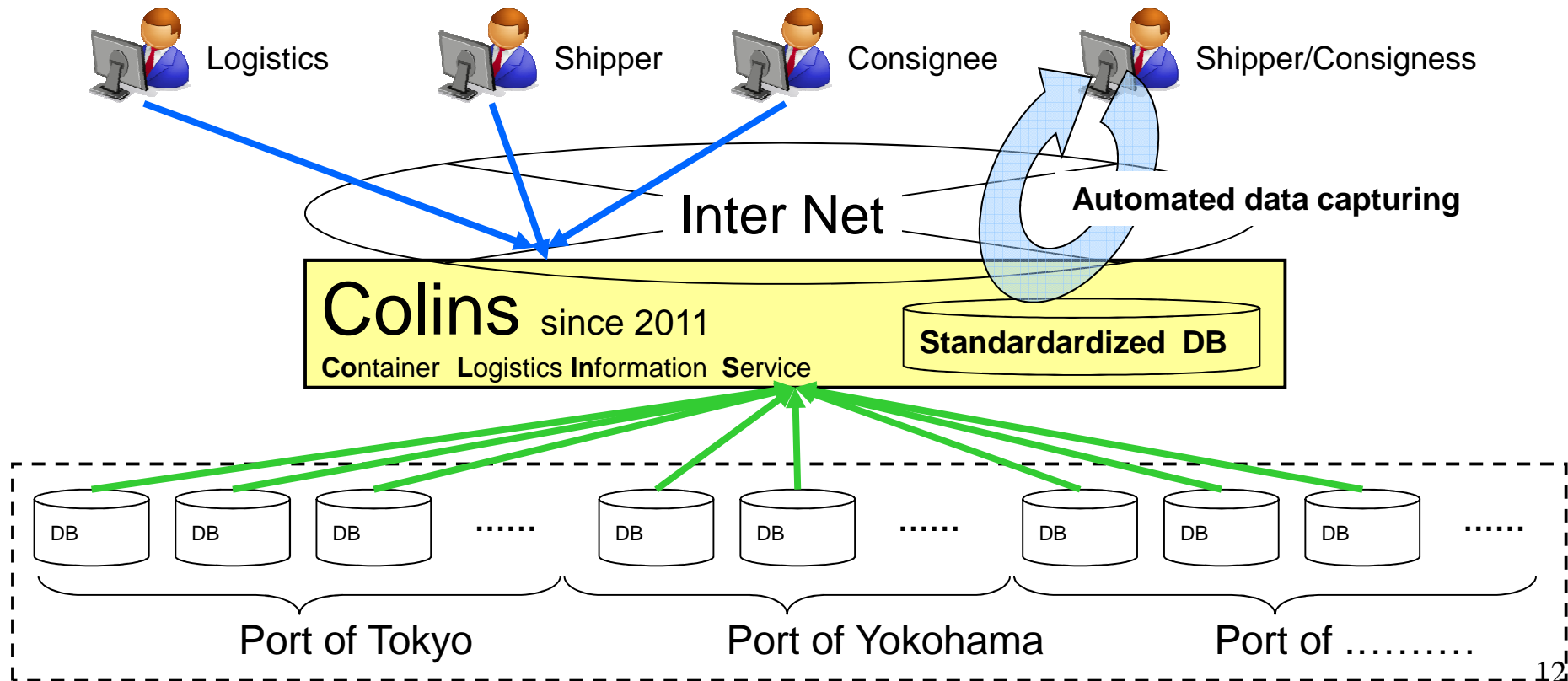
Source) Ministry of Economic, Trade and Industry, Japan

Based on "APEC Supply Chain Connectivity Framework Action Plan for Chokepoint 6"

## 4. Challenges for realizing Visibility Platform

### Visibility of Every Container Movement at Container Yard

- Exploiting existing container movement information in Terminal Operation Systems
  - Develop relay server and collect information
  - Share information among users with internet and standardized format
  - Will cover about 80% of container movement of JPN in/out in 2013



Source) Ministry of Land, Infrastructure, Transport and Tourism, Japan

# 4. Challenges for realizing Visibility Platform

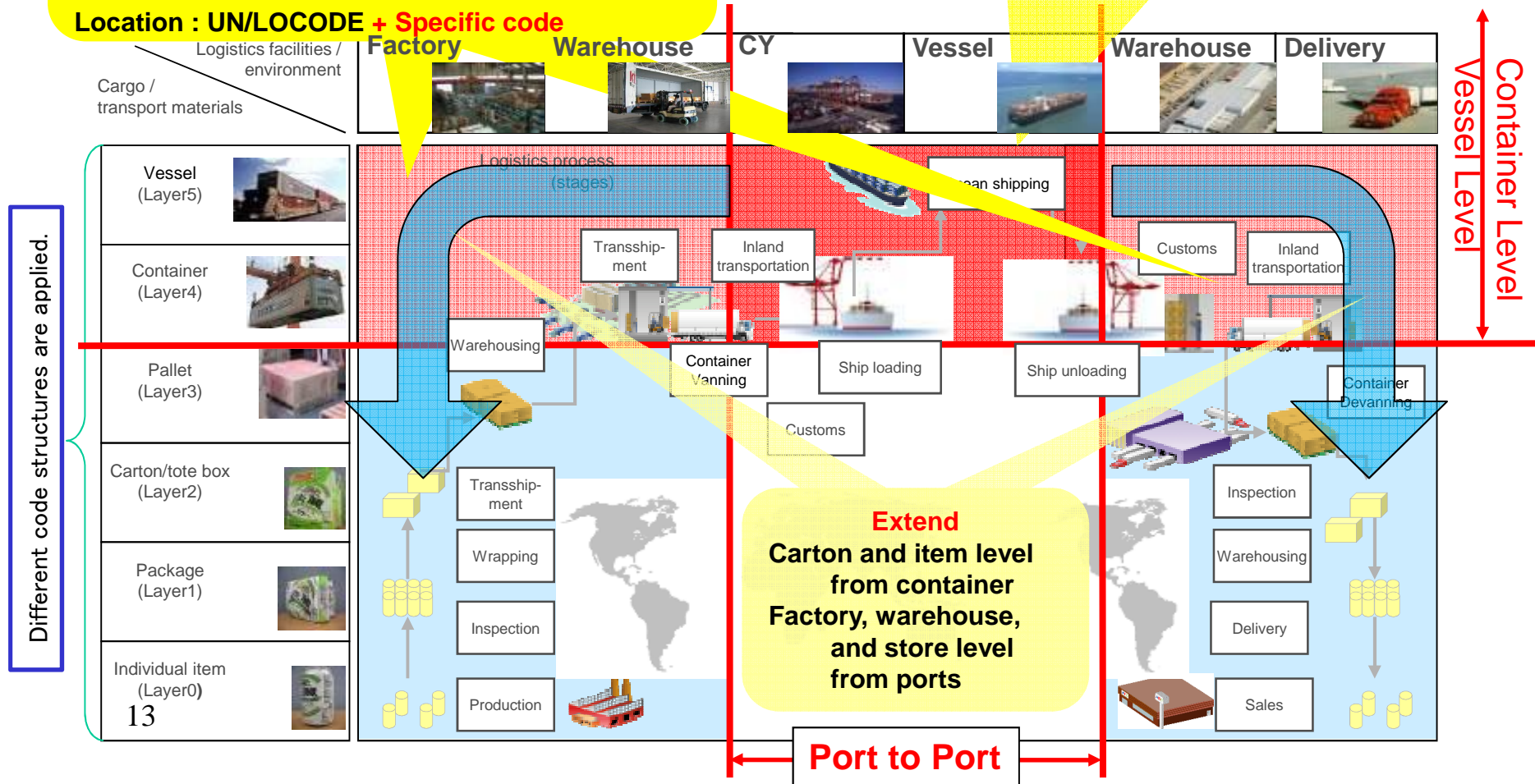
## Strategic phased approach from Container level to 'End to End' Transport

**ID : BIC, ISO06346 Container Number**  
**+ pallet level + carton and box level**

**Event : UN/Trade and Transport Status Codes**  
**+ Longitude and latitude**

**Location : UN/LOCODE + Specific code**

**ID : BIC, ISO06346 Container Number**  
**Event : UN/Trade and Transport Status Codes**  
**Location : UN/LOCODE + Specific code**



## 4. Challenges for realizing Visibility Platform

### Next Opportunity after GS1/TLS global Pilot by using RFID

- Exploring automatic clearance submission ---- use visibility as a trigger event
- Seeking 100% reliability of RF-tag and back end system



## 4. Challenges for realizing Visibility Platform

### Collaboration opportunity with customs and industry

- ‘ 100% reliability of visibility platform ‘ will facilitate automation clearance process, must learn the conversation process between express service industry
- How to treat ‘Active RF-tag devices for container monitoring’ -- -- needs standard specification for devices and authorization
- **ABL** (Asset Based Lending) ---- use visibility for custodian control