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Session 2: Enabling Environment and Policies

**Enabling Environment and Policies
for Paperless Trading [e-Logistics Initiative]**

**Keynote Speaker
by Dr Somnuk Keretho,
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(Thursday, 8th September 2005, 8.15am – 10.00am)

Enabling Environment and Policies for Paperless Trading [e-Logistics Initiative]

*National Summit on Information Society
7-8 September 2005, Brunei Darussalam*

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WSIS Key Principles related to Enabling Environment & Policies

- *An enabling environment at national and international level* is essential for information society.
- The development of ICT infrastructure and applications should maximize *economic and social benefits*, and serve *national priorities*.
- ICT-related efforts and programs are needed to be *fully integrated in national and regional development strategies*.
- **Standardization – development and adoption of international standards** – is one of the essential building blocks of the information society.

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What are the questions?

- What are the criteria for enabling environment for information society?
- *How could the current existing laws, regulations, and policies adapt to the new environment for information society?*
- What is the future role of Internet Governance in information society?
- *How would open & interoperable standards provide an enabling environment?*
- How to deal with funding/investment issues?
- *What are the best practical policies available to online privacy, spam, network security (against cyber-crimes, viruses and worms), copyrights and intellectual property rights (IPR)?*

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Outline

- (National and Regional) Economic Development Agenda & ICT Policy Alignment
 - National Logistics Competitiveness & e-Logistics Initiative
- Open & Interoperable Standards
- Institutional Framework
- Investment & Business Model
- IT-related Legal Framework
- Conclusions



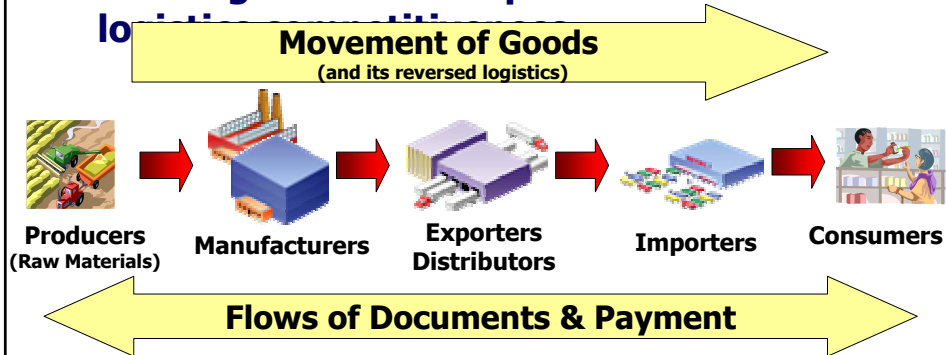
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Efficiency in Logistics

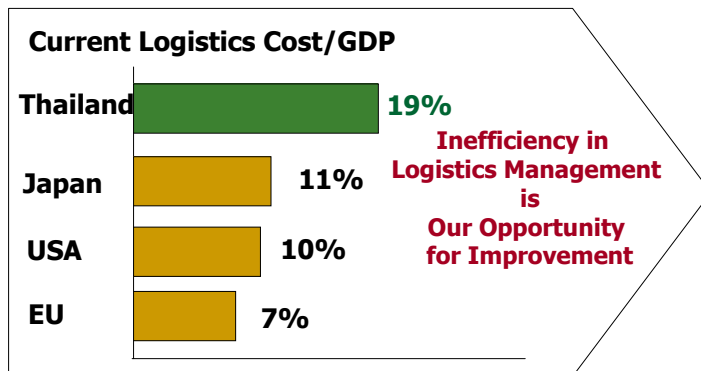
- In 2003, the National Competitiveness Committee* initiated a task force to develop an integrated roadmap for national logistics efficiency



high-level public-private strategic committee, chaired by the Prime Minister and comprised of economics-related Ministers and key private leaders (e.g. Thai Chambers of Commerce, Bankers' Association, Industry Federation etc.) 5

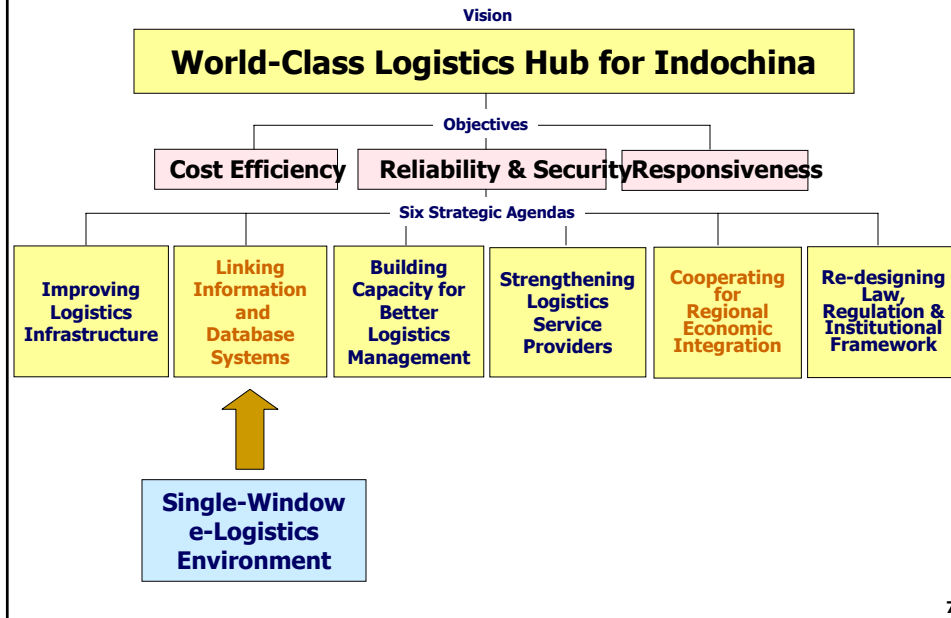
Efficiency in Logistics for National Competitiveness

- Logistics – Efficiency flow of Goods
- Logistics Cost in Thailand is quite high.



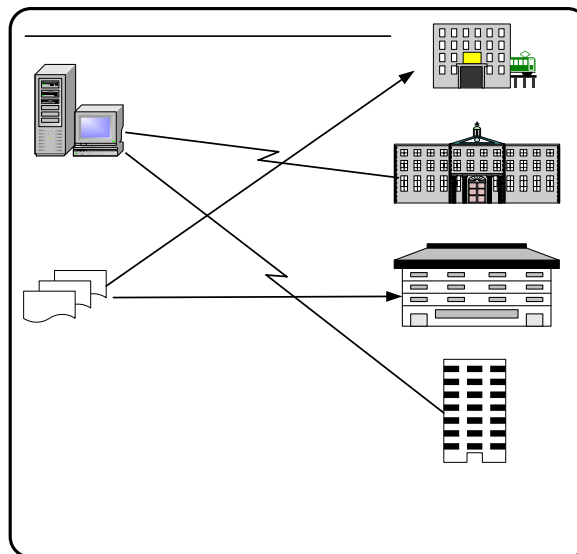
Cost Reduction Opportunity of Logistics in Thailand
e.g. 5% of GDP ~ 7.5 Billion USD possible cost reduction

Thailand Logistics Master Plan 2005-2009



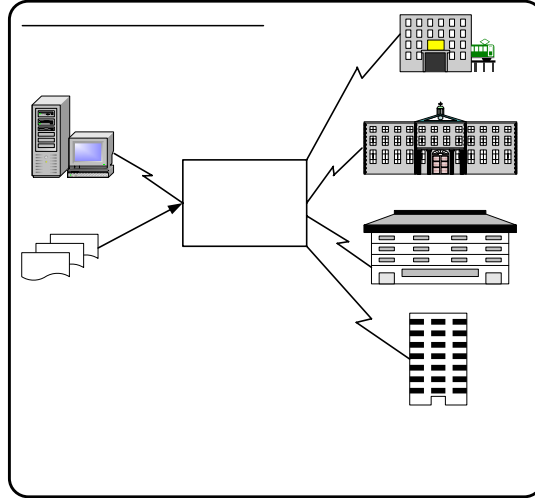
Current Situation

Importers/Exporters spend a lot of time and costs dealing with many governments and logistics services providers



Single Window/e-Papers Environment

Providing a one-stop service for all kinds of trade and transport-related transactions/facilitation

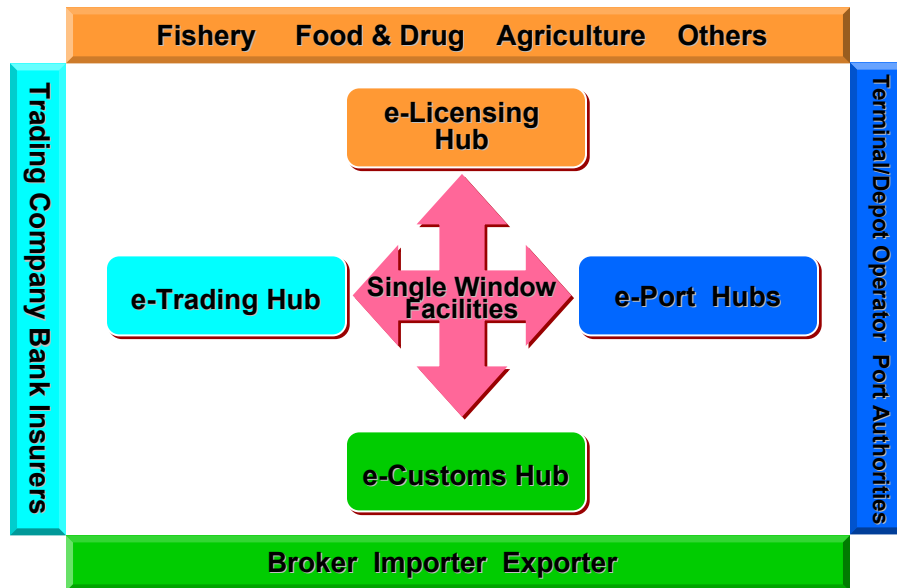


A recommendation by UN/CEFACT
UN/CEFACT Recommendation No. 33 – Establishing Single Window

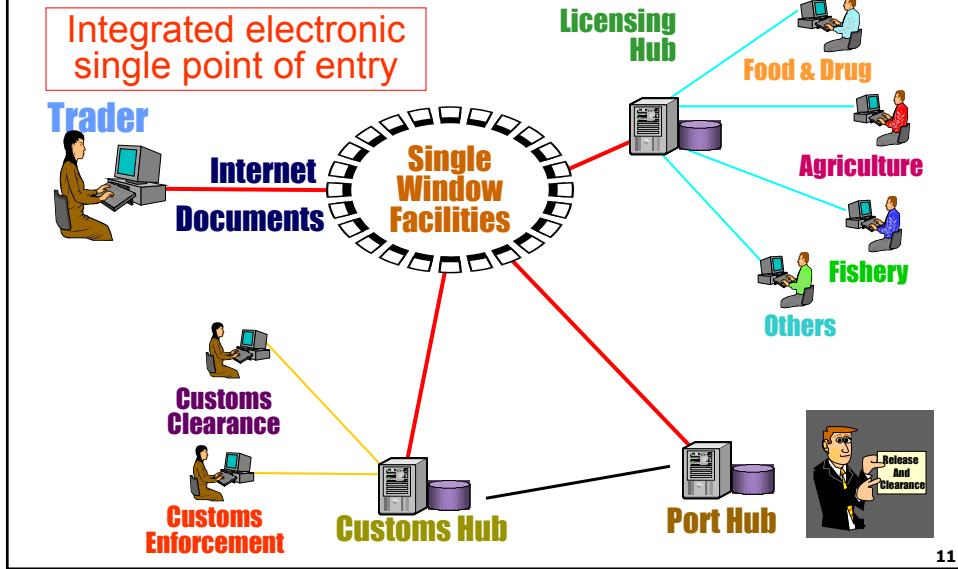
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A Single Window and Integrated Environment

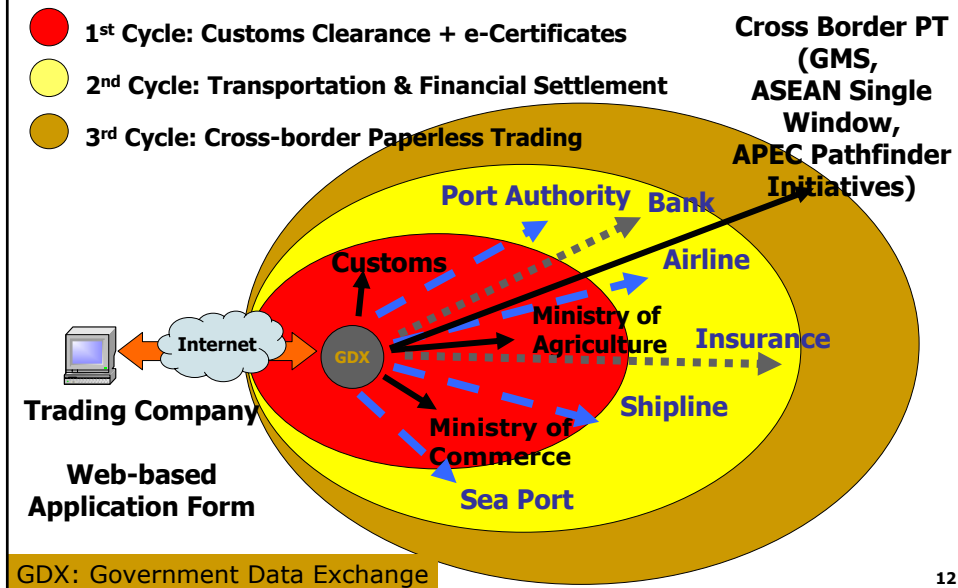
to create a data network and infrastructure to link all logistics players via a single-window entry



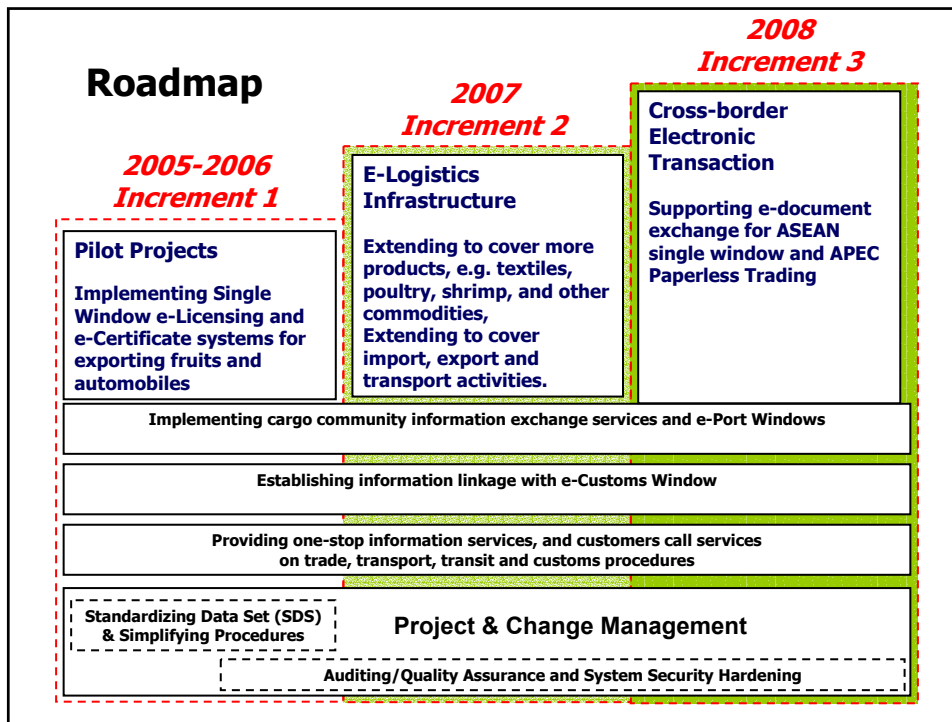
Key Components of Single Window Concepts



Thailand Single-Window Paperless Trade for Efficiency and Security in Trade



GDX: Government Data Exchange



A Pilot Project – Exporting Fruits

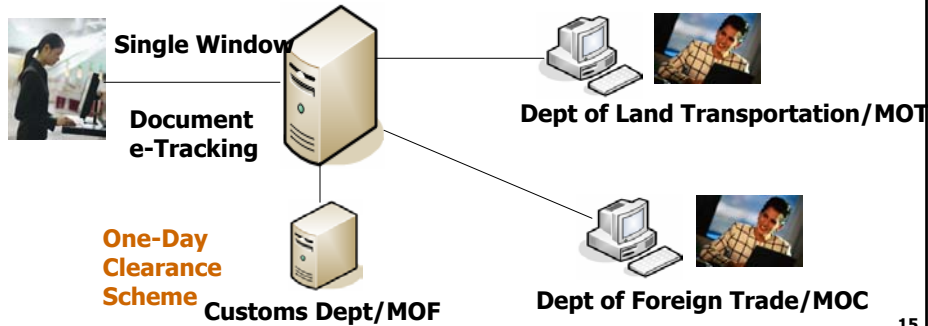
- **As Is:** 7-10 days to obtain five related certificates, declarations and transportation documents
(4 government agencies, 5 related logistics providers) to export durians to China
- **To be:** **One-Stop e-Services for Exporting Fruits** by Dept of Export Promotion, MOC and other 8 departments
 - **Centralized e-Forms & Internet Licensing with Digital Signature and Digital Watermarking in 15 minutes**
 - **Electronic Sanitary-Phytosanitary Certificates (e-SPS)**
 - **Electronic Certificate of Origins (e-CO)**



MOC
MOA
MOF
MICT

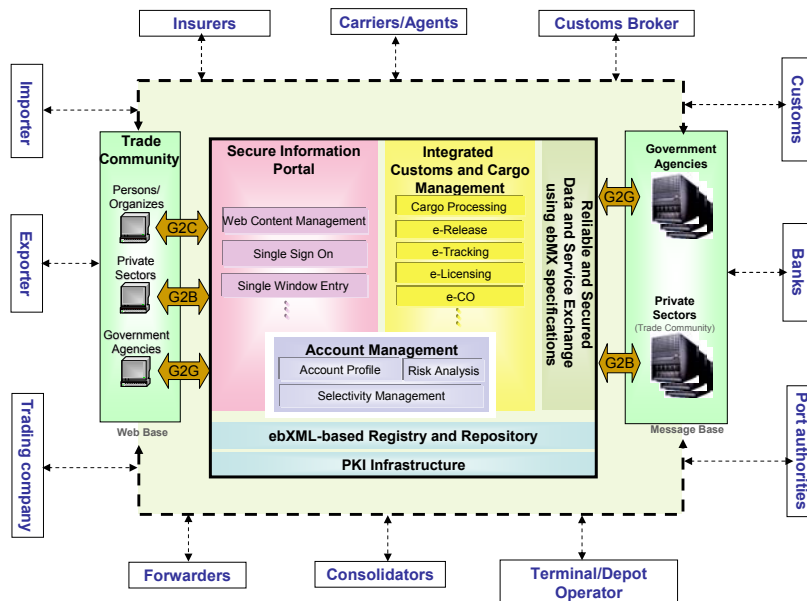
A Pilot Project – Exporting Cars

- **Single-Window for Exporting Cars**
 - Abandoning application forms
 - Issuing Internet Licensing/Certificates
 - Electronic Documents Interchange among government agencies to reduce steps and costs of exporters. Ministry of ICT



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Architecture & Building Blocks



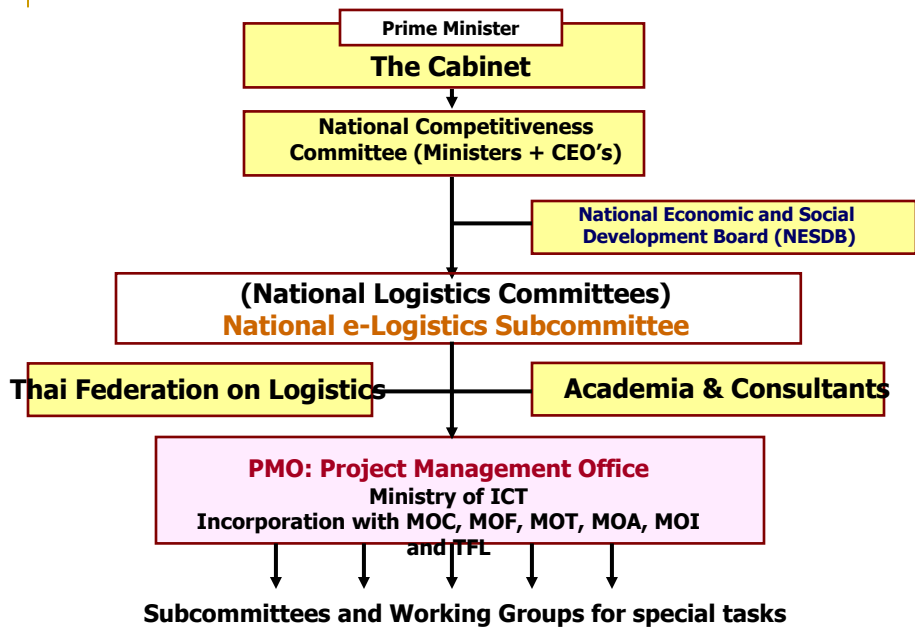
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Open & Interoperable Standards

- **Standardized Data Elements**
 - UN Trade Data Elements & Directory, UN Layout Key
 - WCO Data Model
- **XML Document Exchange & Process Standards**
 - UN/CEFACT Naming and Design Rules
 - UNEDOCs – XML Schemas for trade and transport-related documents, e.g. Purchase Order, Invoice, Customs Declaration, Health Certificates, Certificate of Origins, SPS Certificates
- **Document and Service Exchange Protocols**
 - ebXML Messaging Services (ISO/DTS 15000)
 - Certificate Authority (CA) Interoperability
 - Security Standards, e.g. BS 7799/ISO 17799

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Institutional Framework



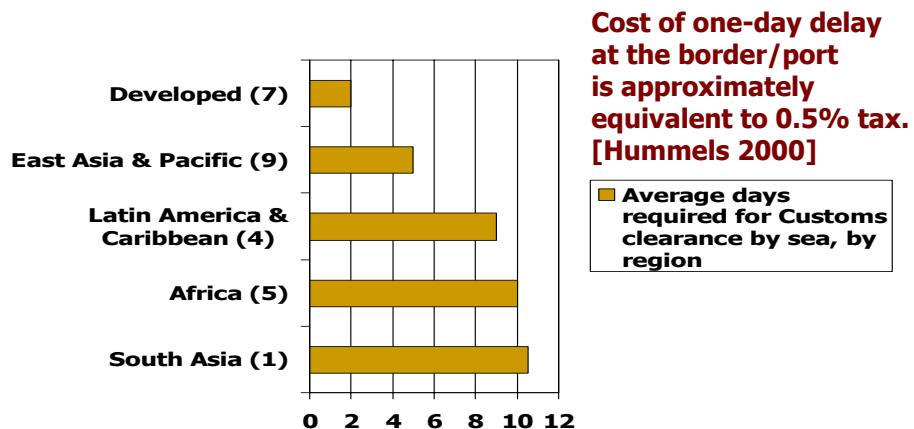
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Cost/Benefits Analysis

- **Investment:** 31 million USD for 3 years
(~6.5 million USD is secured for 2006)
- **Targeted Benefits:** not less than .5% of Import/Export Volume
 - Costs saving → 0.7 billion USD annually

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Customs clearance takes longer in developing world than in the OECD, lowering the competitiveness of developing-country trade.



Note: The number in parenthesis indicates the number of countries selected from each region to calculate the average.
 The developed economies includes France, Germany, Greece, Netherlands, Spain, Sweden, United States.
 East Asia & Pacific includes China, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Taiwan, Thailand, Vietnam.
 Latin America & Caribbean includes Argentina, Brazil, Chile, Mexico.
 Africa includes Mozambique, South Africa, Egypt, Guinea Bissau, Angola.
 South Asia includes India.

Source: International Exhibition Logistics Associates (www.iela.org)

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Investment & Business Model of the e-logistics platform

- **Sustainability** for the long-term development and operational services
- MICT is in a process of preparing a TOR for “calling for proposals” (CFP) including
 - Investment & Business Model of the System
 - Project Management + Collaboration Approaches
 - Development & Operational Services
 - Technical Solutions
 - Performance Indicators & Assessment

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Recommended Key Performance Indicators

- **To improve time and cost factors**
 - **Phase 1:**
 - Reduce Permit Processing time and cost by %
 - Reduce declaration by %
 - **Phase 2:**
 - Reduce the process at the port by %
 - Reduce overall end-to-end process by %
- **Increase in volume of transactions by %**
- **Increase in the # of key constituents sign-on**
- **Increase in the # of document types**

For example, WCO Time Release Study is conducted to provide baseline information and for monitoring the impacts of the system

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Legal Framework

- **Electronic Transaction Act 2001**
 - Referring to **UNCITRAL Model Law on Electronic Transaction and Digital Signatures**
- **Computer Crime Law***
- **Data Privacy Law****
- **Electronic Fund Transfer Law****

- **Public Key Infrastructure, and Authorized Certificate Authorities are needed.** *This bill is under reviewed by the Cabinet
**These bills is in a drafting and reviewing stage by stakeholders

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ASEAN Single Window

- Single Submission,
- Single Decision Making,
- Single Data Processing

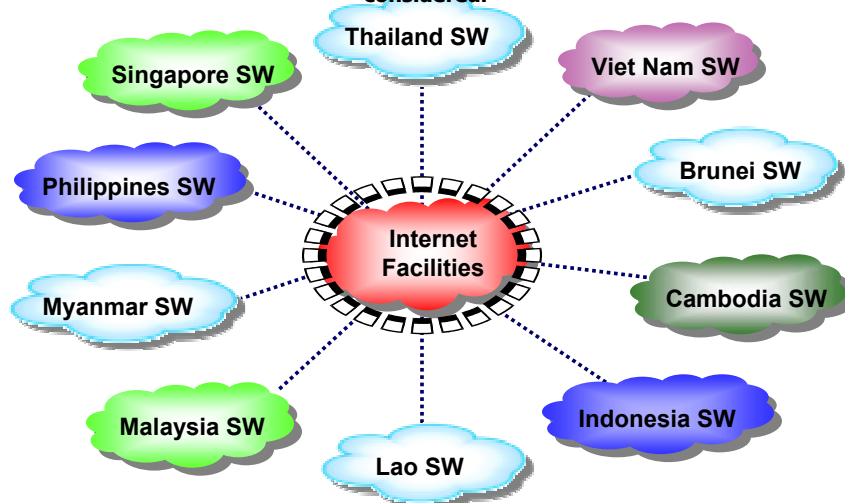
Key Objective

- ➡ **To expedite and simplify information flow between government and trade and bring meaningful gain to all parties involved in international trade.**
- ➡ **To establish the viable, simplified, standardized and integrated environment for cargo clearance in line with international best practices**
- ➡ **To reduce time and resources needed for cargo clearance**

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Possible ASEAN Single Window Conceptual Model

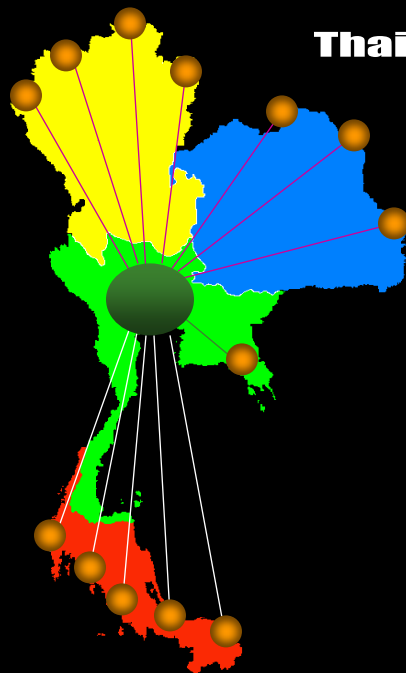
A Standardized Data Set based on WCO Data Model, UNTDDED and UNEDOCs are considered.



SW = Single Window Provider

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Thailand Single Window and GMS



OSS – One-Stop Services Offices for single stop inspection at the border crossing (physical locations with all authorized agencies) and the GMS cross-border Memorandum of Understanding

will be enhanced by Single-Window ICT-enabled Environment

GMS = Greater Mekong Sub-region

Conclusions – Key Issues

- Trade Facilitation begins at home (behind borders), but enhanced by regional integration (between borders)
- High-level Political Commitment and Resources
- Inter-agency & Public-Private Involvement
- Change Management (including human factors)
- Business/Investment Models
- Clear Roadmap
- Legal Framework and PKI Infrastructure
- Standardized Data Set (SDS) - a pre-requisite for establishing Single Window Paperless Environment
- Interoperability/Standards, e.g. XML schemas, Protocols, and Security Standards

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Thank you

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