

Implementing a National Single Window for Trade

By Shenali de Silva

Trade facilitation has been recognized as a key element in improving trade efficiencies and boosting a country's trade performance. A key element for effective trade facilitation would be implementing an efficient 'single window'. A single window system enables the transmission of standardized information and documents through a single entry point for all parties involved in the trading process. The system integrates key institutions and organizations involved, including customs, banks, insurers and all relevant public agencies and private participants.

What a Single Window Can Do

A centralized and standardized information exchange system eliminates redundant processes, reduces multiple data submissions to agencies and minimizes the margin for error. Currently, the lack of a single window platform in Sri Lanka, results in the same information having to be entered and transmitted multiple times between parties. This not only results in a significant number of inefficiencies but is also extremely time consuming. Given that a key indicator of an economy's competitiveness is the ability of its private sector to trade goods in the most cost effective and reliable manner, Sri Lanka falls far behind regional competitors who have already taken steps towards implementing a national single window for trading.

Regional Examples

A single window offers the economy a plethora of benefits, and countries have been quick to identify the importance of it to the country's ease of doing business as well as to improving its trading activities. Singapore in particular has been a pioneer in implementing a robust trading system which was implemented in 1989. The implementation of the trading system was prompted by a review of Singapore's economy after having experienced a recession in the 1980's. A private company 'TradeNet' was established by the government to develop a national electronic data exchange system for trade declarations and permits, this company later evolved to CrimsonLogic which is now a renowned company for creating trade exchange systems across many economies. Having implemented the single window, Singapore witnessed marked efficiencies in the time taken for document processing, which reduced to 15 minutes from 4 days which was a previous norm .

Thailand too has also taken steps, including procedural reforms and customs modernization, towards implementing a single window. This has not only eliminated redundant processes but has also significantly reduced the number of days for exporting goods from 24 day in 2006 to 14 days in 2009. In China, having implemented an automated information transaction system is estimated to have saved US \$167 Mn in efficiency improvements. In Korea, the total savings to the business community from the use of the single window is estimated to be between US \$1 Bn and \$818 Mn.

Progress in Sri Lanka

Implementing a single window system would be a vital step towards improving Sri Lanka's trading activities and paving the way towards it becoming an international trading and logistics hub. While we have not taken significant steps towards implementing a national single window, we appear to be on the right track by launching an 'Export Facilitation Centre' in 2015 and a 'Customs Single Window' in January 2016. The current customs single window connects up to 20 border regulatory authorities and has automated the imports and export cargo clearance process. While this eliminates significant barriers when processing relevant documents relating to customs, other agencies and organizations fall far behind in this process.

Lessons learned from other countries remind us that implementation is a major undertaking as it involves many stakeholders, significant financial investment and a long-term commitment. Importantly, overcoming resistance and behavioral hurdles from institutions that are comfortable operating legacy systems requires unwavering persistence. Private sector collaboration is also an essential element in both design and implementation.

With Bangladesh, Pakistan and India having taken significant steps in achieving the goal of a national single window, the need for establishing one in Sri Lanka is pressing. ASEAN nations have even begun conceptualizing a regional single window, and if such a trend emerges in the South Asian region, Sri Lanka runs the risk of being a regional laggard in the race for doing business and trading competitiveness.

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