

HOW IT INNOVATION CAN SUPPORT AEO MUTUALLY RECOGNITION IN INTERNATIONAL TRADE OF FRUITS AND VEGETABLES

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Vice-Chair UN Committee on Trade (Geneva) (2012-2014)

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EU Research Project CORE on e-Customs

- 78 partners
- Duration 2014-2018
- Total budget 49M euro
 - funded by the European Commission

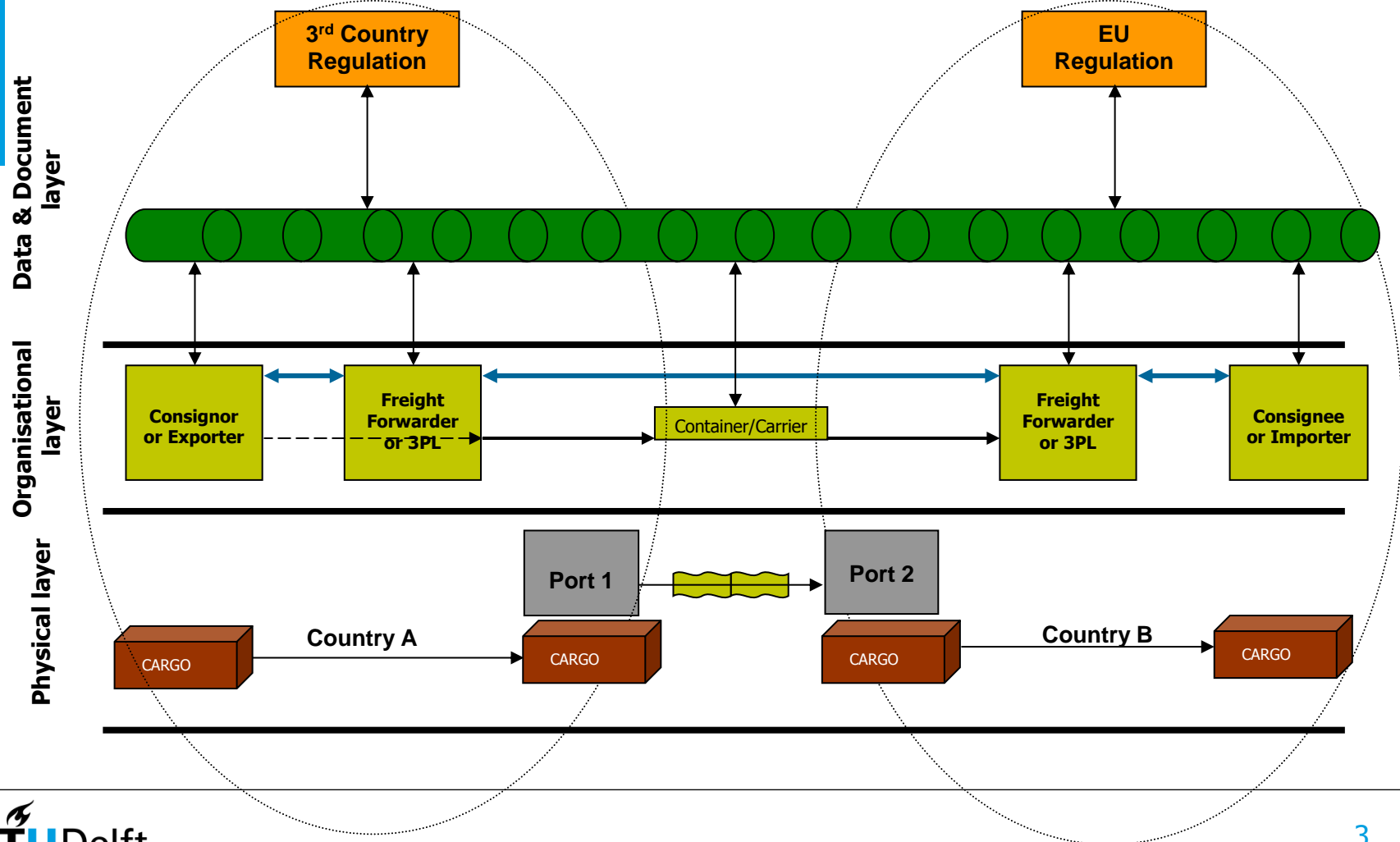


20 pilots on IT innovation for e-Customs and Int. Trade

- Trade lanes Air/Rail/Road/Sea between EU and China, US, Latin-America, Africa
- E.g. FloraHolland, Procter & Gamble, General Motors, Bosch Siemens Household (BSH), Airbus, MAERSK, DHL, IBM
- Customs Netherlands, UK, Belgium, Italy, Spain
- World Customs Organization (WCO), Interpol
- European Shippers Council (ESC)
- European Freight Forwarders Association (CLECAT)

Data Pipeline (Frank Heijmann, David Hesketh)

“Internet for Logistics” developed in EU research projects
CORE, CASSANDRA



CORE FloraHolland Demo

Import of Roses from **Kenia** to **Netherlands**

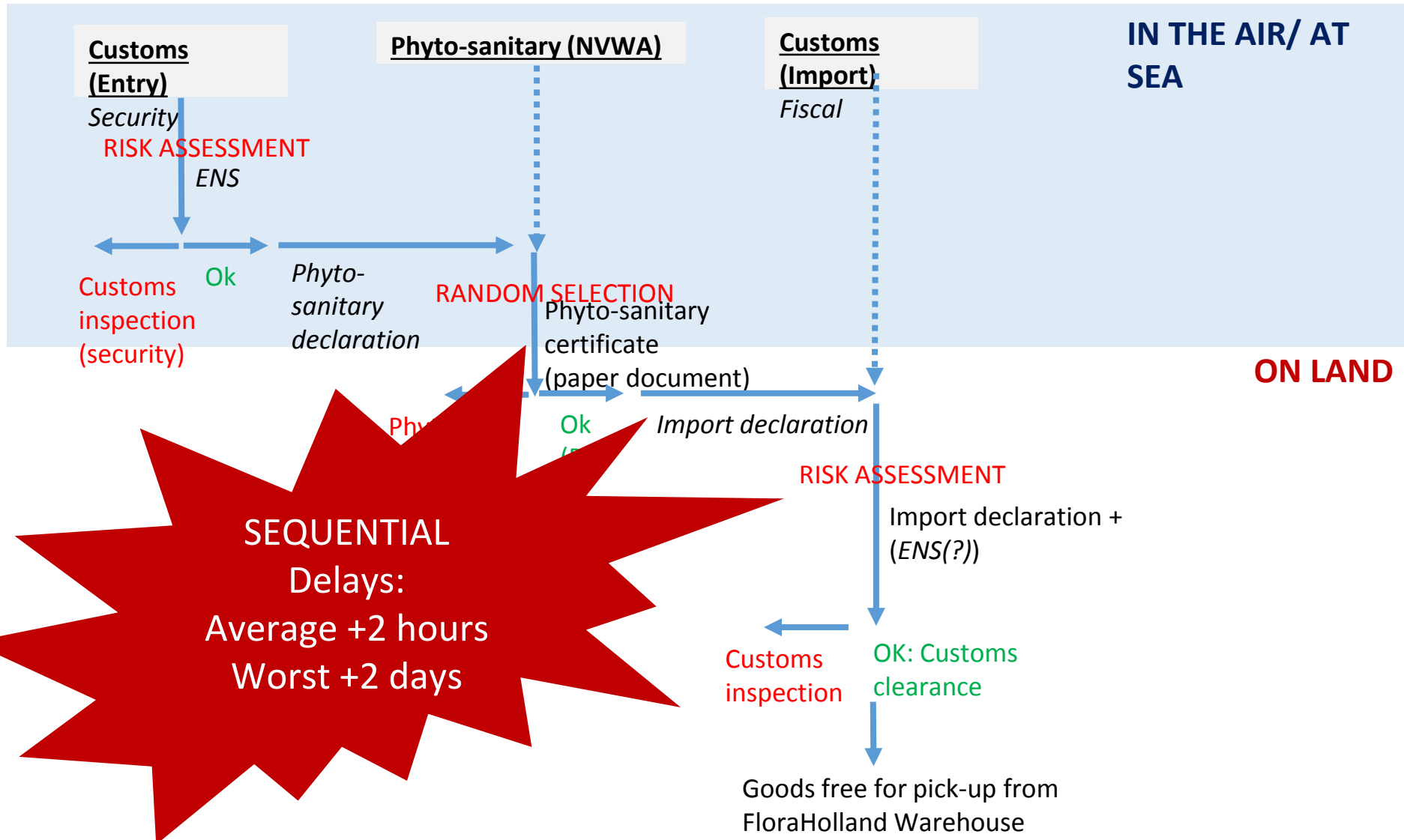
- Transport organised by FloraHolland from Kenya to Netherlands
 - **90** tons/year, **5** flights/day, pilot with Maersk Reefer Containers
- Distributed from the Netherlands to all over Europe
- Very active participation in **CORE** of **Dutch Customs**

Grower's invoice is very reliable

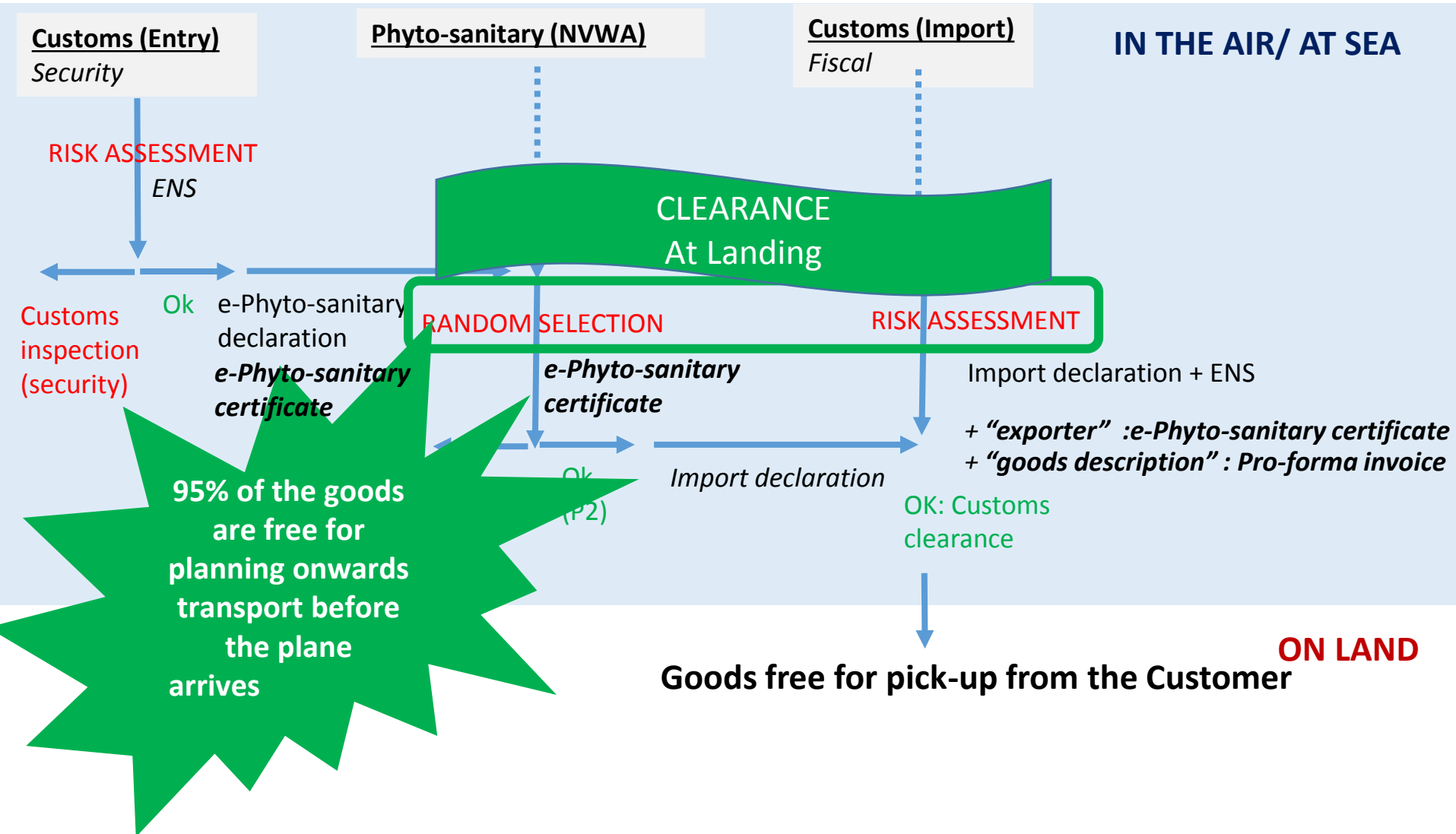
- **Kenyan Growers are members of FloraHolland**
- **Floraholland pays Kenyan Grower invoice within 1-2 days, collects it from buyer in EU**
- **Grower's Invoice is used by Dutch Customs to cross-validate accuracy of import declaration**



FloraHolland Air Demo (current)



FloraHolland Air Demo (improved)



AEO Aspects of FloraHolland demo

- FloraHolland is
 - Dutch Cooperative, operating world-wide
 - Providing services to 4800 members
 - Auctioning
 - Organizing Transport and Logistics
 - Pre-payment of grower's invoice
 - AEO certified
- But most of their 4800 members are not AEO
 - 800 members in Kenya and Ethiopia are not AEO
 - Kenyan Growers are **importers** in Netherlands
 - Due to auctioning of flowers in NL, growers use DDP incoterm
 - Import declaration is submitted by Dutch Customs broker on behalf of Kenyan grower
 - How can they qualify for benefits of AEO trade facilitation at NL import?

IT-enabled “Proxy AEO” Trade Facilitation

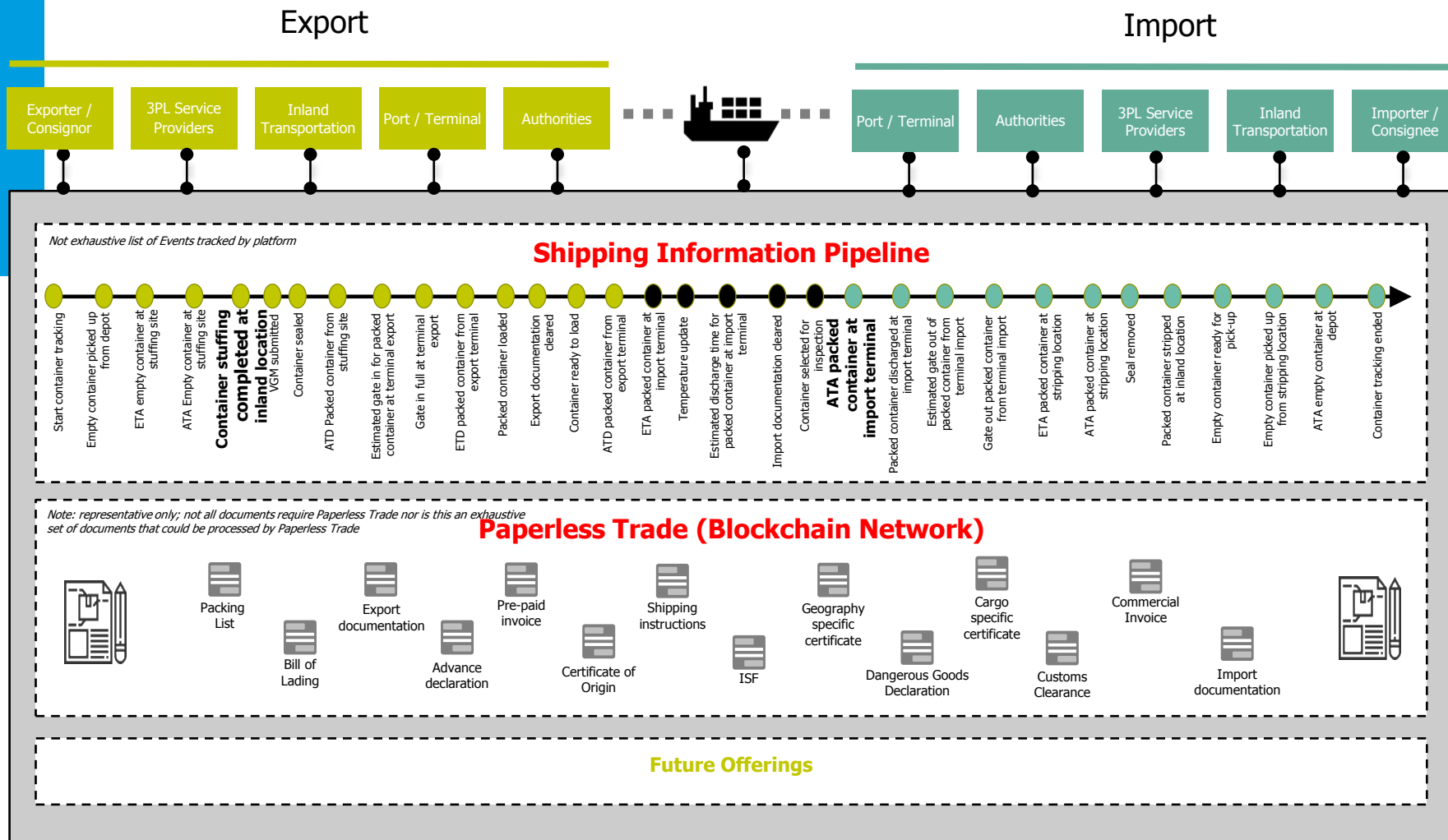
- **Due to FloraHolland trusted network, Dutch customs can apply Clearance-at-Landing trade facilitation to trusted foreign companies that have no formal AEO status**
 - Due to pro-forma invoice
 - Verified by FloraHolland
 - Even used by Dutch Customs to cross-validate import declaration
 - Kenyan Growers of FloraHolland become “**Proxy AEO**” by being member of **trusted network of FloraHolland**
- **Data Pipeline IT innovation enables trade facilitation of Clearance-at-Landing**
 - Enable Dutch Customs to collect additional documents to **cross-validate** import declaration
 - **Electronic** pro-forma invoice from Kenyan grower
 - **Electronic** phyto certificate from Kenyan Plant Protection agency KEPHIS via Electronic Certificates System (**ECS**)

IT systems enabling Data Pipelines

- **Give border inspections access to company data, by facilitating public-private information exchange**
- **Existing ICT** (NL examples, but similar in many other countries)
 - **Government Single Window** initiatives
 - e.g. Digipoort (NL)
 - **Electronic (!) Phyto Sanitary Declaration systems**
 - E.g. **CLIENT** (NL), **ECS** (KEPHIS, Kenya)
 - **Port Community Systems**
 - e.g. Portbase (Haven Rotterdam), Cargonaut (Schiphol airport)
 - **Logistics & Supply Chain Management software systems**
 - e.g. Descartes, GT-Nexus, IBM etc
- **ICT Innovations to further develop Data Pipelines:**
 - **Blockchain**
 - **Data Analytics** (EU project **PROFILE** 2018-2021)

Global Trade Digitization (GTD) developed by MAERSK and IBM in CORE

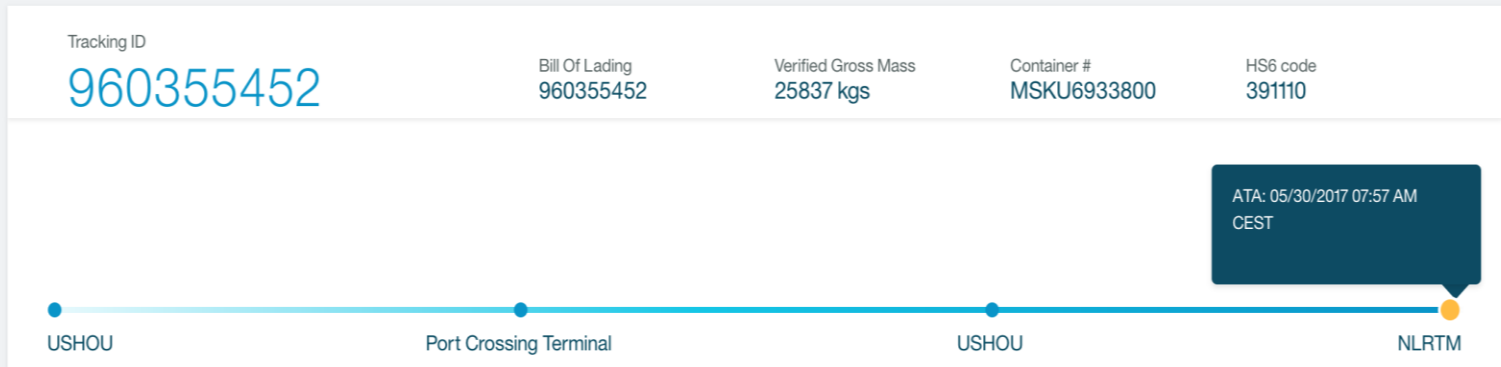
- Tested in CORE on more than **100 thousand** containers



MAERSK

The GTD platform is currently offered pursuant to the terms of a collaboration agreement between IBM and Maersk. The establishment of the Joint Venture remains subject to regulatory approvals. None of the information provided in this document should be construed in any way as a representation or undertaking with 10 regard to the position to be adopted by Maersk or IBM.

GTD Shipping Information Pipeline



	Event	Additional Information	Originator
NLRTM Elapsed Time: 15d 14h Location Type: Terminal Arrived at: 05/30/2017 07:57 AM CEST	Full container discharged 05/30/2017 07:57 AM CEST	Vessel 9298698	
	Full container loaded 05/15/2017 01:05 AM CEST	Vessel 9298698	
	Verified gross mass 05/14/2017 05:54 PM CEST	Weight 25837 kgs	

Sea Transport



Elapsed Time
15d 19h

Transport Type
Vessel

	Event	Additional Information	Originator
USHOU	MDN number issued	MDN Number	

GTD Paperless Trade Dashboard

GTD
Paperless Trade

 Sign Out

Exporter

test-exporter-org

Order #

ref-2017/07/21

Customer
Fresh Fruit

Exporter
test-exporter-org

 Authorize

Forwarder

Damco

Documents

Commercial Invoice

Packing List

COO/EUR.1

● Phyto

Export License

● Bill of Lading

Commercial Invoice

Document Signed ✓

Signed: Jul 20, 2017, 9:16:17 PM

Document Uploaded By:

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pt.test.exporter@gmail.com

Timestamp:

Jul 20, 2017
9:11 PM

1 Signature Required:

test-exporter-org 07/20/2017 9:16 PM

Document ID

commercialInvoice-111

[commercial_invoice.pdf](#)

Replace



Commercial Invoice

Company Info: Company Name Address Country		Bill To: Phone E-mail Website							
DELIVERY ADDRESS	INVOICE ADDRESS	Invoice No:	Date:						
		Customer Ref: Customer Name Transport Method Reference Delivery Terms Sales Terms							
Product Code	Product Description	HS Code & Origin Country	Quantity	Measurement Unit	Unit Price	Amount %	Amount Price	Estimated Loading Date	Net Amount
Additional Comments:						Total Gross Weight Total Net Weight	Net Amount Tax & ...	Net Amount Gross Amount	
MARK REQUIRED									

ROTTERDAM SCHOOL OF MANAGEMENT
ERASMUS UNIVERSITY

[*http://www.rsm.nl/customs*](http://www.rsm.nl/customs)

EXECUTIVE MASTER



**EXECUTIVE MASTER IN CUSTOMS
AND SUPPLY CHAIN COMPLIANCE**

Three Pillar Approach

1. Customs
Regulations

2. Supply Chain
Management
and Logistics

3. Information
and
Compliance

Integration topic: risk management and being 'in control'

Integration topic: sourcing and procurement, social corporate responsibility in the supply chain

Integration topic: EU legacy systems and modernization of the customs code

Further Info

- Presentation TEDxBinnenhof:
<http://tedxbinnenhof.com/yao-hua-tan-talk/>

Research projects funded by the European Commission:

- **CORE** (2014-2018, 49M euro)
<http://www.coreproject.eu/>
- **CASSANDRA** (2010-2014, 22M euro)
<http://www.cassandra-project.eu/>
- **ITAIDE** (2006-2010, 12M euro)

