



SISTEMA ECONÓMICO
LATINOAMERICANO
Y DEL CARIBE



Final Report

Intra-Regional Relations

*IX Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows
Asunción, Paraguay
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I. RAPPORTEUR'S REPORT

The [IX Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows](#) was held in 26 and 27 October 2017 in Asunción, Paraguay. It was organized by the Permanent Secretariat of the Latin American and Caribbean Economic System (SELA) and the National Directorate of Customs of Paraguay.

This IX Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows (FTSWs) included four thematic sessions, which covered the management of information in foreign trade single windows and its use for risk management; the progress in the implementation of the WTO Trade Facilitation Agreement (TFA); the Recommendation of the United Nations Centre for Trade Facilitation and Electronic Business (UN-CEFACT) about public-private partnerships for trade facilitation and some elements of governance in FTSWs; the importance of transport facilitation in foreign trade and, as usual, participants shared the achievements and challenges of FTSWs in the member countries of SELA attending this meeting.

The objectives of the event were as follows: i) raise awareness about the information that is handled in FTSWs and the need for an adequate management to harness its potential as an essential input for risk management in foreign trade; ii) provide information on methodological and analytical recommendations that aim to contribute more elements to trade facilitation and that have been developed by internationally recognized bodies specializing in these matters, such as UN/CEFACT and WCO; iii) continue the effort to provide information that contributes to linking transport facilitation and discussions and developments related to FTSWs and trade facilitation in general; iv) present and foster debate on difficulties that may arise in the implementation of specific measures for trade facilitation, with special reference to the WTO Agreement, and v) disseminate best practices for the development and consolidation of FTSWs, and experiences and achievements of the countries in the region in these matters.

Participants included managers and experts in charge of projects related to FTSWs and cross-border trade from the public and private sectors of the following Member States of SELA: Bolivia, Colombia, Ecuador, El Salvador, Honduras, Guatemala, Mexico, Panama, Paraguay, Trinidad and Tobago, Uruguay and Venezuela. In addition, a representative of Costa Rica participated in the event.

At the opening session, the following participants took the floor: [Gloria Cañas Arias](#), International Advisor to the Latin American and Caribbean Economic System (SELA), on behalf of the Permanent Secretary of the organization, Ambassador Javier Paulinich; and Nelson Daniel Valiente Saucedo, National Director of Customs of the Republic of Paraguay.

The event took place in accordance with the [agenda](#), through which access to speeches delivered at the opening session and [presentations](#) is available. The [list of participants](#), the official [videos](#) of the various working sessions and this report can be seen on the link of the [IX Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows](#), at [Past Events](#) section of SELA's Web site (www.sela.org).

II. CONCLUSIONS

Based on the ideas and criteria presented by the various speakers and those who participated in the debates, participants exchanged views on the topics referred to in the agenda. Following are some of the conclusions or general assessments arising from the debates.

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Trade Facilitation (TF)

1. Latin America and the Caribbean (LAC) is losing share in world trade. In addition, the results of its still incipient export diversification have not been reflected. Such a situation demands the strengthening of strategies for productivity and competitiveness, such as trade facilitation, which should include trade agreements for exporters and importers; more streamlined, transparent and simplified procedures; free flow of people and goods in intra-regional trade, as well as the joint coordination of measures for inspection and registration, so that business partners and government agencies can share reliable data.
2. Emphasis was made on the entry into force of the Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO), which was approved in February 2017. According to estimates, two thirds of its benefits would be for developing and less favoured countries, whose exports would increase by 3.5 percent per year, creating an additional economic growth of 0.9 percent per year. In addition, the FTA is estimated to: i) make business transactions more efficient and streamlined; ii) simplify procedures, requirements and formalities for all foreign trade procedures; iii) improve the level of competitiveness and promotion of productive investments, and iv) provide companies, in particular SMEs from developing countries, with easy access to value chains.
3. Participants stressed the usefulness and importance of National Committees (NC), noting that they are basically designed to: i) facilitate national dialogue on issues related to the WTO TFA and to trade facilitation in general; ii) identify the problems, solutions and priorities that must be addressed; iii) formulate plans of action that must be adopted or endorsed by other bodies, and iv) coordinate the implementation of measures at the national and regional levels. In addition, emphasis was made on the following functions of NCs: a) trade policy coordination; ii) transportation; iii) attention to port issues and special economic areas, and iv) other facilitation measures. Some challenges were also identified: i) find appropriate membership; ii) define more appropriate roles; iii) lack of support and/or commitment; iv) insufficient resources; v) lack of understanding; vi) some legal requirements pending approval, and vii) inefficient coordination.
4. In the region, much work is needed to implement the TFA, which raises many questions concerning the procedures to put this agreement into practice. Such a situation was illustrated with the results of a WTO survey that indicated that 63% had set up a NC. Some NCs were created from pre-existing organizations (51%), while 49% was created through different legal instruments. The prevailing criterion stated that, considering the circumstantial changes that may not be beneficial to National Committees, ideally they should be created through a law instead of a Government Decree.
5. Emphasis was made on the importance of public-private partnerships (PPP) for trade facilitation, materialized in long-term contracts to finance, design, implement, and operate infrastructure and services through simplification, standardization, and harmonization of procedures and information flows associated with the mobilization of goods, from the seller to the purchaser, in order to make the payment. The PPP should be promoted by strengthening the various existing communication channels between the public and private sectors through roundtables and training events, such as workshops and seminars, with the participation of stakeholders from both sectors.

6. Information distribution in blockchains without intermediaries is the biggest technological contribution to transparency, with the following potential benefits standing out: i) optimization of the process in financial and information flows among the parties concerned; ii) absence of paper and high speed; and iii) traceability and cost reduction.
7. Participants stressed that the *Modality of implementation of the TFA*, which establishes categories of commitments and sequence of entry into force for developing countries, includes, in Category C, the activation of the FTSWs.

Foreign Trade Single Windows (FTSWs)

8. The construction of the FTSW is not a closed process and must be based on a platform that can integrate new processes, new data models, and enables the modification of definitions at any time, without the need to develop them, thus ensuring their adaptability and evolution over time. In this regard, it is highly recommended to consider a flexible and agile methodology that allows adjustments on the fly. A FTSW may not always start with all its components: experience has shown that it makes good sense to consider launching it, even though not all appropriate adjustments have been made, avoiding paralysis arising from "obsession for perfection".
9. In order to boost the FTSW, besides a suitable regulatory framework and the political support that guarantees sustainability, an agile management is required to ensure that the relevant information flows expeditiously and reaches all stakeholders on a timely basis, empowering and encouraging them to actively and enthusiastically participate in the decision-making process. In addition, for the measurement to be really useful, it is necessary to ensure the adequacy of the performance indicators of the FTSW.
10. The FTSW must be part of a joint effort to produce an integrated foreign trade information system that allows to generate intelligence for the public and private sectors, thus contributing to the promotion of the professionalization of public management. Protection of information and respect for data confidentiality are a guarantee that the FTSW must be able to offer to bodies or organizations with which it needs to work. It should be noted that the information does not belong to the FTSW, and therefore it should not be disclosed. It is necessary to promote legal instruments that protect it. To that end, several countries use mechanisms for backing up information through its replication in other safe locations, such as banks, UPS and redundant storage systems, and periodic plans for technological innovation.
11. With a view to strengthening the timely exchange of relevant information, greater coordination among the entities involved in the FTSW is required. In addition, they are expected to act more effectively for trade facilitation.
12. Emphasis was made on the usefulness and importance of enabling a risk management system, which focuses on the shaping and modernization of concurrent entities to facilitate the inspection and approval of import procedures, in particular an import single window. In this connection, participants stressed the usefulness of implementing Big Data in risk management by saying that it allows to correlate metadata of invoices from suppliers (short-term), incorporate other informal sources (medium-term) and integrate all sources and enrich risk management (long term).

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13. In terms of interoperability, some of its keys were supported: i) increase the pace and timeliness of transactions, as well as security; ii) prevent fraud and reduce risks; iii) use standards, as well as proven technologies and platforms; iv) implement existing solutions; v) prioritize the most relevant information and processes; vi) promote common processes; and vii) boost exchanges among government organizations.

Port infrastructure and logistics

14. It is an established fact that intra-regional trade in Latin America and the Caribbean is very low. Participants agreed that this situation has to do with the lack of infrastructure and the enormous difficulty of all administrative procedures at ports and land borders, which requires a strong stimulus to intra-regional trade. For this purpose, it is necessary to favour regional connection infrastructures and increase the flow of intra-country corridors for logistics and trade integration, which requires stakeholders to promote the incorporation of global private investors who modernize the port sector; emphasize and make the role of public administration in the port sector more efficient; and join the effort of physical integration and political will to make this integration an efficient reality.
15. Latin American and Caribbean countries have no clear logistics strategy. An example of this is that no full advantage has been taken of the Panama Canal. Only Chile has shown an interest in collaborating with that country in terms of infrastructure and logistics. Ideally, all countries in the region should work on a collaborative scheme with Panama and, in general, all governments in the region should work on the development of inter country connection with different markets.
16. It is necessary to create a Latin American logistics based on a strong internal trade that gives the strength to gain competitive solutions in global trade.
17. In general, the current situation of ports in the region is deteriorating, and port authorities have not shown real concern for servicing them and ensuring their update and modernization. However, in the last decade, port traffic in LAC has reported a considerable increase (72%), which is lower than the world average (CAGR 6.3% vs. 6.8%). Among constraints affecting its growth include the following: i) low industrialization and modernization of production; ii) consumption focused on large centres where GDP per capita is high, but very limited in areas with little economic development; iii) external sector based on export of non-containerised commodities; iv) inadequate promotion of domestic products as an engine for development in some countries; v) limited logistical implementation that produces an increase in foreign trade costs; vi) poor connectivity between ports and their hinterland, at the level of automotive and rail transport; vii) cost overruns resulting from the lack of transparency and multiple intermediaries; ix) inefficient port and customs procedures; and x) lack of professionalization of the logistics sector.
18. The modernization of the public and private port sector is important. To that end, it is necessary to: i) build a public-private collaborative governance aimed at developing concerted process reengineering actions; ii) migrate from a point-to-point planning model to a port network planning model; iii) promote the comprehensive and integrated productivity planning; and iii) consolidate the transformation to a landlord port model (PPP) in line with the best international practices (transparency, competition, strategic planning) and aimed at attracting global terminal operators and improving maritime connectivity. Such actions should be based on the certainty that the public sector cannot deal with the

necessary investments in infrastructure itself, and thus the public-private partnership (PPP) is imperative to meet this need.

19. There is a need for a land logistics single window, through which relevant and timely information on railways and trucks involved in foreign trade could be available. Such a single window would provide ports with very useful intelligence for the Port Community System.
20. A considerable effort in the field of modernization of the port sector in the region is the *Programme for the Creation of the Latin American and Caribbean Network of Digital and Collaborative Ports*, coordinated by the Permanent Secretariat of SELA and sponsored by CAF-development bank of Latin America.
21. The Network of Digital and Collaborative Ports is based on the certainty that the processes of trade globalization, facilitation and digitization require new inter-institutional working models. In addition, it is committed to contribute to the regional port systems and their leading public, private and academic stakeholders in this defiant challenge, as well as to promote dialogue, at the highest level, on the need to create a regional agenda of intelligent ports and strengthen intra-regional value chains.
22. This network aims to disseminate and provide training in the use and adoption of best practices promoted by the proposed reference model for competitiveness and management of the port logistics chain, with special emphasis on governance and technology adoption models, as well as to measure and publish competitiveness and management indicators of the port logistics chain that could serve as a guide for benchmarking and regional gap analyses.

Finally, participants welcomed the proposal of the representative of Ecuador to hold the *X Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows* in Quito, in 2018.