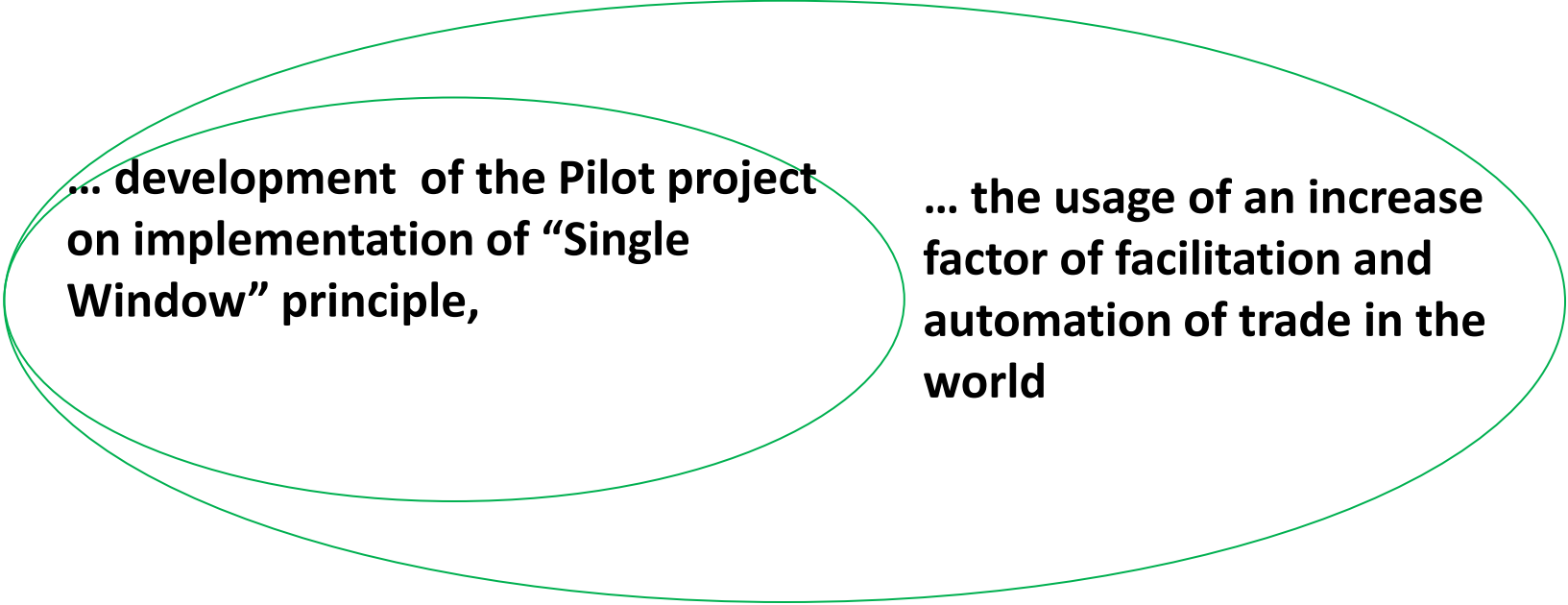**Digitalization of the TRACECA Transport Corridor. Implementation of the e-Logistics system.**

OLEKSANDR FEDOROV

Background

01.06.2011 – **According to the recommendations of the First International Seminar "The concept of "Single Window "and the integration of modes of rail transport in the facilitation of trade in the territory of the European Area" (Odessa)**

… development of the Pilot project on implementation of "Single Window" principle,

… the usage of an increase factor of facilitation and automation of trade in the world

… to promote implementation of strategic location of Ukraine as transit country along with economic integration into the European Community.

Information Flows And Clearance Before IPCS (Up To 30 Days)

STEVEDORE

CONTROL AGENCIES & CUSTOMS

CONSIGNOR

PORT SERVICES

FREIGHT FORWARDER

LAND TRANSPORT

MARITIME AGENCY

CONSIGNEE

PORT AUTHORITIES

SHIPPING AGENCY

Project at a Glance

FROM SINGLE PORT TO ALL SEA PORTS;
30 DAYS TO 1 Hr (Goods in containers)
From LOCAL TO NATIONAL AND REGIONAL

THE SYSTEM CONNECTS:
REGULATORY AND CONTROL BODIES;
PORT AUTHORITIES;
PORT OPERATORS;
AGENCY COMPANIES;
FORWARDING ORGANIZATIONS;
UKRAINIAN RAILWAYS.

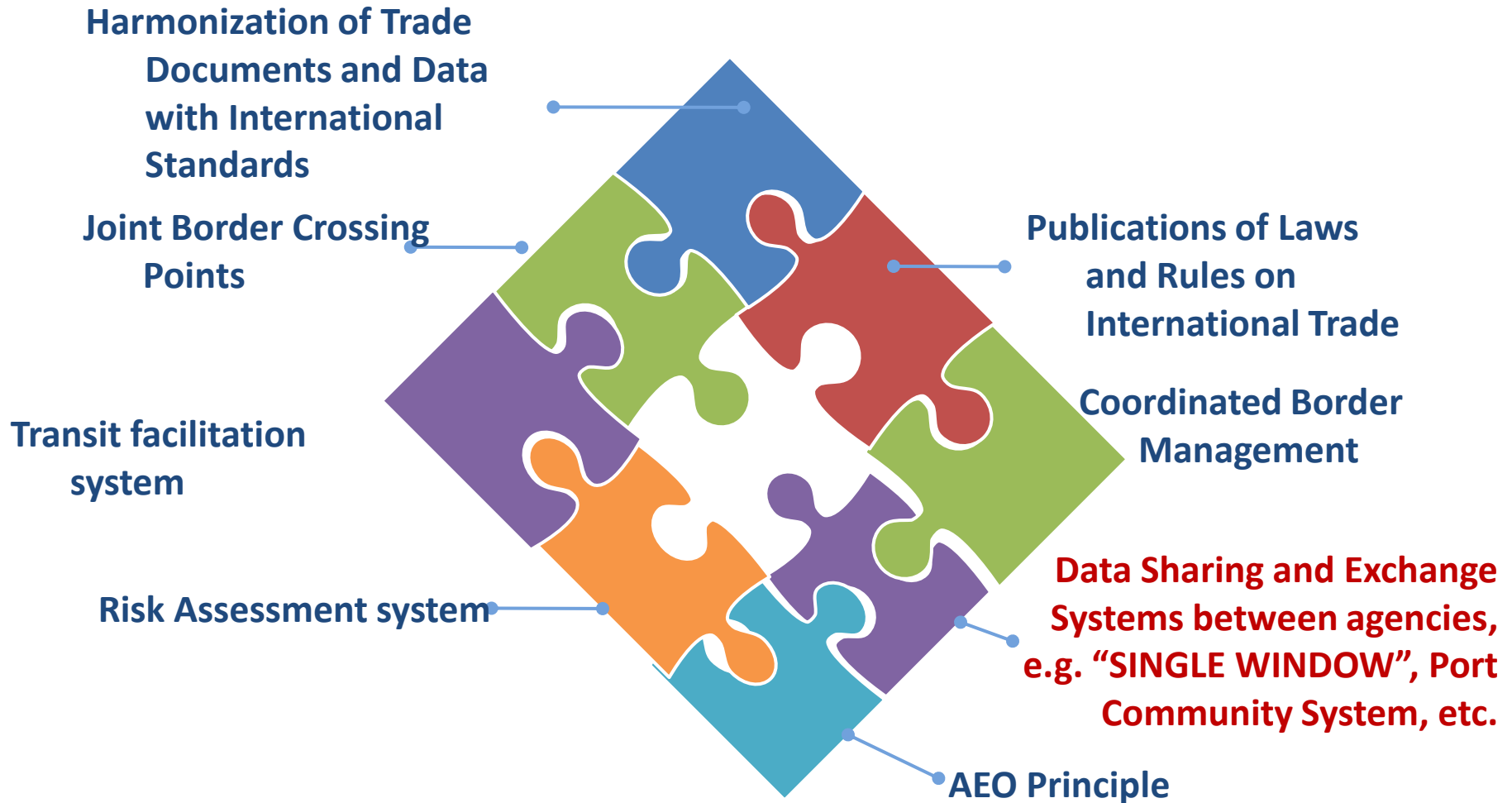**Study on the readiness of Ukraine to implement WTO TFA provisions**
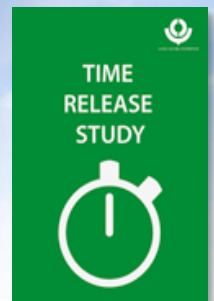
TIME RELEASE STUDY

More than 550 000 containers and 2000 vessels processed

Time reduced to 1- 1,5 Hrs

WTO Time Release Study at Odessa Seaport

WTO OMC BALI 13

Trade Facilitation Instruments

Harmonization of Trade Documents and Data with International Standards

Joint Border Crossing Points

Transit facilitation system

Risk Assessment system

Publications of Laws and Rules on International Trade

Coordinated Border Management

Data Sharing and Exchange Systems between agencies, e.g. "SINGLE WINDOW", Port Community System, etc.
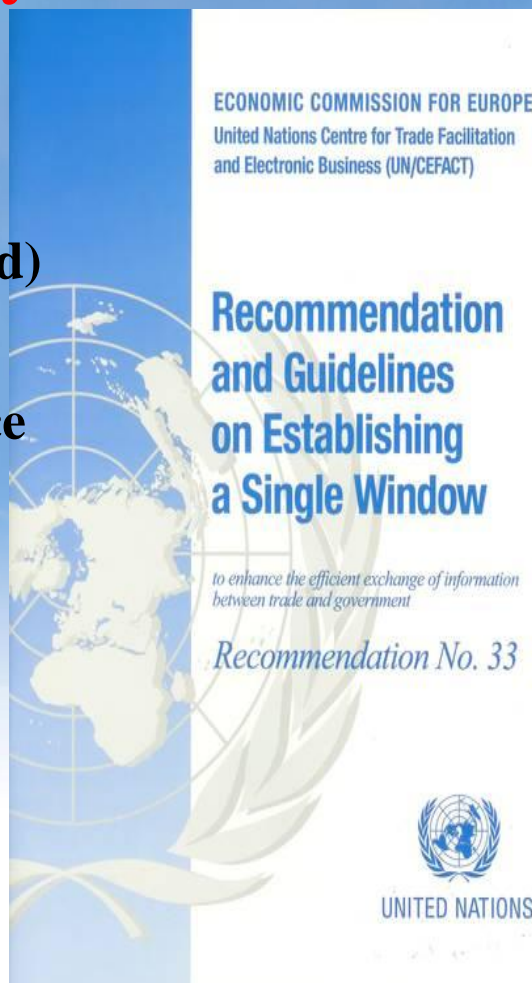
AEO Principle

UN/CEFACT RECOMMENDATION 33
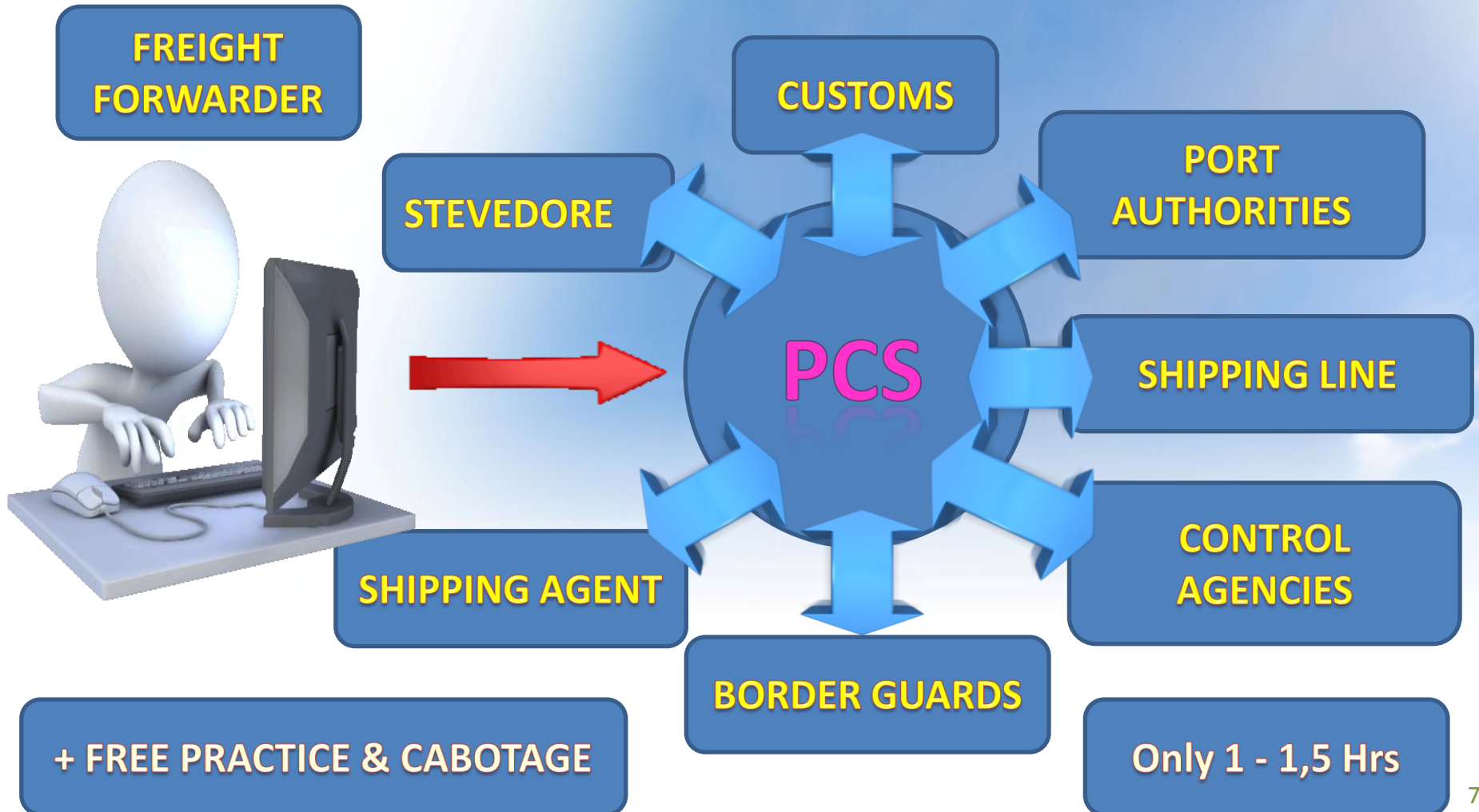
Benefits for Government

• **More effective and efficient deployment of resources**

• **Correct (and often increased) revenue yield**

• **Improved trader compliance**

• **Enhanced security**

• **Increased integrity and transparency**

ECONOMIC COMMISSION FOR EUROPE
United Nations Centre for Trade Facilitation
and Electronic Business (UN/CEFACT)

Recommendation and Guidelines on Establishing a Single Window

to enhance the efficient exchange of information
between trade and government

Recommendation No. 33

UNITED NATIONS

Benefits for Trade

• **Cutting costs through reducing delays**

• **Faster clearance and release**

• **Predictable application and explanation of rules**

• **More effective and efficient deployment of resources**

• **Increased transparency**

**PCS INFORMATION STREAMS TODAY.
NO NEED TO SUBMIT PAPER DOCUMENTS .
RELATIONS - PREDICTABLE AND TRANSPARENT.**

FREIGHT FORWARDER

CUSTOMS

PORT AUTHORITIES

STEVEDORE

PCS

SHIPPING LINE

SHIPPING AGENT

CONTROL AGENCIES

BORDER GUARDS

+ FREE PRACTICE & CABOTAGE

Only 1 - 1,5 Hrs

IPCS at Sea Border Crossing Points Of Ukraine

Shipping Agents (Line Agents) -   169;
Governmental Bodies   -   7;
Freight Forwarders   -   644;
** Customs Offices   -   14;**
Port Operators   -   13
and Ukrainian Railroads

- Odessa
- Chernomorsk
- Yuzhny
- Reni
- Izmail
- Ust'-Dunaisk
- Belgorod-Dnestrovsky
- Nikolayev
- Oktiabrsk
- Kherson
- Skadovsk
- Berdiansk
- Mariupol

Transparency and Predictability
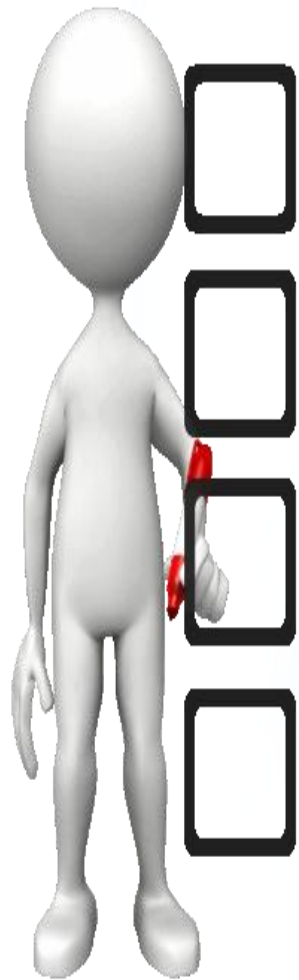
OPENNESS

TRANSPARENCY

AVAILABILITY

CONSISTENCY

- **DOCUMENTS SUBMISSION AND RECORD TO CONTROL AGENCIES WITH EDS (Electronic Digital Signature);**

- **SIMULTANEOUS CONSIDERATION OF AND DECISIONS ON DOCUMENTS SUBMITTED BY CONTROL AGENCIES ;**

- **LEGITIMATE RECORD AND TIMELY RESPONSE WITH EDS FROM CONTROL AGENCIES;**

- **MINIMIZATION OF HUMAN FACTOR IN CLEARANCE PROCEDURES;**

- **REDUCTION OF DATA DUPLICATION IN VARIOUS IT SYSTEMS;**

- **TIME DECREASE FOR ALL FORMALITIES AND OPERATIONS;**

- **PROCESSES OPTIMIZATION**

INTERNATIONAL TRANSPORT CORRIDORS

FROM TRANSPORT OPERATIONS TO TRADE OPERATIONS
THROUGH SUPPLY CHAINS
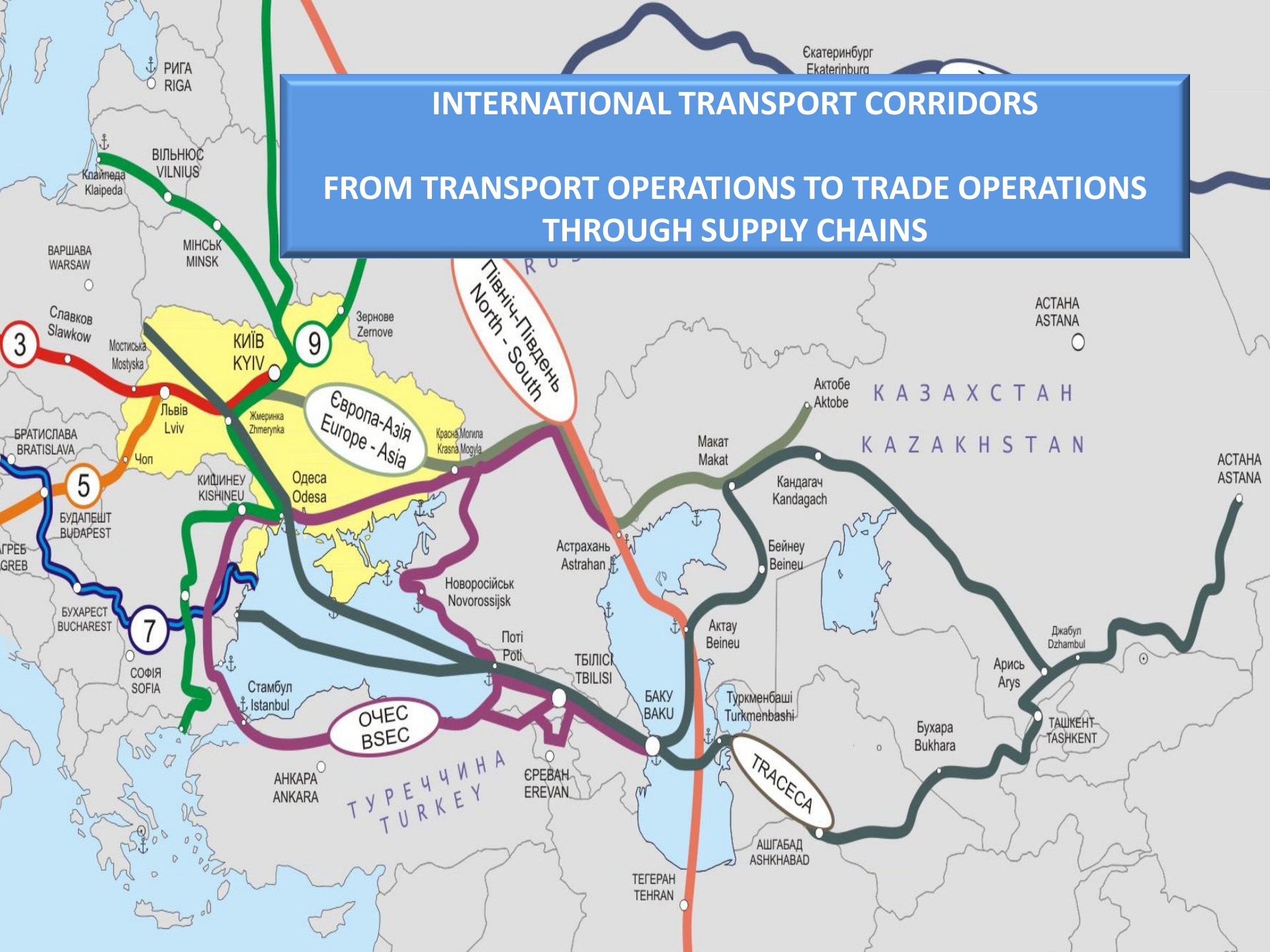
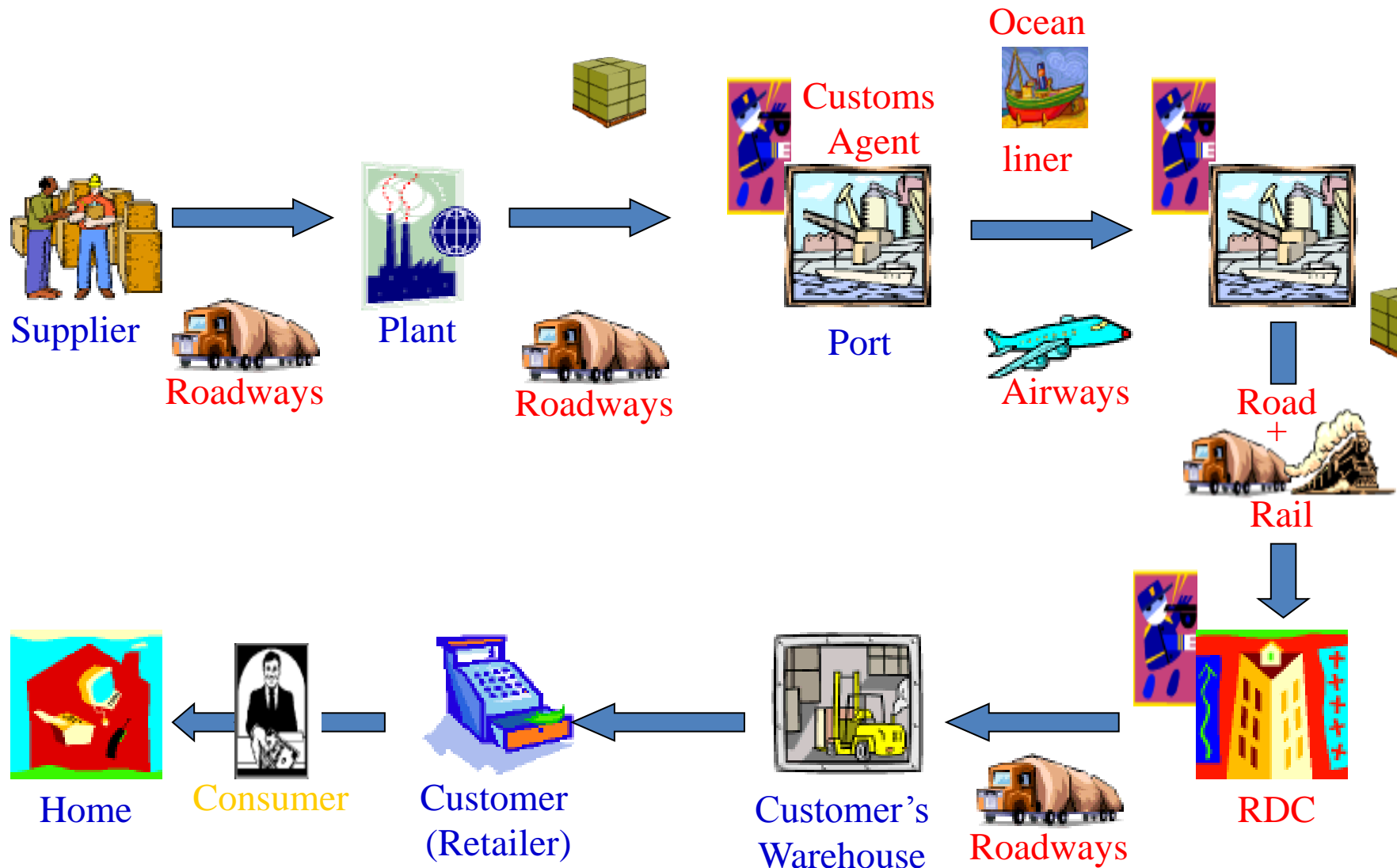# DIGITAL TRANSPORT CORRIDORS

PROBLEMS

No **effective trade - transport business process** between the client and his contractor;

No **uniformed system** of information flows management in the supply chain;

No monitoring and control of goods movement on all the way of their transportation;

No **end-to-end interaction between transport infrastructure, logistics centers and the customer's wishes** regarding the service, terms and cost of cargo delivery.
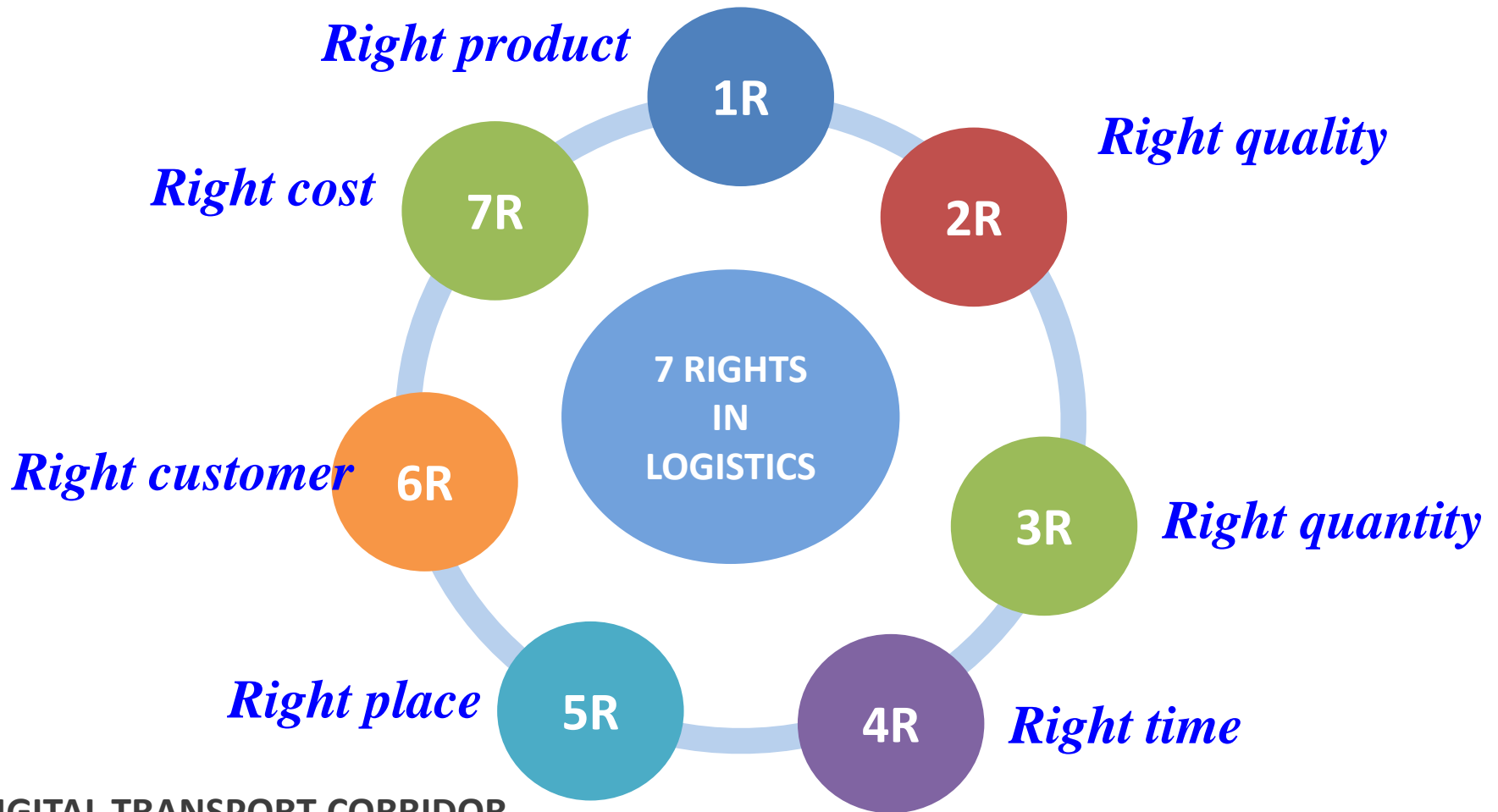
SUPPLY CHAIN SYSTEM = A NETWORK OF LOGISTICS

Supplier

Roadways

Plant

Roadways

Customs Agent

Ocean liner

Port

Airways

Road + Rail

RDC

Roadways

Customer's Warehouse

Customer (Retailer)

Consumer

Home

"BUY-SHIP-PAY" MODEL
(Source: UN/CEFACT International Supply Chain Reference Model)

BUY → **SHIP** → **PAY**

Prepare for Export → **Export** → **Transport** → **Prepare for Import** → **Import**

Commercial Procedures	Transport Procedures	Regulatory Procedures	Financial Procedures

7 R's in LOGISTICS

Logistics is the aspect of military operations that deals with the procurement, distribution, maintenance, and replacement of materiel and personnel.

Right product

Right cost

Right quality

Right customer

7 RIGHTS IN LOGISTICS

Right quantity

Right place

Right time

1R
2R
3R
4R
5R
6R
7R

DIGITAL TRANSPORT CORRIDOR

VISION IS TO ORGANIZE LOGISTICS PART OF THE BUSINESS PROCESS BASED ON ELECTRONIC TRANSPORTATION DOCUMENT (i.e. PAPERLESS)

Digital Transport Corridors

HDM Initiative Project for VIKING and TRACECA in the Eastern Partnership (EaP) countries

Chapter 1.3 of EaP Ministerial Declaration on the Digital Economy, 11th June 2015

"**The participants recognize the importance of a modern, high-performance transport and logistics infrastructure - alongside ICT infrastructures - for effective cross-border eCommerce and eTrade in the EaP**. They note that the CEF Transport programme and TEN-T multimodal Core Network, including nine core transport corridors, ensure the development of the necessary European transport infrastructure.

They stress the need for cross-border links of transport infrastructures and transport corridor connections between the EU and partner countries as well as multimodal eLogistics platforms. **Such platforms will provide a portfolio of integrated added-value services** to the main players of the supply chain **contributing to the development of the pan-European Digital Transport Corridors between the EU and the partner countries**".
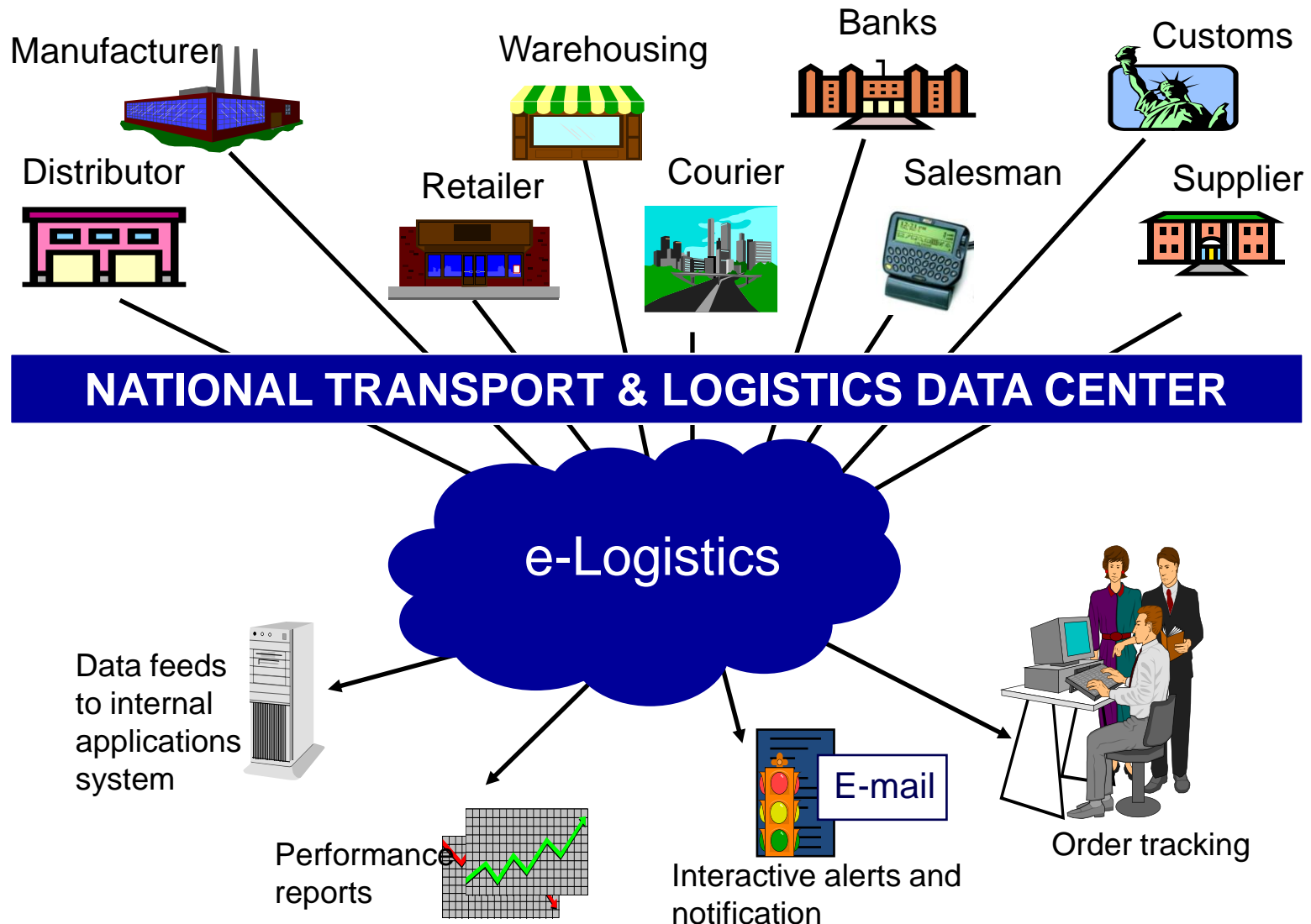
Digital Transport Corridor (DTC) Concept

➤ **DTC is considered to be the heterogeneous information system for the provision of Supply Chain Visibility services** to the main participants of control and monitoring of the transcontinental transit cargo flows - trading companies, railway and logistic operators, customs and tax authorities.

The term «heterogeneous» presumes DTC intersystem exchange with the information systems of all key participants involved in data processing, control and monitoring of transcontinental cargos.

➤ **The initial stage of DTC concept development and deployment is planned for implementation in Lithuania, Belarus, Ukraine, Moldova, Georgia, Azerbaijan, and Armenia** which are considered to become the pilot region for the control and monitoring of the consolidated transit cargos coming via the territories of these countries **by North-South transport VIKING corridor and to the Caucasus and Central Asia.**
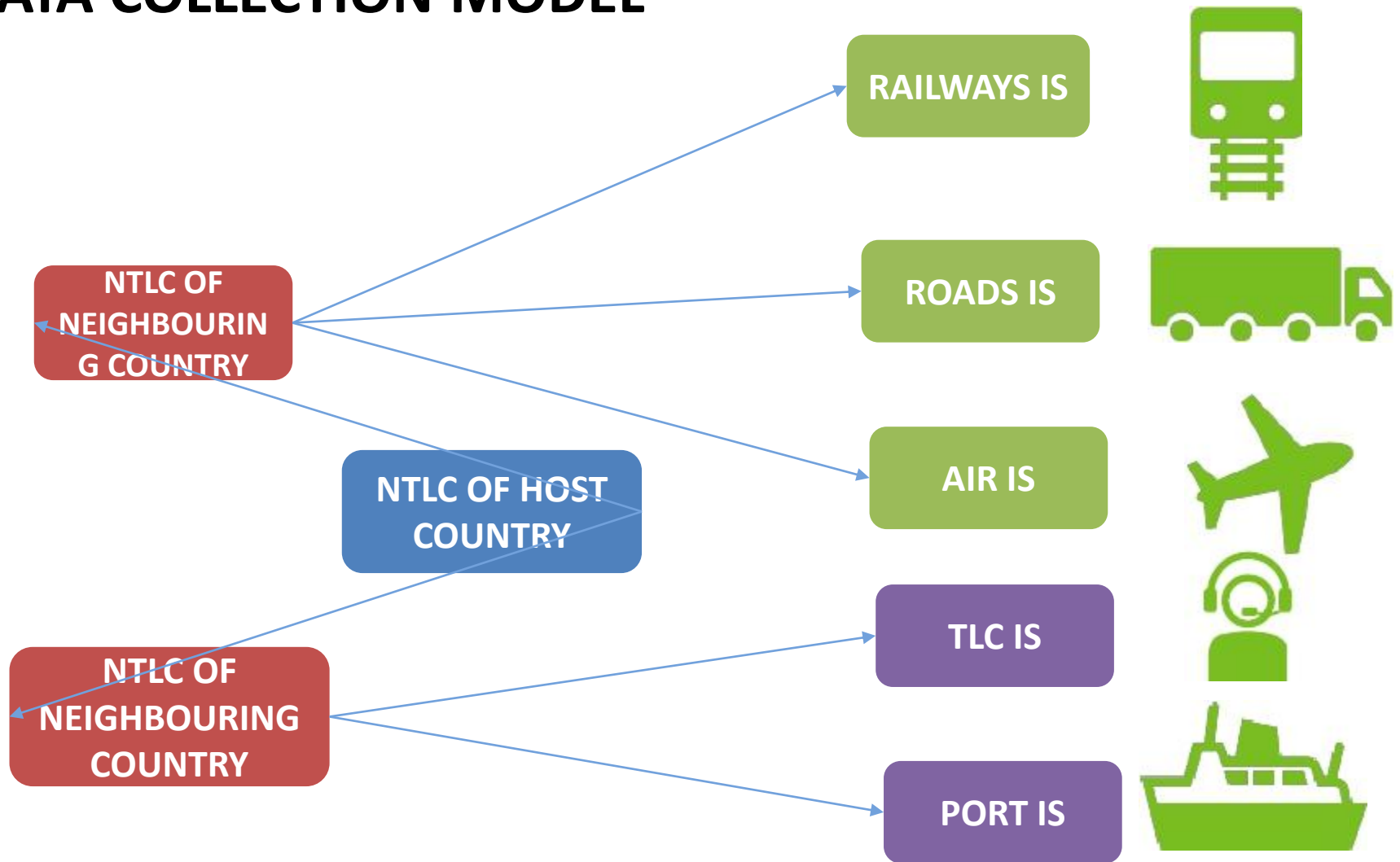
➤**NATIONAL TRANSPORT LOGISTICS CENTERS are to form digital transport corridor by collaborating with each other.**

COMMUNICATION + INFORMATION INTEGRATION

Manufacturer

Distributor

Warehousing

Banks

Customs

Retailer

Courier

Salesman

Supplier

NATIONAL TRANSPORT & LOGISTICS DATA CENTER

e-Logistics

Data feeds to internal applications system

Performance reports

E-mail

Interactive alerts and notification

Order tracking

DATA COLLECTION MODEL

PILOT PROJECT „eVIKING"– BALTIC SEA to BLACK SEA, CAUCASUS AND ASIA

Perspective for container lines "Viking" and "Zubr" within DTC

Attracting freights for railway transportation to the Europe-Caucasus-Asia destination via TRACECA corridor

Electronic document management implementation

Transportation of goods from Turkey and Middle East countries to Northern countries and back

eVIKING

Unified through transportation document

Attracting new countries to the Agreement and creating favorable atmosphere for transportation will provide for transportation through Georgia and Azerbaijan and farther to the Central Asia and back

Turning the "Viking" project into the real Multimodal Transport System

PILOT PROJECT „eVIKING" – BALTIC SEA to BLACK SEA

Two aspects of interaction:
- **Rail shoulder** - **Ukraine, Belarus, Poland, Lithuania.**
Document - Consignment Note.
-**Marine shoulder** - **Ukraine, Bulgaria, Romania, Turkey, Georgia.**
-**Document – Bill of Lading.**
ISSUES:
- Transition Law from Sea to Rail and Road, and back;
- Acceptance of FIATA documents (Unified e-Form).

SW   FROM LOCAL TO NATIONAL AND REGIONAL

DIGITAL TRANSPORT CORRIDOR

INTERMODAL TRANSPORT CORRIDOR

LEGISLATIVE, TECHNICAL & TECHNOLOGICAL SOLUTIONS

PILOT PROJECT „eVIKING" – BALTIC SEA to BLACK SEA and to the Central Asia via Caucasus

RESULT in PARTNER-ORIENTED SERVICES:

MAIN ADVANTAGES:

FREIGHT FORWARDER 2 BUSINESS,CUTOMS, CONSUMER
CUSTOMS 2 BUSINESS, GOVERNMENT, CONSUMER
CUSTOMS 2 CUSTOMS

e-TIR, e-CMR, e-CIM/SMGS, e-Consignment Note, e-AWB, e-WB

BETTER MULTIMODAL TRANSPORT COOPERATION
FASTER CARGO MOVEMENT
EASIER DOCUMENT PROCESSING
TIME AND COSTS REDUCTION, PREDICTABILITY

Our PARTNERS

UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE
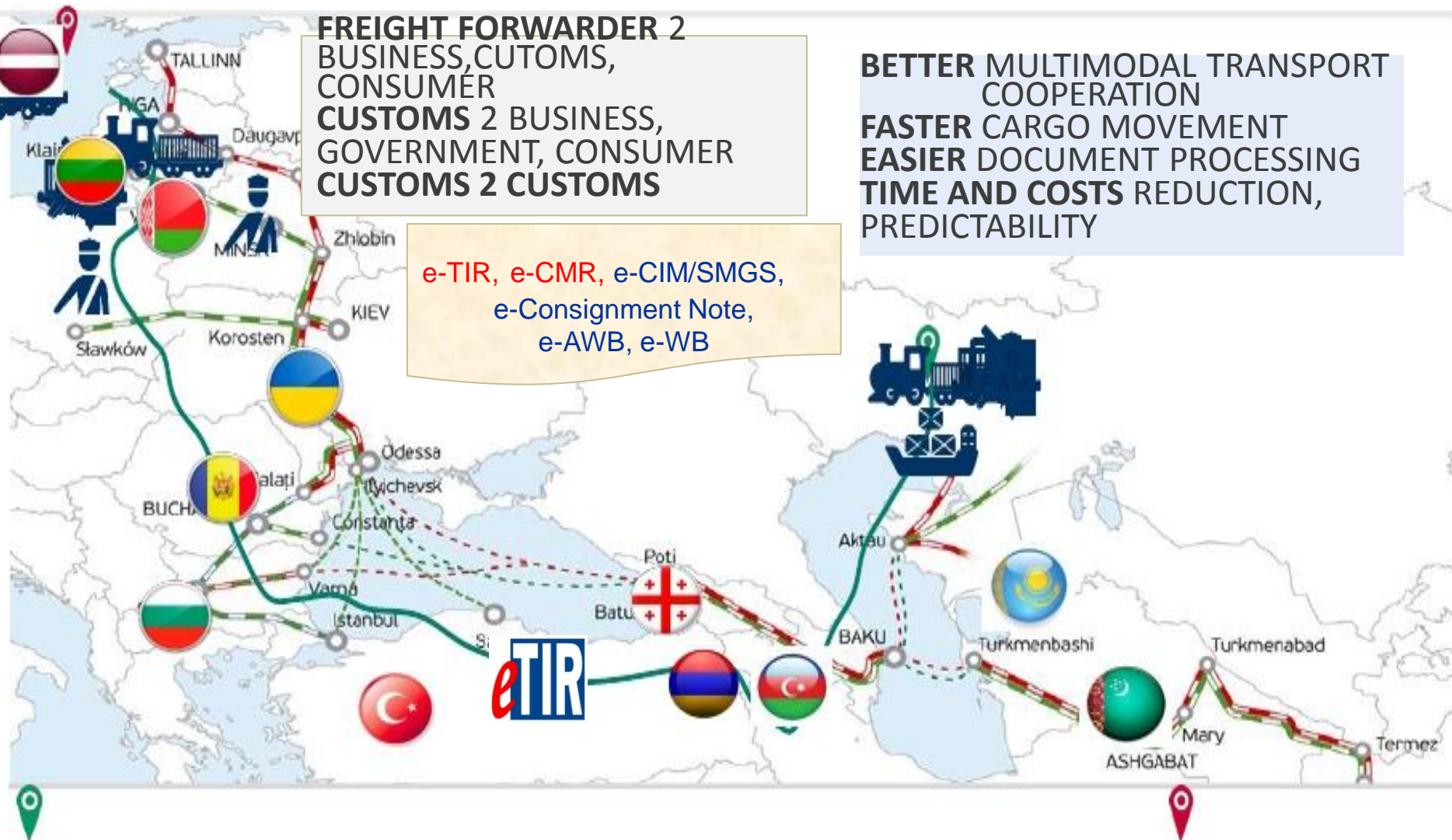
FIATA
the global voice of
freight logistics

Customs

PLASKE®
ПЛАСКЕ
Energy in motion

ОДЕССКИЙ
МОРСКОЙ
ТОРГОВЫЙ ПОРТ

**Odessa Commercial
Sea Port**

IPCSA International Port Community
Systems Association

**Ukrainian Sea
Ports Authority**

UZT

ICC®Ukraine
International Chamber of Commerce

EAST WEST
TRANSPORT CORRIDOR
association

LLC "PPL 33- 35"

THANK YOU!   QUESTIONS?

INFOBALT (LT)	INFOPARK (BY)	PLASKE (UA)

18

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