

SITPRO NEWS

Trade Facilitation Now!

Issue 70, Autumn 2009

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A New Approach To Trade Facilitation

Following a year of consultation with business and analysis of the international trade environment in the UK, the Government has published an action plan for *Simplifying Trade Across UK Borders*.

As reported in previous issues, SITPRO led the consultation with business that informed this plan. Government Departments have now set a course for addressing the issues raised by businesses and ensuring that trade opinions form a fundamental part of any future decisions on international trade procedures. A high level cross-departmental committee is being formed (see page 3) which will be driven by SITPRO with trade engagement being provided through a newly invigorated and empowered SITPRO advisory network.

Alongside the Government action plan, SITPRO has published both the original findings of its consultation and a guide entitled *Keeping Goods Moving* to how it intends to address this new trade facilitation agenda. All of these documents and other information of interest can be found at www.sitpro.org.uk/regreview. Additionally, in the following pages of this special edition of SITPRO News you can find out more about the highlights of this plan and what it will mean for your business.



Keeping Goods Moving

SITPRO's New Trade Facilitation Agenda

Available now from

www.sitpro.org.uk/regreview-keepinggoodsmoving

SITPRO
Simplifying International Trade

1st Floor
Kingsgate House
66-74 Victoria Street
London
SW1E 6SW

Telephone: +44 (0)20 7215 8150
Fax: +44 (0)20 7215 4242
Email: info@sitpro.org.uk
Website: www.sitpro.org.uk

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CEO Perspective

The results of the review of UK trade burdens at the border, in which SITPRO has been central, have now been published and are featured throughout this special edition. Based on a wide consultation of business earlier this year, and analysis by a cross-Government task force chaired by SITPRO to monitor and drive progress, the results are good news for UK business.



The creation of a new cross-Government International Trade Facilitation Committee means the issues raised by trade can be brought to a decision-taking body at the heart of the Government's policy on border issues. I am confident that the co-ordinating role assigned to SITPRO will bring it routinely and institutionally closer to Government border agencies, strengthening its influence and the support it gives to traders' interests. We will also be looking to work more closely with business and border agencies at all the UK's major ports through port users associations and other local groups.

The results of the review promise exciting times for trade facilitation in the UK in 2010 and beyond. We want to work closely with business and will be strengthening the remit of our Advisory Groups to ensure that they can be more involved in all the issues that have emerged from the review. If you wish to take part in any of this activity I would be delighted to hear from you.

New Approach - New Acronyms

There's lots of new projects to read about in this issue of SITPRO News and along with these new projects come new acronyms that will be entering the common parlance of international trade. So in this issue you will learn what an ITFC is (page 3), why an UTI will be an important part of an ITSW in the future (page 4) and how CBFM is going to make things work more smoothly (also on page 4).



We are learning new things at SITPRO as well. For example, we are entering the world of education acronyms like NVQ (page 5) as we apply our trade procedures expertise to the development of international trade courses.

This may all seem daunting, but SITPRO News readers need not worry. We will be making sure that we explain these new terms so that you can always be in the know.

SITPRO Driving New Trade Facilitation Committee

One of the major outcomes of the Government's new action plan is its new International Trade Facilitation Committee (ITFC). Its mission is "to promote trade facilitation by engendering better regulation and better communication in this field through stronger cross-Government co-ordination." The Committee will be chaired by the Department for Business, Innovation and Skills (BIS). Other key Departments sitting on the ITFC include HMRC, Defra, UKBA, HM Treasury, Department for Transport, UKTI, the Better Regulation Executive and the Cabinet Office.

SITPRO is to provide the Secretariat for this committee. However, its role is far more than administrative. SITPRO will be driving the agenda due to its trade and international networks and its expertise in trade facilitation issues. Although the ITFC is a body made up of Government representatives much of its work will be led by business concerns. With its new and more influential position, with regard to representing the views of traders to Government, SITPRO will help business to have its say in the development of a strategy for addressing issues, including those that emanate from the European Union.

SITPRO will need the support of UK businesses to make the most of this new opportunity. For many years it has been supported by the experts who take part in its various Advisory Groups. These help form the trade opinions that influence Government policy. In this new environment those Advisory Groups are going to become even more influential. Over the coming weeks, SITPRO will be reviewing the role that they play, strengthening their importance as the fora where issues of concern to trade are identified. SITPRO will also be recruiting new members, particularly from the businesses that took part in the wider business consultation this year. Joining these groups will enable businesses to get involved in discussions on the issues that matter to them and make the groups stronger, enabling SITPRO to drive the ITFC towards the actions that traders need them to take.

SITPRO will also be strengthening the role and composition of its Advisory Council. This senior group will act as a sounding board on issues to be taken to the ITFC, ensuring that the most important issues raised by traders receive appropriate consideration and that information is also fed back to businesses.

The ITFC is an important central hub for the new programme of work that will be taking place over the coming years. However, it is not the only place where improvements will be being made. Over the next couple of pages there are details of some of the more specific areas where SITPRO will be working directly to improve the trading environment.

Joining Things Up



As well as working within the heart of Government, SITPRO is also looking at how other parts of international trade practice could benefit from better co-ordination. One of the areas where the most significant benefits might be achieved is in the port environment. As part of its work to deliver the Government action plan, SITPRO intends to increase its engagement with port operators and users. The goal is to ensure that the same joined-up approach that the ITFC will create on policy is reflected in the way border agencies co-ordinate operationally at the UK's ports and airports. This move towards Co-ordinated Border Freight Management (CBFM) is a concept that is currently gaining momentum and was the subject of a recent World Customs Organisation conference (see last issue). Making changes in this way will yield obvious benefits for traders and address the claims made during SITPRO's consultation exercise that a perception of relative inefficiencies in UK ports might lead to diversion of trade to other European countries.

Once again the business community will play an important role in informing SITPRO's work in this area. In addition to engagement with the Advisory Groups, SITPRO is planning to deepen its engagement with port users associations and communities with a view to helping to deliver better co-ordination of border freight management based on the problems they are facing on a day to day basis.

It is not only the physical aspects of the movement of goods that could be improved by a more co-ordinated approach. The concept of an International Trade Single Window to help simplify the exchange of data with Government will be familiar to most readers of SITPRO News. During the consultation, it was clear that despite the slow progress to date a successful single window for simplified trade transactions in the UK is still a desired business objective. However, the difficult position on public funding means that alternative approaches are necessary.

Therefore, alongside the action plan a new approach to this project has been published. At its heart is a project to create a Unified Trade Interface (UTI) - a set of specifications that will allow trade and Government systems to work seamlessly together, without the need for a massive new Government IT project. This approach will still take time and resources, but it provides a unique opportunity for business, commercial systems providers and Government departments to create a system that uses the best of current practices and all to work the way that is best for them. SITPRO is helping to develop this new approach and is engaging with Government departments and trade experts to prove the initial concept. A paper outlining this new approach in detail can be found at www.sitpro.org.uk/regreview-newitsw.

Who Wants To Be In International Trade?

Not every cost identified during SITPRO's consultation can be reduced by the Government. The initiative on trade education that is highlighted in the Government action plan stems from a repeated comment by trade bodies that better training in international trade would help businesses to help themselves to reduce trade transaction costs.

There are three areas where SITPRO and the Government will be working to ensure that businesses have access to the resources that they require. During the consultation, some businesses suggested that international trade would be easier for them if it was easier to hire skilled staff. Students are more concerned than ever about preparing themselves for employment and international trade and logistics offers great career opportunities. SITPRO will be working with Government departments, Skills for Logistics (a Sector Skills Council) and training providers who are developing accredited National Vocational Qualifications (NVQs) at a range of levels. These can then be used to open up career options for the next generation of international trade professionals, whether they are coming straight from school or wish to develop skills for a new career.

However, long courses are not always appropriate to meet immediate business needs. Traders expressed concerns that it was not always easy to identify the correct training for their staff. There are many good short courses available, but it is not always easy for businesses to work out which would be most appropriate for their staff and situation. Therefore, the Government's action plan and SITPRO's own objectives include plans to work with commercial training providers to develop clearer guides that will allow businesses to ensure that they are getting the right training.

Finally, no training ever covers every eventuality and sometimes a trader will need on the spot advice. The consultation confirmed that businesses are still confused as to where to go for international trade advice and want clearer signposting and better guidance. SITPRO will use its knowledge and experience to enhance Government efforts to join up its guidance across departments, make best use of the BusinessLink portal and ensure that both online and telephone services are easy to identify and provide the correct information. (In the meantime, this month's SITPRO Solutions on page 8 suggests some of the advice services businesses might find useful for specific issues.)

Enhancing professional skills across the supply chain will help reduce errors and inefficiencies for everyone. This programme of action should make it easier than ever for people to develop those skills and meet the UK's future business needs.

UN/CEFACT Consults on Trade Messages

The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) is about to launch a stakeholder questionnaire to consult standards implementers, international organisations and other stakeholders on their expectations for open international standards for electronic trade messages.

Following the suspension of the UNeDocs project earlier this year, CEF ACT has established three gap analysis projects that are seeking stakeholder responses on the following issues:

- What are the priority electronic message standards that stakeholders would like to see CEFACT develop? Are the original “documents” (commercial invoice, purchase order, quotation, despatch note, export cargo shipping instruction and waybill), on which SITPRO started work several years ago, still the right priorities?
- How familiar are stakeholders with the CEF ACT Core Components Library and how usable is it?
- What gaps are there in the technical specifications that underpin message assembly and assure messages can be interpreted by different systems?

Stakeholders include those already involved in CEFACT's work, as well as companies that have not previously been involved. Responses are to be requested by mid-January 2010, with stakeholders encouraged to send responses before Christmas if they can. The questionnaire will be available shortly and can be requested directly from SITPRO by emailing nina.wilkins@sitpro.org.uk.

World Traders Consider the Prospect of an Open Europe

On 30 September 2009 the Worshipful Company of World Traders gathered for their bi-annual seminar, which this year was hosted by the Department for Business, where they sought to address the theme *World Trade - An Open Europe*. Claire Durkin, BIS's Director of Europe, International Trade and Development (and a Freeman of the Company) gave the keynote address explaining how the UK had met the challenges of the recent financial downturn through partnership with other countries.

The speakers also included SITPRO's Chairman, Norman Rose, who addressed the matter of the forthcoming European Services Directive, which is now just weeks from implementation. There was considerable interest in this development, which has the potential to bring us closer to the open Europe the delegates' aspirations.



New Requirements for Dangerous Goods

On 1 January new rules come into force that will affect how the Dangerous Goods Note is completed. SITPRO licensees will now sell a 2009 Dangerous Goods Note (replacing the 1999 version) which includes changes to the text on the front and reverse of the form to aid completion in line with the new requirements (although the format of the form itself remains unchanged).

SITPRO has also published a fully revised and updated version of its completion guide for this document, which is available from the SITPRO website at www.sitpro.org.uk/trade/dangerous.html. It is important that businesses read this new guidance carefully before completing the DGN in the future.

What Are The Rotterdam Rules?

The United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea (commonly known as the Rotterdam Rules) is intended to extend and modernise the existing international rules governing the carriage of goods by sea whilst protecting the cargo interest from unfair conditions of carriage. The two largest areas where the Rules have attempted to bring the legal environment in line with current practice are recognising containerisation of transported goods and treating paper and electronic documents the same. It also addresses issues such as freight, delivery of the goods, rights of the controlling party, transfer of rights and rights of suit, which were not previously governed by mandatory law.

Proponents believe that these rules provide greater clarity regarding who is responsible for what, when and where in maritime transport and how far these responsibilities extend. However, there are those who oppose the Rules. Some argue that the proposed benefits due to greater uniformity of practice might be lost through divergent national implementations. Others are concerned that the Rules go beyond the established margins of a maritime convention (they are not fully multimodal, but are what has been termed as 'maritime plus' and therefore may conflict with existing Conventions for other modes). There are also more practical concerns about the limits of carrier liabilities under the Rules and potentially disproportionate benefits for larger companies.

The issues involved are complex and raise many sector specific concerns. At the moment the UK is adopting a neutral position and has not yet signed up. A formal consultation is due to be published by the Department for Transport early in 2010.



This edition of SITPRO Solutions lists some of the useful advice services (other than SITPRO's Helpdesk) that traders can call for assistance on specific issues when online guides like BusinessLink are unable to answer all their questions.

The **British Standards Institution (BSI)** publishes international standards regarding British and EU requirements for product certification. It offers an enquiry service to help identify standards.

Tel: 020 8996 9001 - Email: cservices@bsigroup.com

UK Trade and Investment (UKTI) provides free access on its website to: information on the export potential of business sectors; information on overseas markets; how to contact their International Trade Teams for help; full details of UKTI services for exporters.

Tel: 020 7215 8000 - Website: www.uktradeinvest.co.uk

Chambers of Commerce are able to offer export documentation including EUR1 Movement Certificates, Certificates of Origin (Arab and EC) and ATA Carnets.

Website: www.britishchambers.org.uk/find-your-local-chambers

The **Export Control Organisation** is responsible for legislating, assessing and issuing export licences for specific categories of "controlled" goods including 'dual use' goods, radioactive sources and military items.

Email: ECO.Help@bis.gsi.gov.uk - Tel: 020 7215 4594

N.B. The Museums, Libraries and Archives Council (MLA) is responsible for export licences for cultural goods while the Home Office covers chemicals used in the production of drugs.

The **HM Revenue and Customs (HMRC)** National Advice Service deals with all general telephone enquiries from businesses and the public. Advisors can answer general queries on VAT, customs, excise duties and can arrange appointments for one to one advice meetings locally.

Tel: 0845 010 9000 - Website: www.hmrc.gov.uk

Editor:

Paul Hiscock
paul.hiscock@sitpro.org.uk

With assistance from:

The SITPRO staff and CSG

Printing and Distribution:

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The Staff @ SITPRO

Malcolm McKinnon	Chief Executive
Graham Bartlett	Director, Policy
Shondeep Banerji	Deputy Director, Policy and Capacity Building
Sue Bravery	Deputy Director, e-Business & Technical Standards
Sanjay Sharma	Accountant
Paul Hiscock	Head of Communications
John Nightingale	Senior Policy Adviser
Aileen Prendergast	International Trade Adviser
Nina Wilkins	International Trade Adviser
Stobhan Aarons	Policy and Research Manager

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