Computerisation of Customs

ASYCUDA PROJECTS

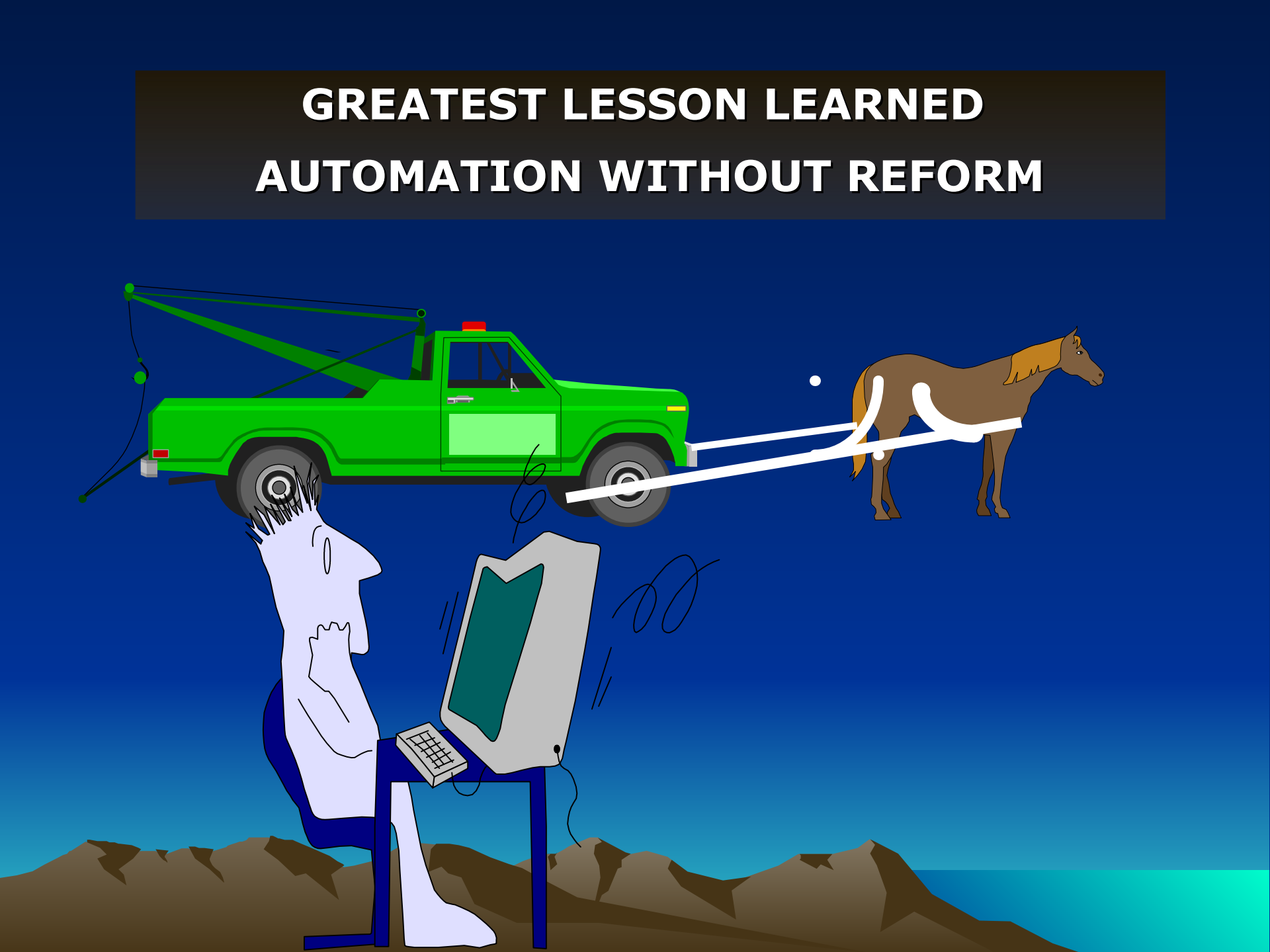
David Wright, ADB E-Customs Adviser

PRESENTATION AIMS

- To describe certain ASYCUDA projects in order to identify the “Lessons to be Learned”.
- Projects will include
  - AFGHANISTAN
  - LIBERIA
  - BOSNIA & HERZEGOVINA
  - JORDAN
  - IRAN

GREATEST LESSON LEARNED

AUTOMATION WITHOUT REFORM



Automation Without Reform

- Traditional systems - are profitable to officers but result in slow clearance times & high trade costs;
- Automation with outdated legislation leads to:
  - Retention of traditional manual procedures;
  - Greater burden, more processing steps & less benefit;
  - Paper declarations, rubber stamps and manuscript signatures remain an obsession;
  - Brokers continue to carry papers from desk to desk.
- Traditional Systems:
  - Do not encourage professional brokers or compliance;
  - Do encourage bribery and corruption;
  - Are unaware of traders making frequent errors.
-
-

Main Achievements:

- ASY++ Installed and Rolled-Out to Main Sites:
  - Transit System Installed - 400% revenue increase
  - DPS installed – Further 300% revenue increase
  - 100% DTI with release controlled by the system
  - Banks Linked - Further revenue increase
  - Vehicle Licensing linked – many vehicles found smuggled
- AW installed and rolled out all sites:
  - Valuation
  - Statistics
  - Selectivity
  - Gate Control
  - Massive improvements in maintenance.

MAP

ASYCUDA Project AFGHANISTAN 2005-10: Achievements

Summary	Performance Indicators		Baseline Value 09/2003	End of Project Target Value	Progress Value 03/2010 (SY 1388)
Measuring ACD's performance at national level	**Customs revenue**		US$ 50-60 mil	**$280 mil**	**US$ 766 mil**
	Declarations per staff		91	**200**	**235**
	Revenue per declaration		US$500-600	**US$700**	**US$1,699**
	ASYCUDA implementation	**Transit**	0	**1 complete transit axis**	**5 complete transit axes**
		Electronic declarations	0	**1 DPS implementation**	**5 DPS implementations**
Measuring trade and transit regime	**Trade volume**		US$ 2 bil/year	**US$ 5 bil/year**	**US$ 6 bil/year**
	Truck release time		**Kabul ICD:** 18h (overall) 7h 8min (cust) **Other BCPs/ICDs:** N/A	**Kabul ICD:** 90 min **BCPs:** 40 min (customs)	**Torkham BCP:** 91% of trucks cleared in less than 90 min (all checks, customs time not measured separately)

Clearance of private vehicles: from 1 month to 1 day

How Was Revenue Increased?

- Reference data for System is updated at HQ.
  - Law is applied nationally and consistently;
  - Statistics now reliable and accurate.
- Customs duties are calculated by the system.
- Customs cashier has been eliminated.
  - Resulting in a large revenue increase due to accurate and correct calculation of duties.
- Documentary Requirements are controlled by the system.
  - For licenses, permits and health certificates etc. thus eliminating corruptible human judgement .
- Capacity has been built.
  - ACD is now able to operate and administer the system;
  - Buildings have been constructed and Infrastructure has been installed.
  - DTI 100% from broker's own buildings.
- Selectivity & Valuation Introduced.
  - 30% Green Lane accounts for 75% of revenue

Problems

- Very high level of corruption – even auditors are corrupt;
- Border is not secure – illegal crossing points account for half of the trade flow;
- Legal tariff is not used;
- Project team cannot be sustained;
- Selectivity not trusted or effective;
- Valuation implementation a success but traders are declaring minimum values.

Kabul ICD

Customs BCPs

Finance

Customs Inland Offices

Industry

Brokers

Customs HQ

Police – vehicle Licensing

Airlines

Firewall Server

Trade

Commercial Banks

ASYCUDA Server

Foreign Affairs

Interior

Health

Standards

Central Bank

Agriculture

LIBERIA

- AW computerisation:
  - 3 main offices and 8 border offices computerised with more than 95% of declarations covered
    - Sea Port
    - Oil Terminal
    - Airport
  - 100% DTI from Broker's own Bureau;
  - Electronic manifest linked to declarations;
  - Selectivity with automated release;
  - Banks linked;
  - "Performance Indicators" Employed.

Problems

- No secured electrical supplies
- Lightning destroyed network, servers and many PCs
- Selectivity – 50% red
- High level of staff corruption with 40% of red trucks just driving out of the gate without being examined.

JORDAN

- Very successful implementation;
- All offices covered with full functionality;
- Eight Government Ministries connected and select their own controls/examinations
- 98% of goods selected - thousands of selectivity rules;
- 5 processing steps now 15 steps;
- Two transit Regions & two Customs Authorities - excessive complexity.

Bosnia & Herzegovina:

- Post conflict - three separate entities: RS & Federation of Croats & Muslims
- Project team could not co-operate and system was different in all three entities.
- Payments made to many different government accounts.
- Transit problematic.
- ITA – one authority but no co-operation until hardliners were eliminated.
- Then SRA and excellent system resulted.
-

IRAN

- Ran ASY++ for many years with good co-operation UNCTAD – DG/Customs;
- Government and DG changed & project team all dismissed:
  - Tariff too difficult to update so was abandoned;
  - Incredibly bad DPP;
  - No statistics since servers all out of synchronisation.
- Later Iran piloted AW – great success achieved in Bandar Abbas with 2 MB/s communications to Tehran.
- Rolled out to 13 other sites – but transit and exports communications using ASY++ communications.
- Official line was that AW did not work and so new Iranian system replaced AW – millions spent – but system does not work well.

Lessons Learned

- Political support for project is vital;
- There must not be a funding gap;
- Secure the electrical supplies;
- Business Process re-engineering essential;
- Project team must be sustained – can be achieved by privatised company;
- Selectivity:
  - Officers must be convinced
  - Cannot select more than resources can cope with.
  - Risk management team must be practical.
- Valuation:
  - Don’t bite off more than can be chewed!

Asycuda Selectivity