

SITPRO

Simplifying International Trade

The Pre-Budget Report 2008

Review into the cost of international trade regulation

A Consultation Document

Summary

The Government is carrying out a major review into the cost of international trade regulation. It intends to prepare an action plan on what could be done to reduce the compliance burden that UK businesses face when they trade internationally. The review, announced in the November 2008 Pre-Budget Report, is a major political commitment.

This provides an excellent opportunity for UK traders to influence the scope of the action plan and for business views to be reflected at the highest levels. SITPRO, the UK's trade facilitation body, is leading the consultation with business and is determined that the results will be practical and can bring real benefits to business. The inputs we get from business will be fundamental to the success of the review. SITPRO is therefore looking for business help to:

- **Identify the most significant trade regulation or procedures** that create burdens on business that business feels could be reduced or avoided altogether;
- **Calculate the cost of compliance** with Government border requirements;
- **Identify practical real life examples** to illustrate the problems that arise in international trade, including **examples of documentation and business processes** used by companies to ship and clear goods for import or export with a view to seeing whether they could be simplified and/or made less costly, as well as **examples of business practice** (both good and bad) from which other businesses could learn.

SITPRO is aiming to complete the consultation process by the end of May 2009, to allow adequate time to analyse the ideas that emerge from the consultations. However, it is seeking responses from UK businesses and associations well before that time if possible. Responses should be sent to:

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Responses requested from business

A copy of this questionnaire is available online at
www.sitpro.org.uk/regreview/consultation.html

General questions

1. Please state in which sector your business operates, the size of your company and whether you export and/or import.

Seafish represents the seafood industry. In 2008 seafood exports amounted to 415,000 tonnes worth £1.0 billion. Seafood imports amounted to 781,000 tonnes worth £2.2 billion.

2. What are the regulatory requirements on international trade that have the most impact on your business?

Veterinary checks performed by Port Health officials at the border are most likely to cause hold-ups at the border, with rejection resulting in repatriation or destruction of the goods.

Tariffs payable to HMRC are sometimes difficult to pin down, which makes the financial parameters of trading difficult to predict.

Changes to regulation, including third country legislation pertaining to goods to be exported from the UK, is difficult to keep up with and to account for in long term planning.

Differing interpretation of EU law leads to complications and even rejection and destruction of some consignments of seafood. For example, on the import side, interpretation of the Veterinary Checks Directive and the Veterinary Residues Regulations differs somewhat between member states. This results in uneven treatment of consignments at Border Inspection Posts (i.e. acceptance, rejection with repatriation, or rejection followed by destruction). On dispatch to other member states, a recent example is the rejection by Italy of UK live crab on the basis of the Italian interpretation of the legislation on cadmium in the whole crab. Other member states, including the UK, do not have the same interpretation.

3. How do you cope with these requirements?

There is no appeal other than through a court of law following rejection due to residues of veterinary medicines and several other types of rejection.

The vast majority of importers use freight forwarders to handle border formalities.

Importers and exporters dedicate resources to keeping legislative and procedural information up to date both within the EU and abroad.

4. How far are your own staff knowledgeable about the compliance requirements (regulatory, documentation) of international trade?

I am not in a position to comment on this.

The “Big Five” Issues

5. **What would you say are the five most significant compliance requirements that your own business would like to see removed or simplified?**

1. Health certification is too complicated.

2. The requirement for the complete absence of certain residues of veterinary medicines is unrealistic and has led to difficulties in enforcement.

3. The traceability requirements on fish have become an administrative burden. Seafood imported into the EU currently has to have traceability data pertaining to food safety (as required by hygiene legislation) and customer information (as required by fish labelling regulations). Within the next few months seafood containing wild-caught fish will also have to be accompanied by documentation relating to the legality of its provenance: a validated catch certificate as required by the IUU Regulation (on illegal, unreported and unregulated fishing) and by proposed fisheries control regulation. Simplification is required.

4. It is almost impossible to use warehousing facilities off the Border Inspection Post for goods awaiting results of non-critical veterinary checks.

5. Rejections due to “petty” transgressions with documentation or labelling. A risk-based approach should be used to take proportionate action.

6. **What is your assessment of the cost to your business of complying with these requirements? How do you quantify this in terms of financial, human and physical resources and opportunity cost?**

I have no information on this issue.

7. **Please give examples of where these regulations or procedures have impeded your exports from or imports into the UK, or more generally put you at competitive disadvantage relative to foreign competitors.**

The general feeling among seafood importers is that they are less likely to have their consignments rejected (or even destroyed) for failing veterinary checks if imported via other EU Member States compared to the UK. I have no data to back this; however, there are some findings that point towards inconsistent application of veterinary check rules here: <http://www.trainsaferfood.eu/Portals/32/TSFDocuments/2008/LOT2/Seaport%20BIP%20SR-art%2024-talk.doc>.

8. **Which areas are likely to offer quicker benefits to your business? How would you prioritise them?**

1. The current Veterinary Checks Directive (Directive 97/78/EC) needs to be rewritten to allow veterinary check to be risk based. Current legislation requires seafood to be tested at a prescribed minimum rate, irrespective of the compliance history of the particular product, originating establishment or third country of origin.

2. More emphasis should be placed (via the European Commission) on reaching equivalence agreements with third countries in order to facilitate movement of seafood across borders. More seafood products should be approved under Article 23 of Regulation (EC) 882/2004, which allows a lower rate of checks at the border for products that have been checked pre-export.

3. In certain cases legal limits of residues of veterinary medicines need to be more realistically risk based. In particular, the requirement for the complete absence of certain residues and their metabolites (such as semicarbazide) needs to be revised and a risk-based, safe, maximum level allowed. Also, consistent interpretation of the requirements across all member states would reduce unnecessary rejection and destruction of shipments, particularly of farmed prawn.

4. Procedures that allow laboratory tests to be carried out on seafood at source (in third countries) as opposed to at the EU border would speed the importation process. Current regulations allow some flexibility in physical testing.

5. It is normal for a health certificate to accompany seafood exports. The content and format of this certificate is usually dictated by the legal requirements of the country of destination. The UK authorities should do more to assist exporters with this documentation, especially exporters that are exporting to a particular country for the first time.

9. What benefit would accrue to your business from reform of the UK's requirements?

Faster throughput at the border would cut down demurrage charges. As seafood is a perishable item, there are gains to be had in terms of longer shelf life if delays are reduced. Improved legislation on residues of veterinary medicines would reduce rejection and destruction of consignments.

10. If these reforms were implemented, what changes if any would be needed to your own business processes, and how much do you think this would cost?

I have no data on this issue, but I would envisage that business process costs would be reduced.

Border processes

11. In your experience, how successful are border agencies in the UK in working together in the interests of minimising compliance burdens on business? What more could be done, if anything?

I have no data on this other than anecdotal evidence that, at most entry points, Port Health and HMRC could do more to co-ordinate their efforts more effectively.

12. How important do you feel a transactional Single Window in the UK would be of use to your business? How would you quantify this? How could this benefit business and government alike?

I feel that a transactional Single Window would be of enormous benefit to seafood importers. However, I cannot quantify the benefit.

World Bank report

13. We would like to encourage interested businesses to spend a short time completing a simplified version of the World Bank survey in order to help present the World Bank with a broader picture of trader experiences of trading conditions in the UK. The survey can be found at Annex B and responses should be sent to BERR at the address given at the beginning of the survey before the end of May 2009. We will happily discuss this with interested businesses.

I ~~am~~ am not contributing to the World Bank survey.

Background to the review

The Pre-Budget Report 2008¹ included the following commitment by the Government:

“International trade represents a significant proportion of GDP and it is crucial that domestic trade regulation is as easy to comply with as possible, in order for UK based firms to remain internationally competitive.

“The Government will take forward a Department for Business, Enterprise & Regulatory Reform and HMRC led work programme to review the cost to business of complying with international trade regulation and put forward an action plan alongside the 2009 Pre-Budget Report setting out how it will reduce costs to business.”

Part of the review process will involve consultation with business. SITPRO, the UK’s trade facilitation body, has been asked to lead this consultation. This document sets out briefly how SITPRO intends to carry this out, and invites responses to a number of questions.

Drivers for the review

During summer 2008 the World Bank published its annual *Doing Business Report* which ranks countries according to the ease of doing business in or with around 180 countries. While overall the UK ranked 6th, it was ranked 28th in terms of ease of trading across borders. With international trade in goods being such an important contributor to the UK’s GDP (with exports totalling £221bn and imports £310bn in 2007), and with many of the UK’s competitors being ranked higher, this has concerned the Government. SITPRO had also already identified a need to address the report in its own Five Year Strategy.

The subsequent economic downturn has provided a further and urgent need to address unnecessary costs to business. The review announced in the Pre-Budget Report is one of a number of areas that the Government is looking into to reduce business costs and equip them better for the economic recovery.

The aims of the review

The objectives of the review are to identify significant compliance costs to business from international trade regulation that could be reduced or avoided altogether, and to set out a practical course of action for reducing or eliminating such costs and make trade with the UK easier and less costly for UK traders – the action plan is to be published alongside the 2009 Pre-Budget Report. The review will be looking at:

- **Regulation** – pin-pointing the most significant regulations affecting international trade and reviewing their impact on business;
- **Existing studies and ideas** – trawling the scope for better international trade regulation; many ideas already exist from SITPRO’s engagement with business;
- **Sector specific analysis** – detailed, targeted research into trade sectors of particular economic significance and where regulatory burdens are heaviest;

¹ Pre-Budget Report: http://www.hm-treasury.gov.uk/d/pbr08_completereport_1721.pdf

- **Experiences of other countries** – what the UK can learn from actions other countries have taken to reform their own international trade practices;
- **The World Bank report** and other international indices – understanding what these reports tell us about UK border practices, how they compare with those of other key international competitors and examining the scope for improvement.

Scope of the Review

The review will be addressing:

- regulatory burdens imposed in relation to trade in goods at UK borders by domestic or European legislation or procedures and other international requirements;
- the scope for increased provision by Government of information technology systems to enable compliance with trade regulatory burdens.

In other words, the review is aiming to identify actions that the Government itself could be taking to alleviate burdens on UK traders. This could take the form of identifying regulations or procedures that are not needed or could be simplified over which the Government has direct control, or provide an influencing agenda where regulation operates at a European level.

Consultation

SITPRO is consulting widely. It has already published a consultation document as part of a new review into port procedures. This can be downloaded from <http://www.sitpro.org.uk/questionnaires/ports09.html>. A similar report in 1997 listed more than 20 recommendations for Government, many of which were subsequently implemented. The responses to this latest review of port procedures (which have been called for by the end of March) will be used partly to develop proposals for the Action Plan for the 2009 Pre-Budget report. **Businesses that have not yet responded to this consultation are invited to do so, and we will keep open the deadline until the end of April 2009.**

SITPRO is also engaging with business groups organised through the Regional Development Agencies, Chambers of Commerce and Trade Associations. It would like to meet with individual businesses to discuss obstacles they face to the smooth clearance of goods and best practices in managing regulatory requirements. It is looking for:

- **Identification by business of trade regulation or procedures** that are creating burdens that business feels are unnecessary and which could be reduced or avoided altogether;
- Inputs from business to help **calculate the cost of compliance** with Government requirements;
- **Case study examples** to illustrate the problems that arise in international trade;
- **Examples of documentation and business processes** used by companies to ship and clear goods for import or export with a view to seeing whether they could be simplified and/or made less costly, as well as **examples of business practice** (both good and bad) from which other businesses could learn;
- **Ideas for the Action Plan.**

SITPRO is already meeting business groups and would like to complete the lion's share of such meetings and those planned with individual businesses by the end of May. It is also compiling an online directory of issues that are of concern to traders at

<http://www.sitpro.org.uk/regreview/issues.html>. The aim of this list, and its accompanying discussion board, is to inspire additional suggestions and foster debate about the relative impact of the burdens that are being identified.

International trade regulation

Why regulate international trade?

International trade, such as imports and exports of goods and services as well as international financial transactions, is regulated by countries for a variety of reasons. These can include economic protection (quotas on certain types of goods), revenue-raising (such as import duties), national security, consumer protection from risks of unsafe plant or animal products, and collection of national trade statistics. Many trade regulations implement international government obligations or agreements. In the UK and other European Union Member States, many European regulations affecting the movement of goods into and from the EU have direct effect. Businesses have to follow a myriad of regulations affecting the goods they want to trade.

Who regulates international trade?

Most businesses perceive Customs as the main regulatory authority for the movement of goods. Yet many controls on goods in the UK and other countries are imposed by other government departments. In the UK, these authorities include:

Executive	Policy
<ul style="list-style-type: none"> • HM Revenue & Customs • Port Health Authorities • Department for Business, Enterprise and Regulatory Reform • Civil Aviation Authority • Health and Safety Executive • UK Border Agency • HM Treasury • Maritime Coastguard Agency • Medicines and Healthcare products Regulatory Agency • Horticultural Marketing Inspectorate • Plant Health and Seeds Inspectorate • Police • The Traffic Commissioner • Vehicle Operators Agency 	<ul style="list-style-type: none"> • HM Revenue & Customs • Department for Transport • Home Office • Department for Business, Enterprise and Regulatory Reform • Department for Environment, Food and Rural Affairs • Food Standards Agency • Health and Safety Executive • HM Treasury • Plant Health and Seeds Inspectorate • State Veterinary Service

Source: SITPRO, "A UK Review of Security Initiatives in International Trade"

Impact on business

Inevitably, regulation is implemented through documentary and data requirements on traders. When trading internationally, the right paperwork is crucial. Missing or inaccurate documents or data can increase the risk of delays and extra costs, or even prevent a deal being completed. Whether a business is importing or exporting, it needs to understand what information and paperwork is required.

Some data, such as the customs declaration, is submitted electronically. Until recently, supporting documents needed to be faxed to HMRC's National Clearance Hub, but the ability to submit electronic versions is increasing.

Despite the advances in electronic business, however, paper proliferates in the international supply chain. Many countries are developing electronic processes, but the ability to exchange data electronically with and between border agencies is still patchy.

How impacts could be reduced – trade facilitation

Trade facilitation, commonly described as “the simplification and harmonisation of international trade procedures”, is a means of achieving simplified border procedures. These procedures cover the wide range of practices for collecting, presenting, communicating and processing the data required when undertaking the international movement of goods.

The goal is to achieve improvements that maximise efficiency. This can lead to a variety of benefits including faster trade flows, increased revenue for governments, reduction of costs for business, the enhancement of development and poverty reduction.

However, trade facilitation is not anti-regulation. Instead, its practitioners try to steer a middle path between simplification and control. Necessary and legitimate regulatory objectives must be preserved in order to ensure the security of the supply chain. However, within these constraints there is much room for improvement. Unnecessary duplication of effort, inefficient processes and poorly targeted controls can all be addressed without compromising their underlying objectives.

Trade facilitation is ultimately about achieving a balance between these simplifications and controls that will result in the best possible trading environment.

Examples

Two recent SITPRO studies

Box 1: Impact of border security requirements on UK traders

- A study for SITPRO noted that the current UK security landscape within international trade that affects UK traders, as evidenced by this review, is very complex and contains many levels of counterproductive and wasteful overlap.
- Criteria for various business authorisations and standards (e.g. AEO, ISO 28000, TAPA, "known shipper", "secure operator") can overlap within the requirements for data (e.g. Customs declarations, goods subject to additional licences, pre-notifications) as well as within physical controls and checks (e.g. HMRC, Police, Port Health, Immigration, US and UK export controls).
- When examining operations at the UK's border (ports) and across the wider supply chain at least 37 new and existing security themed procedures and controls can be identified.

A UK Review of Security Initiatives in International Trade

<http://www.sitpro.org.uk/policy/security/initiatives0108.pdf>

Box 2: Perishable foods imports

In 2007 SITPRO published a study relating to the cost of using paper documentation in the perishable foods supply chain. Its key findings were that:

- The UK import perishable food supply chain generates an estimated 1 billion pieces of paper annually;
- Duplicate consignment data is keyed in at least 189 million times every year;
- Over 90% of the paper documentation used in the perishable food supply chain is destroyed;
- The cost of document-related administration in the sector of the perishable food supply chain investigated was estimated to be around 11% of the supply chain value per annum;
- No one party in the supply chain sees or manages the whole movement, so costs are hidden;
- The total cost of generating paper documentation for the perishable sectors studied (4.5 million document sets) is estimated at £126 million per annum;
- Delayed, incorrect or missing paperwork costs a little over £1 billion per annum for the sectors studied;
- The cost issues associated with paper documentation results in the consumer paying considerably more for the products than is necessary at the point of purchase.

The Cost of Paper in the Supply Chain

<http://www.sitpro.org.uk/reports/hermes.pdf>

Other examples

From initial work by the Review Team, existing UK regulations with an impact on international trade where reforms are already under way could offer savings to business in the following areas:

- Drivers hours and tachographs – introduction of digital tachographs is expected to save business £15-25 million per year;
- Dock Regulations 1988 – regulations for "dock operations" (e.g. loading/unloading goods, embarking/disembarking of passengers/crew and any incidental activity) requires completion of documentation that is considered unnecessary and is to be abolished by the Health and Safety Executive in 2010, saving business more than £3 million a year.

But we know from our existing contacts with UK businesses that there are other areas where simplifications should be possible, perhaps with an even greater quantifiable benefit to business. For example:

- **Border agency co-ordination** remains a particular continuing problem for business, as it is in many countries. Compliance costs for business are increased when border agencies operate independently of each other rather than in a co-ordinated manner.
- A particular vehicle for simplifying data submission that SITPRO has long advocated is the **International Trade Single Window**. The vision is that traders can submit all the data needed to clear goods at the border electronically and at one time through a single portal. This idea, which has been around for over 10 years, is being explored or

developed by many countries, including developing countries, around the world. In the European Union, the only operational transactional single window is operated by Swedish Customs.

In the UK, considerable investment in recent years has been made in developing an information and guidance ITSW that is operated by Business Link. This also includes an online tariff and the ability to submit online applications for Authorised Economic Operator status. But while some initial online transactions are being developed, for example in the area of CAP licences and automatic licence verification for plant health and seeds inspections, the UK ITSW is a long way from becoming a single transactional portal for traders.

The World Bank Report

The World Bank produces an annual *Doing Business Report* that investigates the regulations that enhance business activity and those that constrain it. Regulations affecting ten stages of the life of a business are measured: starting a business, dealing with construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business.

In the 2009 report, the UK is ranked 6th overall out of the 180 countries studied. However, in the part that interests SITPRO and the Government in relation to the PBR review – the ease of trading across borders – the UK is ranked 28th. The ranking is based on responses received to a survey questionnaire.

The Government and SITPRO share an interest in ensuring that the World Bank makes its ranking assessments based on data that reflect the reality of trading across the UK border from a wider cross-section of UK business. BERR is carrying out an assessment of business responses. This consultation encourages business to help with this assessment (see question 13 and Annex B). Responses are requested **before the end of May 2009**.

The following table sets out extracts from the data presented in the 2009 report:

Country	Export			Import		
	Documents for export (number)	Time for export (days)	Cost to export (US\$ per container)	Documents for import (number)	Time for import (days)	Cost to import (US\$ per container)
1. Singapore	4	5	456	4	3	439
2. Hong Kong, China	4	6	625	4	5	633
3. Denmark	4	5	681	3	5	681
4. Finland	4	8	495	5	8	575
5. Estonia	3	5	730	4	5	740
6. Sweden	4	8	697	3	6	735
7. Norway	4	7	780	4	7	709
8. Panama	3	9	729	4	9	879
9. Israel	5	12	665	4	12	605
10. Thailand	4	14	625	3	13	795
11. Germany	4	7	822	5	7	887
15. USA	4	6	990	5	5	1245
25. France	2	9	1078	2	11	1248
28. UK	4	13	1030	4	13	1350

Note: Extracts from the entries for the 180 countries studied

The report breaks down the time for export/import and cost for each country as follows (showing data for the UK):

<i>Nature of export procedures</i>	<i>Days</i>	<i>Cost (US\$)</i>
Documents preparation	7	170
Customs clearance and technical control	2	100
Ports and terminal handling	2	360
Inland transportation and handling	2	400
Totals:	13	1030

<i>Nature of import procedures</i>	<i>Days</i>	<i>Cost (US\$)</i>
Documents preparation	7	290
Customs clearance and technical control	2	100
Ports and terminal handling	2	360
Inland transportation and handling	2	600
Totals:	13	1350

The specific documents counted are the bill of lading, customs declaration, commercial invoice and packing list. In the case of France, only the first two are said to be official requirements.

Comparisons with other countries, particularly European Union countries, suggest that the assessments for the UK are out of line. Since EU countries operate within the same European regulatory framework, the reported inconsistencies between Member States as to the documentation required to clear goods for import or export seem difficult to explain. It also seems difficult to understand why it apparently takes 7 days to prepare these documents in the UK, but only three days (for export) or five (import) in France, particularly when customs declarations are submitted electronically and almost all cleared in seconds. The reason is partly due to the responses that the World Bank received to its survey, which is why we would like more businesses to respond.

About SITPRO

SITPRO, a not-for-profit organisation largely funded by BERR, has been the UK's trade facilitation body for nearly 40 years. It has a long tradition of working to simplify the trade procedures, regulation and documentation needed for international trade. It has published a number of studies and recommendations over the years, from port procedures to border security and the benefits of paperless trading.

SITPRO has a wide stakeholder base of companies, associations and other organisations that work regularly with SITPRO in its Advisory Groups and its high-level Advisory Council. Working quasi-independently of Government, SITPRO is ideally placed to act as a bridge between Government and business in the area of trade facilitation.

For more about SITPRO and its work, see www.sitpro.org.uk.

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Annex A: Review Terms of Reference



TRADE REGULATION WORK PROGRAMME

TERMS OF REFERENCE

Mandate

1. The Pre-Budget Report 2008 sets the following mandate for the Trade Regulation Work Programme (the "Work Programme"):

"International trade represents a significant proportion of GDP and it is crucial that domestic trade regulation is as easy to comply with as possible, in order for UK based firms to remain internationally competitive. **The Government will take forward a Department for Business, Enterprise & Regulatory Reform and HMRC led work programme to review the cost to business of complying with international trade regulation and put forward an action plan alongside the 2009 Pre-Budget Report setting out how it will reduce costs to business.**"

Background

2. Trade in goods is a big contributor to GDP, with exports totalling £221bn and imports totalling £310bn in 2007. International comparisons suggest that there is room for improvement in the UK framework. For example, the most recent World Bank *Doing Business Report* placed the UK 28th with regards to the ease of trading across borders (US placed 15th, Germany 11th).

Objectives

3. The objectives of this review are:
 - a) to identify significant compliance costs to business from international trade regulation that could be reduced or avoided altogether;
 - b) to set out a practical course of action for reducing or eliminating such costs and make trade with the UK easier and less costly for UK traders.
4. The key deliverable is an action plan to sit alongside the 2009 Pre-Budget Report.

Scope

5. The Work Programme should address the following areas:
 - a) regulatory burdens imposed in relation to trade in goods at UK borders by domestic or European legislation or procedures and other international requirements;
 - b) the scope for increased provision by Government of information technology systems to enable compliance with trade regulatory burdens.

Activities and tasks

6. The Work Programme will include the following activities and tasks:
 - a) identification from existing material of significant UK and applicable EU trade regulation and analysis of compliance costs to business;
 - b) a review of existing studies and reports (including the Administrative Burdens report);
 - c) collection and appraisal of existing ideas for reducing trade regulatory burdens;
 - d) determination and in-depth analysis of specific trade sectors
 - e) consultation with business, both generic and sectoral;
 - f) comparisons with selected other countries' approaches;
 - g) examination of the World Bank's *Doing Business Report* and *Logistics Performance Index* and any other relevant indices;
 - h) selective analysis of the most promising ideas for reform (including best practice in the private sector), identifying those that could be implemented in a short timescale;
 - i) development of an implementation strategy, reflected in an action plan agreed with Departments and agencies concerned.

Outputs and timing

7. The Action Plan will be completed and delivered to the Treasury by the end of **September 2009**.
8. A second output will be authoritative data, submitted to the World Bank in time to ensure the UK's ranking in the next *Doing Business Report* accurately reflects reality.

Governance

9. The Work Programme will be overseen by a Steering Board jointly chaired by BERR (Claire Durkin, Head of Trade Policy Unit) and HMRC (Doug Tweddle, Head of Customs and International). Trade Policy Unit in BERR will act as Secretariat to the Steering Board. On a day-to-day level, a Work Programme Task Force will be co-ordinated and represented on the Steering Board by Malcolm McKinnon, Chief Executive, SITPRO.

10. In addition, the Steering Board will comprise senior representatives from HM Treasury, the Department for Environment, Food and Rural Affairs (Defra), the UK Border Agency and SITPRO.

11. The Steering Board will aim to meet monthly, or as frequently as is necessary, for the duration of the Work Programme. Task Force Co-ordination meetings will occur at least every 2 weeks.

Measures of success

12. The success of the Work Programme will be measured against:
- a) whether it makes a real difference in reducing border regulatory burdens on business and making trade easier;
 - b) timely publication of a finalised Action Plan alongside the 2009 Pre-Budget Report;
 - c) active participation of the business community during the course of the Work Programme and its support for the Action Plan;
 - d) active participation of all areas of Government (and its agencies) responsible for administering or enforcing border regulatory requirements and commitment to implementation of reform measures identified by the Action Plan;
 - e) publication of the World Bank's next *Doing Business Report* that includes an accurate and reliable assessment of the ease of trading across borders with the UK.

February 2009

Annex B: World Bank Survey

Simplified survey form

World Bank Trading Across Borders: Follow-up Survey (25/02/09 version)

The Department for Business, Enterprise and Regulatory Reform (BERR) is undertaking a follow-up survey based on the World Bank Trading Across Border Survey, for Spring 2008. This research has been commissioned in order to obtain further data on UK export/import trade processes and whether there is scope for improvement. This is your opportunity to contribute to this important research. All responses will be treated in strictest confidence and no details of respondents will be passed to third parties. The survey should only take 10-15 minutes to complete. Thank you for your time and assistance.

Please return the completed survey to:

Stephen Johnston
BERR Economic Adviser
Europe, International Trade and Development
Rm 4121
1 Victoria Street
London SW1H 0ET
Tel: +44 20 7215 6249
E-mail: stephen.johnston@berr.gsi.gov.uk

SECTION I: RESPONDENT DETAILS

Name:

Job Title:

Telephone:

Email Address:

Firm Name:

Mailing Address:

INSTRUCTIONS:

When completing the survey, please keep in mind that in order to ensure comparability across countries, the World Bank have constructed a standardized trade case study. Please read the below assumptions before answering questions.

Company "ABC" is located in **London** and seeks to trade commercial products internationally. Trade with international partners takes place by **ocean transportation**, through the closest or main port from London. The product should be imported or exported in a **dry cargo 20-foot full container load (FCL), weighing 10 tons and valued at \$20,000**. Please assume that the **method of payment will be a Letter of Credit (LC)** and that the LC will specify a method of delivery based on INCOTERMS. Each time estimate commences from the request of a transaction till the delivery of the required service.

Company ABC:

- employs 60 workers or more;
- operates in London;
- is a private, limited liability company, registered and operating under the commercial laws of the UK;
- is domestically-owned with no foreign ownership;
- exports over 10% of its sales to international markets;
- does not operate within an export processing zone or industrial estate with special export or import privileges.

The traded product should not: be hazardous; require refrigeration; or be used for military purposes.

Please complete the form using data which approximates to Spring 2008.

Please complete the form using data which approximates to Spring 2008.

SECTION II: DOCUMENTS

1. Please complete the table for **Exports** using data for **Spring 2008**:

Export Documents						
	Where do you get this document from?	How long does it take to get this document? (days/hours)		How much does it cost to get this document ? (£)	Please specify WHO you submit this document to? And HOW you send it to them?	
					WHO?	HOW?
Example: Exporter Card	Export Bureau	1	0	10	Customs	E-mail
a. <Bill of Lading>						
b. <Commercial Invoice>						
c. <Customs Declaration>						
d. <Packing List>						
e. Other (please detail)?						
f. Other (please detail)?						
g. Please list additional documents above (in e & f)						
h. Please list document(s) with validity of at least a year, thereby not requiring renewal for each shipment:						
i. Was there a change in 2008? Yes <input type="checkbox"/> No <input type="checkbox"/>						
n. Please explain any changes:						
o. What impact on days and cost has the change made (please specify)?						
o. Any other comments:						

2. Please complete the table for **Imports** using data for **Spring 2008**:

Import Documents						
	Where do you get this document from?	How long does it take to get this document? (days/hours)		How much does it cost to get this document ? (£)	Please specify WHO you submit this document to? And HOW you send it to them?	
					WHO?	HOW?
Example: Exporter Card	Export Bureau	1	0	10	Customs	E-mail
a. <Bill of Lading>						
b. <Commercial Invoice>						
c. <Customs Declaration>						
d. <Packing List>						
e. Other (please detail)?						
f. Other (please detail)?						
g. Please list additional documents above (in e & f)						
h. Please list document(s) with validity of at least a year, thereby not requiring renewal for each shipment:						
i. Was there a change in 2008? Yes <input type="checkbox"/> No <input type="checkbox"/>						
n. Please explain any changes:						
o. What impact on days and cost has the change made (please specify)?						
o. Any other comments:						

SECTION III: TIME

Based on the assumptions provided (page 1) please indicate the average time for ABC to complete the activities to Export and Import listed below. Please complete the Spring 2008 column.

Export Time (If an activity takes less than a day, please specify in hours, e.g. 4 hrs)	2008 answer (days/hours)	
i. Pack goods, arrange for transport and load on truck/train		
ii. Inland transportation time from most populous city to sea port. Is this by train <input type="checkbox"/> truck <input type="checkbox"/> barge/boat <input type="checkbox"/> ?		
iii. Customs clearance in your country (from document submission to release) Specify maximum customs time: [] (note: average time in 2008 column)		
iv. Clearance by health, quarantine, and technical control authorities		
v. Pre-shipment inspection (if applicable)		
vi. Port and terminal handling activities		
vii. Waiting (closing) time before the next vessel departs		
viii. Loading container onto the vessel		
ix. Other (please specify)		
Please indicate which of the above activities are carried out simultaneously (e.g. v & ix):		
Please explain if any changes in 2008 (e.g. port reforms, data correction etc):		
Import Time (If an activity takes less than a day, please specify in hours, e.g. 4 hrs)	2008 answer (days/hours)	
i. Vessel waiting time to enter berth at sea port		
ii. Vessel berthing and unloading of container at sea port		
iii. Terminal handling activities (e.g. warehousing) at sea port		
iv. Customs clearance at sea port (from document submission to release) Specify maximum customs time: [] (note: average time in 2008 column)		
v. Clearance by health, and technical control authorities in your country		
vi. Arranging for inland transportation. Is this by train <input type="checkbox"/> truck <input type="checkbox"/> barge <input type="checkbox"/> ?		
vii. Inland transportation time from sea port to warehouse in most populous city in your country		
viii. Other (please specify)		
Please indicate which of the above activities are carried out simultaneously (e.g. v & ix):		
Please explain if any changes in 2008 (e.g. port reforms, data correction etc):		

SECTION IV: Time to obtain a Letter of Credit (L/C)

1. For spring 2008, how many days did it take to obtain a Letter of Credit for:
Exporters: < >days; and for Importers: < > days.

Were there any changes in the time since 2007? Yes No If yes, please explain:

2. For cargo value of US\$20,000 what are the bank charges for the L/C for the Exporter? [£]
And for the importer? [£]

3. Are preparations to obtain a L/C undertaken at the same time as the preparations for the above trade documents? Yes No Comments, if any:

4. Are L/C's widely used for trade financing in your country? Yes No . Comments:

5. What percentage of the L/C value do you have to put up as collateral before L/C is issued :.....%

6. Besides L/C's please specify the main methods of payment of trade transactions in your country. Check box. Cash in advance (wire, credit card) ; open account ; supplier's credit

Other (please specify)?

SECTION V: COSTS

<p>Please indicate the costs of importing and exporting. To ensure comparability across countries please assume that:</p> <ul style="list-style-type: none"> • The 20-foot container load of cargo being traded (see assumptions on page 1) is valued at \$20,000. • The weight of the cargo is 10 tons (or approximately 10,000 kg) • all assumptions on traded goods referred to on page 2 remain unchanged 			
<p><i>Please specify costs in local currency unit (£)</i></p>		<p>Official costs £</p>	
<p>Based on the above assumptions, on average, how much would it cost for the activities below:</p>		<p>Export</p>	<p>Import</p>
		<p>Spring 08</p>	<p>Spring 2008</p>
<p>1. Customs clearance (excluding tariffs) and technical control (e.g. inspection fees, customs broker fees etc.)</p>			
<p>2. Inland transportation and handling costs (loading and unloading, transportation etc.)</p>			
<p>3. Ports and terminal handling</p>			
<p>Please provide below breakdown of all costs paid at the ports and customs shown above.</p>			
<p>Ports and Terminal handling fees</p>		<p>Customs fee, customs brokers fee, Inspection fee etc</p>	
<p>3a. Name of cost : Amount of cost £</p>		<p>1a. Name of cost: Amount of cost £</p>	
<p>3b. Name of cost : Amount of cost £</p>		<p>1b. Name of cost : Amount of cost £</p>	
<p>3c. Name of cost : Amount of cost £</p>		<p>1c. Name of cost: Amount of cost £</p>	
<p>4. Other, please specify:</p>		<p>[n.a]</p>	<p>[n.a]</p>

Additional Questions:

Trade Orientation:

What percentage of trade is **intra-EU**?

What are the different requirements for EU trade?

How does this impact on the overall import/export processes:

- (i) in terms of overall time?
- (ii) in terms of overall cost?

What percentage of trade is **intra-firm**?

What are the different requirements for intra-firm trade?

How does this impact on the overall import/export processes:

- (i) in terms of overall time?
- (ii) in terms of overall cost?

Letters of Credit:

What percentage of trade uses letters of credit?

What is the main method of trade finance used?

Customs Clearance:

What proportion of customs clearance is dealt with electronically?

What is the amount of time taken for electronic customs clearance:

Maximum time?

Average time?

Rolling together Processes:

Does the questionnaire adequately capture the timescales for processes which are rolled together? If not, please specify in more detail, which processes are rolled together and why this is the case?

Differences between 2008 and 2009:

Is there anything fundamentally different between the processes mentioned for Spring 2008 and current import/export processes? If so, please detail?

Finally, would you like to add any further comment on UK important/export processes and whether there is scope for them to be made more efficient? Please give details:.....