Problems and Solutions of Trade/ Customs in Asian countries

NTT DATA CORPORATION

Global IT Innovator
NTT DATA Group **NTT DATA**

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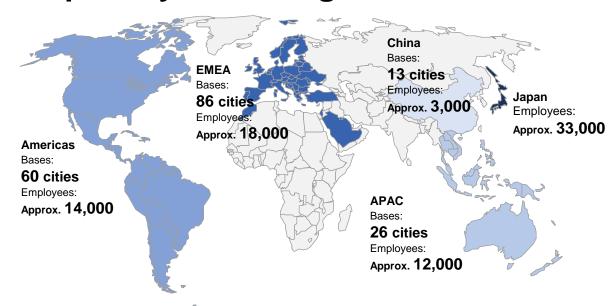

4. **Our next steps**

NTT DATA is a Global Top 10 System Integrator

NTT DATA's Global Coverage

EMEA
Bases:
86 cities
Employees:
Approx. 18,000

China
Bases:
13 cities
Employees:
Approx. 3,000

Japan
Employees:
Approx. 33,000

Americas
Bases:
60 cities
Employees:
Approx. 14,000

APAC
Bases:
26 cities
Employees:
Approx. 12,000

NTT DATA achieves TOP RANKINGs as a global IT Company providing IT, Consulting, Global Implementation and Outsourcing Services

10th Largest in IT Services Worldwide in 2015 by Market Share	**12th** Largest in Consulting Services in 2015 by Market Share Worldwide	**7th** Largest in Global Implementation Services in 2015 by Market Share Worldwide	**10th** Largest in IT Outsourcing Services in 2015 by Market Share Worldwide
Gartner, Inc., "Market Share Analysis: IT Services, Worldwide, 2015," Dean Blackmore et al., 6 May 2016	Gartner, Inc., "Market Share: IT Services, 2015," Kathryn Hale et al., 6 April 2016	Gartner, Inc., "Market Share Analysis: Implementation Services, Worldwide, 2015," Twiggy Lo, Suzanne Matson, 10 May 2016	Gartner, Inc., "Market Share Analysis: IT Outsourcing Services, Worldwide, 2015," Helen Huntley et al., 10 May 2016

NTT DATA presence in APAC area

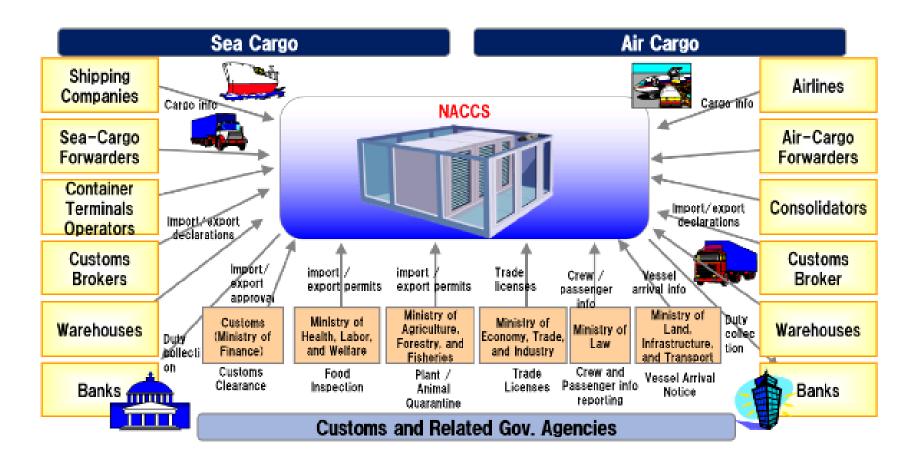| No.	Category	Project name	Client
1	Customs	THE PROJECT FOR E-CUSTOMS AND NATIONAL SINGLE WINDOW FOR CUSTOMS MODERNIZATION (VNACCS/VCIS)	General Department of Vietnam Customs
2		The Project for E-Customs and National Single Window for Customs Modernization (MACS/MCIS)	Myanmar Customs Department
3	Geographical Data	National Space Data Infrastructure Project (NSDI)	Geographical Information Agency owned by the Indonesian government
4	Bridge	Bridge Monitoring System Project (BRIMOS)	Ministry of Construction, China and Vietnam
5	Air Route	Air-Route Design System (PANADES)	Indonesia, Thailand, Vietnam, Laos, Cambodia and Myanmar

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NACCS: Japanese Logistical-Customs system used by both public and private sectors

Related Government Systems such as Port EDI, Quarantine, Immigration are included.
NACCS has high reliability that it processes Import/Export declarations more than 98% in Japan and it operates "24x7".

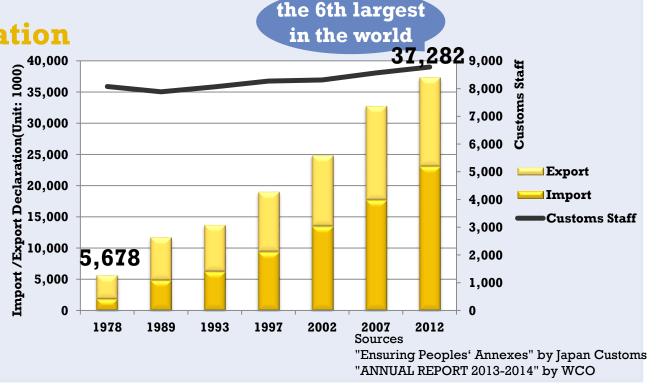# Growing imports and exports in Japan can be dealt with constant customs staff's number

Imports and exports in Japan are growing but the constant customs staff are dealing with in over 35years.

Fact1.
of Imp/Exp Declaration
grew by 557%

But

Fact 2.
of Customs staff
Nearly the same
1978 : 8077 staff
2012 : 8778 staff

the 6th largest in the world

37,282

5,678

Import /Export Declaration(Unit: 1000)

Customs Staff

- Export
- Import
- Customs Staff

1978 1989 1993 1997 2002 2007 2012

Sources
"Ensuring Peoples' Annexes" by Japan Customs
"ANNUAL REPORT 2013-2014" by WCO

➡ **NACCS implemented in 1978 has delivered :**

Expeditious Customs Procedures   **Secure & Safety Operation**

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NACCS has four key features
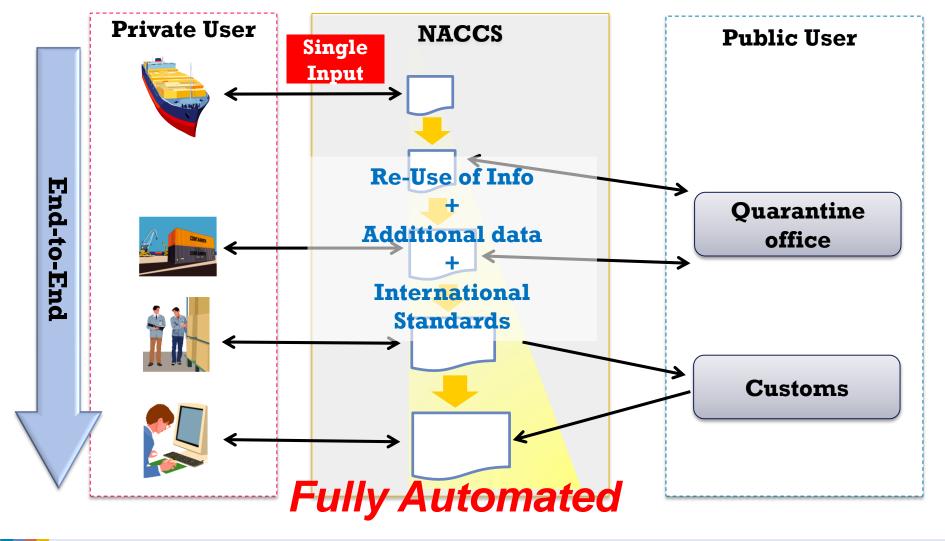
1 Reuse of Data & Full Automation

2 Highly Integrated with OGAs

3 Advanced Screening
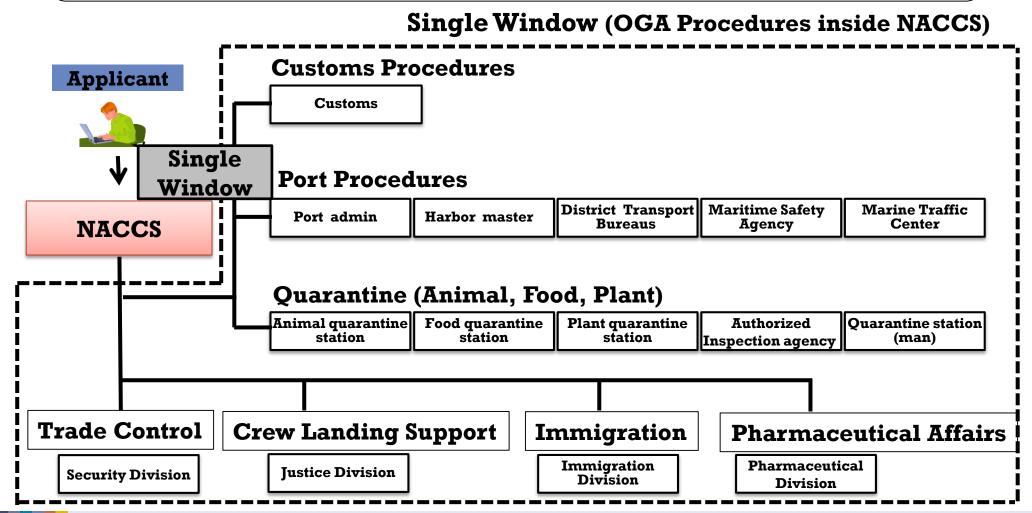
4 Secure E-Tax payment

1. Reuse of Data & Full Automation

1. Reuse of Data: Users can use information registered by other users

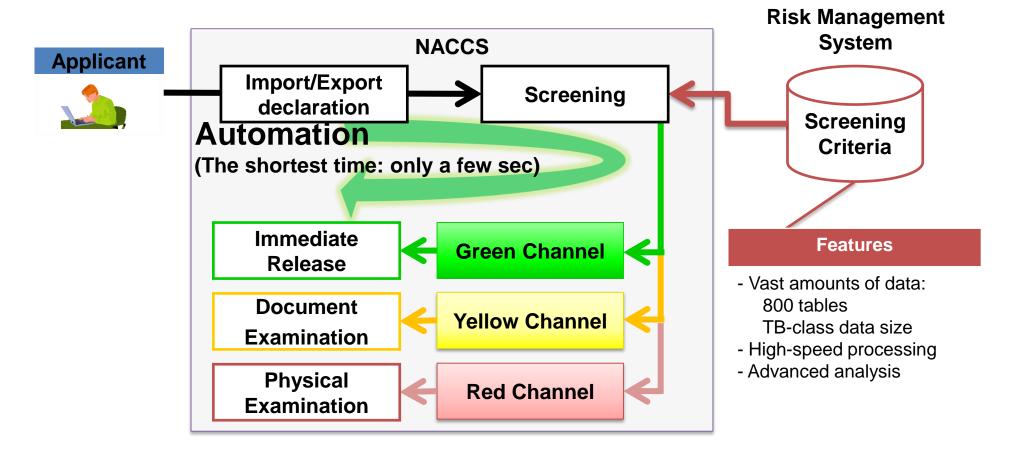**2. Automation:** Prompt & accurate processes can be performed

2. Highly Integrated with OGAs

1. OGAs procedures can be processed inside NACCS.
2. Real-time seamless end-to-end transaction from applicants to OGAs.
3. Reporting & Analysis modules available for staff in the organizations.

Single Window (OGA Procedures inside NACCS)

Applicant

Single Window

NACCS

Customs Procedures

Customs

Port Procedures

| Port admin | Harbor master | District Transport Bureaus | Maritime Safety Agency | Marine Traffic Center |

Quarantine (Animal, Food, Plant)

| Animal quarantine station | Food quarantine station | Plant quarantine station | Authorized Inspection agency | Quarantine station (man) |

Trade Control

Security Division

Crew Landing Support

Justice Division

Immigration

Immigration Division

Pharmaceutical Affairs

Pharmaceutical Division
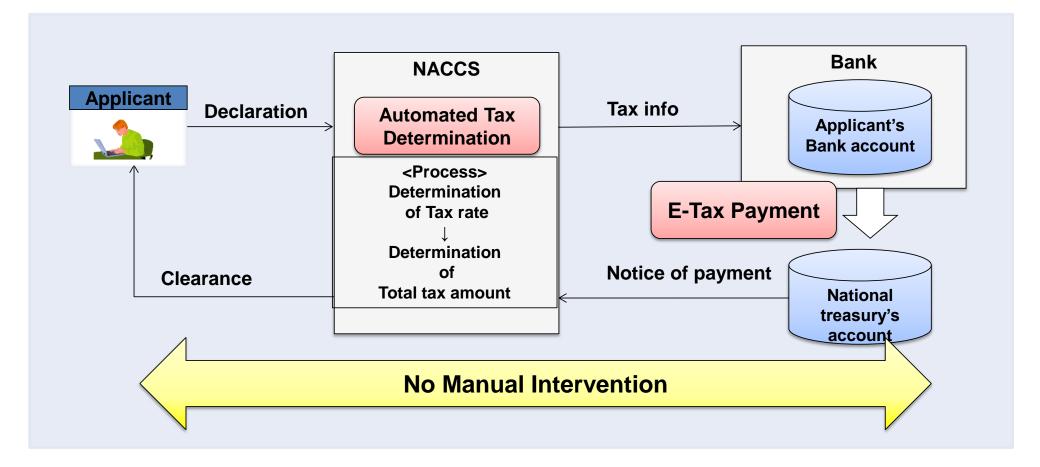
3. Risk Management by Advanced Screening

1. Risk analysis based on huge data stored in risk management system
2. Real time screening in one single transaction
   (Transaction time - for declaration up to clearance)
   : only a few seconds at shortest)

Applicant

NACCS

Import/Export declaration

Screening

Automation
(The shortest time: only a few sec)

Immediate Release ← **Green Channel**

Document Examination ← **Yellow Channel**

Physical Examination ← **Red Channel**

Risk Management System

Screening Criteria

Features

- Vast amounts of data:
  800 tables
  TB-class data size
- High-speed processing
- Advanced analysis

4. Secure & Accurate E-Tax payment

Automated tax calculation & E-Tax Payment contribute to
1. Prompt payment operation
2. Accurate tax collection without leakage

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Common issues of trade/customs in Asia

ISSUES

SOLUTIONS

COMPANIES

Users have to input the same information several times, which increase the possibility of human error.

Applications are submitted in paper.

Traders have to submit separate applications to different agencies for quarantine.

A lot of work has to be done by traders to pay customs duty.

CUSTOMS

More efficient and simplified customs procedures to promote trade facilitation

More effective customs border control for society safety

Faster duties collection and prevention of tax evasion.

Reuse of Data & Full Automation

Highly Integrated with OGAs

Advanced Screening

Secure E-Tax payment

NACCS model can be exported to solve these problems

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Our Experience in Vietnam and in Myanmar

1. Vietnam (VNACCS)

Project period	Aug, 2012 – Mar, 2014
Financer	Grant Aid by JICA
The current status	- Implemented across the country - Stable operations - Highly contributing to Trade Facilitation in Vietnam

2. Myanmar (MACCS)

Project period	Oct, 2014 – Nov, 2016
Financer	Grant Aid by JICA
The current status	-Stable operations - Highly contributing Economic Growth of Myanmar

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Features of Exporting Model

High Quality × Sustainability = Japan Quality

1 Technical Assistance for the local organization

2 System with High Performance and High Reliability

3 Localized System Development and System Operation

-High Performance : Allows users to reduce time and money for the declaration

-High Reliability: 99.9% system availability

【In the case of VNACCS】

•System performance improved dramatically
•No serious bugs and stop of the on-line system since service operation started.

"The system has helped the company save 6,213 minutes and 12,660 USD per month."

People's Army Newspaper

ORGAN OF THE MILITARY CENTRAL COMMISSION AND VIETNAMESE MINISTRY OF NATIONAL DEFENSE
THE VOICE OF THE ARMED FORCES AND PEOPLE

| Army | Vietnam | ASEAN | World | National Sovereignty |

NEWS   Friday, November 06, 2015, 13:52 (GMT+7)

E-customs system helpful to businesses: survey

PANO - Wednesday, November 04, 2015, 11:10 (GMT+7)

Photo: tienphong.vn

The Japanese-supported e-customs system VNACCS/VCIS is highly accurate and helps businesses save time, manpower and expenses, as viewed by a majority of companies in a recent survey.

Au Anh Tuan, Deputy Director of the General Department of Vietnam Customs' Customs Control and Supervision Management Department, revealed the information at a meeting to garner businesses' feedback on the system in Hanoi on November 3.

The survey was conducted on about 500 companies operating in different industries like processing, manufacturing and logistics to learn about hindrances to the implementation of the Vietnam Automated Cargo and Port Consolidated System and the Vietnam Customs Information System (VNACCS/VCIS), he said.

A representative of the Brother Industries (Vietnam) Co. Ltd, based in the Phuc Dien Industrial Park in northern Hai Duong province, said since the VNACCS/VCIS was applied 18 months ago, it has taken only a few seconds for the firm to fill in a customs declaration form and receive the result, instead of about two minutes previously. The system has helped the company save 6,213 minutes and 12,660 USD per month.

Meanwhile, some enterprises pointed out flaws in the VNACCS/VCIS regarding declaration forms which have some sections that do not ask for accurate corresponding information or need more space for filling.

The General Department of Vietnam Customs said it will take temporary measures to deal with the shortcomings, adding that the full system needs to be put into use and added with more functions so as to thoroughly address the problems.
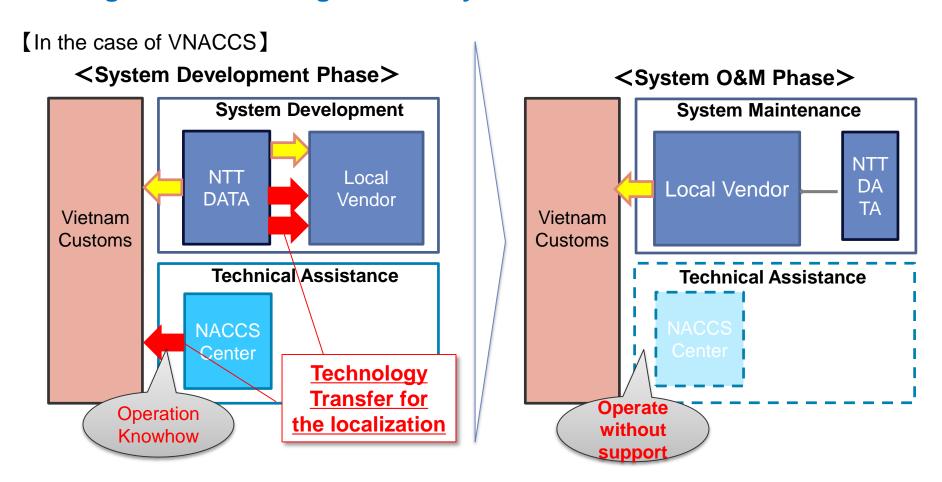
The VNACCS/VCIS, worth nearly 2.7 billion JPY (21.2 million USD) funded by the Japanese Government, ran in all 34 provincial and municipal customs departments across Vietnam from June 30, 2014.

The consultation meeting was held by the general department, the Japan International Cooperation Agency, and the USAID Governance for Inclusive Growth programme.

Source: People's Army Newspaper Online

Transfer our technology and know-how to the local : System can be managed within the region/country

【In the case of VNACCS】
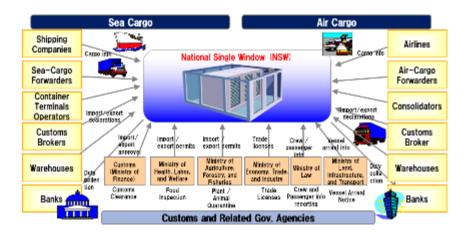
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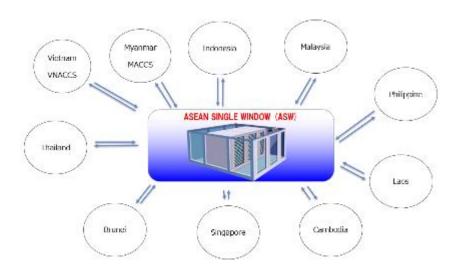   iii. Key features of our export model

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Our next steps

For Countries

Re-design customs procedures and develop customs systems and National Single Window systems by <u>exporting our Japanese model following Vietnam and Myanmar</u> in order to promote the safe & efficient trade and logistics.
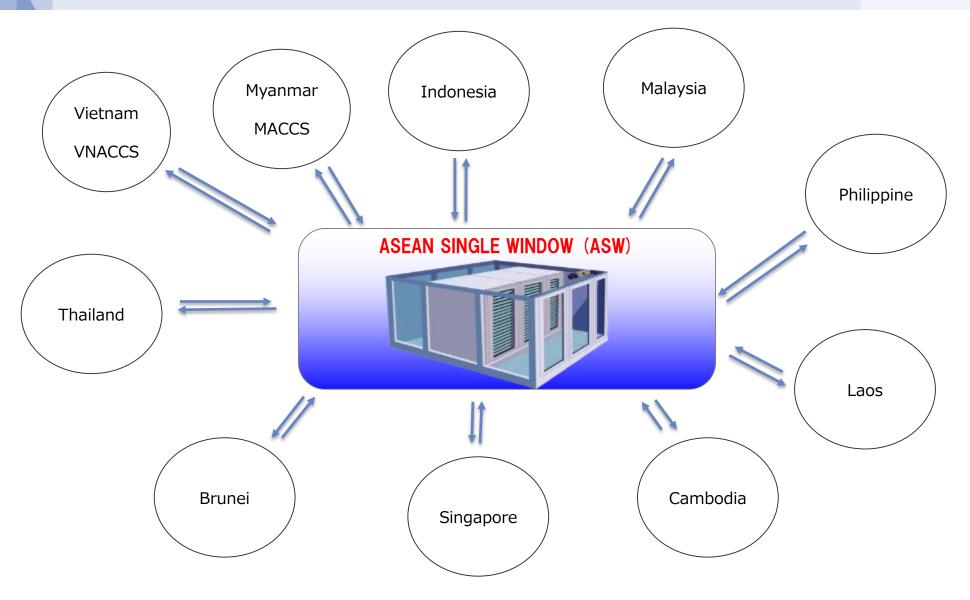

For the region

Connect and integrate NSWs of countries in the region into one Regional Single Window to make cross-border trade more efficient and transparent, <u>contribute to the economic dynamics of the whole region.</u>

In case of Southeast Asia

Improve international trade efficiency in the region

Thank you for your time!