

A World Bank Group Flagship Report



Doing Business 2018

Trading across Borders
Brazil



WORLD BANK GROUP

Nuno Mendes dos Santos

Private Sector Development Analyst
Doing Business

March 20, 2018

- I. Why does it matter?**
- II. What does it measure – and what does it not?
- III. What are the main findings in DB2018?
- IV. Trading across Borders in Brazil



WORLD BANK GROUP



Why does trade facilitation **matter**?

Simplification and harmonization of international trade procedures (WTO 1998)

- Access to **international markets**: economies of scale
- Economic **growth** – poverty reduction
- Participation in **global supply chains**
- Transfer of **know-how**
- Positive **impact of single windows** and digitalization on growth and increasing trade flows

Administrative and regulatory trade frameworks

- Required for **safety** and **consumer protection** but vary in efficiency from economy to economy

- I. Why does it matter?
- II. What does it measure – and what does it not?**
- III. What are the main findings in DB18?
- IV. Trading across Borders in Brazil



WORLD BANK GROUP



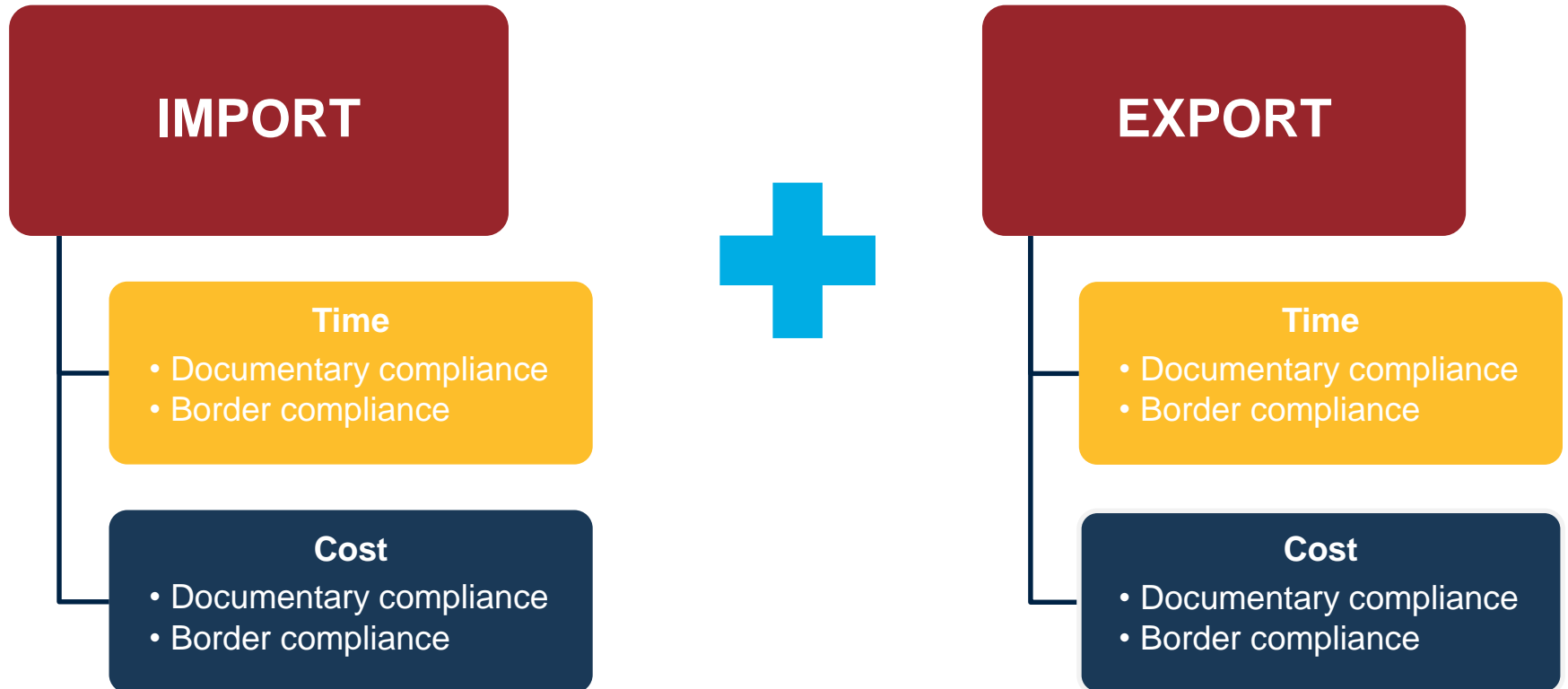
What are the case study assumptions?

Two case studies with particular assumptions

	EXPORT	IMPORT
Product	Comparative advantage of each economy as determined by data on value of exports	HS 8708: auto parts for all economies
Shipment	15 metric tons shipment	15 metric tons containerized shipment
Partner	The main trading partner of the economy for the chosen product as determined by data on value of exports and imports	
Route and mode of transport	Based on trade patterns of the selected product (maritime, land).	

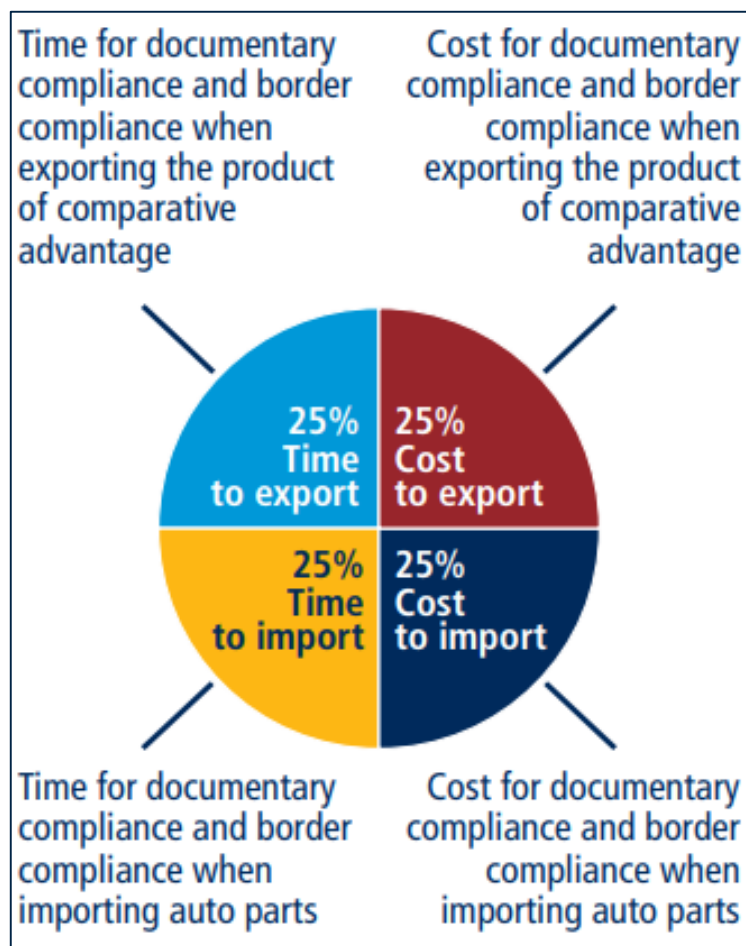
What does Trading across Borders **measure**?

Time and cost of export and import processes



What goes into the Trading across Borders **ranking**?

Simultaneity of processes is taken into account while measuring time.



Trading across Borders also measures the **time** and **cost** associated **with domestic transport**. However, this dimension is **not used to compute the ranking**.

What goes into Border Compliance?

Customs procedures

- **Customs** clearance and inspections;
- Customs **broker costs** and **fees**.

Non-Customs procedures

- Inspections by **other agencies**, including phytosanitary and security inspections.

Port/Border procedures

- **Cut-off** time;
- Time to **queue** at the entrance of the port/border;
- **Handling** at the port/border.



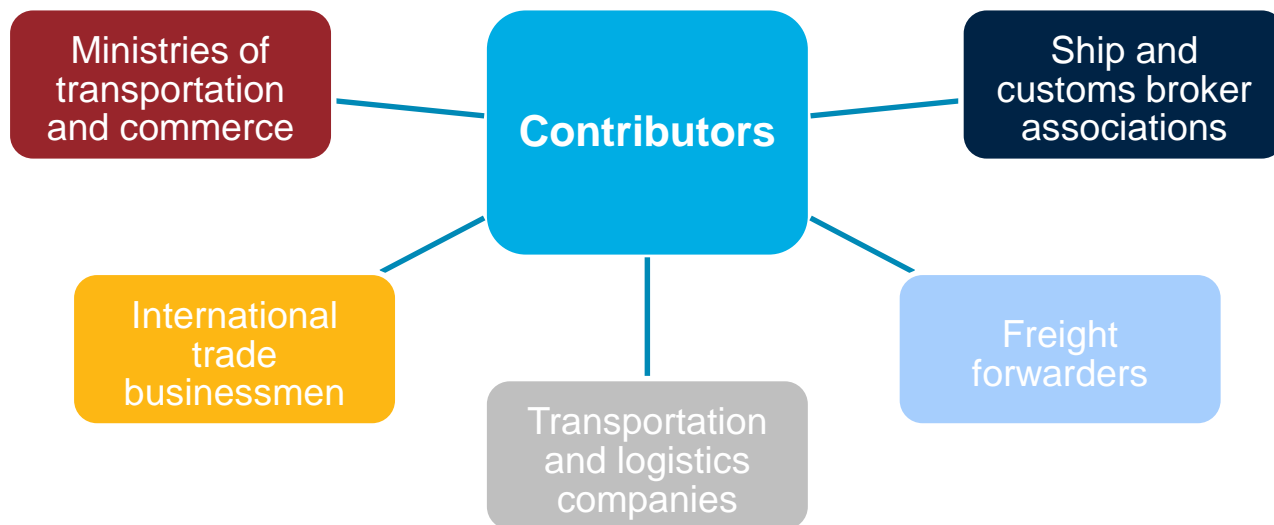
What goes into Documentary Compliance?

- **Obtaining, preparing and submitting** documents during transport, clearance, inspections and port/border handling in the **origin economy**.
- **Obtaining, preparing and submitting** documents required by the **destination economy** and/or any **transit economy**.

[illegible]

- Covers all documents required **by law and in practice**, **including electronic submission**.
- The exact **number of documents** is **not used** to compute the ranking.

Who are the Trading across Borders contributors?



- I. Why does it matter?
- II. What does it measure – and what does it not?
- III. What are the main findings in DB18?**
- IV. Trading across Borders in Brazil



WORLD BANK GROUP



Where is it easy to trade in 2016/17?

Top performers



Austria



Denmark



Spain



Sweden



Armenia



Korea, Rep.



Singapore



United States



El Salvador



Jordan

Global good practices

- ✓ Members of **customs unions** or **trade agreements**.
- ✓ **Paper-free electronic** submission and processing for customs clearance.
- ✓ **Pre-arrival** submission of customs declaration and manifest.
- ✓ **Less than 10% of containers** are physically controlled, using risk based inspection systems.
- ✓ **Single Window** for obtaining trade documents and approvals.
- ✓ Efficient ports **infrastructure**.

What are the global good practices?

Electronic submission and processing

Electronic systems for **exchanging** customs information (e.g. ASYCUDA).

Saves **time** and **money**.

Linking agencies through Single Windows

Electronically linking all trade actors.

Both at the **national** (e.g. Korea) and **regional level** (e.g. ASEAN).

Upgrading trade logistics infrastructure

Improve efficiency of processes.

Increase trade flows.

What are the global good practices?

Risk-based inspections

Inspections are often **necessary**.

However, **risk profiles** allows inspections to correspond to the **potential risk** of consignments.

Regional cooperation

Border cooperation agreements.

Customs Unions (e.g. European Union).

Sparking competition

Greater competition can lead to lower **fees** and higher **quality** of service

Good practices to follow: UNI-PASS in Korea



UNI-PASS 전자신고 전자납부 업무지원 정보조회 통관단일창구 AEO 고객지원 마이페이지

메뉴검색 (W4_2) MY CUSTOMS

로그인 공인인증센터 ID 찾기 PW 변경 사용자등록

원격지원 상담 소프트웨어 설치 공인인증서 등록/갱신 개선의견 등록

요건확인기관

기술지원센터 (평일)08:00 ~ 20:00 1544-1285 (휴일)08:30 ~ 17:30

환율정보 적용기간[17.01.29~17.02.04] 더보기

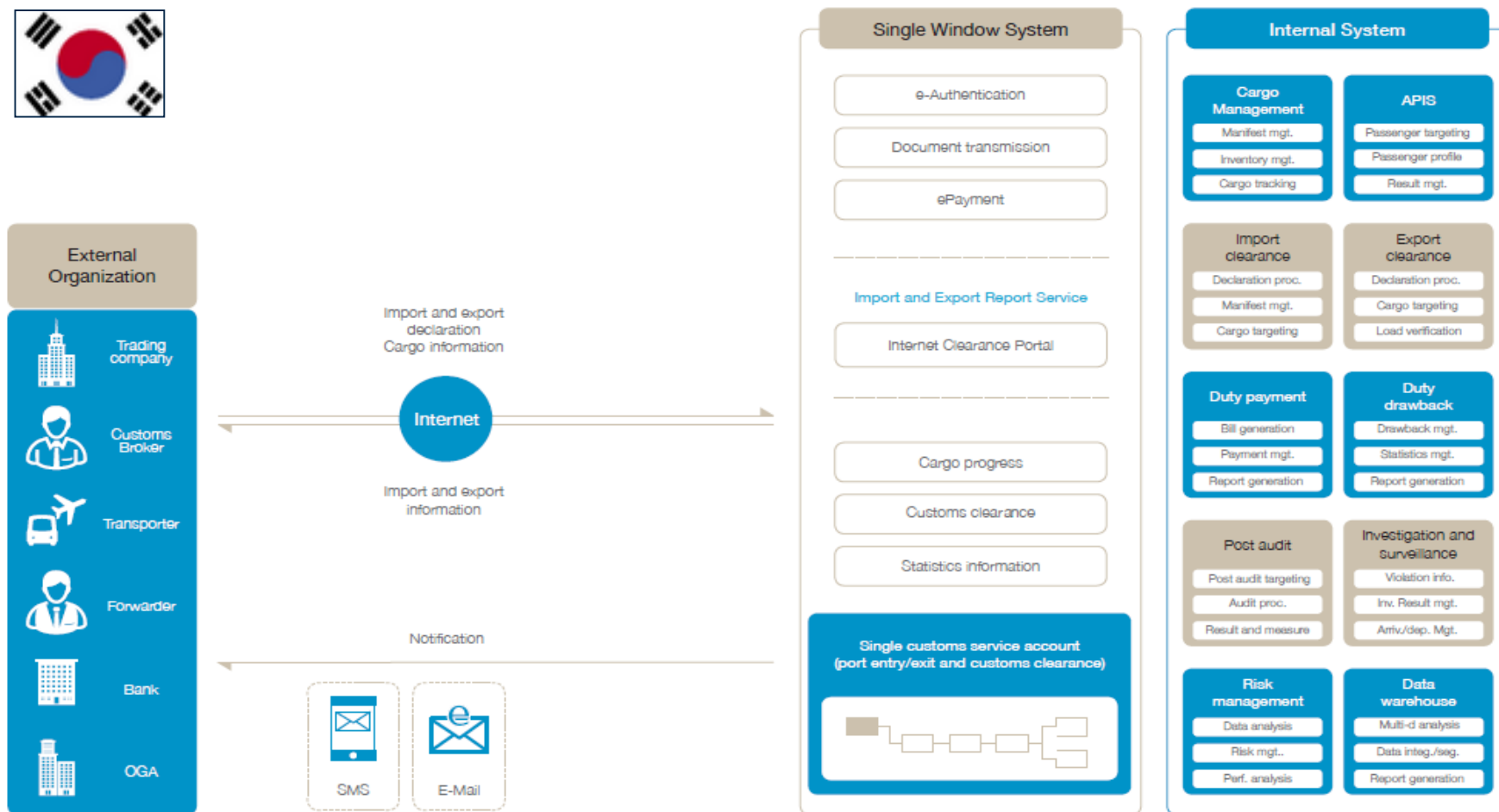
국가(통화)	수출	수입
미국(USD)	1,155.98	1,178.53
일본(JPY)	10.1805	10.3799
유럽연합(EUR)	1,241.13	1,266.02

화물진행정보 화물관리번호 M B/L - H B/L

신고업무 유통이력 부호신청 증명서발급 업무지원 정보조회

- Online submission of the customs declaration and all relevant documents
- Almost entirely virtual processes with less than 1 % exceptions when physical examination might be needed
- Free of charge

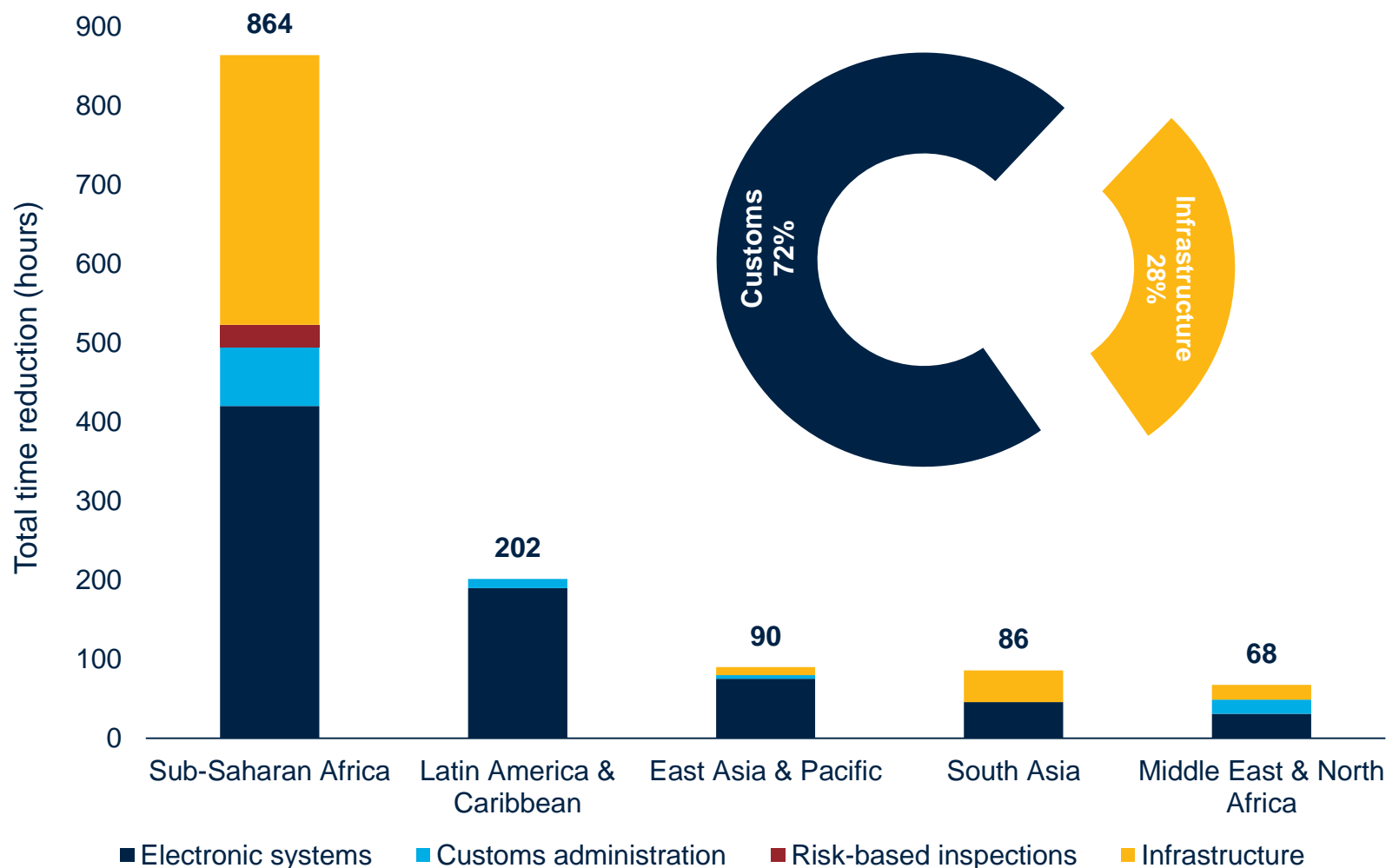
UNI-PASS provides a **single entry portal** for the user to log-in and process all customs procedures in **one-stop service**.



Reforms making it easier to trade across borders in 2016/17

Reform	Economies	Examples
Introduced or improved electronic submission and processing of documents for exports	Bolivia; Botswana; Brazil; Brunei Darussalam; Cabo Verde; Comoros; Malawi; Mauritius; Oman; Pakistan; Sierra Leone; Sri Lanka; St. Kitts and Nevis; Swaziland; Taiwan, China; Uganda; Vietnam; Zambia	Bolivia upgraded its customs automated system called SUMA and reduced documentary compliance time to export. Zambia expanded its customs management system nationwide , allowing electronic payments. Taiwan, China made trading across borders easier by enabling different associations to issue certificates of origin electronically .
Introduced or improved electronic submission and processing of documents for imports	Bolivia; Brazil; Brunei Darussalam; Cabo Verde; Comoros; Indonesia; Jamaica; Kenya; Malawi; Mauritius; Oman; Pakistan; Sri Lanka; Swaziland; Vietnam; Zambia	Due to the improvement of their customs electronic platforms , Cabo Verde and Kenya reduced 24 hours each for import documentary compliance. Brazil made trading across borders faster by enhancing its electronic system which integrated customs, tax authorities and administration agencies, reducing import documentary compliance time by 72 hours.
Strengthened transport or port infrastructure for exports	Angola; India; Malaysia; Mauritania; Mauritius; Mozambique; Pakistan; Qatar; Russia; Singapore; Uganda	Angola rehabilitated the Port of Luanda , improving the handling processed and reducing the time of border compliance. Uganda made trading across borders faster by developing the Malaba One-Stop Border Post . The Russian Federation opened a new deep water port on the coast of the Gulf of Finland, which increased competition and reduced the cost of border compliance at the Port of Saint-Petersburg.
Strengthened transport or port infrastructure for import	Angola; India; Malaysia; Mauritania; Mauritius; Pakistan; Qatar; Russia; Singapore	Qatar made trading across borders easier by inaugurating the new Hamad Port . Expansion of the existing ports in Singapore and Malaysia improved the terminal handling process .
Facilitated customs administration for exports and imports	Botswana; Brunei Darussalam; El Salvador; Ethiopia; India; Mauritania; Mauritius; São Tomé e Príncipe; Saudi Arabia; Sierra Leone; Vietnam	El Salvador increased the number of customs officers for clearance and inspections, which reduced border compliance time. Mauritius decreased the number of intrusive inspections , which reduced the time of border compliance for both exports and imports by 10 hours. Saudi Arabia streamlined documentary compliance by reducing the number of documents required for customs clearance.

Reforms affecting customs, especially regarding **electronic systems**, produce the highest time savings across regions in 2016/17



Source: *Doing Business* 2018.


- I. Why does it matter?
- II. What does it measure – and what does it not?
- III. What are the main findings in DB18?
- IV. Trading across Borders in Brazil**



WORLD BANK GROUP



Brazil (São Paulo): Export case study & results

Product	HS 12 : Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder
Shipment	15 metric tons shipment
Partner	China 
Route	Santos port

Export

Bill of lading

Commercial invoice

Customs export declaration

Export Invoice (Nota Fiscal)

Packing list

Health certificate

SOLAS certificate



Warehouse in
São Paulo

Domestic transport: 9 hours, \$763



Santos port

Border compliance: 49 hours, \$959

Documentary compliance: 12 hours, \$226



Warehouse in
China

Brazil (São Paulo): Import case study & results

Import

Bank document

Bill of lading

Cargo release order

Commercial Invoice

Customs import declaration

Nota fiscal

Packing list

Technical standard certificate

SOLAS certificate

Product

HS 8708: Parts and accessories of motor vehicles

Shipment

15 metric tons containerized shipment

Partner

Argentina

Route

Santos port



Warehouse in Argentina

Documentary compliance: 48 hours, \$107

Border compliance: 63 hours, \$970



Warehouse in São Paulo

Domestic transport: 11 hours, \$763

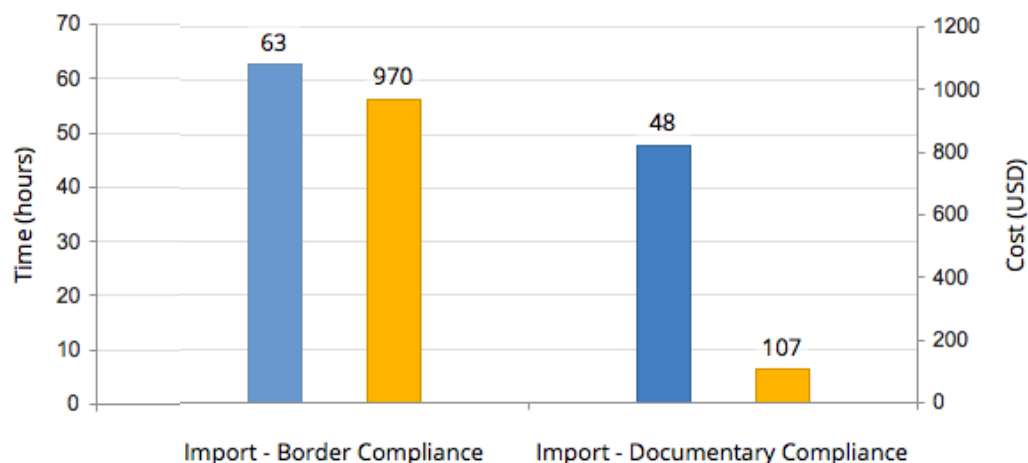
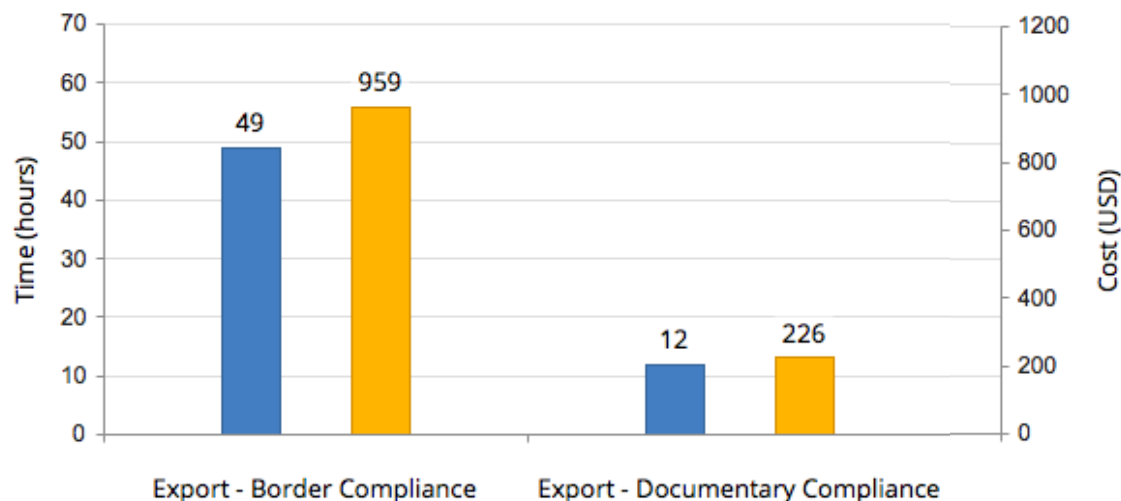
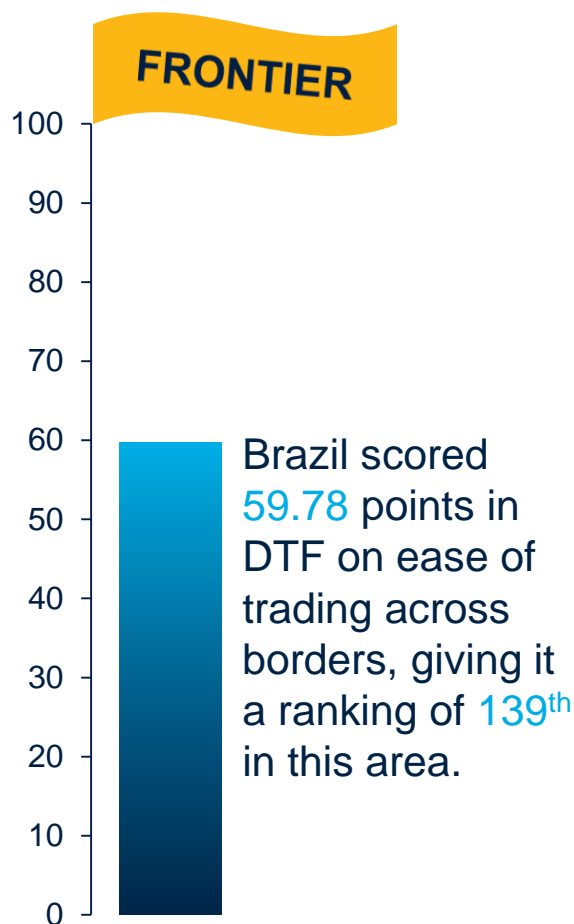


Santos port



WORLD BANK GROUP

Trading across Borders in Brazil



Brazil (São Paulo): Components of Border Compliance



Trading across
Borders

Export Border
Compliance

49 h

959 USD

Import Border
Compliance

63 h

970 USD

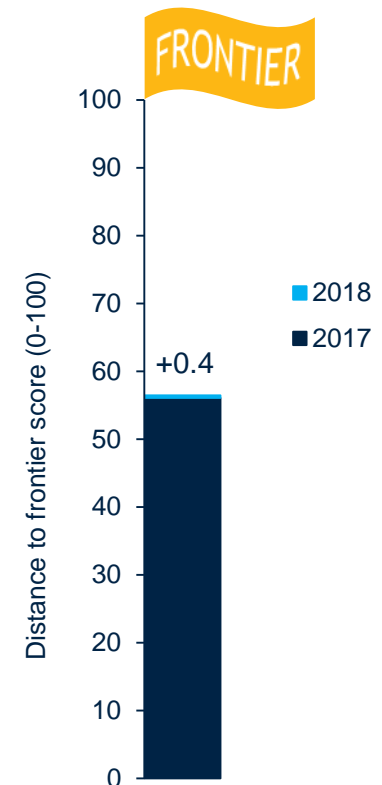
	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	7.0	232.6
Export: Clearance and inspections required by agencies other than customs	24.0	221.7
Export: Port or border handling	47.0	504.3
Import: Clearance and inspections required by customs authorities	22.0	317.4
Import: Clearance and inspections required by agencies other than customs	12.0	147.8
Import: Port or border handling	51.1	504.3

Brazil improved in trading across borders measured by *Doing Business* in 2016/17



How did Brazil improve its business environment in 2016/17?

	2016/17	2015/16	How did Brazil do it?
Trading across borders	<p>Export documentary compliance takes 12 hours</p> <p>Import documentary compliance takes 48 hours</p>	<p>Export documentary compliance took 18 hours</p> <p>Import documentary compliance took 120 hours</p>	Improved e-system



DB2018 rank: 125

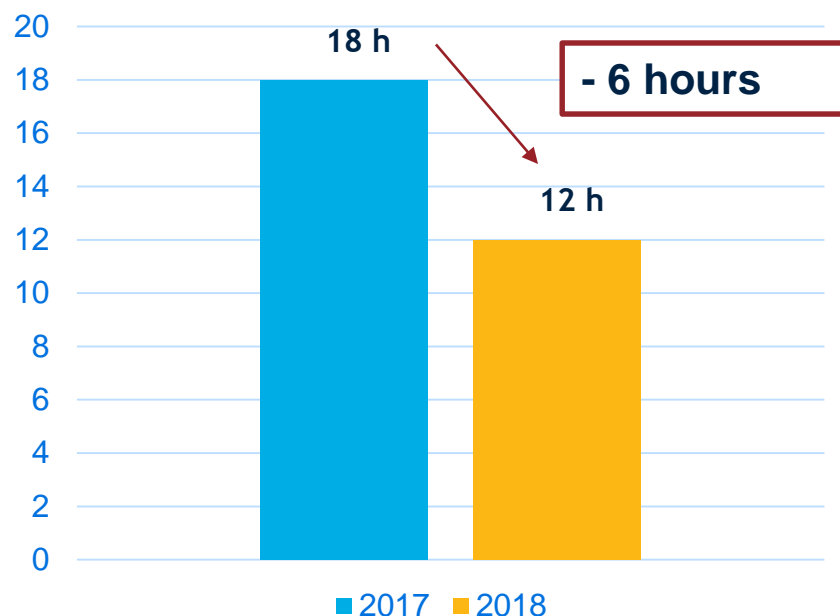
Trading across Borders 2018 reform in Brazil

- Brazil made exporting and importing easier by enhancing its electronic system for exports and imports, reducing the time required for documentary compliance.

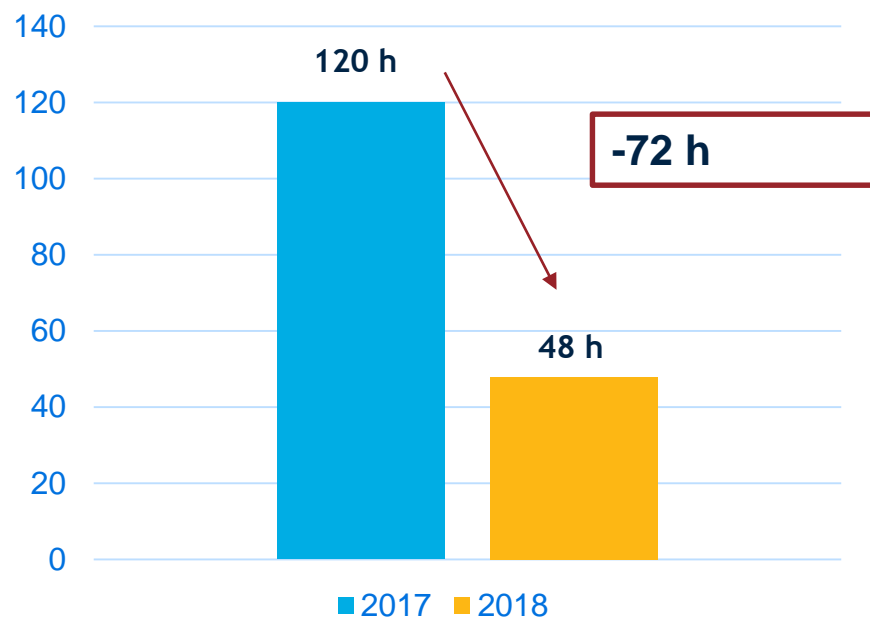
Change in DTF: 4.21



Export Documentary Compliance Time



Import Documentary Compliance Time



THANK YOU!

www.doingbusiness.org



WORLD BANK GROUP

Doing Business