



Overview of Trade Facilitation Initiatives in Saudi Customs

January 2020

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Saudi Customs Strategy Overview

To ensure customer satisfaction, trade facilitation will be the anchor strategic objective, complemented by the two other customs pillars: revenue realization & security enforcement



This will require SCA to activate 8 enabling objectives that help it establish a collaborative ecosystem and enhance its internal capabilities

Establishing collaborative ecosystem

1



Integrate with value chain players
Integrating with partners throughout the import/export value chain (e.g., logistics and industrial players, OGAs at ports), and leveraging established government vehicles (e.g., Logistics and Tayseer committees) to support trade facilitation, security enforcement and revenue collection

2



Engage with local and international agencies
Creating bonds with local and global businesses and agencies to support trade flows, maximize local access to the world and improve global rankings



Enhancing SCA internal capabilities

3



Enhancing human capital development
Transforming HR capabilities and shifting expertise to high-skill talents that will enable SCA to become a world class customs organization and face the latest developments

4



Improving efficiency through digital and IT
Leveraging the latest technologies to promote efficiency, speed and integration of systems to maximize coordination from HQ to ports and beyond

5



Establishing operational excellence & governance
Enhancing SCA's internal functioning through taking an excellence mindset across processes, central to SCA's business

6



Setting infrastructure and facilities development
Developing land borders alongside local stakeholders in line with designated government mandate, while ensuring high quality customs facilities across all ports

7



Developing a targeting center
Installing data driven approach identifying and tackling customs anomalies through a best in class risk engine

8



Cost efficiency
Ensuring that Saudi Customs operates in the most efficient and effective manner across all its operations



Trade Facilitation major achievements

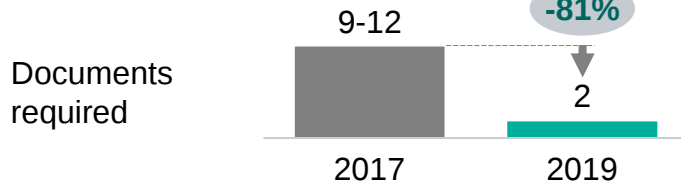


Trade Facilitation has launched several initiatives over the past two years that have reduced clearance time from 8 days down to ~24h

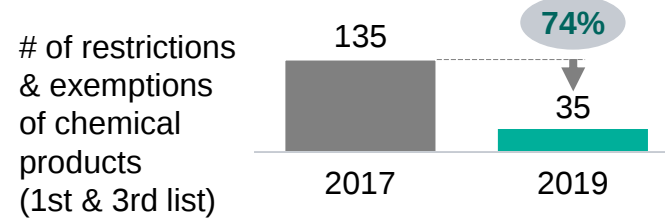
Achievements to-date



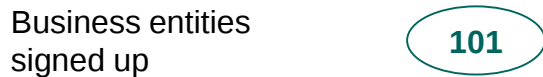
Reduce # of required documents and ensure electronic pre-arrival submissions



Re-engineer restrictions & exemptions and below one of the examples



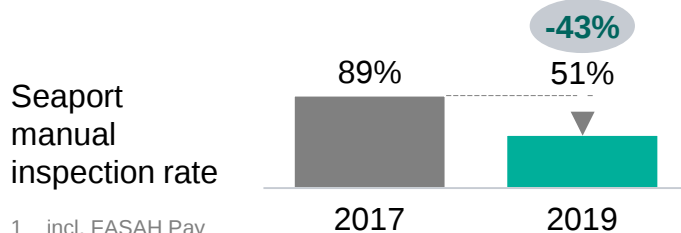
Commence AEO program



Launch single window platform and linking relevant OGAs¹



Reduce manual inspections and launch targeting center

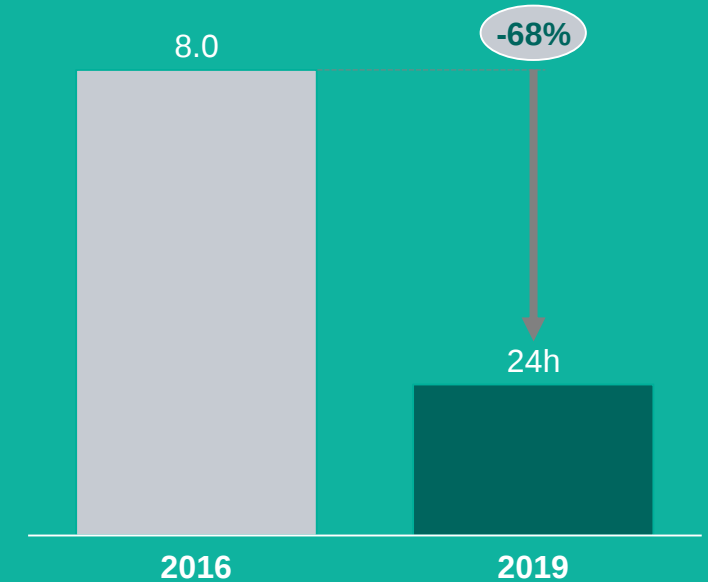


Launch customer service center

Customer service center setup & operational

Launch 24h clearance program

Clearance time for seaports, days



With 80% of those submitting prior to arrival cleared within 24 hours

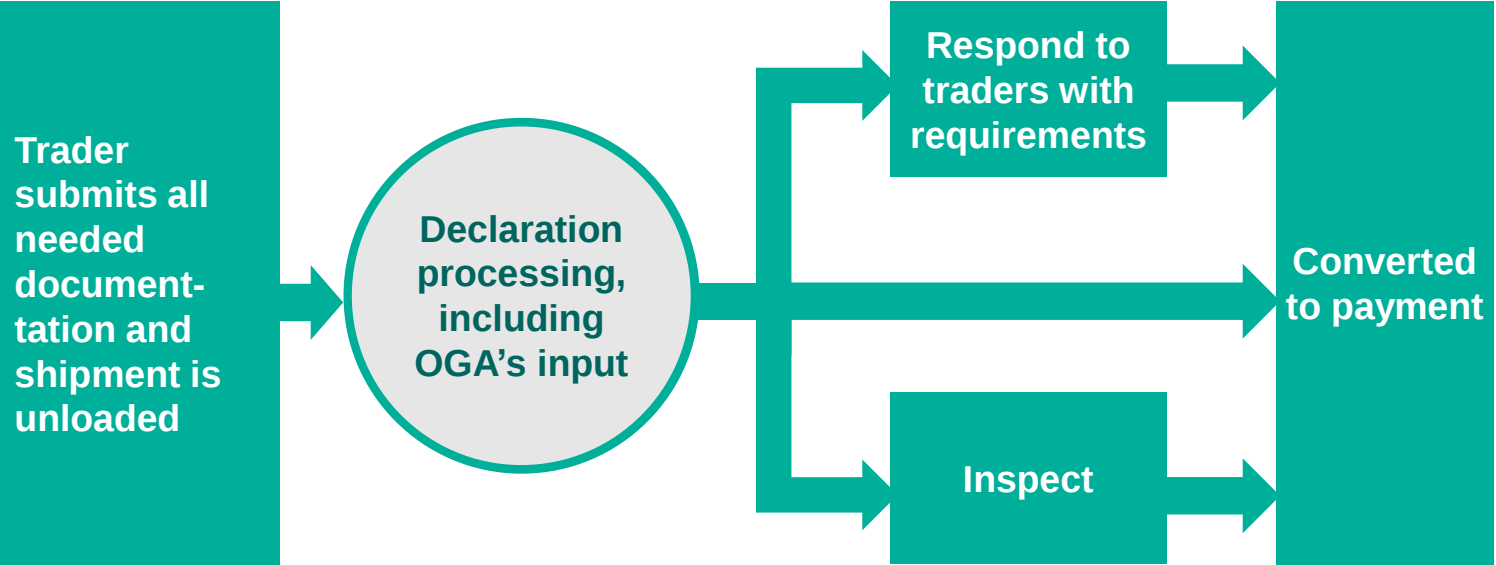
¹ incl. FASAH Pay

2-hour clearance program

To improve clearance further, TF will be launching a 2-hour clearance program that will help improve customer experience, global standing and cost reduction

Implementing the 2-hour clearance operations...

2-hour clearance definition



“Takes 2 hours from when shipment is unloaded to conversion to payment”

... will impact positively multiple KPIs

Customer satisfaction



Global rankings:

- LPI Customs ranking
- EDBI – Trading across borders ranking



Clearance costs



The 2hr clearance project will be structured into 7 streams that currently constitute 12 projects

	Projects to be launched	Expected launch date	Expected end date
Compliance 	- Brokers & traders compliance - Compliance framework development and enablement	- Q4 2019 - Q1 2020	- Q2 2020 - Q4 2020
Risk management 	Risk targeting centre	Q4 2019	Q2 2021
Process and operating model 	- Export/ import streamlining process - Data strategy enablement & analysis - Central command centre (Infra)	- Q1 2019 - Q4 2019 - Q1 2020	- Q4 2020 - Q1 2021 - Q3 2021
Regulation 	Valuation, restrictions and exemptions	Q4 2019	Q1 2021
Value chain integration 	Collaborate with OGAs non-governmental & int'l customs entities	Q1 2020	Q4 2020
IT & technology 	- Nebras 2.0 - Central command center set-up	- Q2 2020 - Q1 2020	- Q4 2021 - Q2 2021
Communication 	- Customer experience - Customer service centres (10)	- Q3 2020 - Q2 2020	- Q3 2020 - Q3 2021

The new strategic focus will help SCA achieve its crown jewel project: 2hr clearance in 2 years, by activating its multiple border strategy and integrated clearance

Major transformation to embark on ...

... to achieve crown jewel of SCA

Multiple Border Strategy



Offloading activities to 'before' or 'after' inspection via: realization of risk engine full potential, ensuring traders compliance, streamlining processes & operating model and enhancing AEO and PCA

Integrated Clearance Management



Integrating with OGAs within the clearance process and engaging with logistical and industrial partners to identify and eliminate challenges

Internal efforts

- ✓ Activation of 7 internal SCA workstreams
- ✓ Budgetary requirements,

External efforts

- ✓ Alignment with OGAs
- ✓ Policy & regulatory changes
- ✓ Setup of National Targeting Center

2-hour clearance



Reducing clearance time, from ~24h to **2 hours by end of 2021**

Allocating budget and resources will be prioritized for 2hr clearance projects

Improving clearance time expected to increase **customer satisfaction** and improve **KSA's global ranking**

Thank you



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