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**Speech of the Deputy Head of Automation and Customs Statistics Department of the
Kazakhstan Customs Control Agency, Mrs. G.M. Konkasheva at the Workshop conducted by
Asian Development Bank on 21-23 April 2004**

**“Customs Automated Information System (CAIS):
status and development opportunities”**

Dear Colleagues!

1. Status of CAIS.

The Customs Automated Information System (CAIS) is one of the key management tools and established within the general concept of customs service development in the Republic of Kazakhstan.

Location and function of the Automated Information System of Kazakh Customs service, applied software, and the requirements to its structure are defined in its concept and systems' terms of reference (1998).

In general, the CAIS is intended to perform the following tasks:

- Automation of customs control processes;
- Infotainment of decision making;
- Centralised data collection on external trade operations;
- Collection and initial process of information to establish a foreign trade statistics;
- Improvement of information accord effectiveness to the government and other concerned authorities of Kazakh Republic based on introduction of modern information technologies;
- Ensuring of information interaction with customs agencies of other countries including CIS, EAEC (Eurasian Economic Cooperation) members.

The Project was commenced in 1997, up to 1999 was funded by the national investor and then was handed over to the Customs Committee (presently the Customs Control Agency).

The CAIS is a complicated interrelated programme-technical system and includes a corporate Republican data transmission network (DTN) and Automated Information System.

Primarily, the data transmission network was created on the base of satellite communication channels. During 1997-98 this was the only reasonable solution considering the need of distributed system establishment with various degree of customs infrastructure development including remoteness from settlements. Own surface satellite stations (PES) were envisaged for installation in all customs agencies irrespective their location. In 2001 the decision of maintaining own surface satellite stations was revised and the customs agencies switched to renting communication channels, only paying to the provider of communication services.

Presently, the CAIS components include: corporate data transmission system consisting of 88 satellite stations, 40 radio-modems, over 1000 routers, 3 optical communication lines, 112 UNIX-servers, data base management system (DBMS) Informix, a number of personal computers in the customs agencies (over 2000 units).

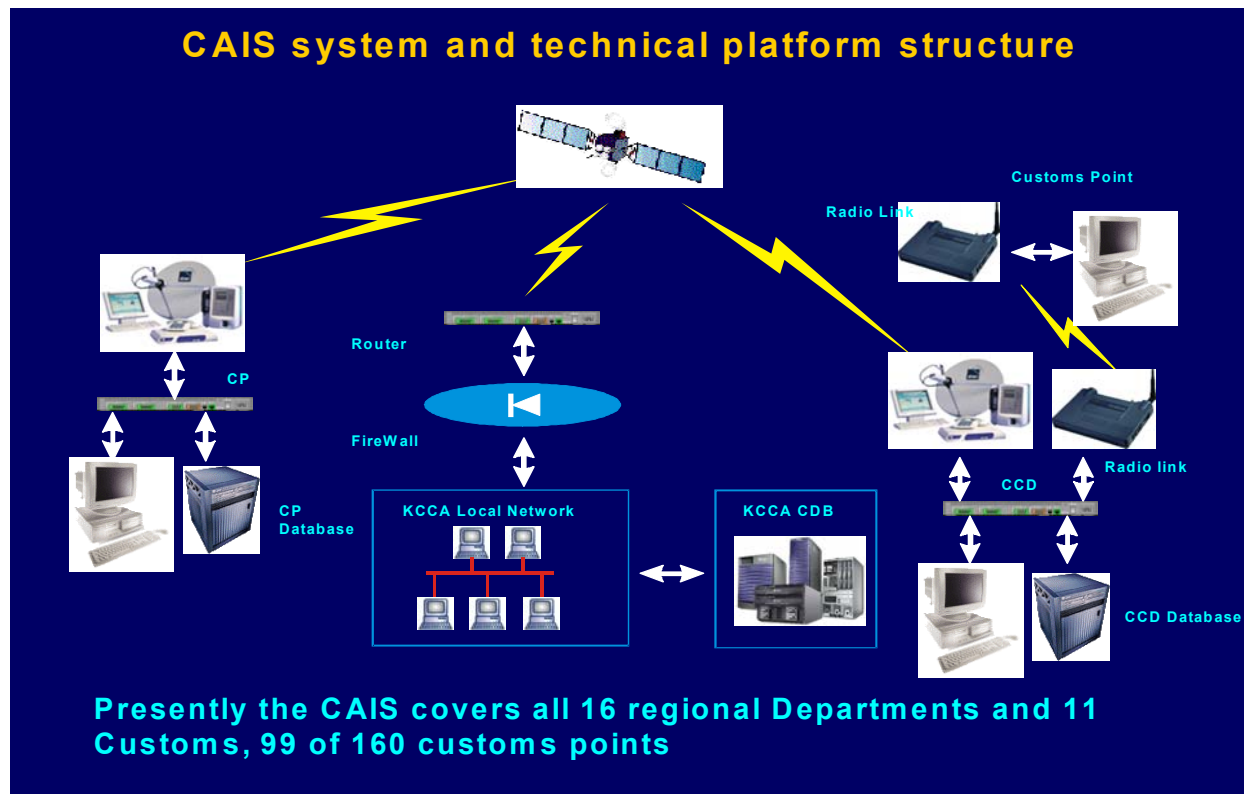
The data transmission network between the customs subdivisions on the base of surface satellite stations, radio links, comprehensive local networks and modern structured cable systems stably functions.

As a highest priority of CAIS project a specific part of tasks was implemented to automate the process of customs registration and electronic customs documents collection to the central database. Presently, 16 regional customs control departments, 11 customs and 99 customs point are linked.

Main function subsystems of net integrated ARM “Universal” software are operating. The software product was developed solely for the Customs committee use. In the Customs Control Agency of Kazakhstan the freight customs declarations, customs cost declarations, delivery control documents, customs receipts are centrally registered and processed in the customs documents database

namely this recording function was set out as the priority at the inception stage during the justification of CAIS project initialisation.

The information technologies found a practical application and became an integral part of the customs registration process.



The Customs Control Agency receives about 1,500 freight customs declarations on a daily basis, out of which 90% every day, 10% (from the points not linked to the data transmission networks and which are using a local software) every week.

The Automation and Customs Statistics Department covers the issues of maintenance and CAIS development in the Agency.

Up to date the Automation and Customs Statistic Department (ACSD) undertakes the following:

1. administrative functions of the central cabinet subdivision coordinating the automation activity of customs agencies, including methodology provision;
2. functions of departmental computer centre:
 - Maintenance and development of system and technical platform and applied software for CAIS;
 - Data transmission network and the customs information database administration;
 - Ensuring information integration with public authorities and customs services of other countries.

The department independently undertakes such key CAIS component management functions as:

- Administration of the customs UNIX-servers;
- Administration of DBMS Informix at the customs servers;
- Administration of the corporate data transmission network
- Administration of the mail system and catalogue service.

Other tasks such as maintenance of information system are implemented by contractors. In average the cost of maintaining the communication services, system and technical platform (which also includes DBMS Informix maintenance), hardware and software amounts to about \$2 million annually.

Also due to the transition to the independent establishment of foreign trade statistics of Kazakhstan by the Agency, the Automation and Customs Statistics Department faces a large additional workload related to the establishment and publication of Kazakh external trade statistics which are connected to the function of establishing the foreign trade statistics and requiring continued execution and maintenance by the relevant services.

2. CAIS development work in 2003

The following CAIS modernisation and development activities were undertaken in 2003:

Every year additional computers, accessories and spare parts to the technologic equipment operating within CAIS are procured and distributed between the regional authorities.

Corporate television studio was introduced and 11 lectures of central cabinet officials were broadcasted, as well as 2 live broadcasts of the Customs Control Agency conference. Currently the broadcasts of corporate telecasts at the Agency's channel can be done in interactive mode (feedback).

A website of Kazakhstan's CCA was put in operation: www.customs.kz. A number of columns are maintained: "NSI"; "Exchange Rates"; "CCA Organisation"; "Legislation"; "Press Service"; "Question – Answer"; "CCA's Links"; "Forum"; "To an Economic Unit". Presently the web-page is in Russian only, but the plans are to translate it to Kazakh and English within this year.

Outline terms of reference for the second stage of CAIS are developed and approved, as well as separate terms of reference for applied software components of CAIS in accordance with which the designers worked on creating and introducing a new applied software.

By the specialists of the Department and contractors the software packages "Customs Receipts"; "Registration of the Customs Costs Adjustments"; an automated workstation "Customs Inspector" were developed and introduced. Programme medium "Foreign Trade Statistics" was introduced to the central cabinet of the Agency, which automates daily prompt summary and monitors database of electronic copies of freight customs declarations (ECFCD).

Under the maintenance of CAIS applied software ARM "Universal" and to improve the reliability of data the regional subdivisions were introduced to additional programme medium for format and logical control both working and archive database of ECFCD which are uniform for all regional subdivisions and the central cabinet.

Given the technical complexity and the scope of the CAIS project, the development of applied software CAIS-2 will continue during 2004-2005.

As scheduled the data are being processed from the database of customs information to implement the Protocols of information exchange:

- Protocol of information exchange on goods transiting from third countries via Republic of Kazakhstan and Russian Federation,
- Protocol of arranging the information exchange about the goods movement with cooperation between the Republic of Kazakhstan and Russian Federation,
- Protocol of exchanging information on goods transiting by road through Kazakhstan and Uzbekistan.

Automation and Customs Statistics Department in close cooperation with central cabinet subdivisions and regional authorities prepares a new legal framework for filling-in and application of electronic forms of customs documents.

Together with CJSC "National Information Technologies" being coordinator of establishing a uniform information environment of the public authorities the Uniform Electronic Documents Circulation System for all public authorities in the republic was preliminary introduced to the CCA (Electronic Documents Circulation Information System – EDCIS).

One of the most important functions of the CAIS is the dataware of the Agency's central cabinet and other concerned ministries and agencies consisting of foreign economic operations.

Under the decision of the CIS countries customs services Board of the Managers, adopted in 1998, the exchange of aggregated data on export and import is being carried out at the level of 4, 6 figures of foreign economic activity goods nomenclature with the customs services of CIS countries.

Pursuant to the Customs Code and the Regulation of the Customs Control Agency approved by the Government's Resolution, the Kazakh Customs Control Agency independently keeps and submits an official statistics on foreign trade since the start of 2004. During 2003 the Kazakh Statistics Agency handed over its function of forming the external trade statistics to the Kazakh Customs Control Agency, a number of work sessions was conducted as well as handing over of information which includes database established by the Kazakh Statistics Agency based on the freight customs declarations and some methodology information.

3. Development Opportunities.

CAIS as any complicated information system of the state level is being continuously modernised and developed.

The following main objectives are determined as the most important ones in the plans of developing CAIS in 2004:

1. Modernisation of system and technical platform (STP) of CAIS.
2. Modernisation of applied CAIS software and introduction of new information technologies.

The following is anticipated as a part of STP modernisation:

- Phased transition of Departments and the customs from satellite channels to surface speed channels, which will enable the work online through improving the speed of data transmission.
- Duplicating of main system management centre components to improve the reliability and errorproofness.
- Introduction of licensed system and anti-virus software.
- Replacement of obsolete equipment and first of all servers Sun Ultra-1, Ultra-5 (considering the servers' life period of 5-6 years).

Development of the customs services information system which includes as a rule the development of new programme components, procurement of licensed software, upgrading the computers and servers' equipment, network infrastructure, communication channels, cost in average annually about \$1 million to the state budget.

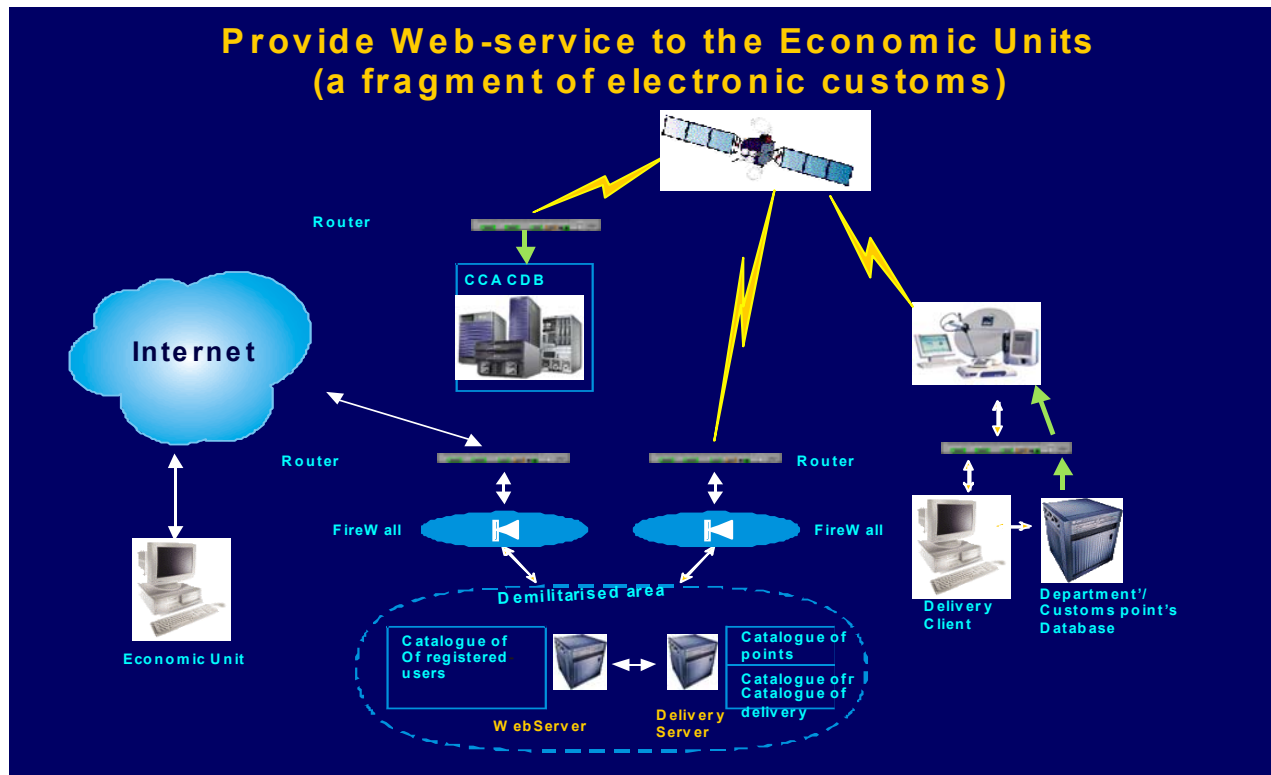
Updating of applied CAIS software will be made as per approved terms of reference. The most important areas are the following:

- Establishment of information system "Electronic Customs", including the "Web-declarant" and a fragment of uniform information environment with the customs registration processes participants: declarants, transporters, brokers, temporary storage owners.
- Implementation of statistics project, analysis and provision of access to the external trade statistics through Internet,
- CAIS integration with new automated control system of goods delivering using the specialised technical means - ACSGD.

The long-term project of establishing an electronic customs consists of three areas:

1. Establishment of uniform information environment fragment for the customs service and at the customs infrastructure;
2. Provision of WEB services to economic units;
3. Electronic declaration of goods.

The first two important phases will be executed in the nearest two years.



The system of electronic customs will enable to create electronic forms of documents for its further transmission to the next stage of documents registration. In addition, the information shall be inherited from the previous stage. The system should be easily tuned to any used scheme of technological processes.

Advantages of the electronic customs:

- Opportunities for the economic units in the country to maintain their business irrespective of their location and simultaneously reducing the barriers for entering the economic sector in particular to the small and medium sized enterprises;
- Reduction of registration time costs: providing an opportunity for the economic units to effectively integrate with the customs;
- Transition to paper-free technology using the electronic digital signature.

The software placed on the website will enable to fill in, check and resend to the regional customs registration centre electronic copies of the customs documents. The “check on site” exercise will exclude the need to examine the entering format and logical control at the registration stage in the customs agency and reduce the time for customs registration in general.

It is worth pointing out that the software of the Web-declarant will be used by the economic units free of charge, which will adequately assist small enterprises-economic units.

And now a few words about the plans to create an integrated system for external trade statistics being a continuation of subsystem CAIS “Customs Statistics”.

In 2003 a local application was developed for the central cabinet, forming the statistics base from the archive base of freight customs declarations and regulation reports.

The development of CAIS subsystem “Customs Statistics” is proposed to be carried out by establishing a new integrated system based on the web-technologies, which include the following systems:

- System of preparation and forming of the customs statistics publication on external trade
- Access system to the customs statistics data through Internet;
- Decision making support system (DMSS) – “Analytics”;

Expected outputs:

- Reduction of time resolving analytical tasks and ensuring flexibility during the analysis.
- Improving the quality of resolving the analytical tasks.
- Acquiring a prompt and reliable data by the supervision which will enable to improve the quality of making decisions.
- Arranging for the access of Internet/Intranet users to the information masses of external trade customs statistics via CCA’s Website
- Improving the efficiency and quality of drafting the quarter bulletins and annual reports on external trade customs statistics of Kazakhstan.
- Eliminating routine and labour-intensive operations on data preparation and control.

Purpose of ACSGD

A distinctive feature of ACSGD is the integration with technical means of the customs control: transport tracking device, radiation control, automatic identification of the transport number plates, sizes and weight which maximises the reliability of information and minimises the human involvement.

This System enables:

- **The Agency to carry out online centralised monitoring transit of goods and vehicles including the use of CAIS data;**
- To reduce the time for customs examination and improve the traffic capacity of the check points;
- Strengthen the control of excluding the goods to Kazakhstan, which are prohibited to import and vehicles exceeding the set out sizes and axle load.

In 2004 the system will be installed at the customs “Korgas” (Kazakh-Chinese border), “Kordai” (Kazakh-Kyrgyz border), check point “Gani Muratbaev” (Kazakh-Uzbek border) and ensure effective control of transit goods.

1. Conclusion.

Current functioning and development of CAIS enabled the Agency to automate the customs registration processes, timely collection, completeness and authenticity of the customs information, in general ensure the quality of data and execute the transition to a new activity level, which in its turn enabled to acquire the Agency a responsible status of authorised body to establish statistics of Kazakhstan’s external trade.

Introduction of the above CAIS components will enable to ensure in the future a new more qualitative activity level of the customs service in general.