

Introduction & Issues on KCS Informatization

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System Overview



I. Objectives

II. Background

III. System Establishment Status

IV. Expected Results



1. Duty of Customs Service

Objectives



People Passing the border, Goods, Transportation Control

- Year 2004
 - Import-Export Amount & Quantity : US\$478.3 billion, 580 Million Ton
 - Aboard Traveler : 26.34 million
 - (entry : 13.14 million Depart : 13.20 million)
 - Vessel in and out : entry into port 162,265, departure 162,574
 - Container : 14.4 million TEU
 - (Import 4.6 mil TEU, Export 4.6 mil TEU, Transshipment 5.2 mil TEU)

Collect Tariff (duties), taxes

- Collection of year 2004 : US\$ 28 Billion (27% from Total Tax collection of year 2004)
 - Tariff: US\$ 6 billion * Tax : US\$ 22 billion

Establish Regulation of Foreign Transactions

- Illegal Trade and Currency Exchange control of year 2004: 4.5 billion US \$
 - Illegal Currency Trade 3.3billion * Illegal Trade 1.2billion * Drug 24 million

Statistical Trade and Collection Report

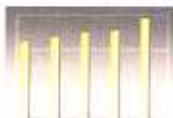


2-1. Background

Background

Environment

- Increasing
 - Import & Export(13% a year)
 - No. of Employees(2% a year)



Trading Companies

- Inconvenience of Clearance Procedure
- Long time Clearance procedure
- Increasing incidental expenses of Clearance



KCS

- Ineffectiveness of Customs Admin.
- Increasing number of Import / Export per 1 employee



2-2. Analysis of Environment

Background

Environment of Business

Environment of Business Computerization

Internal Customs Office



- Inefficient management process of Export-Import Cargo
- Rapid Increase of the annual Export-Import quantity more than 13%

- Computerization based on business unit
- Unprepared of providing information
- Burden of data re-entry

External Customs Office



- 120 Types Documents of Clearance process related
- Average 15-23 days consuming from port of entry to release of cargo

- Expansion of computerization mind in the business field of clearance related
- CCC - Request of Information exchange based on EDI

CCC : Customs Cooperation Council



2-3. Risk Factor Analysis

Background

Risk Factor

Solution

Internal KCS



- Resistance against Automation
- Resistance against sharing Know-how
- Conflict of Job position

- Parallel process of automatic & manual work for the planned period
- Incentive institution for Know-how sharing
- Adjusting of misunderstanding between departments by the steering committee

External KCS



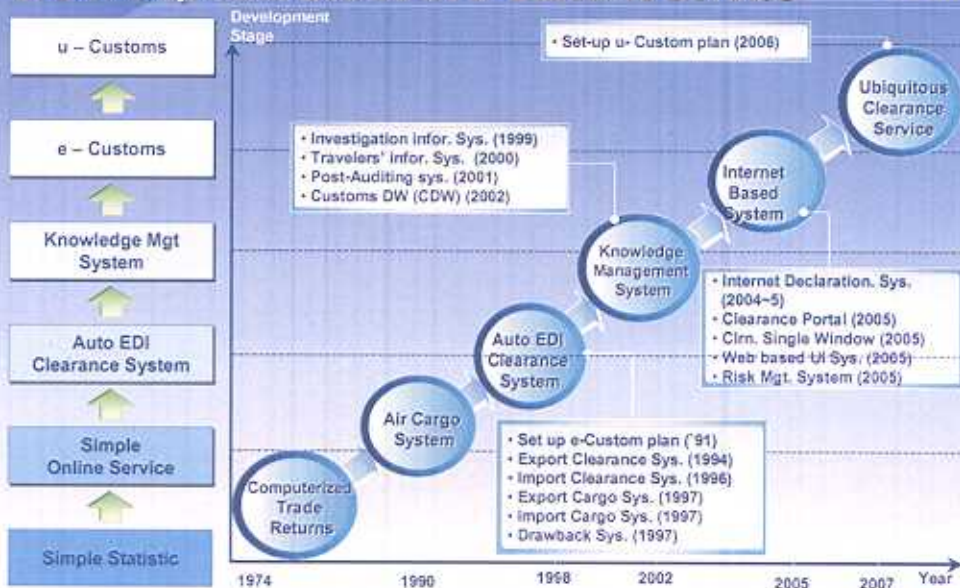
- Distrust of electronic document
- Worrying about disclosure of company's secret
- Unbalanced computerization of related organization

- Entrusting User group for government to lead to use electronic document
- Planning of security policy and control
- Technical supporting for related organization



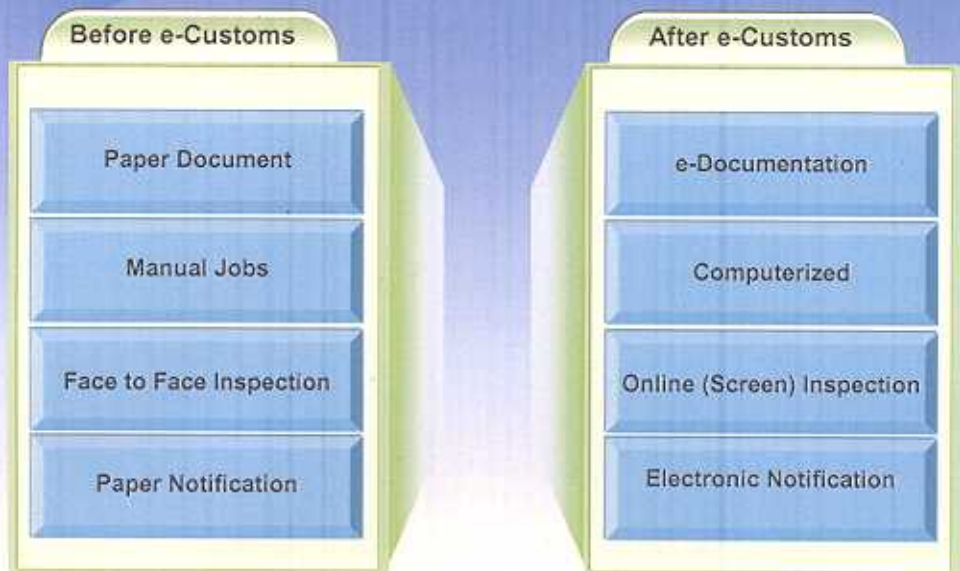
3. Development States of e-Customs Service

Status



4-1. Benefits(1)

Expected Results



4-2. Benefits(2)

Expected Results

Reduce Clearance time



- Complete e-Clearance Process
- Implement EDI Clearance N/W

1day or more

2days or more

2days or more

More than 4hrs

Export

Import

Drawback

Collection

within 2 mins

within 1.5 hrs

within 5.2 hrs

within 10 mins

Reduce Incidental Expenses



- Reduce Documents, Simplified Process
- Promoting Physical Distribution

Cost of

Office Supplies

Customs

Taxes

2 billion US \$ per year

Reduce 4,000 Manpower

Increase
productivities and
National
Competitiveness



4-3. Benefits(3)

International Reputation
Expected Results

Best e-Government site and evaluation

- One of the Best Government Organization of year 2000
- 2nd Place- Informatization Level (2003)
- Selected as the excellent organization against illegality and corruption (2004)
- Selected as the best government innovation organization (2004)

Int'l Organization

- UN, anti-corruption Forum Presenter (May 2001, Belgium)
- Selected as the Best e-Customs Site for benchmark for American Development Bank, South America*SouthEast Asia
- Benchmarking for Vietnam, Japan, and so on (2000~2001)



System Composition

I. System Diagram

II. System Architecture

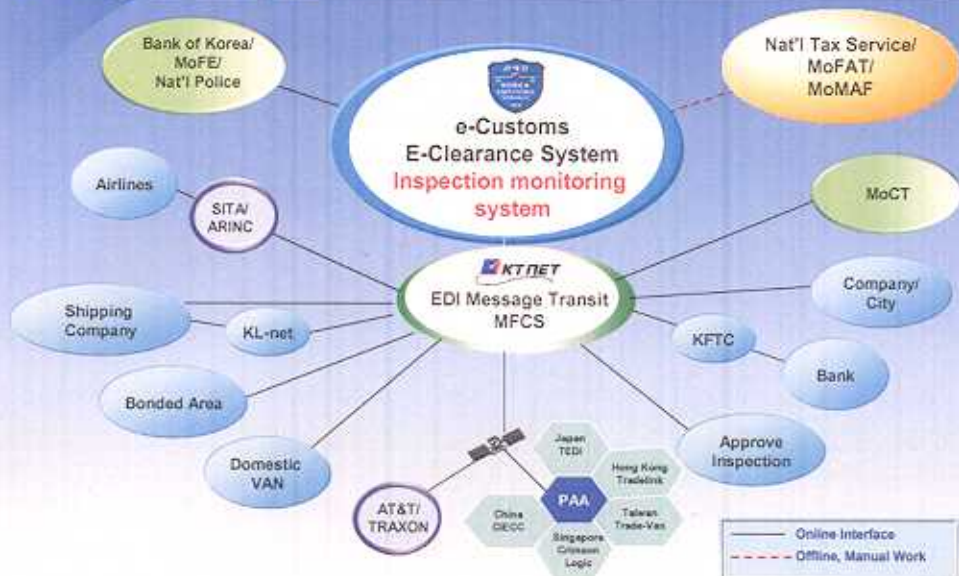
III. Work Flow

IV. Detailed Work Flow

VI. Characteristics of the System

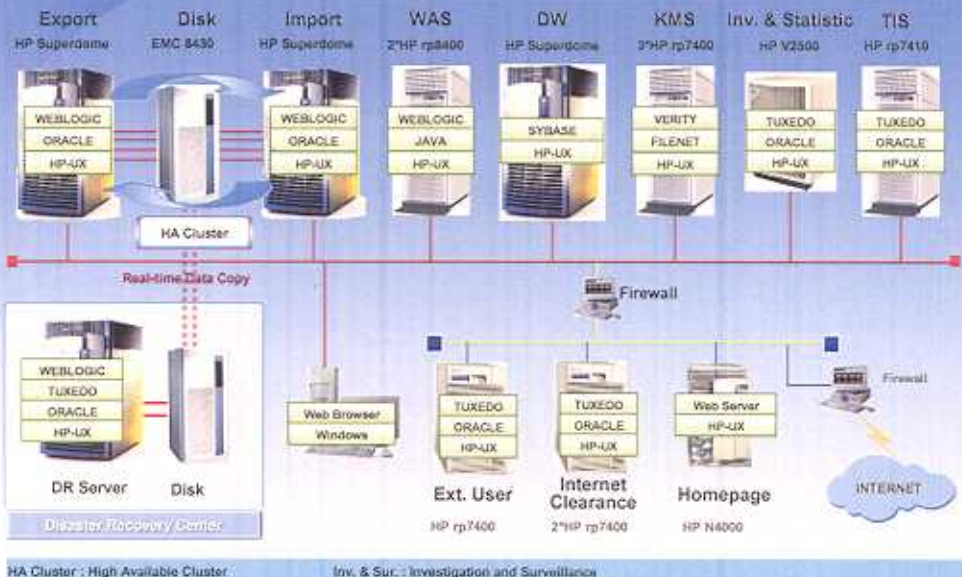
1. Diagram of e-Custom

System Diagram



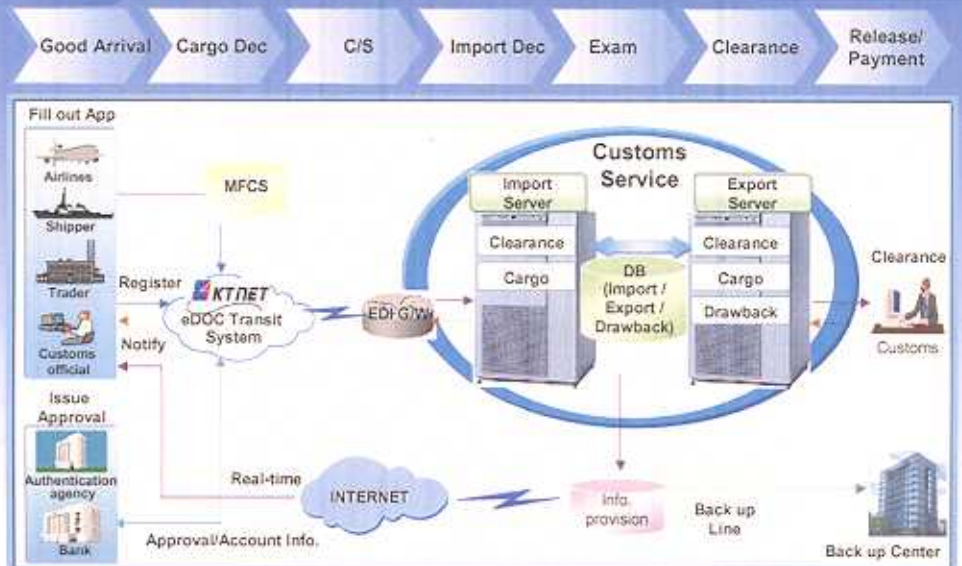
2. System Architecture (H/W, S/W)

System Architecture



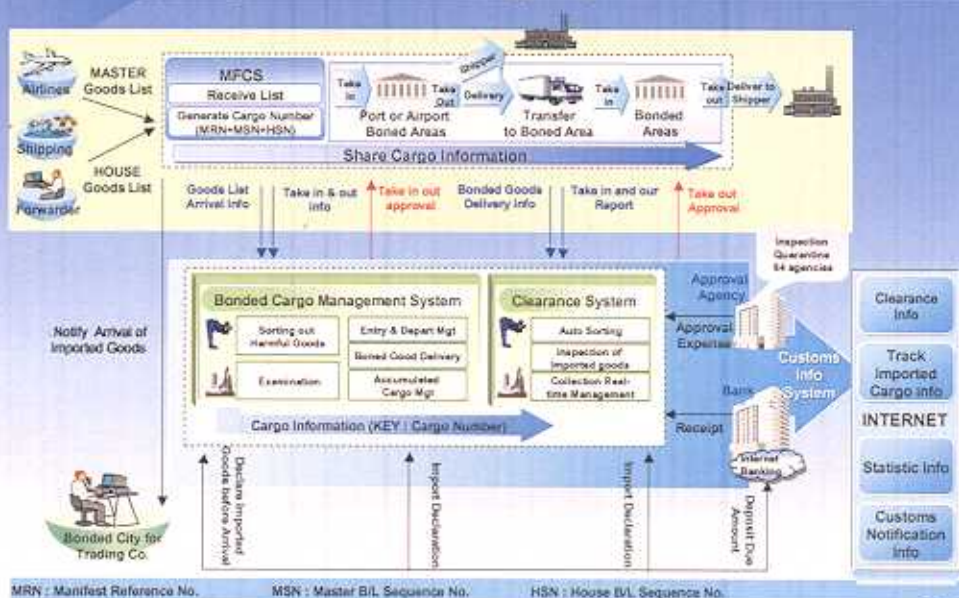
3. EDI e-Customs Service

Work Flow



4-1. Import (Clearance/Freights)

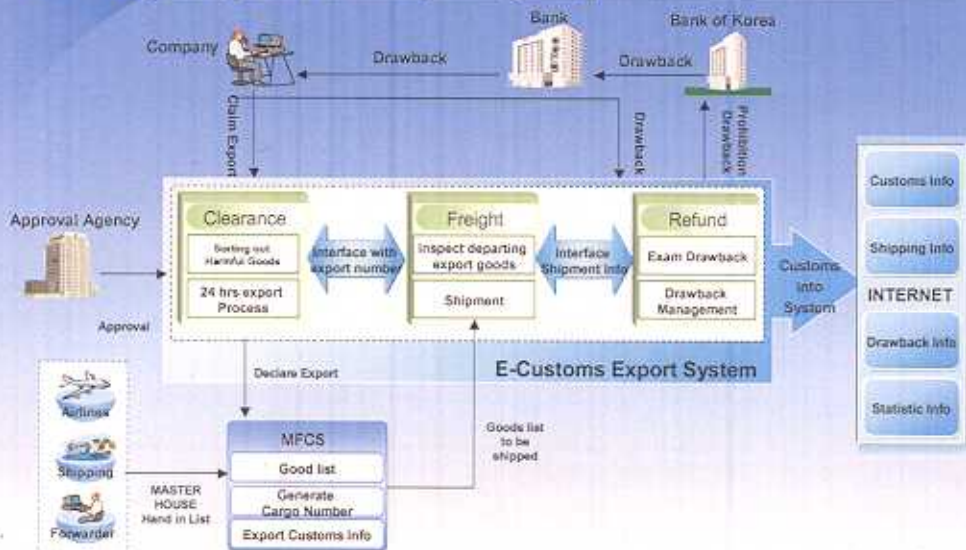
Detailed Work Flow



safe, smart, swift

4-2. Export (Clearance/Freights)

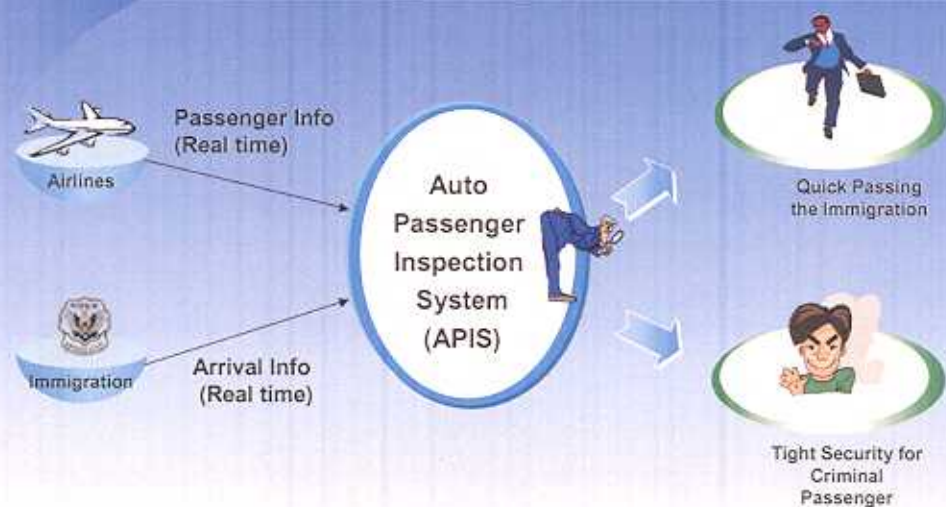
Detailed Work Flow



safe, smart, swift

4-3. Traveler

Detailed Work Flow



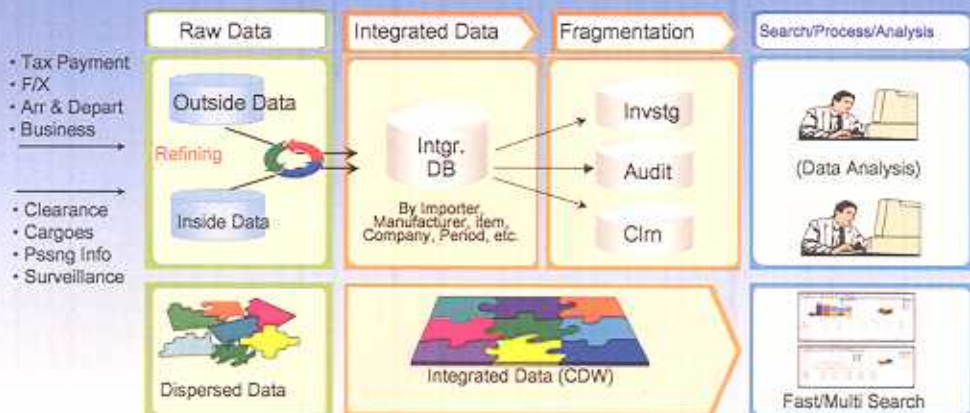
APIS : Advance Passenger Information System, Auto Passenger Inspection System



4-4. Customs Data Warehouse (CDW)

Detailed Work Flow

- Established Integrated D/B using raw data gathered internally and externally
- It provides an effective R/M Tool that allows an easy and fast search, process, and analysis of data necessary to customs





Internet Clearance Portal Service

I. Background

II. Concept of the service

III. Achievements

IV. Expected effects



I. Background

Internet Clearance Portal Service

Need for Internet Clearance Portal Service suitable for e-Biz environment
3rd 3-year Master Plan for Digitalization of Customs Administration ('2004~2006)
Established ('03.6)

Widespread
Internet
Usage

Meet the Change

Need for
New
Paradigm

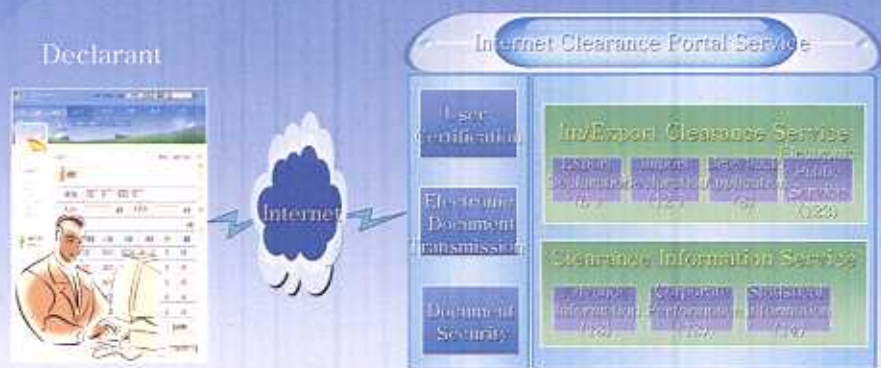
Limits of
EDI Clearance
System

- Drastic increase of Internet users
'98 : 3 → '04 : 31 (million)
- Widespread e-business
 - Innovation of government public service(G4C)
 - Electronic procurement(G2B)
 - Internet banking, stock trade

- High expenses including EDI transmission fee
- Mid & small companies' Inconveniences in using EDI
- Difficulties in business connection between related agencies

- Need for an easy and convenient report channel
- One Stop Clearance Single Window Service
- Future-oriented Clearance System connectable to logistics and trade networks





Customs public service provided on-line through Clearance Portal System
(3A Clearance Service : Anytime, Anywhere, Anydevice)

Timely-provided client-tailored Customs administrative information

Internet Clearance Portal Service

- Internet Ex/Import Declaration System
 - Export('04), Import., Drawback, Electronic Public Service (completion expected in October '05)
- Clearance Portal System (completion expected in October '05)
- Customs Single Window(completion expected in October '05)

Advancement of Customs Administrative Information Infrastructure

- Web-based UI Integrated System (currently at 2nd Stage of 3rd System) (completion expected in October '05)
- Automated Selectivity System, Co-relation Analysis System Development (completion expected in December '05)
- Advancement and Standardization of Customs System as in the cases of WCO CDM etc. ('05-)

Strengthening of Customs Clearance Operation Base

- Comprehensive Resource Management System ('04)
 - ex) Operation of Integrated Control Center
- Electronic Certification System for on-line Ex/Import Declaration('03-'04)
- Next-generation Network Infrastructure
 - ex) Wireless LAN, Voip etc.('04)

Reduction of extra expenses



- > Simplification & reduction of Paperwork and Procedures
- > Logistics Flow Facilitation

Advancement of Customs Administrative Information Infrastructure

over 17.42 billion won

Internet Clearance Portal

over 2 trillion 77.7 billion won

Stable Operational Base for Clearance Network

over 12.7 billion won

Corporate Productivity Increase
National Competitiveness Upgrade

Factual basis: JF 3-year Digitalization Master Plan Result Report '03.6, SDSI



Ubiquitous Clearance Service

I. Background

II. New Vision

III. Strategy & Task

4th Customs Informatization Plan (2007~2010) (to be formulated in 2006),
to realize Global Top U-Customs

Respond to
changes

Changes in social
environment

Changes in intl'
environment

Changes in
administration

- internet
 - ubiquitous environment
- Manual
 - automated decision making
- information
 - knowledge-based society
- Stereotypic
 - diversified demand for info.

- service provider-oriented
 - citizen-oriented e-government
- On Line service
- Integrated administration service

- Diversified trade patterns
(FTA, economic integration)
- Emphasis on trade security
- Standardized customs
procedures and data

Realization of Innovative Global e-customs

Knowledge-based
productivity increase

Customer satisfaction
through e-service

Business network
local and outside

- Building infra for knowledge-based work process
- Developing human resources with strong knowledge
- Knowledge-based organization by systematic implementation

- Building infra for u-Service
- customer-oriented/friendly info system
- Capacity building for system improvement

- Building partnership
- Responding to changing trade environment
- Predicting and meeting future changes

Knowledge-based
Productivity
increase

- Building infra for knowledge-based work process
- Developing human resources with strong knowledge
- Knowledge-based organization by systematic implementation

Customer
satisfaction
through U- service

- Building infra to realize U-service
- Enhancing information system, raising quality of service
- Building new customer relation for customer satisfaction

Proactive, innovative
response to new
environment

- Re-defining partnership reflecting changes in environment
- Active participation in international bodies and cooperation networks

THANK YOU

초일류 세관으로의 도약

