

DIGITISING CUSTOMS CLEARANCES
ON SMALL PACKAGES TO BENEFIT MSMEs

CAMBODIA

New Online Portal Will Also Boost Trade Potential of MSMEs, Women-led Businesses



The Alliance is supporting the Customs authority and Cambodia Post in linking their respective electronic systems for processing clearances of small packages, saving time and money for local micro, small, and medium enterprises (MSMEs), many of them women-owned. In parallel, we will help strengthen the capacity of key stakeholders in the small package export sector to maximise the impact of the system improvements. That work will include helping establish a new online portal that serves as an e-trade 'one-stop' service point for MSMEs to ship goods internationally and upscale their export capabilities.

MSMEs are the backbone of the Cambodian economy, representing 99% of the country's private sector, and women-led businesses account for 65% of all MSMEs. However, these smaller businesses only account for 10% of Cambodia's exports, compared to around 30% in other countries in the region.

Given the global surge in electronic commerce (e-commerce), the Improving Small Package e-Trade for SMEs (SeT4SME) project will support the General Department of Customs and Excise (GDCE) and Cambodia Post in digitising their processes applying to small packages sent through the post. This project will make the trade in small packages easier, faster, and more cost-effective, thus unlocking this enormous market's potential for local MSMEs.



WHAT WE ARE DOING

The GDCE and Cambodia Post each have electronic systems for handling parcel clearances for small shipments sent through the post, but a lack of digital linkage means that paper Customs declarations are still filed and processed manually. This project involves linking the two systems to facilitate the rapid clearance of small packages and ending their dependence on cumbersome paper processes.

Change management workshops will raise awareness of the new approach and address technical issues associated with the systems integration, while Customs teams and Cambodia Post will receive training to adjust to the expedited process.

The project has another component that aims to make it easier for Cambodia's MSMEs to seize the opportunities in global markets. We are working with the Cambodia Women Entrepreneurs Association (CWEA) on the development of a new online portal that will serve as a 'one-stop shop' for MSMEs looking to understand and engage in international trade through the enhanced arrangements between Customs and Cambodia Post.

The CWEA acts as a local private sector champion for the project, promoting public and MSME awareness of the possibilities of e-commerce and international trade while also building the capacities of local MSMEs and engaging in ongoing discussions with the government on trade issues.

SUPPORTING IMPLEMENTATION OF THE TRADE FACILITATION AGREEMENT

The project will support Cambodia's implementation of the following articles of the World Trade Organization's Trade Facilitation Agreement, which requires countries to expedite the movement, release, and clearance of goods:

Article 7.1 Pre-arrival processing

Article 7.4 Risk management

Article 8.2 Border agency cooperation

BENEFITS

By creating a new digital link between Customs systems and Cambodia Post, and supporting MSME engagement in cross-border trade, the project will:

- reduce the time and costs required in filing and obtaining Customs clearances for small parcels shipped through Cambodia Post
- remove a significant barrier to Cambodian MSMEs participating in cross-border trade and boost their growth and contributions to inclusive economic growth
- give women-led businesses the opportunity to grow by making it easier to send small packages internationally, making e-commerce a more realistic prospect for many
- enhance the transparency around Customs processes and tariffs applying to small package shipments
- create new opportunities for Cambodia Post to expand its strategic partnerships with operators to improve its mail and logistics capacity
- advance the government's progress on implementing the Cambodia Trade Integration Strategy 2019-2023

Raising the MSME share of Cambodia's exports from 10% to the 30% seen in other Southeast Asian countries could add as much as USD 3.5 billion a year to the national economy.

MEASUREMENT

We will focus on establishing a baseline for postal shipments at the start of project implementation and conduct an assessment at its conclusion to consider the full range of impacts.

TIMELINE

The project is expected to take 18 months with the two components—focusing on the digital link between Customs and Cambodia Post and the development of the online portal at CWEA—running concurrently.

HOW CAN THE PRIVATE SECTOR GET INVOLVED?

We are looking for Cambodian MSMEs to participate in the project as early adopters and 'champions' of the expedited Customs clearance approach.

To get involved or for more information, please contact us at:

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WHO WE ARE



We are a public-private partnership for trade-led growth, supporting governments in developing and least-developed countries in implementing the World Trade Organization's Trade Facilitation Agreement. Our projects cut through red tape and end costly delays at borders by bringing together governments and businesses of all sizes as equal partners to deliver targeted trade reforms. The Alliance is led by the Center for International Private Enterprise, the International Chamber of Commerce, and the World Economic Forum, in cooperation with Gesellschaft für Internationale Zusammenarbeit (GIZ). We are funded by the governments of the United States, Canada, Germany and Denmark.

HOST ORGANISATIONS



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