

**CLADEC - Conference of Latin American
and Caribbean Express Companies**

CLADEC

Customs Committee
Adrián Correa-Sobrado
Chairman

The Importance of the Express Delivery Services

The Express Delivery Industry, worldwide:

- Is an accelerator of capital reinvestment cycles.
- Integrates 230 countries with door-to-door expedite delivery services (24 to 48 hours).
- It carries 32 million shipments per day.
- Its combined task force comprises more than 1,700 dedicated airplanes; 200,000 vehicles, and 1.25 Million employees.
- Its combined revenue is US\$130 Billions / year.
- **It carries 40% of the value of all commodities transported by air.**
- **It generates collection of US\$115 Billions in Duties and Taxes.**
- CLADEC comprises 21 national express companies' associations, including those of Peru, Mexico and Chile.



Our Key Message:

Trade facilitation and reduction of transaction costs should be achieved through implementation of security measures and risk management in the supply chain, as set forth in the WCO's *Revised Kyoto Convention*, the *Immediate Release Guidelines*, and the *SAFE Framework of Standards*.



(1) The Goal: To achieve trade facilitation and reduction of transaction costs

- These “overarching goals” would benefit virtually all international trade players with an agile and cheaper international trade.
- They would also benefit the international competitiveness and the “country brand” position of the different economies.
- Finally, they would also benefit the end users of the commodities and related services.

(2) The Ways and Means: Security and Risk Management.

- **Security in the Supply Chain. Pros:** Efficiency for expeditious logistics, carriage, customs clearance and distribution.
- **Risk Management. Pros:** It allows for optimizing the use of the resources of customs and border protection agencies through a better focusing of inspection efforts. This entails a faster and cheaper passage through customs for “reliable” commodities and their related international trade players.
- **Cons. (for both):** the inherent cost of additional standard operating procedures, infrastructure and technology, plus cumbersome training and harmonization efforts.

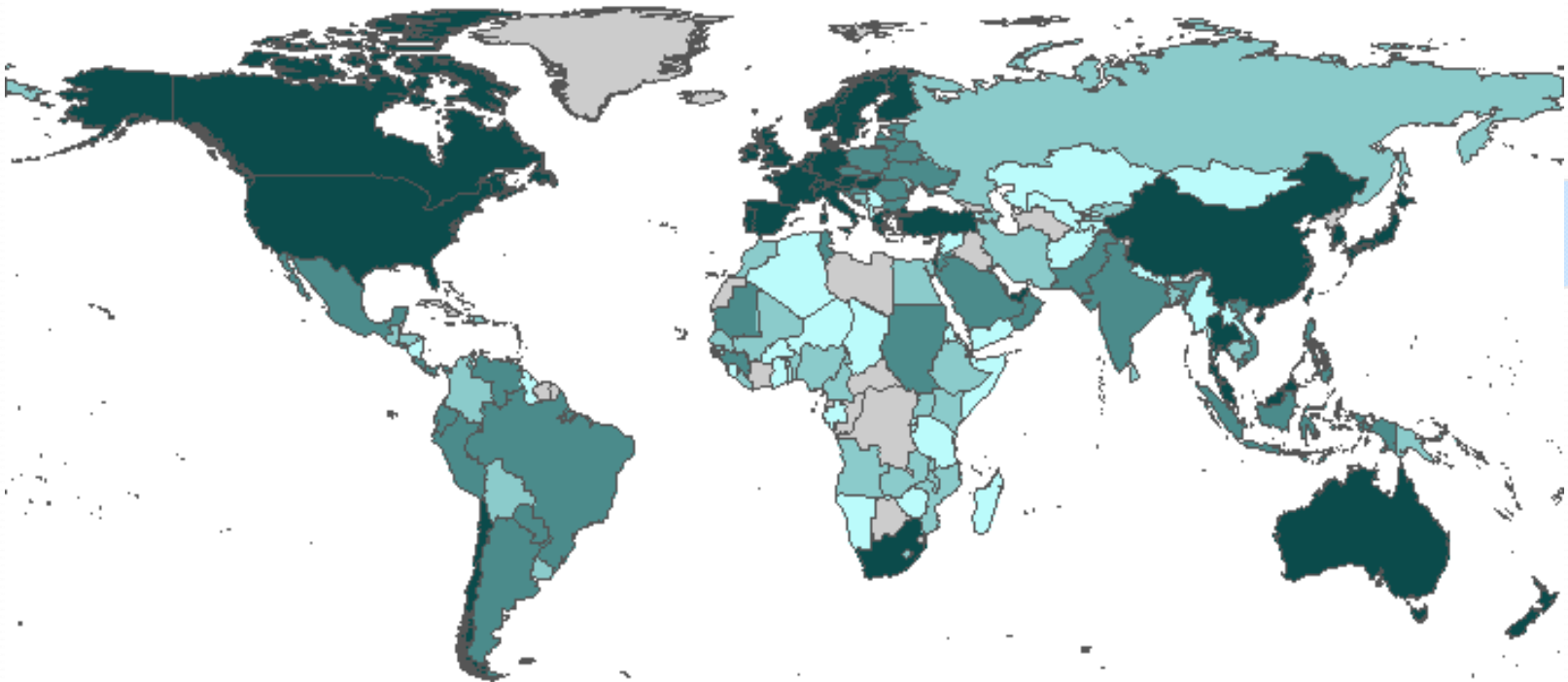
(3) The strategy: the WCO instruments.

- **Revised Kyoto Convention** - Substantive best practices.
- **Immediate Release Guidelines** - Adjective best practices.
- **SAFE Framework of Standards** - Security guidelines for customs and border protection agencies and private players. *The Authorized Economic Operator (AEO) is one of its key elements.*



The World's Bank *Logistics Performance Index* 2007

- The darker-shaded economies (more observant of the WCO instruments) ranked better in the World Bank's *Logistics Performance Index* 2007



(4) Conclusions

- Once the WCO best practices, recommendations, and framework of standards are applied, international trade has shown to become simpler, and its costs, more reasonable for the compliant players.
- Those players who do not comply or are not trustworthy are finding that carriage across borders and distribution through undesirable methods, or of undesirable commodities, becomes every time more difficult and expensive.
- This shall contribute to place them in unfavourable market positions, and to force them into clandestineness, and, eventually, termination of their activities.



*Conference of Express Companies of
Latin America and the Caribbean*

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Thank you

