

## **ITEM VI WCO UNIQUE CONSIGNMENT REFERENCE (UCR)**

Document(s): no document

### Background

The Chairperson recalled that Australia and the United Kingdom have been piloting the GS1 Serial Shipping Container Code (SSCC) as a UCR which was based upon close partnership arrangements between trade, trade associations GS1 and Customs. In particular, this partnership extended to a mutual understanding of all parties' respective supply chain perspectives, and in so doing, was aimed at achieving those benefits specific to their different business contexts. The project analysed and described the benefits that apply specifically to Customs administrations, as well as an understanding of the bigger picture in industry. The Chairperson then invited Mr. Vivian O'Horo (UK), Ms Yuliya Shevchenko (GS1, Project Manager) and the Secretariat to give a presentation on the pilot project.

The Chairperson added that it had been proposed to deliver the presentation in two parts, namely a final report of the first phase of the project and then consideration of the next steps as subsequent discussion would be better managed if segregated in this way.

Finally the Chairperson mentioned the fact that this project was the subject of an article in June edition of the WCO Magazine entitled "The UCR under the spotlight" thus indicating that it continues to achieve a high and positive profile.

Delegates were then asked to comment on each subject in turn.

### Summary of discussion

The IMSC recorded its appreciation of the pilot and noted that it had met most of its principal stated objectives. It showed that the SSCC can be used as a UCR number for some important Customs purposes and that if SSCC (or another comparable global standard) is accepted by all participants of the international supply chain, both Government and industry, then all parties would benefit from the use of the same reference numbers. This extended to enhanced security, predictability of information and reduced compliance costs. There remain some issues concerning exactly how the SSCC number is applied if an order is made up of more than one physical units. The representative from GS1 explained that the numbers are suitable for application to any logistics unit at any time in the supply chain, including at order or confirmation. Delegates further noted the challenges that had been identified including the critical need for clear and ongoing communication amongst all participants, strong project management throughout the process and the full commitment by all stakeholders. The meeting endorsed the important finding from UK Customs that the value of the UCR is compromised if it is not integrated into normal logistics and clearance processes via a significant business re-engineering process. Another outcome from the project was that GS1 will consider renaming the SSCC to address confusion caused by use of the word "container" that many people mistakenly took to refer to shipping containers.

IMSC noted the frustrated attempts between the UK and Australian Customs administrations to exchange data. This was seen as a significant omission from the original objectives and something to be pursued actively in any subsequent UCR projects.

It was pointed out by the Secretariat that for the formal purposes of IMSC 53, the final project report constituted the presentations from UK Customs and GS1 and the recorded recommendations and conclusions reached at this meeting. There would be, in addition, a full version of the project working document that had far more detail of the project terms of reference, scope and *modus operandi* made available on both the WCO and GS1 websites in the very near future.

The IMSC noted with interest some specific comments from the trade participants, in particular:

- The use of a UCR could be performed without altering existing internal systems and in addition to the current proprietary identification solutions.
- Linking transport and commercial information via the SSCC can provide companies with enhanced traceability over international supply chains

Delegates then turned their attention to consideration of the possible next steps for the UCR project. The main issue discussed was a possible expanded project scope extending to new stakeholders, other goods being traded and increased penetration into the supply chain incorporating, for example, deconsolidation. There was keen interest that this project ought to continue and build upon the lessons learned in the first phase. Secretariat explained that all these issues would be on the agenda for the UCR Correspondence Group meeting proposed to be held in October 2007.

### Conclusions

The Sub-Committee took note of the final report on the UCR project and agreed that it had met its basic objectives and paved the way for a more expansive project. On that basis, the meeting keenly adopted the proposal for a further phase of this project with the scope and Terms of Reference to be analysed by the various stakeholders between now and the first meeting of the newly constituted UCR Correspondence Group that is likely to occur in October 2007. At that meeting, it was expected that the next phase of the project would be fully defined and details such as participating countries, industry stakeholders and commodities would be reported to the 54<sup>th</sup> IMSC in January 2008.

Members continued to urge the formulation of more pilot projects to allow an increasing mutual understanding of the technical and physical issues implied by end-to-end supply chain management through the UCR. They noted other projects were being undertaken such as that run by EPC Global between Shanghai and Long Beach, and the China/EU project that incorporated UCR functionality into its charter. The Sub-Committee would like to know more of these projects and both members and the Secretariat pledged to do what investigating they could in order to find out more about these and other possible projects for reporting at the next meeting.