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Customs Automation Assessment

Final Report

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EXECUTIVE SUMMARY

The objective of this Scope of Work was to perform an assessment of current automation within the Customs Department and to review the equipment request that would expand current automated procedures, provide the infrastructure to automate manual procedures, and bring additional sites into the automated environment. A major part of the assessment involved reviewing the communications network and the in-house experience in maintaining equipment and software.

Beyond the equipment needs assessment, there was a request to review the potential need for value processing research and the development of a value database, and the migration of Customs automation to a fully electronic environment with the eventual goal of E-Customs, E-Government and E-Commerce.

A review of Customs Headquarters automation and several major field locations indicated that Customs has developed a plan to promote automation throughout the service, has the communications infrastructure in place, and has developed in-house expertise and experience in automating Customs procedures and sites.

Several meetings and discussions focused on the valuation research capability, private sector products that include services for valuation support, and the potential development of an in-house database. The most useful product and the one that would promote the in-house value expertise of the Customs Department is the development of the in-house value database. Several options were identified and suggested. Development of this facility should proceed with the involvement and support of field personnel. Prior to determining the final product, a test environment should be initiated and all potential options tested.

This assessment also focused on the many opportunities to be considered in the area of promoting an electronic work environment with the goal of working in that environment within the Department, within government and with private sector partners. To migrate towards an electronic work environment requires not only automating processes, but also creating an atmosphere that promotes work within that environment. This includes bringing managers into the process, teaching them to be comfortable with electronic information, and having them dispense with paper documents, forms, and signatures. To begin working towards this goal, Customs can start by developing full electronic communications within the Department, partnering with other government agencies in the goal of promoting the electronic workplace, and working with the private sector to initiate pilot programs of mutual interest that would promote efficiency, provide predictability, and establish cost effective techniques within the import/export process.

To initiate these programs requires that the Customs Department continue to automate its functions and sites, and promote the electronic work environment within the Department. Since Customs has identified a desire to work towards this goal, this is a target of

opportunity for USAID to help Customs meet those goals by providing assistance for automation initiatives and equipment needs.

Customs Department managers contributed a great deal to this assessment and provided full staff support. However, this assessment could not have been completed without the assistance and support of Mr. Jamal Olaimat of the Amir Program who provided a great deal of background information for this review.

1.0 Background

The Jordan Customs Department needs to establish a proper automated infrastructure to implement many automated capabilities that will provide a structure for working within the WTO requirements. Customs has already established the VSAT communications network for twenty-five Customs sites and has automated eight of those sites. ASYCUDA, the automated system which provides for electronic declaration filing with selective processing and examination of commercial transactions, is now available at two sites. The current plan is to implement ASYCUDA at two more sites this year and at additional sites over the next twenty-four months. There are other Customs control functions outside of the ASYCUDA environment that are scheduled for implementation at automated and non-automated Customs facilities.

Customs has determined that they need to automate the cargo transit and transfer process; to implement additional sites for the purpose of monitoring the arrival of vehicles entered for temporary use; to have the capability to move and access data including value data; and to pursue the benefits of electronic communication within Customs and with the trade community.

The Customs Department has requested assistance of USAID to provide the needed equipment and other support in promoting their automation needs. Customs has provided their equipment needs and an automation plan. This goal to fully automate the Customs Service is a target of opportunity to provide assistance and to help develop the level of expertise of Jordanian Customs officers in the area of electronic data capture and analysis. Once this goal is met, automation will create standardization within the Department and provide more predictable and faster processing to the trade.

The following is an assessment of Customs automation needs, which includes a review of, the existing infrastructure, the current automated environment, the current manual processes intended for automation, the need for additional equipment, and the appropriateness of the equipment.

2.0 Review of Customs Headquarters Automation Plan

2.1 Customs Department Computer Director

The Director for Computer Operations has a defined plan to develop additional automated procedures within Customs. There are currently eight automated sites. Only Amman Customhouse and Queen Alia Airport have electronic declaration processing which includes a selectivity system for cargo processing.. Other automated sites use ten stand-alone systems that are linked with the centralized database at Customs headquarters. Those systems are outside ASYCUDA and process duty drawback, control the escrow account for

timely duty drawback refunds, provide for electronic processing of temporary admission procedures, and support other management systems.

Automating the manual sites and manual procedures will provide for a Customs-wide shared database and automation support to do the work. The shared database will give Customs officers the capability to contact one another and the HQ office through electronic means, perform research on-line regarding value issues, analyze data for compliance purposes, and help promote uniformity within the service.

This plan also includes computers and printers to assist in the expansion of ASYCUDA to Aqaba and the Zarqa Free Zone. Once those additional two sites are implemented, over 80% of all commercial import declarations will be automated. As Customs has automated eight major sites that appear to be fully functional, there is experience and in-house expertise in implementing and maintaining those networks and the communications system.

2.2 National Project for ASYCUDA/JARASH

Jordan's ASYCUDA for Reform, Automation, Simplification, and Harmonization (JARASH) is currently available at Amman Customs and the Airport Customs Office. Clearing agents with computers are networked with Customs and there are on-site computers for agents without computers to input their declarations. A fee is charged for the use of Customs provided computers. There are approximately 250 to 350 electronic declarations filed daily at those sites. This represents about 45% of the all daily import declarations filed in Jordan.

The ASYCUDA/JARASH system is scheduled for implementation at other commercial sites within the next two years. Once this process is complete all declarations will be processed through the system. The electronic processing will deliver error free documents that are edited through reference files prior to acceptance. This capability will provide accurate foreign trade statistics, and a database that can be downloaded and analyzed for purposes of risk assessment, import trends, and workload factors.

The implementation of JARASH also will provide a uniform database. Currently the codes that are used within JARASH differ from those used at other customs sites and correlation tables had to be developed to enable the compiling of statistics. The JARASH system provides a platform for interfaces with trade community participants such as banks, transport, and other trade entities.

One major benefit of this system is the selective process that is determined by criteria and random selection factors. It promotes expedited release of compliant transactions. Information on examination and document review is fed back into the system to provide data for analysis and the building criteria. Fully compliant transactions can be released with no additional review or physical examination. However, at this time the law does require the submission of the printed declaration and all relevant documents to the Customs office. The national implementation of JARASH is a major step in Customs modernization

and a big move toward working in an electronic format. The system provides standardized import declaration and release procedures as well as an accurate database that will through the use of selective processing expedite release of goods for compliant importers and facilitate commercial trade. The resident data can be analyzed for use in identifying areas of concern and non-compliance for further review and enforcement action.

2.3 VSAT Communications Infrastructure

The communications infrastructure is currently available within the Customs department to link twenty-five customs sites to each other and to the headquarters office in Amman. There is only a requirement to have the equipment to link with the network. Eight sites are currently linked and others need to be automated. The VSAT network includes a data transmission channel, three voice lines, and the capacity for video monitoring.

Each non-automated site is equipped with a router that will allow for data transmission through a connection with an RJ45 telephone jack. Those sites that are automated transmit electronic declaration information processed through the JARASH (Amman and Airport), duty drawback data, statistics, and temporary admissions of cars information to the headquarters office. Once the additional sites are automated, the majority of information as to the movement of goods will be complete within the headquarters system. It will facilitate the process of goods crossing borders, identify compliant transactions and import trends, allow for analysis of data, and provide accurate statistical information on both trade and workload factors.

The video monitoring facility is a major asset. It allows for the viewing of the work of Customs officers, the processing of passengers, and helps focus on enforcement concerns regarding both smuggling and theft of goods. It is currently available at five sites and is due to be implemented at four more. As goods traffic increases at other sites such as the Northern Crossing point there may be additional need to implement more sites. The airport cargo facility could also use the video monitoring capability.

This video facility allows the local manager to monitor workload and move personnel resources as needed to other areas. The sites are monitored 24 hours and provide valuable information as to activities that occur after hours or beyond the normal view of the customs authorities. Since the work itself is monitored, it has greatly increased the professionalism of the officers and precluded possible favorable treatment of high-ranking officials or personal friends.

There may be issues on future funding due to privatization of the satellite link and general maintenance of the system. This capability can provide a major deterrent to smuggling, theft of goods and helps create an atmosphere that promotes officer integrity. Request for funding should be carefully considered and reviewed as the communications network represents the foundation of the infrastructure for facilitating the movement of compliant trade and identifying enforcement concerns. There is an immediate concern about the data

channel. If all the sites are to be automated, the data channel must be upgraded to provide additional capacity for data transmission.

2.4 Planning and Valuation Issues

A major concern of field Customs officers relates to the possible under-invoicing of goods entering Jordan. Those officers are reluctant to accept the invoice value as transaction value, but have not developed a structured methodology to verify the values that they perceive to be deficient.   Therefore, many of these value issues are forwarded to HQ for resolution. This is both a time consuming and inefficient process.

Several commercial products and services related to the valuation of goods have been offered to Jordan Customs. One available service will verify the value and classification of the goods. Another service will provide an on-line listing of prices for major commodities. Additionally there is an in-house desire to develop a value database. These different possibilities were reviewed and discussed at several meetings.

The use of a service to do the actual work of the Customs officer in the area of valuation does not promote expertise within the service and could demoralize the workforce. It would be more efficient in the long term to train Customs officers to do the work themselves. This expertise can be developed through the use of international trainers who can provide the legal framework, practical exercises, and methodology in verifying invoice values.

Reference prices provided by an out-source vendor are only marginally useful for research purposes. Prior to determining that the invoice price cannot be used as the transaction value, the validity of that value must be considered within the scope of Agreement. This can only be done through expertise developed within Customs. If it is determined that transaction value or the price paid or payable is deficient in some missing element of value, then the next order under the Agreement is to consider identical/similar goods for which a value was previously accepted when the goods entered Jordan. Consequently, values that exist for imports into other countries, price lists, and offers for sale, cannot be used as a basis for valuation of goods entering Jordan.

The option to build an in-house database using information from previous imports into Jordan is the most useful and can actually help develop expertise within the service. However, this option can be a difficult and intensive process. Several possibilities should be explored.

The electronic declaration database resident in JARASH can be downloaded based on defined data elements and possibly used as a basis for decision making. However, it must be understood that the information resident in that system is not at a unit value nor at the commercial level indicating specific items or models, instead it represents a total value of possible multiple items classified under a specific tariff provision. Also, since at this time

the electronic declaration environment only contains about 45% of all declarations filed, it is incomplete.

Another option could be the manual input into a database of all, or possibly only risk commodities, at the invoice commercial unit price. The data elements must be carefully defined, an input form constructed for an experienced Customs officer to extract data from the invoice and input it into the form, and then the form passed to a data input clerk to transfer the data into the database. To complete the record, the invoice itself could be copied and scanned into another database and accessed as needed through an interface using a function key.

Other options could involve populating a database with electronic data from JARASH and supplementing it with manual input. All these possibilities should be tested using an off-the-shelf type data analysis tool before proceeding to actually define the process. Field personnel should actively participate in building this database so that they can learn from the process, assess and approve the final product, and have a stake in making it a useful and successful tool.

All of these options should be carefully considered before expending resources to either employ an outside party or develop an in-house database.

2.5 Customs Director General's E-Commerce Initiative

The Director General is extremely interested in developing within the Customs Department the capability to do E-Commerce. As Customs continues to automate all of its procedures and sites and provides the electronic declaration platform throughout the Department it will be easier to identify E-Commerce initiatives. However, many opportunities exist in the current environment.

The Jordan Customs Web site is very impressive. There is a possibility to further develop the current site to include more information and allow one stop shopping for prospective and current importers. A full guide to Customs requirements including downloadable forms could be placed on the Web site. The United States Customs Service has a Web site were all Customs requirements, rulings, changes in the law, notices, and new information is made available to the trade community under the importing and exporting part of www.customs.gov.

Other ministries could be contacted to add their requirements to the site and also work directly with Customs towards the goal of a full interface in the electronic environment that would eventually preclude the need for an importer to move his documents from one office to another. An electronic interface with other entities is a long-term process but it is never too soon to begin the planning stage.

The possibility of using something other than paper-generated payments should also be explored. If possible a partnership with the banking sector could be formed to develop a method of payment by major compliant importers using some electronic method such as a debit card. An account specifically to pay customs fees could be established and drawn-on as needed through the use of such a debit card. Once this facility is established and electronic transfer of payment was available, this process could easily migrate to electronic payments.

There is also the possibility of developing an electronic controls for transit and transfer movements through the use of smart card technology or tracking devices that would indicate that the movement had arrived and crossed the border thereby acquitting the guarantee and allowing more movements of cargo on the same guarantee. This may help to eliminate the need to escort truck convoys. Smart card or bar code technology can also be considered for areas such a free zones and bonded warehouses to monitor inventory under Customs control.

Major compliant importers that may have already automated many of their functions and have the resources to work together with Customs can be recruited to develop new initiatives to further promote electronic trade. Working in partnership with the private sector is extremely beneficial. Not only can the trade provide a good pilot test environment to launch new initiatives before making the final decision to implement, but also those same firms can become a good source of information for officers who are researching market conditions. The trade can often provide excellent training to Customs on how goods are manufactured and sold.

There are many options and opportunities to develop e-commerce in the current environment. It is never too early to work with the trade partners on these initiatives. Even if the trade partner is not automated, these initiatives may provide the incentive to consider automation and also to build their automation needs based on a future interface with the Customs Department.

3.0 Field Review of the Customs Automated Environment

3.1 JARASH at the Queen Alia Airport

The automated declaration processing system is currently used for all commercial goods declared at Queen Alia Airport. The site has facilities for about eighty clearing agents who have computers linked to the Customs system and transmit their declarations to Customs. The computer software includes resident reference files supplied by Customs that edit the information prior to transmission and allow for the printing of a clean declaration once it is re-edited and accepted in the Customs system. The declarations are attached to the documents and presented to Customs for registration. Once the documents are registered and reviewed, the clearing agent receives the outcome of the selective process. The system runs rules, criteria and random selection factors against each transaction. The clearing

agent is notified through his computer or on a large monitor at the Customs site as to the outcome of the processing.

If the process shows a green lane, the agent is to pay his duties and once payment is made, he receives a release notice to pick up his goods without any additional scrutiny of documents or examination of cargo. A yellow lane notification will indicate that documents are to be further reviewed and a red lane indicates that the goods should be made available for examination. Information concerning the results of the examination and documents review is fed back into the system. Customs can adjust exam factors on an as needed basis. An electronic query notification also exists were the agent is notified to come forward and make some correction. Clearing agents that cannot afford computers have the option to use Customs provided equipment for a fee. Not only does this process promote uniformity, but also it allows for a selective process and faster release of cargo. A major advantage is that all the data is stored within the Customs system. That information generates accurate trade statistics and provides a database that can be downloaded and analyzed for trade trends, compliance and workload factors.

3.2 Zarqa Free Zone

The Zarqa Free Zone currently has automated functions but does not have ASYCUDA/JARASH in place. It is a site that is scheduled to implement JARASH this year. There is already a communications and computer network in place and experienced on-site technical personnel to maintain the site. The site only requires additional equipment to implement the benefits of automated commercial declaration processing. There is an additional need to for computers to access and review value information and to be used for working with other control functions that are currently in the process of being automated.

3.3 Jaber Border Site

This site on the Syrian border is the largest border port in Jordan. There are many movements of goods for transit and for transfer to interior ports. There are also many passenger vehicles arriving for temporary entry into Jordan. JARASH is to be implemented within the next 18 months. The site request is for computers to access and review value data but they could also be used for other needs. It appears that this site could use additional equipment for many functions. There is a great deal of work in the area of temporary entry of automobiles and the movement of transit and transfer goods. Other equipment needs were noted. Many of the computers were out-of-date and some of the printers worked full time and grew too hot to perform. There is a communications link with the HQ computer center and on-site experienced technical personnel to maintain the network. However, it is noted that the site could use an air conditioning system for the server room.

3.4 ASYCUDA/JARASH at Amman Customs

A review of the automated work environment at Amman Customs indicated that ASYCUDA/JARASH is functioning well. Most major clearing agents have their own equipment and transmit data through their computers linked to Customs. For those clearing agents without equipment, Customs provides computers for input of the declaration. A fee is charged for computer use. All the Customs provided computers were being used when this review was conducted. The system appears to be running smoothly. On-site technical computer personnel maintain and update the system. There was a complaint that data transmission was too slow, but that problem should be resolved with an upgrade to the VSAT data channel.

3.5 Sahab Industrial Estate

Sahab Customs is scheduled for JARASH implementation within a year. The computer network is operational, and automation procedures are in place with technical personnel and a server on site.

4.0 Summary of Findings and Conclusions

4.1 Equipment Request

4.1.1 ASYCUDA/JARASH Expansion to Aqaba and Zarqa Free Zone

ASYDUCA/JARASH is currently available at two commercial processing sites in Jordan. It provides for automated transmission and editing of declarations, selective processing and expedited release of goods, and an automated system for payment accounting. The data collected is used to generate accurate foreign trade statistics, a database for research and trend analysis, and provides a methodology that promotes accountability, uniformity and standardization within the Customs Department. It is also a platform for electronic interfaces with trade partners in the public and private sector. Currently approximately 45% of all commercial declarations filed with Jordan Customs are automated. The planned expansion to Aqaba and Zarqa Free Zone will almost double the number and percent of automated declarations.

The required communications infrastructure is in place but will require an upgrade to the data channel for faster transmission of data. There are experienced computer personnel at both sites since the sites are automated for other Customs functions. Based on the review of the two existing sites at Amman Customs and Queen Alia Airport where JARASH is currently in place, this equipment request is reasonable and will provide this much needed capability to expand the automated declaration process to two other major processing sites. Cost estimate for equipment is approximately $200,000.

4.1.2 Equipment for Automating Automobile Temporary Admission Permits

The border-crossing site of Jaber has automated the Customs control function of temporary admission of automobiles and it is necessary to expand this control process to other sites. This is a major control function within Customs. There is also a need to have a common database to control the incoming and outgoing automobiles and to identify those that have exceeded the temporary admission period. This procedure is both a time consuming and labor-intensive process and automating the process at other sites will improve controls as well as expedite clearance of vehicles at congested borders. The request covers eight border sites, Amman Customs and Headquarters. The process was reviewed at Jaber and is functioning smoothly with Customs computer technical personnel on-site. The new equipment at border sites will also promote the automating and control of transit and transfer cargo. This function when fully automated will allow the guarantee to be updated and provide for more movement of cargo on a single guarantee. It will create a more cost-effective procedure for the trade, give Customs a greater level of control, and bring greater efficiency to the process. The site does require some upgrade of equipment, and an air conditioner for the server room. Considering that additional equipment needs were identified at Jaber but were not requested, this equipment request to automate additional sites and provide uniformity of control and monitoring for all sites appears most reasonable. Cost estimate for equipment is approximately $210,000.

4.1.3 Equipment for Value Research at Major Processing Sites

This portion of the request covers computers and laser printers for Headquarters and the six major commercial declaration processing sites to do valuation research using a common database. The current process does not promote uniformity since there is no common database for storing value information. The communications infrastructure and on-site computer maintenance personnel are in place. This equipment will provide the capability to access whatever value database is to be used. It will promote uniformity of valuation within Customs and provide a method for officers to communicate easily with Headquarters and other sites about common issues. A facility such as a common database can alert Customs about importers who shop for the most advantageous site to declare their goods. Funding should be considered for this process not only to promote uniformity through the use of automation, but also to help raise expertise within the service. It will allow for a greater level of confidence to exist when working through the value process and also potentially identify areas of concern and non-compliance. Cost estimate for the equipment is approximately $80,000.

4.1.4 Equipment for Automating and Expanding Automated Procedures to Non-Automated Customs Sites and Link with Headquarters.

This portion of the request covers expanding computerization and computerized procedures to nine non-automated sites. There is every need to computerize all sites and allow for links to Headquarters in order to communicate timely information to all officers, allow for a uniform database, and promote the automated environment within Customs. The communications infrastructure is in place and the experience for

automating and maintaining computer sites exists within the Department. The approximate cost of the equipment is $160,000.

4.1.5 Equipment for Expansion of Computerization at HQ and the Automated Customs Houses

This equipment request covers a need for expansion of computerization at existing automated sites and for improving the level of performance within the Department. This request also covers offices of the General Tax Directorate, the Enforcement Directorate, the Aqaba Laboratory and the new JARASH sites. The additional equipment will optimize communications with the sites, create a platform for automating additional manual procedures and provide for a fully automated Customs that can do the work with the benefits that automated systems provide. The communications infrastructure is in place. The link with the General Sales Tax Directorate and the Enforcement Directorate can also provide a platform for linkage to other Directorates and identify the benefits of data exchange. This can be the first step towards linking with other public sector partners. The approximate cost of the equipment is $210,000.

4.1.6 Conclusions on Equipment Needs.

The equipment requests are reasonable. The communications infrastructure exists although there is a need to upgrade of the data channel to expedite the movement of additional data. The specifications for the PC's should be upgraded to include 600MHz processors, at least 128 RAM and 10G hard drive. The servers should be upgraded to 5 Drives to have a back up facility. These costs were considered in the estimate. The total cost estimate is approximately $860,000.

 The automation and maintenance expertise exists within the Department as many sites are transmitting data to the Headquarters office. If the Customs Department is to modernize, to promote uniformity and standardization within the Department, to automate current labor intensive and time-consuming procedures, and to promote the expedited processing of goods and persons, it can only do so through the use of automated procedures that require the necessary equipment. It is recommended that the equipment be provided.

4.2 Value Research Options

The Jordan Customs Department is considering several options to facilitate the accurate valuation of goods under the Customs Valuation Agreement. There is a great deal of concern that many imports are under-invoiced. Several private vendors have provided information on their products and their ability to assist the Jordan Customs Department with valuation expertise, verification of invoice value, and data on existing prices. To out-source the value processing work to private parties is expensive and does not build Customs expertise.

One option is to develop an in-house value database to use for review of invoice values and to use in cases when transaction value is found lacking an element of value and Customs must resort to another basis of value such as previously accepted values for identical or similar goods.

If such a database is to be designed and programmed, it should first be developed in a test environment using of-the-shelf software. Once a design is identified, test data can be retrieved from the declaration and invoice by an experienced officer, entered on a specially designed form, and transferred to the database by a clerk. It is possible to consider copying and scanning the invoice as an image and having it accessible, at the record level, through a function key. This methodology will create a complete record of the previous shipment. It may be desirable to initially build the database for risk transactions only as the information gathering and keying of data is labor-intensive work. The design and test environment should be shared with field offices to make certain that all the necessary information is in the record and that field officers support the design.

Once such a database is designed, and found to be useful it may be desirable to expand it for other purposes. A multi-use database is very beneficial for performing trade trends and identifying compliance concerns. For data analysis purposes, it may be worthwhile to consider linking the value data to declaration data downloaded from JARASH. The declaration registration number should be part of the value database line record. This will not only allow linkage with the declaration database but also identify the specific declaration from where the value data was retrieved.

The option of creating an in-house database, although difficult and time consuming is the most beneficial. It will promote a disciplined methodology to accurately retrieve and use the data, provide for communication within the Department as officers may questions certain aspects of the data, create a special in-house skill of performing database research, and generate an environment that promotes in-house expertise and pride in work.

4.3 E-Commerce and E-Customs Initiatives

Electronic commerce by way of electronic Customs interfaces is a goal of every modern Customs Department. To fully realize electronic data exchange Customs needs to fully automate and partner with other trade entities to move towards an automated work environment. It is never too early to seek out trade partners both in the private and public sector and together explore new opportunities that exist within the electronic environment.

Electronic funds transfer is not only an expedited process for making payments but creates an excellent audit trail for those payment transactions. There are opportunities to work with the banking sector and importers towards that goal. The use of debit cards should be considered. Import firms could set up special accounts for their Customs payments. The account can be accessed at time of payment through a debit card presented to Customs.

Links with other public sector trade partners should be explored. Many ministries take part in the import process by certifying the product for import. It is possible to start to consider working with them to establish a link within the declaration process and providing them with information on the benefits of selective review of products.

Compliant major importers can also be brought into the process. Small work groups could be formed to identify processes that lack efficiency and impede the orderly flow of goods into the economy, and targeted for review. Many of these companies may have automated their functions and have the resources to explore and work with Customs on some common initiatives.

Smart cards or bar codes can be considered for inventory control of cargo moving in and out of bonded warehouse and free zones. Once the transit and transfer process is automated, pilot programs can be initiated to allow compliant low risk cargo to move outside the confines of an escorted convoy.

The Jordan Customs Web site is an excellent facility. It needs to be updated and the trade trained to use it as their major source of information from Customs. It can also be used to provide import information regarding forms and needs of other ministries. This could be a good method to start the work with other ministries towards meeting automated goals. The Customs Web site could be the one stop shopping site for import and export information.

Field personnel are often an excellent source on how to automate or provide more efficiency to a function. They are the people that do the routine work and can be a great source of information on how to do the job better.

Information flowing to and from HQ should start to move to the field and to HQ in an automated format. This will create a need for managers and officers to learn how to use the automated system and understand its benefits. Until such time as all instructions, directives and HQ communications are sent to field offices in electronic format using email, bulletin boards, and automated personnel functions, there is little reason for personnel not involved in the data input function to learn to work in automated environment. Workload factors can also be retrieved from the automated databases to identify busy periods, busy sites and trade trends to provide needed resources. On-board personnel and new recruits should be trained in computer skills and a methodology that involves data retrieval and analysis. Personnel with these skills can work with the data to provide tailored reports to managers and field officers.

Data analysis is particularly significant in the selective processing and selective post-audit environment. The same level of scrutiny is not required for each transaction either at the declaration stage or the post-audit stage. Results of such scrutiny should be fed back into an automated system to provide a base to make future informed decisions.
There is every reason to promote compliance within the trade community. To treat every transaction in the same manner does not help this process. If a compliant importer is provided benefits to move cargo without stringent scrutiny there will be more reason to

stay compliant or risk losing the benefit. Non-compliant importers seeing the available benefits would have more incentive to improve their performance.   Data-analysis tools provide the ability to recognize both compliant and non-compliant importers.

Working in an automated environment and using risk analysis is a major culture change for any work force. However, in order to move cargo expeditiously and promote more investment, that change must take place. Eventually it is expected that as automation progresses, electronic data will replace many paper documents and individual payments, and the Customs Department will to do the work in a paperless electronic environment. This is a staged process that can begin as soon as the Department's major automation needs are met and Customs personnel begin to develop a level of confidence in doing their work in an automated environment using risk management techniques.

5.0   Recommendations

Based on the review of the current Customs Department's automated environment it is recommended that the equipment be funded. The communications and maintenance infrastructure and in-house automation experience is in place to allow for additional automated functions and data exchange. The workstation computers should be upgraded to a 600MHz processors, 128 RAM and 10G of storage capacity. The servers should be upgraded to have five hard drives for additional capacity and backup and the data channel on VSAT should be upgraded to allow for 256 KBPS for faster data flow and for increased use as additional sites come on-line.

It is recommended that, if there is a determined need for a value facility, the Customs Department consider building an in-house value database rather than out-source this value function to a private sector party. The value database should first be constructed in a test environment with full field support and validation. It would be useful to explore appending a scanned invoice image to the record.

The concept of E-Customs/E-Commerce should be pursued with input from field personnel and in concert with trade partners in the private and public sector. The Customs Web site should be expanded to include additional information regarding importing and exporting and be kept up to date. Communication with field personnel and with managers should move from the paper environment to the electronic medium.

ANNEX A

JORDAN CUSTOMS AUTOMATION SURVEY
AND
CUSTOMS RESPONSES

ANNEX B

DEPARTMENT OF CUSTOMS EQUIPMENT REQUEST

ANNEX C

ASYCUDA/JARASH RESPONSES TO SURVEY
BACKGROUND MATERIAL
AND
IMPLEMENTATION PLAN

ANNEX D

VSAT DESCRIPTIVE MATERIAL
AND
SITE INFORMATION

ANNEX E

AUTOMATED DECLARATION FORM
BASED ON SINGLE ADMINISTRATIVE DOCUMENT
WITH
EU SAD

ANNEX F

CUSTOMS DEPARTMENT MANAGERS
AND STAFF
ASSISTING IN THIS ASSESSMENT

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Mr. Mahmoud Ettiwi	Director, Queen Alia Airport Cargo
Mr. Ahmed Al-Fa'ori	Director, Zarqa Free Zone
Mr. Ghaleb Gassem	Director, Jaber Customs
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