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— H.E. CHAM PRASIDH,  
MINISTER OF COMMERCE,  
ROYAL GOVERNMENT OF CAMBODIA



# Cambodia Speeds Up International Trade with the US

## GXS EDI and Integration Solutions Facilitate Trade Between the US and Cambodia

### Corporate Profile

#### Cambodia's Trade Quota Management Department

The US Customs Service regulates trading activities between the US and other countries. The US imports textiles from many different countries, particularly from the Asia-Pacific region. In order to ensure that all export quotas are properly adhered to, the countries have set up quota boards. In Cambodia, the Ministry of Commerce's Trade Preferences Department (TPD) manages and sub-allocates the quotas to local manufacturers. Garments and textiles are a major revenue earner for Cambodia and the US is Cambodia's largest customer, with exports to the US worth over \$1 billion every year.

Exporting countries issue individual export licenses or VISAs from the quota to manufacturers or exporters. US Customs has developed a system for monitoring the VISAs called Electronic Visa Information System (ELVIS).

### The Business Challenge

#### Accelerate Information Processing, Cut Consignment Fraud

In 2000, Cambodia started to experience problems with the textile quota restraint levels recently negotiated with the US government. Popular categories were filling and the Cambodian government records showed fewer exports than the related US reported imports. After extensive review, it was found that unauthorized VISAs had been issued to release merchandise. A manual system was implemented to ensure that only authorized VISAs were used to release merchandise. This system required VISAs to go through the Cambodian Embassy in the US for review before the US could accept the VISA. In turn, this process increased workloads and created delays, often up to several days, in clearing consignments of Cambodian textiles in US ports.

### The Solution

#### Reliable Document Exchange & Powerful Data Translation

Electronic communications needed to be improved between TPD and US Customs to enable TPD to link with the Customs' ELVIS system. Cambodia wanted to send VISA information to US Customs in advance of the delivery of exported goods so they could clear Customs quicker. TPD decided on an EDI solution from GXS to enable its in-house system to communicate directly with ELVIS. TPD took advantage of GXS's



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#### **GXS SOLUTIONS USED:**

- Application Integrator™
- EDI\*EXPRESS<sup>SM</sup>

EDI\*EXPRESS<sup>SM</sup> Service, a secure, reliable document exchange service and Application Integrator™, a powerful, intuitive mapping and translation tool.

EDI\*EXPRESS Service is used by enterprises worldwide to reduce administrative costs, streamline operations and provide near real-time information. Specifically designed to support electronic trade, EDI\*EXPRESS securely transmits documents to business partners anywhere in the world, removing delays caused by geography and time zones.

Application Integrator provides any-to-any data translation, platform independence and rapid implementation. Using Application Integrator, Cambodia TPD can exchange data via the Internet or value-added network (VAN) in a range of formats. It automatically translates the data from TPD’s VISA processing system in Phnom Penh into the format required by the receiving organization. Using these GXS tools has enabled Cambodia’s TPD to transfer a range of export documents related to VISAs and export documentation from their own in-house applications, without having to worry about compatibility with US Customs’ systems.

The use of illegitimate VISAs caused several category restraint levels to be embargoed and caused millions of dollars in lost revenue to Cambodia and their textile exporters. Today, Cambodia is a participant in the US ELVIS program that uses EDI to transmit government-to-government VISA information. EDI and the ELVIS program help reduce the instances of VISA fraud and make entry processing more efficient, while reducing the amount of revenue loss for Cambodia.

## **The Results**

### **Clearance Times Cut by 90 Percent**

Electronic communications have transformed the working relationship between TPD and US Customs. Now TPD can pre-register goods with Customs to facilitate easy clearance upon delivery. Customs can automatically match and exchange critical VISA information with TPD. With the GXS solutions, TPD has completely eliminated fraud as VISAs are now issued electronically, making counterfeit paperwork impossible.

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With the new solution, the workload of both TPD and the Cambodian Embassy in the US has reduced as the VISA processing cycle time has been cut by 20 percent. And, the Embassy has cut down reprocessing, as any changes in documentation can be made electronically. TPD can clear consignments dramatically faster—clearance times are now between four and eight hours instead of the previous four or five days.

US Customs offers the ELVIS EDI program to countries having VISA systems for exporting textiles to the US and that comply with Customs and CITA requirements. During the past



**CAMBODIA'S RESULTS:**

- VISA processing cycle time cut by 20 percent
- Clearance times down from four days to four hours
- Improved trade relations with the US
- Fraudulent VISAs eliminated 100 percent
- Better trade communications
- Enhanced exporter efficiency

several years, the use of EDI for the ELVIS program and related VISA processing has proven to be a highly efficient online method of processing entries with VISA requirements and minimizing VISA fraud. Customs encourages other countries with VISA programs to request participation in the ELVIS program.

The combination of US Customs' ELVIS system and GXS's EDI services and integration software is creating a platform to build an international exporting community information exchange which will lead in the future to better communications and improved exporter efficiency, encompassing US Customs, local quota boards, manufacturers, suppliers and exporters.

**GXS Solutions for Countries Exporting to the US:**

In collaboration with the US Customs Service, GXS implemented the US Customs standard interface that is based on IBM MQ Series (message oriented middleware). It provides an event-driven communication method, integrating GXS's EDI services and the US Customs' ELVIS system. This service architecture provides a reliable and fault tolerant application level interface between GXS's services and US Customs' applications. With the addition of MQ connectivity into its EDI services, GXS opens the door for exporting countries to take advantage of a real-time transaction capability with US Customs. Thus the exporting countries are now able to use existing connection capabilities to EDI\*EXPRESS and benefit from a proactive delivery and receipt of data with US Customs, eliminating the previous delays with zero impact on their existing technology investments.

**NORTH AMERICA AND GLOBAL HEADQUARTERS**

100 Edison Park Drive  
Gaithersburg, MD 20878  
U.S.A.

+1-800-560-4347 t  
+1-301-340-4000 t  
+1-301-340-5299 f

**EUROPE, MIDDLE EAST AND AFRICA**

1 Station Road  
Sunbury-on-Thames  
Middlesex TW16 6SU  
United Kingdom

+44 (0)1932 776047 t  
+44 (0)1932 776216 f

**ASIA PACIFIC**

25th Floor, Shell Tower  
Times Square  
Causeway Bay  
Hong Kong

+852 2884-6088 t  
+852 2513-0650 f

www.gxs.com



**About GXS**

GXS is a leading provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration. Organizations worldwide, including 75 percent of the Fortune 500, leverage GXS' GS1 certified global interoperability and supply chain execution solutions. Active in the global standards arena, GXS offers solutions, powered by the Trading Grid®, that enable customers both large and small, to connect with global partners, synchronize product information and optimize the execution of supply chains. Headquartered in Gaithersburg, MD., GXS provides sales and support to businesses and their partners worldwide. For more information about GXS visit [www.gxs.com](http://www.gxs.com).