



# MADAGASCAR TRADENET

"The implementation of CrimsonLogic's TradeNet platform in the Customs has played a significant role in improving the trade environment in Madagascar. With the simplified trade administration process, the Malagasy Customs can now focus on its core activities and continue to pursue the reform policy and contribute to make Malagasy ports one of the most prosperous trading communities in the region."

**Ramiandrasoa Vola-razafindramiandra**  
Director General of Customs, Madagascar

## SUMMARY

**Client:** Malagasy Community Network Services S.A. (GasyNet)

**Challenge:** It was a challenge to successfully integrate TradeNet and ASYCUDA++, a legacy system the Customs has been using. As the overall strategy is to build a hybrid system involving the two systems, where importers input their customs declaration data into ASYCUDA++, which is then transmitted and reconciled with data that originates in TradeNet.

**Solution:** TradeNet, CrimsonLogic's leading electronic trade solution, is an Electronic Data Interchange (EDI) system that links multiple parties to external trade transactions, creating a single point-of-transaction for most documentation tasks.

**Benefits:** TradeNet helped the Malagasy Customs Administration substantially improved cargo clearance time from more than 15 days to less than 5 days, subsequently leading to increased trade volumes and customs revenue. It also helped to improve Madagascar's World Bank Doing Business Ranking from 143th to 109th (Trading Across Border indicator) position.

## BACKGROUND

Boasting over a century of existence, the Malagasy Customs Administration has progressively embarked on an arduous reform and modernisation process to better facilitate the growing trade activities driven by internationalisation and regional integration, and to enhance the competitiveness of its national economy.

As part of its efforts to comply with the imperatives imposed by modern standards of foreign trade, the Malagasy Customs Administration took their first steps – through collaboration with Societe Generale de Surveillance S.A. (SGS), their existing trade facilitation partner – to establish GasyNet.

### Malagasy Community Network Services S.A. (GasyNet)

GasyNet was established in 2007, a Public-Private Partnership (PPP) between the Malagasy Government and SGS. The GasyNet project is a key component of Customs' modernisation and reform policy to increase revenues and also to fight fraud and corruption, while contributing to trade facilitation and stimulating the competitive advantage of Madagascar.

Prior to the integration with CrimsonLogic's proprietary TradeNet, Customs has been using ASYCUDA++, a legacy computerised Customs Management System designed by the United Nations Conference on Trade and Development (UNCTAD). Although effective, GasyNet saw the need for a single online platform to connect most of the entities in the trade community, including importers and customs brokers with the Customs, port, container terminal, commercial banks, the Central Bank and the Treasury.

"International trade competitiveness was identified as a key challenge to be addressed by the Madagascar government in its national growth plan. As such, there was a need to reform the Customs which was in a poor state and unable to keep up with the rest of the competitors in the region," said Vola-Razafindramiandra, Director General of Customs, Madagascar.

## SOLUTION

The new system is an integration of TradeNet and ASYCUDA++, the latter system which Customs had already been using.

Everyone exporting to Madagascar must first register and fill in an electronic form, called Advance Cargo information – ACI (or Bordereau de Suivi de Cargaison - BSC), for each consignment. The exporter attaches copies of the trade documents, such as the commercial invoice, bill of lading and certificate of origin to the BSC and these are then transmitted electronically to the Customs in Madagascar to be verified by Customs for consistency and risk profiling.

Once completed, the importer or customs broker can submit the customs declaration via ASYCUDA++.

After which, TradeNet will then connect most of the entities involved in the import and export process together in a single online platform, and enabling these entities to share data and transmit their approvals electronically.

GasyNet is enhancing TradeNet's capabilities and extending the network to more government agencies. In the future, agencies that conduct technical and phytosanitary inspections will be able to access all relevant data and transmit their clearances online.

Pascal Bezençon, Chief Executive Officer at GasyNet summed up: "With TradeNet, clearance time has been reduced from more than 15 days to less than 5 days. Coupled with great time savings and centralised systems, we have also experienced improved efficiency, better revenues and enhanced compliance and transparency in the trade community."

## BENEFITS

Since the first implementation of the overall reform policy by the Malagasy Customs (including the Single Window) in 2007, various stakeholders of GasyNet have seen these improvements:

- Increased compliance: Trade process in Madagascar has improved drastically with the omission of unnecessary bureaucracy.
- Increased efficiency: Clearance time was reduced from more than 15 days to less than 5 days for sea shipment.
- Increased customs revenue: Since 2005, customs revenues have doubled from approximately 500 billion Malagasy Ariary to more than 1,000 billion today. Since the implementation of TradeNet in June 2007, receipts have also increased by 50 percent, accounting for around half of the country's income.
- The cost of imports was reduced with paperless processes and faster clearance time.
- The ranking in Doing Business (Trading Across Border indicator) improved from 143th (2007) to 109th (2009) position.
- The ranking in Logistics Performance Index (LPI) indicator also improved from 120th (2007) to 84th (2012) position.



For more information on this case study, please contact us at [sales@crimsonlogic.com](mailto:sales@crimsonlogic.com)

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