





How Digitisation Has
Transformed International
Trade Clearances

## Navigating the Future: How Digitisation Has Transformed International Trade Clearances

Efficient clearance processes are crucial in international trade, allowing for the smooth passage of essential commodities such as food, drugs and cosmetics. At the heart of this system is the Central Clearance Department of the Saudi Food and Drug Authority (SFDA), where clearance requests are managed. Here, all products are examined under the supervision of the SFDA and in accordance with strict, standardised procedures. Initiated in 2001, the SFDA's Central Clearance Department is divided into three clearance offices, one each in the east, west and centre of the Kingdom.

## **Centralisation and Digitisation**

In 2018, following its division into distinct offices, the clearance department undertook a monumental shift by centralising and digitising its clearance operations, signifying not just a departure from conventional, time-consuming practices, but ushering in an era defined by speed and efficiency. The imperative for centralisation and digitisation became more evident during the Covid-19 pandemic. Due to heightened time constraints brought about by the pandemic, it became advantageous – indeed, vital – to implement streamlined processes. Consequently, the SFDA's decision to accelerate the central clearance project was an adaptive response, in addition to a strategic move.

Prior to centralisation, clearance procedures were notoriously protracted, often taking several days to complete. However, with the embrace of digital technology, the average clearance time dropped to 40 minutes, revolutionising the trade landscape in the Kingdom. This digitisation not only accelerated the process, but also introduced a level of precision that was previously unattainable. After 2018 the Central Clearance Department made it much easier for companies to register products by implementing an online platform and awareness initiatives.

## **Collaboration and Outreach**

The SFDA Central Clearance Department plays a pivotal role in overseeing a range of products, primarily focusing on food, drugs and cosmetics. As the authority's mandate expands, the department collaborates with Customs, the Ministry of Health and other relevant agencies to ensure a smooth clearance process. A notable partnership exists between the Central Clearance Department and laboratories. In addition, there is engagement with SFDA labs for drug products, as well as joint efforts with more than a dozen private laboratories across the Kingdom for other products.

Beyond its operational achievements, the SFDA Central Clearance Department operates awareness campaigns and hosts workshops on a quarterly basis, helping guide businesses and individuals through the intricacies of the clearance process. By unravelling these complexities, the department contributes to the development of a more knowledgeable community.

If a producer falls short of compliance standards, a 10-day grace period is granted for them to gather the necessary supporting documentation. Should this prove unsuccessful, the clearance department initiates direct communication. This personalised outreach serves as more than just a notification of non-compliance – it becomes a constructive dialogue aimed at explaining the specific reasons why a product had issues. This approach is designed to not only rectify immediate issues, but also to elevate and fortify producers' understanding.

## **Conclusion and Outlook**

The SFDA Central Clearance Department is a symbol of innovation and efficiency in the field of trade facilitation. From its digitisation efforts to the embrace of artificial intelligence (AI), the department exemplifies a commitment to excellence that ensures the safety of imported and locally produced food, drugs and cosmetics in Saudi Arabia.

Looking towards the future, the department is positioned for further advancements. The integration of AI into the clearance process is a notable initiative, reflecting the department's dedication to harnessing advanced technology to boost efficiency. Quarterly meetings further underscore its continuous improvement efforts.

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