

## Message from the World Customs Organization

### International Customs Day 2019

Embargo date: 25 January 2019, UTC 09:00

Traditionally, to mark International Customs Day (ICD) each year, the WCO Secretariat dedicates a theme that is pertinent to the challenges facing the global Customs community. The slogan chosen for 2019 is “SMART borders for seamless Trade, Travel and Transport.” At a time when the number of passengers and the volume of freight crossing borders is expected to increase exponentially, and technology has transformed the economic landscape in which Customs is evolving, WCO Members are encouraged to look at how they can best ensure the swift and smooth cross-border movement of goods, people and means of transport.

Customs, working with other border agencies, plays a pivotal role in facilitating trade and travel, through simplified, standardized and harmonized border procedures, and in securing borders. It is, therefore, quintessential for Customs to take the lead in consolidating and further amplifying the ongoing efforts to ease the flow of goods and people across borders, thus turning globalization into a positive force. To that end, the WCO is committed to promoting the transformation of frontiers into “SMART borders,” with Customs acting as the central connecting and coordinating hub.

The concept of SMART borders also highlights Customs’ role in supporting the UN 2030 Agenda for Sustainable Development. By creating a level playing field for all stakeholders through simplified, standardized and harmonized procedures, it ensures timely delivery of raw materials to industry, reduces unfair competition in local communities, and opens up opportunities for marginalized communities to access new markets. It creates transparent and predictable conditions for trade, and facilitates legitimate business that will in turn contribute to economic growth and job opportunities.

By introducing the concept of SMART borders, we want to invite the Customs community to reflect on how Customs could reengineer business processes while applying new technologies, and work “smartly” to achieve an interconnected global value chain that fosters economic growth in an inclusive manner. The SMART borders concept is aimed at encouraging WCO Members to delve into the realm of technology in order to find solutions to facilitate the flow of people, goods and conveyances at borders, while following the guiding principles for SMART borders, namely: *Secure, Measurable, Automated, Risk Management-based and Technology-driven*.

The first letter of the acronym SMART, “Secure,” refers to our appeal to Customs to continue working with other border agencies as a means to strengthen mutual trust and transparency in our efforts to secure and facilitate legitimate trade. Cooperation should be at the heart of Customs’ rhetoric in favour of a fully integrated global value chain that is conducive to economic growth. The rapid and safe movement of people and goods across borders encourages trade, travel and transport, and Customs have the dual task of facilitating this flow while securing it by effectively combatting terrorism and other security threats at borders.

Alongside security, we are promoting a performance-based culture that rests on self-evaluation and objective measurement by exhorting Customs to ensure that elements of the trade flow and organizational performance are “Measurable”. Measuring performance is essential for well-conceived decisions that can be easily implemented and evaluated. Customs needs a tailor-made tool, based on a globally accepted benchmark that is independently verifiable. The WCO will initiate discussions to that effect in view of developing such a performance-measurement tool.

Being “SMART” invariably refers to the need for Customs to develop, use and implement solutions that are “Automated”. In the pursuit of a less cumbersome border environment where data is mined, shared and effectively analyzed, Customs should rely on automated processes and not neglect the importance of conducting further studies to analyze the impact of cyber security threats. The focus should also extend to emerging areas such as digital forensics and internet privacy.

Ensuring the easy flow of goods and people, strengthening supply chain integrity, and mitigating potential security threats are achievable through a “Risk Management-based” approach. However, Customs needs to be more dynamic in identifying potential risks and reducing reliance on physical inspection of consignments by conducting further studies on predictive analytics, profiling techniques, the use of biometrics, and other relevant areas. Such an approach facilitates legitimate trade, strengthens supply chain integrity, and mitigates potential security threats.

Last, but not least, “Technology” should be the main driver of the Customs agenda so that WCO Members are better equipped to respond to the new challenges and opportunities of the digital age. Customs should relentlessly pursue further studies and carry out further proof of concept exercises to explore the use of emerging technologies in order to stay in the lead. Previously emerging technologies such as Blockchain, 3D printing or cloud computing are now being put to good use and new ones are already emerging, such as the use of geo-spatial data, artificial intelligence, robotics, and drones.

Though the approach is new, the different aspects of securing borders, measuring performance, developing automated processes, focusing on risk management, and carrying out research on emerging technologies have been on the WCO’s agenda for a number of years, and many WCO tools, instruments and initiatives can readily assist Customs administrations in working “smartly.”

Such instruments and initiatives include the revised WCO International Convention on the Simplification and Harmonization of Customs Procedures, the WCO SAFE Framework of Standards to Secure and Facilitate Global Trade, the WCO Security Programme, the WCO SAFE Package 2018, the WCO Time Release Study (TRS), the WCO IT Guide for Executives, the WCO Guidance on the Use of ICT for TFA Implementation, the WCO Cross-Border E-Commerce Framework of Standards, and the WCO Digital Customs Suite, among others.

The WCO will also intensify capacity building activities, to ensure that Customs is prepared, equipped and adequately trained to face the challenges addressed in this message. It is imperative that Customs allocate resources to non-fiscal areas such as security and protection of society, which will in turn attract more trade and investment and thus generate economic prosperity.

Over the course of 2019, I invite all WCO Members to promote and share information on their efforts towards achieving “SMART borders” as well as highlight challenges faced and showcase projects that will inspire others. Such activities go a long way in bringing the global Customs community together, forging a spirit of partnership and cooperation, both of which are essential to achieving success in today’s international trading landscape.

On the part of the WCO Secretariat, we will continue to enhance the promotion of relevant tools, instruments and initiatives as well as support all WCO Members through capacity building and other related activities. Through these efforts, I am quite sure that we will achieve our many and varied goals.

Wishing you all a very joyful International Customs Day!

Kunio Mikuriya  
Secretary General

25 January 2019