Synergies between AEO & RA/KC: Pilot in Vietnam

3rd Global AEO Conference

2016
11 to 13 MAY
Outline

- Introduction of speakers
- Background
- Joint Mission in Vietnam
- Outcomes
- Questions
Background

2010 Yemen cartridge incident raised global security concern

Result

• WCO and ICAO identified synergies and partnered to align the Authorized Economic Operator (AEO) and the Regulated Agent/Known Consignor (RA/KC) programs
• WCO sought Member volunteers to embark on a pilot exercise
• Vietnam volunteered in February 2015 to embark on a pilot
Gap analysis

WCO SAFE AEO

ICAO Annex 17 (KC/RA requirements)

Vietnam Customs’ AEO program

Vietnam NCASP (KC/RA requirements)
Resources

3 AEO Experts from WCO

2 Aviation Security Experts from ICAO
Airport site visit

½ Day site visit to an AEO company

1 Meeting Between ICAO and Vietnam CAA

2 Site Visits at 2 Cargo Terminals at the airport
Gap Analysis Results

- Recommendations based on the comparison exercise and site visits
- 4 additional steps for full compliance and transparency of the Vietnamese AEO program
AEO & Aviation Security

2 Day Workshop

WCO & ICAO

Government

Industry stakeholders
ICAO Outcome

Findings

- 100% screening of cargo at airport
- No provision for RA/KC in the NCASP

Recommendations

- Potential benefits of adopting an RA/KC secure supply chain model, presented to the CAAV.
- ICAO advised that should the CAAV decide to pilot a secure supply chain involving RAs and KCs, it would first be necessary for Vietnam to establish the appropriate legislative provisions and accompanying guidance material.
WCO Outcome

Recommendations

- Plan a fully operational phase 2 oversight visit (processing of AEO application, validation, findings and areas of improvement)
- Offer AEO validation training
- Assistance on how to progress towards the Mutual Recognition Agreements
- Expand the program to other trade sectors
AVSEC - Outcome

If CAAV proceed with KC/RA, regulatory framework required:

- Annex 17 should be included in the NCASP
- NCASP provisions should consider RA/.KC in Chapter 13 and Appendices 31 and 32 of ICAO Manual
- Airport committees should include representatives of the air cargo industry
Metric Outcomes

24% increase in tonnage from 2013 to 2014

Growth will continue

Vietnam’s access to international markets will be hindered without robust trusted trader programs (e.g. KC, RA, AEO)
Potential Benefits

- Reduced duplication on validation and monitoring requirements
- Increased predictability and speed of supply chain
- Decreased airport congestion
- Reduced costs of getting air cargo to international markets
- Maximised trade facilitation benefits
Next steps

- Commitment from Vietnam CAAV to create KC & RA programs, developing related legislation
- Pilot test KC & RA programs with industry stakeholders and go live
- Implement recommend changes to the AEO program
- Ensure systems are in place to leverage from one trusted trader program into another without duplicating criteria
Thank you

Questions?