CUSTOMS IN THE DIGITAL AGE

A LINE OF THOUGHT

WORLD CUSTOMS ORGANIZATION

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- A CHANGING CONTEXT

------ EVERYTHING DIGITAL

- WHAT ARE THE INFLECTIONS FOR CUSTOMS?

- WHAT IS THE MANAGEMENT CONSIDERED?
THE CHANGING CONTEXT

- **Global manufacturing Production**:
  
  The global manufacturing sector entered into *steady growth phase*
  
  Evolution of 1.9% of world manufacturing production in June 2015*

- **E-commerce**:
  
  Anticipated increase of 20% in the world scale in 2014 compared to 2013.

- **World trade services**:
  
  An annual variation of 5% in 2014 for imports (with a value of 4740 Billions $) and a variation of 4% for exports (with a value of 4860 Billions $)

- **Liberalization and opening of markets**:
  
  Until the first semester 2015, the WTO had received *612 notifications of RTAs, 406 were implemented*

- **Technological Evolution**:
  
  The evolution of technology will know no limits: Internet object, intelligent citizens, virtual portfolio, intelligent machines, robotics, ...

*Source*: United Nations Organization for industrial development
THE CHANGING CONTEXT

- Demographics (7.3 billions of humans):

  Upward revision this year of demographic projections**

  *By 2100, African population could nearly quadruple*

** Source: United Nations Organization
THE CHANGING CONTEXT

Everything digital

- The IT has greatly contributed to these changes:

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<th>An ever expanding market</th>
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<td>The global computer market will reach <strong>2.337 billions of dollars</strong> by the end of 2015 and <strong>2.483 billions of dollars</strong> in 2016</td>
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<th>An increase in the population &quot;internet users&quot;</th>
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<td>World rate: <strong>40.7</strong> per <strong>100</strong> person / in 2014</td>
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<th>The technology allowed a better integration of production sectors into world value chains</th>
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<td>The technology is present in key economic sectors (industry, transport, logistics and trade)</td>
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<th>The world becomes interconnected</th>
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<td>The mobile technology, the Big Data and the logistics information, electronic procedures push the world market to an interconnected system</td>
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THE CHANGING CONTEXT

Interconnected world and flows without interruption
WHAT ARE THE INFLECTIONS FOR CUSTOMS?

- Major changes resulting from the globalization of economies act in-depth on the behavior of businesses and consumers

- Digital spreads, its spectrum is broadened and interconnects the world: new products and services, new modes of transaction and payment, delivery and the operational communication;

- Technological products are increasing at a remarkable speed: the ATI democratize their access

- The flow of information increase and circulate the speed of light

- The fraud is developing and security risks increase

Customs being at the center of technological progress are intended to:

- ensure a greater convergence between this context and their modes of action;

- incorporate increasingly their control process;

- continuously improve their absorption capacities and current developments assimilation.
WHAT ARE THE INFLECTIONS FOR CUSTOMS?

A. How Customs administrations should adapt themselves by leveraging the potential of IT?

B. How to reconcile the positions of customs administrations that are simultaneously actions in the supply chain and customs using solutions and the IT tools?

C. How the security dimension imposes new ways of working based on the exchange of information for the purposes of risk analysis?

D. How to go beyond the structures modernization and operational process to adjust to the pace of development of the IT and their impact on partners, transactional system and emerging products and services?

E. How to mount human resources skills?
WHAT IS THE MANAGEMENT CONSIDERED?

Launch a debate within the WCOs on digital customs

.... A vision, a prospective and a methodological and strategic tool

A watch on the developments in the IT field

Guidance and supervision of members in the engagement of the process of digital customs

A collection of systems and best practices in IT in customs field
WHAT IS THE MANAGEMENT CONSIDERED?

Three-dimensional Action

National level

International level

Organizational level
I. National level

- A definition of the coverage field of the digital customs in a definition extending partnerships
- A target scheme enabling customs to position itself in a scale of 1 to 3 to self assess and plan the progress to be made
- A process declined in phases according to a priority logic in order to support customs in their convergence to “digital custom model”
- Legal and normative preconditions to tackle all the developments to consider the changes. Often, the legislative framework takes time and requires coordination at high level. The element to be taken into consideration in the development of certain projects.
II. International level

- A mapping of Customs-to-Customs cooperation platforms and customs other authorities established at regional and international level in perspective of DRI and other projects of the same nature

- An operational process of building the DRI, Single Window and other solutions with the same aim: technical and legal components

- A text model of treaties and arrangements customs / customs; Customs / other partners to facilitate the interconnections of systems, the exchange of customs informations and the exchange of information on the new solutions and technologies adopted

- Trend data on foreign trade, fraud and security vulnerabilities that allow members to make strategic choices on development of DRI and various partnerships based on IT
WHAT IS THE MANAGEMENT CONSIDERED?

III. Organizational level

- **A global view** of all possibilities that offers the technology and the digital revolution for the working methods of customs.

- A "customs digital palette" which lists all WCO instruments, best practices, systems, the solutions and the tools that exist in the world related to customs fields.

- A **watch** on developments in the digital domain that may concern or affect customs unilaterally or in its relations with partners and customers.

- A **tool** for monitoring developments in convergence of members towards the Digital customs model.

- A **guide** that presents the possibilities of technical assistance, financing and supporting for capacity building, affording access conditions.
Issues to be resolved

- From Administrative assistance ....to mutual recognition
  - to adapt legal instruments
  - to secure interconnection of Customs Computer Systems

- Role of the World Customs Organization
  - a powerful supervisory action, accompanying but mainly training
  - an inclusive approach of work
  - remove all barriers to integration of customs administrations

- Role of Members
  - to engage voluntarily in choices of integration systems and prepare them
  - to push as far as possible the exchange of information flows
The digital customs concept could be conceived only in a plural logic.