Excellencies, Distinguished participants,
Ladies and Gentlemen,

1. We are all aware of the impact COVID-19 had on borders, and hence, on the movement of goods and people.

2. At the early stage of the pandemic, the borders were almost closed to the movement of people, while the movement of goods, especially essential goods such as medical products, was encouraged.

3. Therefore, the WCO issued guidance on what goods were to be facilitated, using its Harmonized System tariff classification, shared national practices on keeping supply chains open and developed guidelines in emergency situation.

4. I also convened the Private Sector Consultative Group or PSCG to find out from business the bottlenecks at borders.

5. As it turned out the lack of coordination to be the main obstacle, I contacted the relevant international trade and transport organizations and issued a series of joint statements and letters to facilitate coordination between Customs and other public and private players.
6. It is in this context that the UNOHRLLS and the WCO issued a joint statement calling for trade and transit facilitation during the COVID-19 pandemic in May 2020.

7. The closures of borders and travel restrictions we witnessed in the early response to the pandemic had a magnified impact for LLDCs who rely on transit in order to be part of international trade and global supply chains.

8. A particular challenge for LLDCs was related to the restrictions on truck drivers, including the requirements for testing, quarantine, bans from entry in the country, and requirements for convoys.

9. In response, the IRU and the WCO issued a joint statement in May 2020, calling on Customs administrations worldwide to ensure coordinated cross-border interventions in cooperation with other national border agencies and use the TIR system, which allow secure transport under Customs control with limited physical checks and less contact between people at borders.

10. In a similar vein, in response to the concern raised by the ICC, which administers international guaranteeing chains for Customs documents under temporary importation, I issued a letter in March 2020 to Customs to provide sufficient facility to ATA Carnets.

11. The lock downs, closures of non-essential businesses and social distancing requirements resulted in an enhanced uptake of digitalization and use of advanced technologies.

12. The private sector can contribute to digitalization initiatives with insights into supply chain bottlenecks and knowledge in logistics.

13. As such, both ICC and IRU are key partners in digitalization initiatives, such as eATA and eTIR.

14. Another trend we observed is the congestions of ports, shortage of empty containers and the big increase in shipping costs, where again the impact on LLDCs is even bigger compared to the impact on other Members.

15. The reasons for port congestions and the shortage of empty containers are very complex, including the early response to the pandemic, the increased demand, and the lack of capacity on the shore side to process the volume of ships and containers resulting from the increased demand. 

16. The role of Customs in mitigating the effects of the supply chain bottlenecks lies in two main areas: trade facilitation and digitalization of Customs procedures.

17. From Customs point of view, efficient transit regimes require three elements, namely, efficient exchange of information, efficient guarantee schemes, and effective implementation of security measures.

18. First, Customs needs to receive quality information in a timely manner to manage goods in transit to ensure the arrival and exit of cargo.
19. Second, the guaranteed system should cover not only nationally but cross-border shipments to ensure effective collection of revenue in case of cargo leakage/diversion.

20. Third, security measures should be based on risk management.

21. Digitalization of these elements would greatly benefit both Customs and the private sector.

22. The WCO Transit Guidelines and the Compendium of best practices in the area of transit contain a range of good examples.

23. These practices include the EU New Computerized Transit System (NCTS); the initiative for interconnectivity of transit systems in West and Central Africa – SIGMAT; the TIR system; the COMESA Guarantee scheme; the Regional Electronic Cargo Tracking System (RECTS) of Uganda, Kenya, Rwanda and DRC.

24. Of course, the use of technology, especially cross-border, calls for careful consideration as it requires consistency and compatibility of systems, for example, if operators of cargo tracking system need to change the electronic seal at each border and pay for multiple seals, this will not lead to reducing time and cost.

25. More generally, the key for reaping the benefits from the use of ICT and new technologies is the interoperability of the different technological solutions, which can be achieved when the solutions are based on international standards.

26. The WCO offers some relevant international standards, such as the WCO Data Model, which is a set of data requirements that meet the procedural and legal needs of cross-border regulatory agencies controlling export, import and transit transactions.

27. Another WCO standard is the Unified File Format which is a global standard for NII data.

28. Let me clarify that the WCO role is primarily setting instruments and tools that contain global standards.

29. In the area of digitalized Customs document, the WCO has produced Data Model as its basis and now works on the eATA pilot.

30. It also offers forum for sharing challenges, experiences, and best practices, thereby an opportunity for Members to benchmark themselves with their peers.

31. The WCO also provides capacity building support to Members for implementing its instruments and tools and promote Customs cooperation.

32. Currently we are looking at the implication of digitalized Customs on human resources and work arrangements.

33. Conversely, the WCO does not verify the conformity with WCO tools and standards of the various initiatives and off-the-shelf solutions.
34. In order to seek buy-in from Members, any national or regional initiative for implementation of new digital tools needs to carefully consider and justify its feasibility in the three aspects, namely legal, technological and financial aspects.

35. Although we have a study report exploring the use of the various technologies by Customs, the WCO does not have recommendations as to the choice of a specific technology for a specific area of Customs operations.

36. As the WCO standards are technology-agnostic, we organize the annual Technology Conference to offer technology companies to showcase their products and to offer Customs to share experience of using technology.

37. The WCO wishes to join the LLDCs in exploring the use of technology in digitalizing transit procedures.

Thank you very much for your attention.

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