



6th WCO Global AEO Conference

Harnessing the Power of AEO Programmes for Inclusive and Sustainable Global Trade

8 May 2024

Opening ceremony,

by

**Mr. Ian Saunders,
Secretary General of the World Customs Organization**

Ladies and Gentlemen, Esteemed Colleagues, and Distinguished Guests,

Welcome to the 6th WCO Global AEO Conference. As we gather in the dynamic and forward- looking city of Shenzhen, we are united under our conference's theme: "Harnessing the Power of AEO Programmes for Inclusive and Sustainable Global Trade." This theme not only frames our discussions but also challenges us to think beyond conventional boundaries, envisioning a future where trade is not just a vehicle for prosperity, but a catalyst for inclusivity and sustainability.

First, allow me to express my profound gratitude to the General Administration of Customs of China for hosting us and to all of you for joining us from around the world. Your presence here underscores the collective commitment we share towards fostering a secure, efficient, and resilient global trade environment.

I would like to thank the sponsors from the private sector, without whom the event would not have been possible. This year we have 15 sponsors, 19 exhibitors and numerous partners.

The exhibition area hosts 44 booths. I encourage you to visit the exhibition

and use it as another source of knowledge and insights. Governments can benefit from learning about what the solution providers and vendors are offering in this very exciting market, and the private sector can benefit from insights into legal and procedural requirements of Customs and other government authorities.

We are happy to have more than 1500 registered participants from 109 countries and territories.

At the heart of this conference is the Authorized Economic Operator programme, an essential element in the global trade facilitation landscape. AEOs epitomize the synergy between Customs authorities and the business community, fostering a collaborative environment where trade efficiency and security are paramount. The significance of AEOs transcends mere operational benefits; the programs embody our shared commitment to a transparent, secure, and resilient trade ecosystem.

As we explore the transformative potential of AEO programmes, it is crucial to acknowledge the backbone of our global economy - the Micro, Small and Medium-sized Enterprises, or MSMEs. They constitute an overwhelming majority of businesses worldwide and are significant contributors to job creation and economic development.

According to the WTO's report on the Digital Economy, Global Value Chains and SMEs, this subset of the commercial population is estimated to account for between 80-99 percent of firms in any given country and between 60-70 percent of global employment. Small and medium-sized enterprises are, simply put, a group that cannot be ignored.

Although SME contribution to GDP is estimated to be relatively high throughout the world, ranging from an estimated 22 percent in the Middle East to 70 percent in some African countries, SMEs' exports are significantly less. For example, SME exports account for 28 percent of overall exports in developing Europe, 16 percent in the Middle East, less than 10 percent in Latin America and the Caribbean, 8.7 percent in developing Asia, and only 3 percent in Africa.

These figures aren't just numbers. They tell a story of potential and opportunity. They highlight the vast, often untapped, potential of SMEs to contribute more significantly to global trade. Yet, despite their numbers and the employment opportunities they provide, MSMEs often face

disproportionate challenges in accessing international markets. These challenges range from simple awareness to complex regulatory requirements to limited access to finance and, perhaps something to which this audience would be most sensitive, the difficulties associated with meeting the compliance standards of AEO programmes.

Our mission is clear: to amplify the benefits of AEO programmes across the full spectrum of global trade participants. The strength of these programmes is magnified when we engage with a diverse range of stakeholders. By integrating more MSMEs into the AEO family, we not only expand our network but also enrich the tapestry of global trade.

Furthermore, the essence of secure and efficient global supply chains extends beyond traditional checkpoints. Engaging a wider array of supply chain actors, including logistics providers, e-commerce platforms, and small traders, is fundamental. This broadened engagement helps mitigate risks and vulnerabilities across the supply chain, fostering a comprehensive culture of compliance and security. It is about extending the principle of “know your customer” throughout the entire supply chain ecosystem, bringing transparency and trust to many more aspects of the trade transaction and its movement – and ensuring that the benefits of the confidence these principles extend beyond the immediate points where Customs traditionally operates.

Expanding our reach means building more resilient supply chains, capable of withstanding various challenges from logistical disruptions to global health crises. Our goal is to create a seamless and secure trade environment, minimizing vulnerabilities and enhancing the overall integrity of international commerce. This endeavor requires a holistic approach, one which brings together everyone -- from manufacturers to end retailers -- and one that ensures that every link in the chain is robust and reliable.

So, how do we realize this vision? The approach to doing so is multi-faceted:

- We must articulate the advantages of AEO status more compellingly, showcasing not just the facilitation of trade but also the elevation of a business's reputation, reliability, and competitive edge in the global market.
- We must simplify and communicate the requirements for AEO status to demystify the process, make it more accessible to MSMEs and ensure a broader understanding of the compliance landscape.

- We must enhance Mutual Recognition Agreements and Arrangements (MRAs) and other forms of international cooperation to amplify the benefits of AEO programmes and make them more attractive and valuable to businesses globally.

- While we focus on the sustainability of the AEO programmes themselves, we must also align them with broader sustainability goals, and promote environmentally responsible supply chains that contribute to the global sustainability agenda.

As we deliberate over the next few days, it is my hope that the focus will be on producing actionable insights and forming strategic collaborations. The conference sessions are designed to provoke thought, inspire action, and foster partnerships that will drive the evolution of AEO programmes worldwide.

The essence of our discussions will revolve around the critical role of AEOs in today's complex international trade environment. I will moderate the first session, where we will examine how these programmes can drive toward economic growth, not only by streamlining Customs procedures, but by creating a ripple effect that enhances supply chain resilience, promotes sustainability of the supply chain in the context of growing international trade, and supports MSMEs in their quest to enter the global marketplace.

Our program will take us to the innovative frontiers of trade facilitation, where AEO programmes intersect with data analytics and cutting-edge technologies, including emerging digital platforms. In this digital age, our commitment is to ensure that Customs administrations are fully equipped to navigate the complexities of modern trade, by leveraging technology to enhance compliance, reduce costs, and accelerate the movement of goods across borders.

Moreover, we acknowledge the pivotal role of inclusivity in the AEO narrative. It is essential to address the myriad challenges faced by various stakeholders, including the imperative to integrate gender perspectives, empower women in trade, and ensure that the benefits of AEO programmes are accessible to all sectors of our global trading community, particularly MSMEs.

This Conference has afforded us the unique opportunity to come closer to achieving gender balance among speakers and moderators. Drawing from a pool of 80 participants, 40% of the knowledge-sharing on stage will be driven by women, marking a significant milestone in promoting gender diversity and inclusion. I am happy we are able to model in our practice what we ask AEOs to strive for.

A highlight of our Conference, and one I wish to underscore, is Session 6, titled "The Future of AEO Programme: Trends, Challenges, and

Opportunities for Customs, Businesses, and Society in the Next Decade.” This session promises to be pivotal, providing a forward-looking analysis of the AEO landscape.

In reflecting on the future, we will also consider the evolution of global trade, anticipating the challenges and opportunities that lie ahead. Our collective wisdom must guide us in shaping a vision for AEO programmes that is adaptive, and forward-looking, ensuring they remain relevant and effective in an ever-changing world.

Finally, as stewards of global trade, it is our responsibility to explore if AEO programmes can contribute positively to the environmental, social, and economic dimensions of sustainability, as put forward in the United Nations Sustainable Development Goals.

As we embark on this journey together, I invite you to engage deeply in the rich agenda of this conference. Let us embrace this unique opportunity to shape a future where global trade is not only an engine for economic growth but also a platform for building a more inclusive and sustainable world.

Before I close, allow me to share a story to help make some of these ideas more concrete, more personal.

Imagine for a moment Café Antiguo, a small, family-owned coffee producer nestled in the highlands of Guatemala. Starting with a deep passion for coffee and a dream to share their exquisite blends with the world, they faced a difficult journey ahead. The path to becoming an AEO appeared daunting, strewn with rigorous security standards and compliance requirements that seemed tailored for much larger corporations.

Now imagine that despite these initial hurdles, Café Antiguo discovered an inherent advantage in its size. Its compact operation allowed for swift adaptations, enabling the company to meet the AEO’s security criteria with surprising agility. It realized that the very essence of its challenge—being a smaller entity—was, in fact, a strength. The company’s ability to quickly implement security enhancements, streamline processes, and maintain tight control over its supply chain demonstrated that meeting AEO standards was not only possible, it was perhaps even more straightforward than the company anticipated.

While the Café Antiguo I’ve just told you about is imaginary, what I’ve

described in its experience is entirely possible -- and the aspirations of companies like it are, without a doubt, real.

The story of Café Antiguo is a beacon designed to illuminate the path for MSMEs striving to achieve AEO status. The story presents a vision that is not beyond reach. It captures the essence of our collective aspirations. It reminds us what can be achieved when we support, guide, and believe in the potential of every participant in the global trading system.

So, as we draw inspiration from the story of Café Antiguo, let us also embrace the possibility that it portrays, and recognize that it does not have to be far from becoming a reality. Across the globe, countless enterprises are poised to begin similar journeys, their stories yet to unfold. With the right support, guidance, and resources, the dreams of such companies can and will materialize, transforming the landscape of international trade, strengthening economies, and improving lives.

Our conference, our discussions, and our collaborations here are more than just a meeting of minds. They are the fertile ground from which these dreams can grow into reality. Together, we can create a world where every company, no matter its size, has the opportunity to thrive within the AEO framework, contributing to a more secure, efficient, and inclusive global trade environment.

Thank you for your commitment, your presence, and your willingness to contribute to these vital conversations. I look forward to the innovative ideas, strategic partnerships, and inspired actions that will emanate from our time together.

Let's forge a path towards a brighter, more inclusive, and sustainable future for global trade – in partnership and with purpose.

Thank you.