



B7 Industry Stakeholders Conference Reconciling Economic Security and Free Trade

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by

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Buongiorno, stimati colleghi.

Good morning, distinguished colleagues.

I'm pleased to open this session, which poses one of the most critical questions facing international trade: How do we reconcile economic security with freedom of markets?

This is a question that the Customs community has had to grapple with for some time. For us, it gets at how we decide what is allowed to cross the border, taking into account market dynamics, local needs and demands, and the fact that, when one is responsible for managing the border for both security and trade, the world is more layered and complex than can be understood solely in terms of the interaction between supply and demand. Everyone before me has confirmed as much.

I would offer, based on Customs' experience, that the reconciliation of economic security and free markets depends on trust – trust among all

stakeholders in international trade — and the establishment of mechanisms to build this trust. This is a principle at the core of the World Customs Organization’s approach. We are working to create and instill trust between Customs and the private sector through active partnerships – partnerships that inform our work to provide clarity of procedure and consistency of approach to cross-border trade.

Our partnership includes private sector participation in WCO working bodies, where business is able to provide its perspective to help us make our standards more useful. It extends to the private sector having a formal advisory role to me and the WCO membership to provide broader policy guidance and ideas for changes to existing guidance even suggestions for new areas of work. It entails participation in ongoing reviews to ensure WCO standards evolve in line with the trading environment.

This history of working together has yielded significant results – like the International Convention on the Simplification and Harmonization of Customs, or the Revised Kyoto Convention; the Authorized Economic Operator concept in the SAFE Framework of Standards; and, more recently, the creation of the WCO’s E-Commerce Package.

Through these initiatives, we have created the blueprint for Customs improvement; highlighted the importance of transparency of requirements, predictability of treatment, and articulation of benefits for compliant companies; and we are now confronting one of the greatest challenges in trade: the rise of e-commerce.

The WCO and the Customs community invest in partnership with industry and other government agencies, and the cultivation of trust, because we realize that the only way we can manage existing and growing volumes is by lessening risk, achieving this through improved mutual understanding, having critical conversations to bring together policy intent and real-world

effect, and sharing experiences and solutions that come out of our inhabiting this complex operating environment together.

Trade facilitation, effective border security, supply chain resilience, and innovation of practice to address as yet unforeseen challenges all depend on cultivating and maintaining a high level of understanding and trust between Customs and the trade community. The system can flourish when all of the participants share the health of the system as a priority.

The WCO has a solid history, with visible results, and a continuing commitment in this space. Still, I realize there remains a great deal to do to achieve and ensure an appropriate balance - and appropriate handling of trade - no matter how prevailing global conditions might change.

So, questions I would ask are, what suggestions do you have for how can we increase trust with the private sector? How do we build it where it's not present, elevate it where it exists, and intensify it when needed to face novel or growing challenges?

I believe that by cultivating and institutionalizing trust between Customs and the trade, we can employ known, and find new, methods to reconcile economic security and free trade. If the WCO's experience teaches us anything, it's that it requires shared commitment, a focus on constructive approaches, and perseverance.

Thank you for the opportunity to launch this conversation and to share a Customs perspective. While we don't determine what is traded and by whom, we manage the movements and look to do so responsibly and in ways that enable trade to have its best effects.

Thank you for your attention. Grazie a tutti per l'attenzione.