



ASEM High-level Seminar
organized by China Customs on
"Smart Customs, Smart Borders and Smart Connectivity"

Held online on 7 and 8 November 2022

Speech by Dr. Kunio Mikuriya, WCO Secretary General

Excellencies, Ladies and Gentlemen,

1. It is a great pleasure to speak at this ASEM High-Level Seminar and I would like to thank China Customs for inviting me to do so.
2. After the inaugural Asia-Europe Meeting (ASEM) between Heads of State and Government held in Bangkok, Thailand on 1 and 2 March 1996, the Customs community was the first to take follow-up action.
3. Indeed, the first Meeting of ASEM Directors-General and Commissioners of Customs was held as early as 21 June 1996 in Shenzhen, People's Republic of China, demonstrating Customs' contribution to strengthening connectivity among ASEM members.
4. Since then, the High-Level ASEM Customs Meetings have developed into a valuable forum bringing together the two regions, in close cooperation with the World Customs Organization (WCO).
5. I wish to congratulate China Customs for embracing a topic of relevance to all Customs administrations.
6. As you may recall, the WCO's theme for 2019 was "SMART borders for seamless Trade, Travel and Transport", with S standing for secure, M for measurable, A for automated, R for risk management-based and T for technology-driven.

7. At that time, I invited WCO Members to develop their own SMART concepts and I am grateful to China for setting a good example by expanding the SMART concept and making it the theme of today's Seminar.
8. In keeping with today's theme I would like to speak about the WCO's efforts to support the SMART concept in three areas, namely digitalization of Customs procedures, disruptive technologies and data strategy.
9. I wish to start by looking at digitalization of Customs procedures.
10. The COVID-19 pandemic has highlighted the fact that there is a crucial need to simplify and digitalize Customs procedures.
11. Acceleration of digitalization will support progress towards paperless trade and contactless clearance, coupled with enhanced risk management.
12. However, the focus needs to be on simplification, harmonization and standardization to ensure that digitalization does not actually prolong and increase the complexity of certain cross-border regulatory procedures.
13. To this end, the WCO has been providing leadership and coordination for a range of digital Customs initiatives undertaken by its Members.
14. The adoption of international standards, such as the WCO Data Model, as the basis for electronic data exchange by all supply chain stakeholders is vital to prevent supply chain interoperability from becoming fragmented.
15. Electronic data exchange is, of course, the basis for a Single Window Environment and more and more international organizations are understanding the value of the WCO's work in this domain.

16. Another WCO-sponsored standard is the Unified File Format (UFF) for non-intrusive inspection (NII) data that also supports the interoperability of NII systems produced by different vendors.
17. Advance electronic information, as outlined in the SAFE and E-Commerce Frameworks of Standards, helps Customs identify high-risk cargo and transport conveyances at an early stage in the supply chain.
18. The challenge faced is enhancing cooperation with trade circles, including e-commerce actors, in order to obtain the necessary data from sources such as e-commerce platforms.
19. The second area I wish to look at is disruptive technologies.
20. Access to the relevant data and its analysis for risk management purposes has become a core issue for Customs in this era of digital technology, which is generating ever more data.
21. As a result, exploring new technologies within the digital economy has become crucial for gaining access to data, ensuring data accuracy and making data meaningful for risk management purposes.
22. New technologies are often called 'disruptive technologies' as they disrupt the traditional way of doing business both by the private and public sectors, including Customs.
23. In early 2021, the WCO carried out a review of the use of the latest technologies by Customs administrations through its Annual Consolidated Survey.
24. The Survey findings show that a large portion of the WCO membership is using technologies such as blockchain, the Internet of Things, data analytics, artificial intelligence and machine learning.
25. The recently published "WCO/WTO Study Report on Disruptive Technologies" is a collaboration with the World Trade Organization (WTO), focusing on seven different technologies and comprising 42 use

cases submitted by WCO and WTO Members, the private sector and academia.

26. I now wish to turn to the third area, data strategy.

27. As you are aware, the WCO dedicated 2022 to the following theme: “Scaling up Customs digital transformation by embracing a data culture and building a data ecosystem”.

28. In support of this theme, in June 2022 the WCO Council adopted the WCO Data Strategy that aims to leverage data and data science tools for Customs missions.

29. The Data Strategy is built on three pillars, namely sharing data, creating communities of practitioners, and capacity building.

30. With respect to data sharing, the WCO Data and Statistics Working Group will develop and share common sets of Customs statistics as a first step towards implementing the Strategy.

31. In more concrete terms, the Working Group will discuss the importance of developing common sets of statistics to strengthen an evidence-based culture in Customs generally, and within the WCO in particular.

32. In this way, we intend to increase the visibility of Customs at international level through the WCO’s publication of Customs statistics. We also intend to boost Customs’ role as a government advisor at national level.

33. We are, of course, also looking at technology that can offer solutions for data sharing while preserving data privacy, thereby addressing data privacy and security issues.

34. In terms of creating communities of practitioners, we will bring together those working on data within Customs administrations by

organizing workshops on sharing experiences and exploring solutions to common challenges identified by practitioners.

35. We have just launched the Data Innovation Hub to support Members with the development of proofs of concept by putting them in contact with the private sector and academia during the recent WCO Technology Conference and Exhibition, held in Maastricht, Netherlands.

36. Turning to capacity building, we will assist Members with developing a data culture in Customs and support them in their transition to data-driven organizations,

37. So far I have spoken about how the WCO is helping its Members become SMART.

38. However, SMART Customs administrations need to embrace Green Customs. This is especially true as society has high expectations of Customs' contribution towards achieving the United Nations Sustainable Development Goals.

39. The WCO has already taken a number of steps in this direction by organizing the Green Customs Global Conference and a series of Symposia on "Visualising a greener HS", as well as reflecting on ways of reducing Customs' carbon footprint.

40. I am confident that ASEM Customs members, in close cooperation with their partners, will move forward with their digital transformation in support of SMART Customs, building on the leadership, cooperation and expertise offered by ASEM over the past 25 years.

41. We will be happy to follow up on your discussions with a view to promoting further cooperation between the WCO and ASEM.

42. I wish you productive discussions and a successful Seminar.

Thank you for your attention.
