

World Customs Forum 2010



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Executive Summary – Conference Outcomes

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The fourth World Customs Forum (WCF) dealt with the topic of partnership with particular regard to Globally Networked Customs (GNC) and the needs of the private sector. The basis for discussions was the World Customs Organization's (WCO) strategic policy document 'Customs in the 21st Century'. As in previous years, the WCF was very well attended with over 350 delegates from 70 countries on all continents. Hosted by Turkish Customs under the auspices of the WCO in conjunction with the Trusted Trade Alliance, the conference was sponsored by the following international companies: GTI (national partner), KGH, SICPA-ASSAN (gold sponsors), Smart CM and MIC Solutions (silver sponsors), and featured an equal number of speakers from the public and private sectors as well as representatives from international organisations. There were seven sessions which dealt with six different topics related to partnership. A keynote speech outlined the major themes of each session which were then discussed by a panel of experts.

The conference was opened by a welcoming session which helped set the background for the ensuing panel discussions. **Hayati Yazici, the Turkish Minister for State**, drew attention to Istanbul's importance as a trading capital throughout history and underlined the necessity of trade to economic development and the elimination of poverty. **Mustafa Rifat Hisarciklioglu, President of the Union of Chambers and Commodity Exchanges of Turkey**, pointed out that the success of trade depended on effective transportation networks, regional integration and multilateral agreement on trade-related standards. **Kunio Mikuriya, Secretary General of the WCO**, stated that trade was gradually recovering from the economic crisis which increased the importance of reconciling security and facilitation. The strategic document 'Customs in the 21st Century' could help customs administrations meet this challenge. Finally, **Walter Deffaa, Director-General, Taxation and Customs Union, European Commission**, focused the delegates' attention on the central issue of squaring the vicious circle of security at the expense of facilitation and vice versa. This could only be achieved by employing global instruments such as the SAFE Framework and realising the concepts contained in the WCO's strategic policy document.

The first two sessions concentrated on the principles and goals contained in the WCO strategic policy document '**Customs in the 21st Century**'. This served to place partnership within the overall context of the customs modernisation process and focused attention on the overarching goals of the WCO. A major theme of the first session was the progress made by the WCO and Member states in implementing the GNC, the Single Window and Global Single Window concepts as well as the Safe and Secure Trade Lines Project. The second session looked at how customs authorities were progressing in their modernisation efforts as well as the changing agenda for customs reform. The representatives of Turkish and Mexican Customs outlined the practical steps their administrations had taken to improve customs controls and trade facilitation. A presentation by the INCU also challenged the traditionally prescriptive nature of border regulation and advocated a 'total supply chain approach' in order to improve the predictability and transparency of international supply chains.

The third session turned attention to the **partnership between Customs and business (C2B)**. The keynote speech provided an example of how a major infrastructure modernisation project in Turkey had been successfully completed on the basis of a private-public partnership at no cost to the state. Two representatives of leading trade associations analysed the current partnership paradigm from the perspective of the private sector. Both emphasised the need for trade to take ownership of compliance and for Customs to simplify border regulation. Two private sector representatives assessed the effectiveness of C2B partnership in light of their companies' needs. Whereas both speakers recognised the need for supply chain security, there was, on the one hand, a need for greater visibility in the supply chain in order to enhance security and efficiency and, on the other, a need for a tailored approach to take into account companies' operating conditions. At the end of the first day, the WCF had outlined the foundations and context for GNC, heard experiences in implementing C2B partnership programs and critically analysed the current progress in meeting the interests of both Customs and the private sector.

The second day looked towards the future development of the C2B partnership model by asking whether it was time for a **course adjustment in the partnership paradigm**. This session examined the concept underlying the Authorised Economic Operator (AEO) program and compared its implementation in practice in order to find out if partnership really was working in the way the WCO had envisaged in its SAFE Framework. The message was that customs authorities needed to trust compliant traders more and both sectors needed to work towards a genuine partnership. In this respect, the Finnish model of the AEO provided a good example. Two further presentations provided insights into the challenges involved in implementing the AEO – one from Japan where the AEO had already been successfully introduced, and one from Latin America which was just embarking on this project. Speakers drew attention to the need for effective performance measurements, common definitions and a mutual recognition scheme. Also, cultural differences meant that a one-size-fits-all approach to C2B partnership was inappropriate.

The next session dealt with **information and data in trade and transport logistics**. The introductory remarks by the moderator left no doubt that information and data form the life-blood of trade facilitation. Speakers included members of the private sector, transport associations and IT service providers. They presented overviews of modernisation measures taken with regard to transport (RO-RO lines and SAFE TIR) as well as ports (the EU's e-maritime initiative and port communication systems). These measures would not only bring trade-related advantages but also increase transparency, thereby reducing the risk of corruption and benefiting the environment. The underlying message of the session was that Customs and business could harness the winds of change for the benefit of society as a whole.

The penultimate session was directed towards resolving the issue of **how to make partnership work in the light of global practices**. The panel featured representatives from the administrations of the USA, Norway, Ghana, Austria and Macedonia. The keynote speech underlined the need to re-examine commonly-held assumptions about partnerships, benefits and information exchange. Each of the speakers provided impressive examples of what Customs and the private sector could achieve when working in tandem: issues such as IPR protection, AEO implementation and customs modernisation all benefiting from close collaboration. By sharing the burden of these challenges and ensuring effective channels of communication, it was possible to see that the interests of Customs and business often converged.

This discussion led naturally to the final session which concerned **building – and maintaining – momentum towards progress in attaining the goals of 'Customs in the 21st Century'**, the strategic policy document referred to throughout the conference. The message of this short but crucial session was simple: it was not enough for governments to be good at promising reform, they also had to be good at harvesting results. In addition, mutual recognition of AEO programs could only be achieved by multilateral and not bilateral agreement. In both respects, the WCO had a major role to play in setting global standards for mutual recognition and global KPIs for measuring progress. Realising the goals of 'Customs in the 21st Century' was a joint endeavour in which all members of the WCF had their role to play, be they customs administrations, business, academia or international organisations.

The conference concluded with summations by the organising committee: **Bryce Blegen, CEO of the Trusted Trade Alliance**, underlined the need for greater collaboration between Customs and trade with a view to creating global best practices whilst **Suzanne Aigner, Deputy Director of Compliance and Facilitation at the WCO**, noted the need for common understanding and the effective exchange of information. The **Secretary General of the WCO, Kunio Mikuriya**, expressed his belief that progress was being made in implementing the goals of ‘Customs in the 21st Century’ whilst acknowledging that this forum had given the WCO much food for thought. Inasmuch as the aim of the conference was to bring together the private and public sectors in meaningful dialogue, it had exceeded everyone’s expectations. Appropriately, the final word went to the representative of Turkish Customs whose city of Istanbul had proved so instrumental in the conference’s success. **Riza Mehmet Korkmaz, Director-General for the EU and External Relations at Turkish Customs**, applauded the opportunity afforded by the WCF for Customs and business to share their views and experiences on a wide range of topics and expressed his administration’s pleasure in having hosted the conference.

