



4th Annual WCO Technology and Innovation Forum: *Leveraging Technologies to Build Efficient, Secure, Transparent & Resilient Global Supply Chains*

Summary Report

Background

With the support of Argentina's Federal Administration of Public Revenues (Administration Federal de Ingresos Públicos - AFIP), the World Customs Organization (WCO) organized the Fourth Technology and Innovation (TI) Forum from 12 to 14 November 2013. Over 450 delegates from more than 60 countries gathered in Buenos Aires to discuss the use of technology aimed at building efficient, secure, transparent and resilient global supply chains making this the largest TI Forum hosted to date.

The TI Forum provided a unique opportunity for information sharing and co-operation between the public and private sector on emerging technologies and innovations used by Customs administrations and other border agencies. Delegates of the Forum also participated in a port visit organized by AFIP providing them with a valuable opportunity to learn about port operations in Buenos Aires in a practical manner.

The Conference included five keynote addresses, two roundtable debates, four panel sessions and three special breakout sessions where more than fifteen different technology solutions were presented. Topics covered by this year's Forum included strategic discussions on the future of borders, effective decision-making empowered by technologies, increasing transparency in cross-border transactions, the use of surveillance and enforcement technologies, building resilience in global supply chains, and good practices in the use of technologies to address emerging and evolving risks.

Round-table 1. Future of Borders

- Global financial conditions continue to be a critical issue and their impact is still felt in all domains; for Customs this often goes from diminished budgets to a tangible decrease in human resources. It is therefore necessary that governments strive to stabilize their economies and work collectively to stimulate economic growth, trade and employment by ensuring efficient border procedures and controls.



- Regional integration also represents a major challenge, in particular where transit of goods has gained importance. Therefore border agencies should make the best use of technology to streamline transit procedures for landlocked countries as it is their lifeline.
- The importance of advancing bilaterally by concluding Mutual Administrative Agreements (MAAs) with other countries in order to increase border connectivity was also highlighted.
- All Customs administrations work under different conditions including their size, geographical location, trade volumes going through their respective countries and resources available, but they are all united in the common challenge to achieve optimal results in terms of control, security and agility for which technology plays a fundamental role.
- Adaptation of port infrastructures to cope with cargo ships that are rapidly increasing their size and capacity remains a major challenge. Technologies should be developed in partnership amongst all stakeholders to ensure they meet these emerging challenges to avoid bottlenecks in ports.
- Developments such as the internet, presents with new challenges and demands. Emerging technologies such as 3D printing will also impact the future of borders in particular in terms of application of legislation, IP rights and tax regimes.

Round-table 2. Effective Decision Making Empowered by Technologies

- Innovation projects serve as a cornerstone of modernization processes for many Customs administrations. Political will is one of the most fundamental elements for achieving infrastructure modernization aimed towards efficiency of border crossings.
- Control, transparency, auditability and availability of information are the key elements for a good document management system. When effectively used benefits will result in automation, efficiency, security, process reduction and operational integration.
- E-seals technology was presented as a valuable tool to combat fraud and drug trafficking and as a contributing factor to increasing security and transparency in cross-border operations.



Session 1. Increasing Transparency in Cross-Border Transactions

- A major challenge for many Customs administrations remains in the implementation of more effective risk-based techniques that will enable them to control cross border movements of goods more efficiently. For this timely and accurate data is crucial to enable effective interventions.
- The deployment of technologies has been proven to be a fundamental element when increasing transparency and integrity in cross-border transactions. Operational integration, financial commitment, adaptation and flexibility are all necessary.
- It has become increasingly apparent that shared responsibilities between government and business, through Public-Private Partnership efforts are a vital key to increasing transparency in all trade aspects.

Session 2. Good Practices in the Use of Technologies

- National case studies on the use and deployment of non-intrusive inspection (NII) technologies were presented where the importance of long-term sustainability in radiation and nuclear detection technologies was underscored.
- There is a need for case-by-case analysis when planning the purchase and deployment of NII technologies in order to ensure that they effectively meet the objective of facilitating trade and reducing operational costs.
- It was also pointed out that there is a need to reinforce risk analysis in order to use the technologies more efficiently.

Session 3. Surveillance and Enforcement Technologies

- The changing nature of trade and transport logistics requires exploring the ways in which technology may help to navigate through these challenges. A wider use of WCO tools developed with industry contributes to this point.
- Meeting strategic enforcement objectives by the deployment of hard technologies has become a steady trend amongst law enforcement agencies. Exchanging experiences



and cooperating in research and development are the major imperatives to ensure mistakes are not repeated.

- It was agreed that technology solutions and tools can serve to build trust in global trade, but not in isolation. A layered and inclusive risk management approach is required along with a highly skilled work force.

Session 4. Building Resilience in Supply Chains

- Once steps on making global supply chains secure, efficient and transparent have been taken, the challenge remains in ensuring their resilience, in particular when natural disasters or trade disruptions occur. It was discussed that the four pillars such as partnerships, policies, strategies and technologies constitute the notion of resilience and

become instrumental in ensuring it. In particular, it is crucial to have a good understanding of the industry, determine the product mix and market segmentation, identify the partners and sources that facilitate the supply chains.

- One of the practical examples of building resilience in a particular industry is the introduction of traceability of pharmaceuticals from the laboratory to the patient, which not only excludes the influx of the counterfeited medicines on the market, but also preserves lives of thousands of people who could be potentially affected.
- Businesses should take an active role in the development of global standards in international organizations such as International Organization for Standardization (ISO), International Maritime Organization (IMO), International Civil Aviation Organization (ICAO) and WCO. Technologies will only be fully effective if they are aligned and support the objectives of these standards.

Key Outcomes

After the discussions the attendees supported the conclusion that technology was an omnipresent cornerstone underpinning innovation and Customs modernization. Therefore, it seemed timely that the international Customs community looks to create a specialized Technology and Innovation Working Group under the auspices of the WCO.