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Round table on using modern technologies to raise efficiency and security of Customs transit procedures

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Note by the secretariat

Summary

On 13 June 2013, the United Nations Economic Commission for Europe (UNECE) organized a round table on using modern technologies to raise efficiency and security in Customs' transit procedures within the framework of the 134th session of the UNECE Working Party on Customs Questions affecting Transport (WP.30) (11–14 June 2013).

The round table provided extensive information on improving the awareness and the knowledge of modern technologies that can be used in Customs Transit Systems, as these technologies can facilitate border crossing procedures while increasing security. Focus was on policy issues, best practices and capacity-building with a view to ensuring more effective and efficient border crossing facilitation measures for the optimal implementation of the Harmonization Convention.

* Mention of firm names, commercial products or logos does not imply endorsement by the United Nations

I. Introduction

1. The United Nations Economic Commission for Europe (UNECE) organized a round table on using modern technologies to raise efficiency and security of Customs transit procedures within the framework of the 134th session of the UNECE Working Party on Customs Questions affecting Transport (WP.30) (11–14 June 2013).
2. The Working Party prepares, reviews, modifies and administers a large number of United Nations Conventions and Agreements in the field of Border Crossing facilitation and Customs Transit procedures. One of these Conventions is the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975) — one of the most successful international transport Conventions and the only universal Customs transit system in existence.
3. The round table addressed various examples of best practices within and beyond the ECE region as well as provided an overview of existing technologies in Customs transit. The round table aimed at improving the awareness and knowledge about modern technologies that can be used in Customs Transit Systems as modern technologies can facilitate border crossing procedures while increasing security. The discussions and programme were designed for government officials responsible for Customs, transport and trade policies, and was also open to representatives of the transport industry. Detailed presentations were given by experts from various intergovernmental and non-governmental organizations as well as by representatives of countries. This document contains a summary of the presentations and discussions.

II. Attendance

4. The seminar was attended by representatives of the following countries: Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Netherlands, Poland, Russian Federation, Serbia, Spain, Sweden, Turkey, and Ukraine. Representatives of the following observer States and non-ECE member States were also present: Iran (Islamic Republic of) and Jordan. The European Union (EU) was represented. The following intergovernmental organizations were represented: the Economic Cooperation Organization (ECO), Eurasian Economic Commission, Organization for Security and Cooperation in Europe (OSCE) and the World Customs Organization (WCO). The following non-governmental organizations were represented: the International Road Transport Union (IRU) and Fédération Internationale de l'Automobile (FIA). The full list of participants can be consulted at the UNECE Transport Division website.

III. Welcoming statements

5. In her opening statement, Ms Eva Molnar, Director, UNECE Transport Division highlighted the importance of modern technologies in international transport that are a catalyst for transport to move to the next stage of development. She referred to historical catalysts such as the invention of the wheel, railway and car and emphasized that transport offers mobility to people and that it brings democracy.
6. Some upcoming technological changes are crucial for societal changes, and they will impact immensely on border crossing transport, e.g. the introduction of e-documents. E-seals can be used to raise effectiveness in TIR, as well as the e-TIR system. All these systems can be known as Intelligent Transport Systems (ITS). Ms Molnar stressed the fact that any system is only as good as its weakest point, for example the Customs seals; and that

the Harmonization and TIR Convention would benefit from the introduction of modern technologies.

IV. Presentations and discussion

7. The round table was held in three sessions and included presentations by experts from various intergovernmental and non-governmental organizations as well as by representatives of countries. These are available from the UNECE Transport Division website at www.unece.org/trans/events/130613.html.

A. Policy issues of using modern technologies (Session 1)

8. The presentation by the representative of the European Commission, DG TAXUD, “European Union Customs approach towards the use of modern technologies” highlighted the traditional role of Customs in collecting duties and taxes. EU Custom’s officers must control in an efficient and secure manner. The representative stated that the use of modern technologies is vital in achieving safe and secure Border custom controls. The EUs policy and approach in modern technologies is based on technology and equipment as cornerstones in enabling modern customs’ administrations to tackle the challenges of the rapidly changing operational environment of the twenty-first century. Customs administrations are encouraged to take advantage of emerging technologies to enhance security in the supply chain.

9. The representative of the World Customs Organization (WCO) gave a presentation on “WCO initiatives to enhance the use of modern technologies by Customs administrations” which focused on WCOs strategies, innovations, instruments and tools in modern technologies. Innovation is not only about new technologies, it is also about new policies, doing business, and new human resources management — all of which are important in innovation. Modern technologies should be part of this innovation process. Customs must take advantage of new and emerging technologies to enhance processing, risk management, intelligence and non-intrusive detection. Finally, the audience learned that the WCO SAFE Framework of Standards is a set of recommendations to customs organizations and contains four core elements:

- Authorized Economic Operators;
- Electronic advance cargo information;
- Consistent risk management; and
- Inspections preferably with non-intrusive inspection technology.

10. The presentation of the representative of the State Customs Service of Ukraine dealt with efforts undertaken by Ukraine in using e-seals in Customs transit. Part of the discussion focused on the security issue of e-seals and risk assessment. The system was introduced in Ukraine to prevent an unauthorized access to goods; combat violations of customs rules; increase the safety level of foreign economic operations; improve the goods delivery control system; single source the Automated Transit Goods Control and Management System; give the possibility for further analysis; and to have the actual record and ultimate response to any violation.

B. GPS tracking and e-seals in Customs transit (Session 2)

11. The representative from the Jordan Custom Department presented “Enhancing Transit Trade and Transportation – Jordan’s Custom’s Electronic Transit Tracking and Facilitation System”. More than one million trucks cross Jordan yearly. The country is the

centre for the movement of goods between Europe, Africa and the Arabian Gulf region. Before using the transit tracking systems, Jordan suffered huge traffic jams and long waiting times for trucks at borders. The new tracking system uses satellite systems, tracking units and General Packet Radio Service (GPRS) networks. The main unit is a Global Positioning System (GPS) unit while the e-seals are equipped with radio-frequency identification (RFID). Jordan saw reduced waiting times from an average of eight hours to a few minutes after the introduction of the new system.

12. The representative of the Ministry of Customs and Trade of the Republic of Turkey presented “A tool for secure transit: Vehicle Tracking Systems”. Established in 2003, the Vehicle Tracking System was funded by the European Union (IPA project) to prevent smuggling and to ensure compliance; it is based on risk-analysis. The mobile units are provided free of charge to the operators. During the discussion, participants stated that for the moment they do not see the need for changing the TIR Convention as the Convention is well applied in respect to the use of modern technologies.

13. The presentation by the representative of the Customs Information System Centre of Lithuania was dealing with the “Impact of technologies on the facilitation of border crossing”. He pointed out that the implementation of innovation is often ineffective due to a lack of cooperation or of a common view. He considers GPS devices to be the most efficient technologies used in Border Customs. He concluded that creating simple, transparent and predictable procedures can eliminate possibilities for corruption and that there is a need for exchanging electronic information — including within the private sector — based on the international standards.

14. The representative from the private company Starcom Systems presented “Modern technology to improve Customs Security and Control” on the current developments and future challenges, such as inaccurate and (un)reliable information. He stated that a continuing strong focus on container transport security and increased supply chain visibility in the coming years would favour the container tracking market.

15. The presentation “ECTS technology results in efficiency and security of Customs transit procedures” by the Norwegian representative from Electronic Tracking Systems (ETS AS) stated that the diversity in customs’ management systems is a challenge. A single window solution looks promising while a full cloud hosting environment would be the ultimate goal for future border transit management. In his view, a one-stop border post should be the final outcome of all the activities using modern technologies in Customs transit. He concluded that Electronic Cargo Tracking Systems lead to modernization, increased border efficiency and national security.

C. Non-intrusive inspections (Session 3)

16. The representative from the State Customs Committee of Belarus presented “Non-intrusive inspections – a Belarusian experience”. The application of X-ray scanning systems by the Belarusian Customs began in 2009 with technical assistance from the European Union. A major topic was the health protection of people. The representative reported that the operation of X-ray systems is carried out in compliance with the requirements of operational documentation and under the observation of requirements for radiation safety and labour protection established by the legislation of the Republic of Belarus. In this context, X-ray scanning is not exercised for goods such as live animals, fish, vaccines, blood, etc.

17. The representative from the Finnish National Board Customs presented “10 years of container scanning in Finland”. The benefits of scanning were stressed, such as increased custom’s revenues and security and inspection rates with low impact on the staff. A base line for scanning should always be good risk assessment. Best practices, such as a national coordinator responsible for scanning, annual plans, same reporting forms, centralized image

interpretation and training should be considered for the successful use of new technologies in Customs.

18. Examples of non-intrusive inspection were presented by the representative of Conceptivity: the European Organisation for Security (EOS). “Current solutions for non-intrusive inspection and CBRNE detection” pointed out the major importance of involving research partners as much as industry when using new technologies. On CBRN (chemical, biological, radio and nuclear) matters, he stated that an infinite number of attack scenarios and virtually all significant targets are as vulnerable to biological terrorism today as they were in September 2001. The main question remains: “Will there be a legislative technology push and technology adoption to speed up the introduction of new technologies?”

V. Conclusions

19. The participants of the round table concluded and recommended the following:

(a) Modern technologies, such as electronic seals, GPS tracking, non-intrusive examinations, etc. can raise the efficiency and security of Customs transit procedures.

(b) The necessity of adapting UNECE border facilitation Conventions to profit from the advantages of modern technology or to anticipate new problems and challenges remains unclear.

(c) The e-seal would improve the effectiveness of the TIR Convention. In the eTIR future, the obligation to present a TIR carnet to a Customs office en route could be replaced by an electronic message automatically generated by RFID or GPS signals when TIR transports cross a border. This technology could eliminate human errors which are currently still the source of many customs claims.

(d) Both the Harmonization and the TIR Convention focus on minimizing customs’ controls at border crossing points. Discussions showed that GPS tracking can help waive controls and also move inland control points. For advanced investigation techniques like “controlled delivery” of suspicious transports, GPS tracking could help detect the network behind the smuggling instead of just border seizure of goods.

(e) Modern technology is sometimes very expensive. The provisions for joint controls in the Harmonisation Convention allow these costs to be borne by two countries. Delegates reported on their active use of this possibility.

(f) Modern technology can lead to new, multiple controls beyond the existing ones — a situation to be avoided. New provisions should be included in the Harmonisation Convention so that modern technologies do not hamper international transport. The IRUs proposal for amending the Harmonization Convention to include an International Scanning Certificate could be a first step in this direction.

(g) Risk assessment should be carried out before modern technologies are used and new technologies should be integrated into an IT environment — they should not be viewed as ends in themselves but as part of a holistic approach — embedded in the policies, the standards and the situation of a State.