

Wroclaw seminar, 6 – 8th April 2005

**Speech by Mr Verrue,
Director General, Taxation and Customs Union, European Commission**

*The challenge of implementing a paperless environment for
customs and trade*

1 Introduction

Ladies and gentlemen,

I am delighted to be in Wroclaw today for this seminar and I would like to thank the Polish customs administration for not only hosting this conference but also for the considerable efforts they have put into the planning.

The European Union has set an important strategic objective by the Lisbon European Council in March 2000: “the European Union should become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion”. We all have an important contribution to ensure

that, in a time of heightened security awareness, none of our competitive edge is lost where facilitation of trade and the rapid movement of goods are concerned. I therefore entirely share traders' view, expressed yesterday by Mr. Grainger, that both security *and* business competitiveness must be improved.

When the Directors General of Customs met at the forum in Dublin about a year ago, we examined the challenges of reconciling the potentially conflicting demands of security and facilitation of trade. We agreed on some priority action points and our services have been working together to seek to make them reality. These included

- Modernizing customs legislation;
- Developing an EU risk management system;
- Establishing an Authorised Economic Operator programme; and
- Developing our IT systems.

These are, of course, difficult issues which make demands on us to challenge existing practices, to agree on common standards and complementary systems. Furthermore, they can only be realised if we can make the human

and financial resources available. However, I believe that we have no choice but to meet these challenges – doing nothing is not an option.

If we want to assert the unique role of customs, we must show that we can discharge that responsibility. That is why the work we will do in this seminar is so important. We need to reaffirm our commitment to the path we are following and to try to take this forward in practical ways.

2 A paperless environment for customs and trade

The applications of IT are accelerating the transformation of the global economy by improved speed capacity and processing of data. These new technologies and applications bear the potential of a massive progress, in particular in business management and public administration:

- harmonise the way of doing business for both customs administrations and traders;
- reduce enormously delivery times;
- allow rapid access to information;
- ensure the predictability of the total transaction;

- allow for efficient risk analysis;
- ensure risk management based on real-time information.

Computer-based systems are thus precious tools for enhancing efficiency, productivity and better service, for both customs administrations and trade. Furthermore, such systems would simplify the exchange of information between customs and other administrations, the single window and one-stop shop concepts being part of the main requests of traders throughout the European Union.

Consequently, e-Government and e-Europe have become the canvas of all our customs policy initiatives. The objective of a simplified and paperless environment for customs and trade has been established and endorsed by the business community in the Forum on electronic customs in Toledo, in May 2002. The Commission Communication of July 2003 on a paperless environment for Customs and trade took on board these objectives and laid down a framework of actions to take.

A major step on our path to modernizing customs legislation with a view to a paperless environment for customs and trade has been taken about a month ago: Member States' administrations, trade representatives, and the Commission discussed the draft modernized Customs Code in the

Conference in Budapest. Putting the concepts behind the modernized Customs Code, aiming at a paperless environment for customs and trade, into action – this has been and will be the subject of this seminar.

The immediate task must be to set up a paperless environment for Customs and trade throughout the European Union: electronic Customs or “eCustoms”.

3 Implementing *eCustoms* through cooperation of all parties concerned

All EU Member States have already introduced electronic customs systems. In 2003 the 15 EU Member States handled around 55 million import declarations and 75 million export declarations. The number of declarations made electronically is increasing, but we need to encourage and accelerate this process. The objective is full electronic access to the customs systems of EU Member States. EU Member States are, from this point of view, already underway towards *eCustoms*.

However – we have talked about this for quite a while now – the customs systems of now 25 Member States ought to be interoperable. Exchange of information between customs offices of different Member States must be

automated as far as possible. This has already become reality with regard to the New Computerized Transit System, and it will be the case for export and import systems as well. Furthermore, *eCustoms* includes - my colleagues have talked about it yesterday when presenting our non-paper on the draft Council decision – besides already mentioned automated customs systems so complex concepts as single window, customs information portal, and single access point.

This seminar will therefore contribute to establishing a road map with regard to

- improving already existing customs systems and their accessibility to traders;
- connecting these systems (interoperability);
- providing for data exchange and improved coordination between customs and other administrations (single window; one-stop shop);
- centralized dissemination of information on customs transactions throughout the EU (customs portal);
- single access point for customs transactions;

- and setting up an efficient management structure for this important project.

We all know that putting these concepts into action will demand high efforts from all of us. These efforts will be coordinated and closely supervised by the Commission and the Customs Code Committee. I can give you my assurance that we will work together with all the services involved at a Community level to ensure that cooperation becomes part of our everyday activity. The same will be requested from you. Your assistance and active participation in the *eCustoms* project will be an absolute in order to achieve its objectives. In this context, the Council decision will not only include objectives, projects and milestones relating to *eCustoms*, but also define responsibilities of Member States administrations, the Commission, and the Customs Code Committee.

Without the engagement of Member States with regard to human and financial resources and to the timetable, the objectives set out in the Lisbon strategy will not be met. *eCustoms* is *our* project, and it will determine business competitiveness of European traders.

In this context I would like to stress the importance of involving other stakeholders, namely trade representatives. They ought to be involved in the

development of *e*Customs, both on national and on European level, as far as possible (you may take this seminar as an example).

4 Conclusion

Pursuing the goals set out in the Lisbon strategy, we will improve both security and business competitiveness in the Member States of the European Union. Having already introduced electronic customs systems in all Member States and having made another important step towards a modernized Customs Code in Budapest last month, I am happy to notice that we are underway towards *e*Customs.

Important challenges are still ahead of us. However, if we can agree on the main direction to take, if we closely cooperate – Member States, the Commission and other stakeholders – and if we can make the human and financial resources available, I am confident that we can meet and overcome these challenges on the way towards a paperless environment for customs and trade.