THE NEW CUSTOMS AND TRADE ECOSYSTEM TAKES SHAPE
Security concerns. The return of protectionism. Intensifying cost pressures. Today’s customs agencies face an expanding array of issues and challenges. As importers and exporters strive to keep their goods competitive in a global market, the need to find a better way to manage and deliver customs services has never been more urgent.

The figures speak for themselves. Today, sending an item from within the EU to a trading partner outside it can cost 150% more than sending it to another EU member state.1 In some countries, a trader importing an item has to deal with as many as 40 different government departments. And in the UK, consignments crossing UK borders post-Brexit may face delays, when traders need to re-apply for licences and permits due to new policies and procedures.

While the cost of all this complexity is huge, so is the potential prize for untangling it. For example, the Australian Logistics Council estimates that for every one per cent increase in the efficiency of transport and logistics supply chains, the country’s economy reaps savings of A$1.5 billion in associated costs.2
MANY COUNTRIES SAW “SINGLE WINDOW” AS THE SOLUTION ...

None of this cost and complexity at the border is new. Over the past two decades, the quest for a solution in many countries has focused on creating a “single window” for trade. This has generally meant providing traders with a single entry-point to government for submitting electronic, standardised information and documents for customs-related transactions. As all information is electronic, it should enable single submission of data.\(^3\)

In practice, the systems created to provide the single window have often taken the form of a layer on top of the customs and other government agency (OGA) systems. To make this work, single window systems are implemented hand-in-hand with interoperable data models, coordinating the data sharing between the various government agencies. In setting up these systems, customs agencies were looking to realise benefits for all stakeholders, including efficiency gains, faster clearance times, improved compliance and better resource allocation.

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It isn’t hard to see why single window looked like the way forward for many countries. But now it’s time to re-assess the value that the current systems truly deliver in today’s context. While they offer a single entry-point to the various parts of the system and government agencies, they actually do little to simplify the underlying fragmentation and complexity. This reflects the fact that the conversation about single window has been running ahead of the capability to turn it into reality, for two key reasons.

The first was that the technology to truly deliver the single window concept wasn’t available when these systems were being designed. This challenge was compounded by the second issue: a natural reluctance to collaborate and share data between government agencies, often heightened by a lack of cross-department data standards. Together, these issues have often reduced the original vision of the single window to a typical government portal.
The good news is that the technologies that are now available — the Internet of Things (IoT), blockchain, powerful data analytics and cloud computing, among others — can collectively overcome these challenges. Now is the time to reap the full benefit of sharing data, taking collaboration, efficiency and transparency to a new level.

Achieving this will require a new mindset among all participants. The single window concept took a very narrow perspective on trade and the trade supply chain, seeing it as linear, sequential and based on a two-way relationship between customs and the stakeholders. In fact, there is a vast diversity of relationships between the various stakeholders in the supply chain. Each has a role in providing information to the other participants — and each owns a part of the information and dataset.

To reflect this complexity, what’s needed is a holistic view of the trade ecosystem, and a clear focus on meeting customers’ needs rather than solely on achieving regulatory compliance. Technology is the enabler for creating an ecosystem that meets these requirements.
WELCOME TO THE NEXT-GENERATION TRADE ECOSYSTEM

With the right mindset and technology in place, customs agencies now have the opportunity to create a truly transformational model for customs services: a next-generation trade ecosystem; one that’s designed on the needs of all stakeholders, and brings them together in a connected, transparent and data-rich environment. This future digital trading platform shall connect all stakeholders involved in trade-related transactions and facilitate the exchange of all trade-related data. Leveraging techniques such as analytics and AI, the digital platform shall adapt and show (and request) only the information that is relevant to the individual user and his or her unique needs at a given time. In other words, a personalized, integrated, digital trade service.

The next-generation trade ecosystem will harness emerging technologies to improve speed, visibility and responsiveness for all participants — be they traders, customs agents or government agencies. Also, it will not only meet the needs of all these groups today, but will have the adaptability and scalability to keep responding to their needs into the future.

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THREE IMPERATIVES FOR CUSTOMS AGENCIES TO CREATE THE FUTURE

The technologies needed to build the next-generation trade ecosystem are here now — and implementing them successfully will require people and technology working hand-in-hand. Customs agencies worldwide have grasped the need to do this: in Accenture’s 2016 Global Public Service Emerging Technologies research, 92% of border agencies said they believe their senior leadership is able and willing to adopt emerging technologies. To harness their people and new technologies to transform customs in the way we’ve described, we believe customs agencies need to do three things.

**IMPERATIVE 1**

**Take a new view of your role — moving from guardians of legislation to facilitators at the border**

To create the trade ecosystem of the future, customs agencies must engage actively with their customers to understand their needs, and then apply user-centric design to meet them. This demands a big shift in how customs agencies view their own role, from being the guardians of legislation to acting as facilitators at the border. To play this role, agencies must know who their customers are and how they want to access customs-related services. These customers include not just traders, but everybody else in the ecosystem and other government agencies operating at the border. Agencies are aware of the need to serve these stakeholders better: in Accenture’s study, border agencies said improving service delivery to meet customer expectations was their biggest challenge.

By simplifying and streamlining connectivity and interactions between the participants, agencies will not only reduce friction and effort for everyone, but also reduce the cost to comply. This in turn will reduce the costs associated with trading — boosting competitiveness across the ecosystem and for the country as a whole.

**IMPERATIVE 2**

**Don’t create just a customs platform, but a shared data ecosystem for all**

To realise the promise of the next-generation trade ecosystem, it will be critical to enable the most effective use of the data that flows across it. To achieve this goal, agencies need to start with an end-goal of maximising the value that the data can bring. This will require them to gain a detailed understanding of what data they have, what data they need, and what data they can get hold of — and then work out how to use it more effectively.
It will also require traders and other private sector participants in the ecosystem to be incentivised to share their data, by getting access to better, more personalised services in return.

To reap the full benefits, the private sector participants will need to become more efficient with their data, and trust government agencies to store and share it between them, removing the need to submit the same information multiple times. This will make it quicker and easier to get what they need, be it a permit, an approval for a declaration or a calculation of duties. Also, government agencies will increasingly capitalise on advances on the private sector side: Accenture research shows that 89% of border agencies now look to the private sector for examples of successful technology implementation.

Going forward, the new ecosystem will open up further opportunities. The improved availability of data will enable third-parties to offer services in areas like automation, arbitration, and flexible, pay-per-use shipping and warehousing. The ecosystem will also expand beyond the border, providing visibility all the way to the “last mile” to the end-customer. The effect will be to shift the focus from transactions to entities, with the ability to use data to audit and run risk analytics on entities in the ecosystem meaning the system isn’t just more efficient, but also more secure and predictive.

IMPERATIVE

3

Address the people perspective through the right political mandate and collaboration

Establishing the next-generation trade ecosystem will represent a change both for government and traders, and cement in place an important building-block for creating the NEW digital customs agency. To make it happen, there are three crucial elements:

• First, a rock-solid mandate from the topmost levels of government, reflecting the ecosystem’s potentially massive contribution to the economy at a national and global level.

• Second, a willingness among departments to collaborate, share data and even give up some budget.

• Third, the finance to fund the necessary investment. This element may be supported by the top-level mandate and willingness to collaborate across the ecosystem, which will enable exploration of non-traditional funding models that truly bring all the beneficiaries together. For example, the potential to develop value-added services on the platform may even make it self-funding by generating a clear return on investment.
THE WAY FORWARD FOR CUSTOMS

IN ACCENTURE’S VIEW, THE NEXT-GENERATION TRADE ECOSYSTEM REPRESENTS THE FUTURE OF CUSTOMS SERVICES. IT’S A VISION GROUNDED IN REALITY AND MADE DELIVERABLE BY TECHNOLOGY. IT’S ALSO ONE THAT WILL MEET THE NEEDS OF PROVIDERS AND USERS OF CUSTOMS SERVICES MORE FULLY THAN ANY OTHER — NOW AND FOR DECADES TO COME.
REFERENCES
3 UNECE recommendation No 33 - http://tfig.unece.org/contents/single-window-for-trade.htm

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