

TRADE BSERVER

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Focus on digital

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ACCELERATING THE DIGITAL TRANSITION FOR CUSTOMS

On January 26, the World Customs Organization inaugurated the International Customs Day on the theme of "accelerating digital transformation". So what is the place of digital in today's customs and what will be its place in tomorrow's customs?

Despite its greying image, customs is increasingly equipped with powerful digital tools, including in the public sector. Indeed, digital technologies now accelerate the globalization and make themselves necessary by simplifying what they have made more complex. Thus, measures are numerous and evolving, trade agreements are made, unmade and modified regularly, and customs had no choice but to use digital technology to keep up.



In concrete terms, new technologies offer customs simplified access to and an efficient listing of all the legal measures put in place around the world daily, but not only!

The Information and Communication Technologies also allow fighting efficiently against fraud and in general work for the security of the customs, itself protecting the States. Digital technologies also are the bureaucrat's friend.

Nowadays, multiple systems make it possible to lighten the administrative burden and above all to automate it to save precious time which was previously spent on tedious and repetitive procedures.

Finally, and most obviously, the digital transformation allows customs services to communicate efficiently and cost-effectively around the world. Nevertheless, Customs has the potential to embrace even more innovation. Now, its primary mission is to deepen the digital solutions already used. Customs protection must constantly evolve to remain effective as well as data collection solutions.

Digital technologies are also destined to be combined with artificial intelligence, a prerequisite for a perfectly optimized administration, the aim being to systematize controls through automation, something that humans cannot technically do without Artificial Intelligence.

In short, customs, as a crucial and strategic sector in the States' missions, must make the most of digital technology, and it has already started to do so.



THE SUPPLY CHAIN FACING THE CHALLENGE OF CYBERSECURITY

In 2020, more than one out of two companies would have been the victim of a cyber-attack, according to the Club of Experts in Information and Digital Security. This threat affects all companies, whatever their size is, and particularly the Supply Chain, often considered as the weak point of these companies.

If, now, all companies are connected for efficiency reasons, this presence on the web also makes them vulnerable. Theft of information and paralysis of systems are extremely lucrative, and it has become more necessary than ever for all companies to defend themselves against these threats.

For hackers, the supply chain offers several advantages:

First, it is often poorly protected, although being vital for companies. Moreover, the Supply Chain is the link between several companies; by penetrating a single system, the hacker can obtain information on several of them at the same time.

Finally, the supply chain is a complex segment of a company's functioning which assumes numerous shapes, and therefore numerous breaches for hackers.



Whether we're talking about a shipping giant like CMA CGM or a pipeline oil importer like Colonial Pipeline, all forms of supplies are victims of costly cyber-attacks at some point. Supply is multiple, and as a result all the more vulnerable.

Hence, the Supply Chain is reacting today, facing this growing threat. This adaptation is done first on a human scale, as usually, it is the individuals who are the source of the digital flaws. Thus, in the era of telecommuting, companies are increasingly acting to educate and train their employees on these contemporary issues.

Meanwhile, some schools are introducing courses to train their students on these challenges. At the corporate level, experts called "ethical hackers" are often hired to detect system flaws. Finally, organizations like France Cyber Maritime are emerging to protect our territories and our information. If its use has been democratized, companies are still not so familiar with the Internet. It is up to them to protect themselves against the dangers of this space.



SHOULD FRANCE TURN ITS PORTS INTO FREE ZONES?

While the United Kingdom intends to multiply its free port zones to become a maritime hub and Europe is lagging behind in this area, should France opt for a similar strategy?

What is a free port zone?

It is relatively complex to define this term as there are many types of different zones all around the world. Alexandre Lavissière, a specialist in free port zones, defines them simply as “a logistical zone with customs extraterritoriality attached to a port”. The free port zone is thus a complex and vague notion, taking numerous factors in account.

Why is France one of the few countries in Europe without free ports?

Indeed, France does not have any. This may seem surprising when you consider that there are about a hundred land-based free zones in France and that the country's ports were among the pioneers in this field in Europe during the Middle Ages. However, since the French Revolution and the abolition of all these zones, they suffer from a bad image. They are often considered as a gateway to all kinds of illegal activities, as a source of loss of competitiveness for the rest of the territory, and as a rarely profitable investment.



What are the advantages of such zones?

France has a strong argument with the availability of the European market and its high demand. With the UK's policy of increasing the number of free port zones, Paris could take advantage of these opportunities to create its own zones and become a full-fledged player in the commercial dynamization of the region. Whatever it does, the UK will try to become a commercial hub, and it is up to France to take advantage of this.

Under what conditions?

Free port zones are not a miracle nor a guaranteed profit vector. For one to be truly effective, it must be established cleverly along with effective measures.

With this aim in mind, Alexandre Lavissière recommends brightening free ports with efficient and attractive logistics. Innovation must be added to logistics optimization: Offering an ecologically and socially sustainable model means offering more than a new free port zone.

Europe has significantly fewer free ports than the rest of the world, and, in the 21st century, this represents a real handicap. Therefore, everything remains to be done for France, which could take advantage of a favorable context to develop its ports.

