

TRADE BSERVER

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Transport & futur

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THE COVID-19 CRISIS: A BARGAIN FOR OCEAN FREIGHT GIANTS, WHAT'S NEXT?

Despite the disruption of world trade by the Covid-19 crisis, ocean carriers have paradoxically recorded unprecedented economic performance, the figures are mind-boggling.

The Danish **A.P. Moller-Maersk**, for example, has multiplied its turnover by ten in 2021 and this has not prevented the group from giving up its position as number one!

The German **Hapag-Lloyd**, for its part, generated more profits in the first half of 2021 than in the entire previous decade ...

The examples are numerous: In total, the sector has generated more than **150 billion euros of profits over the year**, the equivalent of the **GDP of Ukraine**.

However, such a creation of wealth necessarily leads to questioning.



Indeed, 4 of the 5 largest container carriers in the world are European; this is due to the indirect subsidies from which these companies benefit in the form of tax exemptions, which are quite rare in Europe in other strategic areas.

Indeed, one might be pleased with such a performance. But, while MSC has overtaken Moller-Maersk in 2021 as the world's leading shipping company, MSC has also in the process become Europe's 7^e biggest polluter ahead of Ryanair.

However, the European Union has openly stated its desire to become green and to invest in "green growth" within the "Green New Deal" project, admittedly somewhat slowed down by the current pandemic. This raises the more global question of the feasibility of such a project.

Can we not take profit from this lead over the rest of the world in a highly strategic field?
Can we really be forerunners of political ecology in a world in which technologies evolve faster than the logic of growth?

It seems unrealistic to give up these subsidies at a time when Europe is fading away geopolitically in the world, and yet no one can deny that ecology should be everyone's priority. This is the complexity of today's issues, relegated for the moment to the rank of tomorrow's issues.

ICS2: DEADLINES AND IMPLICATIONS ON TRANSPORTERS

For one year now, all the European actors of the Express and Postal air transport are concerned by ICS2 ("Import control System 2"). In exactly one year, these measures will be applied to other Express and Postal operations as well as to ordinary air transport imports; while finally in two years, all carriers will have to acclimatize to ICS2. Customs Bridge takes this opportunity to review the new decision and its implications.

What is ICS?

The import control system was born in 2011 as a global security response to the September 11, 2001 attacks in the United States. The objective was to further control imports into the European Union through an online declaration prior to the arrival of the goods on the territory of the 27.

However, in a decade, the European context and world trade have evolved enormously. The objective of ICS2 is therefore to replace ICS1 to make it more efficient, in particular by centralizing data at the European level instead of the national level.



What are these new measures?

Through the entry summary declaration (ESD) and depending on their type, carriers will have to provide different data on the nature of the goods, their origins and the actors involved in their trade.

The main consequence is the extension of the 6-digit HS code declaration to new actors. They will thus have to make a customs classification for each of their imports into the EU, as soon as ICS2 comes into force.

What are the implications for companies?

Logically, companies will have to train their personnel on the European Union's dedicated platforms and customs requirements. It will also be essential for them to make the exchange of information within their company more fluid and to reflect on the logistics strategy to adopt. This measure may lead to an increase in costs for companies, if only because of the time spent filling out administrative formalities.

ETL, THOSE TOOLS AT YOUR DATA'S SERVICE

It is no longer a surprise that words like “Big Data” or “Artificial Intelligence” have become part of everyday language and that companies specializing in the processing of specific data on a large scale (logistics, biology, trading, etc.) are multiplying.

As you know, data is a gold nugget and knowing how to manipulate is an art!

At Customs Bridge, we base our data on a **selection of reliable and verified sources**, to ensure control over the entire process of integration into our services and to provide you with up-to-date data in real time.

At this stage, we are talking about **several million pieces of data** (customs duties, nomenclature codes, measures, explanatory notes, etc.). Added to this is the fact that modern companies are working in increasingly complex environments involving numerous databases and applications, all organized in multiple servers...

How can we ensure that we can analyze, format and integrate this data in a complex environment without spending hours on it?



Tools have been developed for this purpose, in particular **ETLs (Extract-Transform-Load)**. One of the best known, **Airflow**, created by Airbnb, allows you to create a series of tasks, each with its own function and organized around a specific goal, like links in a chain. Each link is connected to another.

These ETLs can also become very complex and take a tree-like form depending on the complexity of the task, making it possible **to automate all kinds of tasks**. This is called **DAG (Directed Acyclic Graph)**: each task is oriented towards a single direction, like a pipeline.

Airflow saves time, optimizes, monitors and controls tasks from the source data to the application, making the company more efficient and faster in its services.

Customs Bridge uses Airflow to produce a service with secure, reliable data in real time.