TRADE BSERVER

The official monthly update by CustomsBridge April 2022



Technologies of tomorrow

CAN A COMPAGNY DO WITHOUT AI IN 2022?

FOCUS ON NEW CUSTOMS COMPUTER SYSTEMS : DELTA IE

RUSSIA FACING SANCTIONS

CAN A COMPANY DO WITHOUT AI IN 2022?

In 2020, 75% of European, American and Chinese companies were already using Artificial Intelligence (AI) and this figure could well reach 100% in the coming years. Today, AI is profoundly changing the way companies operate by developing in all sectors.

Indeed, today AI touches, in addition to the traditional sectors, new domains such as human resources or accounting by using data collected in ever greater numbers. Processing this data for commercial or functional purposes is becoming more and more essential, here are some examples:



First of all, AI is becoming the preponderant solution in customer satisfaction management.

Whether it's in analyzing behaviors or responding to them, AI allows for more accurate information than simple human analysis thanks to objective data in large numbers and allows for relevant responses thanks to Machine Learning.

Even for businesses that are not digitally focused, there is all kinds of data across all sectors that can point these businesses in the right direction.

In addition, AI offers a new cybersecurity challenge. It is both a new weapon for cyber attacks and a way for companies to defend themselves. Opting for an AIbased security is therefore fighting on equal terms with hackers; to avoid it is to take a risk.

Al can identify patterns, analyze network traffic and highlight suspicious activities using intelligent algorithms.

Finally, whether for digital companies or not, the competitive advantage of companies in 2022 often depends on mastering AI. It allows, for example, to optimize generally manual tasks, such as tool maintenance, or to extend the horizon of possibilities, in the medical field in particular.

In short, with a new growth rate of 18.8% forecast for 2022, Artificial Intelligence has not finished disrupting the way companies operate. With more and more resources at its disposal, it could soon become an absolute necessity for all companies.



FOCUS ON THE NEW CUSTOMS IT SYSTEMS : DELTA IE SYSTEM



Following the implementation of the EU Customs Code (UCC) on May 1^{er}, 2016, French Customs is working on an overhaul of the Customs IT systems in order to centralize the customs clearance process at the European level.

Indeed, with this overhaul of the Customs IT Systems, the Single Administrative Document (SAD) will be completely abandoned and will make way for new customs clearance processes: An import customs declaration (H1) and an export declaration (B1).

This new system called DELTA IE (import-export) will be operational as of January 1^{er}, 2023 in simple customs clearance. It should be generalized by 2025.

NEW SERVICE OF ORIGIN AND MADE IN FRANCE : THE SOMIF

The Directorate General of Customs is setting up the Service de l'Origine et du Made in France (SOMIF) to issue Binding Origin Information (BOI) and Made in France information (MFI).

By creating this new specialized service, available as of 1^{er} May 2022, the DGDDI confirms its mobilization to secure French origin markings and the enhanced use of trade agreements by companies.



ORIGINAL RULES UPDATED FROM LAST VERSION SH 2022

The European Commission has recently updated a guide on non-preferential origin (March 2022) and has made it available on the Europa website.

NOTE: Annex 22-01 Jo L343 of 29/12/2015 are also necessary to study the non-preferential origin. <u>Consultation of the guide</u>



UPDATE ON THE WAR IN UKRAINE: RUSSIA FACED WITH SANCTIONS

Since February 24, 2022, Russia and Ukraine have been engaged in a major conflict, the first in Europe since the Balkan War in the 1990's.

Indignant, the Western world has taken a series of sanctions against Moscow, but to what extent can the country of Peter the Great resist?

If the sanctions directed at the oligarchs have a strategic aim with an uncertain outcome, the most decisive are those that have affected the Russian financial system.

The result has been a disorganization of the financial system and an abysmal fall of the ruble. However, these effects were transitory thanks to the administrative measures taken by Russia and the incompleteness of these sanctions, which did not, for example, affect the hydrocarbon sector, even though Russia is a rentier country. The major lasting effect of the sanctions is, in fact, a drastic inflation estimated at 20% for the current year.



Regarding the medium-term future of the Russian economy, Julien Vercueil, Vice-President of INALCO, distinguishes several scenarios:

The first would be the complete cessation of Russian hydrocarbon supplies by the West, and in particular the EU. In this case, Russia would certainly be the victim of a real systemic crisis.

If, on the other hand, the Europeans continue this supply without suspending the other sanctions, two scenarios would emerge.

Either China would come to Russia's aid on a massive scale, in which case the repercussions would be limited to manageable inflation for the government and, above all, to a reorientation of Russia towards Asia and a strengthening of the axis between Beijing and Moscow. Or China would only intervene to a limited extent, in which case Russia would inevitably become a rentier economy marginalized on the international scene.

Russia's future therefore remains in the hands of Brussels and Beijing, in any case its economy will not emerge unscathed from this conflict. There is also the question of the real effectiveness of these sanctions in relation to their initial goal. They should prevent Russia from being able to support a war, but let's keep in mind that the collateral victim is the Russian people themselves, not their leaders.

