

Opening Speech (Draft)

WCO Secretary General, Dr. Kunio Mikuriya

Global Conference on Cross Border E-Commerce

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1. It is a great pleasure and honor to welcome you today to WCO's Second Global Conference on Cross Border E-Commerce, which is held with support from the Customs Cooperation Fund of Japan.
2. More than 1700 representatives have registered for today's conference, demonstrating the keen public interest in the e-commerce issue.
3. Last week the WCO Council addressed the current priority of contributing to the global efforts for recovery from the COVID-19 pandemic.
4. In this connection, Members observed that the COVID-19 pandemic had further accelerated the surge of e-commerce and this trend would continue even in the post-pandemic era. Indeed e-commerce has played a significant role to sustain the continuity of economies in the emergency situation.
5. This is why the Conference is themed as "Customs united efforts on Recovery, Renewal and Resilience for a sustainable e-commerce supply chain".
6. The First Global Conference on Cross border E-Commerce was held in February 2018 in Beijing, China. The first conference shared the principles of cross border e-commerce, included in the draft Framework of Standards on Cross Border E-Commerce, with a wide range of stakeholders for consultation.
7. Subsequently the WCO Council adopted the Framework of Standards in June 2018 and finalized the three remaining Annexes on dataset, partnership with the private sector and revenue collection in December 2020.
8. Therefore, it is opportune to organize the second conference to share experiences as the Framework has entered into the full implementation period.
9. The rapid progress of e-commerce has changed the consumer behavior, but also enlarged Customs focus from mainly managing large maritime containers to handling large numbers of small and low value cargo delivered by air.
10. However, it is not only the size and the price which have affected Customs procedures.
11. New business models and the characteristics of e-commerce have presented a

number of challenges that could affect the basic principles of traditional Customs procedures.

12. First, at the importer side, Customs procedures have developed based on B2B trade, where Customs could get commercial data from known enterprises for the risk management purpose.
13. On the other hand, e-commerce is more focused on B2C trade, where importers are often individual consumers with less information and knowledge of Customs procedures.
14. Accordingly, Customs could no more solely rely on importer-based procedures to get necessary data to evaluate admissibility of parcels.
15. Second, at the exporter side, the e-commerce provides opportunities for MSMEs vendors, including those from developing countries, to participate in international trade.
16. However, it gives a challenge for Customs to build a direct relationship with those MSMEs as exporters.
17. It has therefore become vital for Customs to build cooperative relationships with intermediaries, including e-marketplaces, which connect consumers and MSMEs vendors to get necessary trade data.
18. Third, with its time-sensitive nature, e-commerce is characterized by a high-level utilization of information and technologies for advanced logistics, in particular, by new business models such as Fulfilment Centres.
19. Fulfilment Centres gather information and parcels in one place and ensure “last mile delivery logistics” to deliver the packages as quickly and accurately as possible. However, this business model casts a very basic question on the definitions of importers, exporters and Customs value. On the other hand, this business model could provide an opportunity for Customs to utilize such information and technologies.
20. Fourth, the recent global operations coordinated by the WCO on COVID-19 related goods revealed that small packages facilitated by online trade became the preferred channel of illicit trade that poses health, safety and security risks to citizens. As a result of operations Customs around the world seized millions of fake medicines and medical supplies. We are now focused to facilitate the movement of vaccines while avoiding counterfeit vaccines entering in market.
21. Fifth and lastly, the COVID-19 Pandemic has forced Customs to further digitalize any remaining paper-based procedures and actively use data analytics for better targeting of e-commerce as Customs receive a huge number of data including Advance Electronic Data (AED) and NII images.

22. The Framework of Standards on Cross Border E-Commerce offers 15 standards that broadly cover all of the issues I just mentioned, which was developed a result of intensive and futuristic discussions, not only among Customs, but also with e-commerce stakeholders and relevant international organizations.
23. Today and tomorrow, we will learn about a variety of initiatives and experiences related to the implementation of the Framework from distinguished speakers from Customs, international organizations, e-commerce stakeholders as well as solution providers.
24. In particular, we will hear how Members have been implementing and piloting the use of AED and advance technologies, and strengthening cooperation with e-commerce stakeholders utilizing the concept of Authorized Economic Operator. We will also learn how revenue collection models would contribute to the effective use of resources for many administrations to manage growing e-commerce trade.
25. Let us think out of the box as we have started the review cycle of the Framework to keep our standards relevant.
26. Your valuable contributions to this Online Conference will support Customs and business in considering the future of Customs procedures and cross-border e-commerce in order to support the recovery of supply chains in a resilient and sustainable way.
27. I wish you fruitful deliberations. Thank you.