



Research on Benefits of AEO Implementation

Outline

- The **types** of research we have so far on the subject
- The current **gaps** in research about AEOs in general and AEO implementation in particular
- Benefits of AEO in the United Arab Emirates (Some Preliminary Results of our current study)
- Suggestions on the **way forward**

Types of research on AEOs

*Whereas research on AEO implementation is still very scarce, the few publications we have generally fall under the following categories:

Explanatory & exploratory research
using qualitative data

Explanatory legal research

Quantitative research

Explanatory & exploratory research, using qualitative data

Some examples:

- Lars Karlsson (2017), “Back to the future of Customs: A new AEO paradigm will transform the global supply chain for the better” *World Customs Journal*, vol. 11, no. 1, pp. 23-33.
- Qing-Yun Jiang (2016), “Evolution of Classified Administration of Enterprises and the Harmonization of AEO System in Chinese Customs Reform” in *Global Trade and Customs Journal*, Issue 1, pp. 23–30.

Those studies explore how AEO programs have evolved over time and whose implementation is evolving into a good compliance management model that benefits both Customs and the Authorized Economic Operators.

Explanatory legal research

Some examples:

- Hans-Michael Wolfgang, Julia Natzel (2017), “The Authorized Economic Operator in the European Union” in *Global Trade and Customs Journal*, Issue 11/12, pp. 377–384.
- Edward Kafeero (2017), “Profiting from the Authorized Economic Operator Paradigm in the Era of Global Value Chains: A Conceptual and Legal Analysis” in *IRABML* vol. 1.

Those studies highlight the purpose behind the key rules and standards on AEOs at international and regional and national levels – and show the benefits of AEO implementation for both Customs and the business sector.

Quantitative research (*and a mixture of both quantitative and qualitative approaches*)

Some examples:

- Hans-Joachim Schramm (2015), “Who benefits most from AEO certification? An Austrian perspective”, in *World Customs Journal*, vol. 9, no. 1, pp. 59-68.
- Widdowson et al. (2014), “Review of accredited operator schemes: an Australian study”, *World Customs Journal*, vol. 8, no. 1, pp. 17-34.

Those studies explore the benefits selected AEO programs from a quantitative perspective whereby, for instance, they tell us who benefits more between import-oriented and export-oriented AEOs; between SMEs and big companies, in a measurable/quantitative way.

The current gaps in research about AEOs

1. In the first place, serious **research on Customs matters is still in infant stages**. This is understandable, given that academic courses in Customs are also of recent – and not widespread.
2. There is lack of **comprehensive case studies** on the implementation of AEO programs. What we currently have are kind of “**simple / basic reports**” on some **AEO programs**. And such simple quick reports may not be reliable for policy advancements in the AEO matters.
3. **Quantitative research in this field is still very limited**; yet it is highly essential e.g. to measure the impact various AEO programs to certain types of business (e.g. *to importers/exporters of particular products; to certain types of businesses like freight forwarders, etc.*).
4. **Cost-benefit** researches are still highly needed.

Benefits of AEO in the United Arab Emirates

Some Preliminary Results of our current study

- This study is a *follow-up* on our study published in 2017 on the “AEO Paradigm in the Era of Global Value Chains” which focused on conceptual and legal analyses.
- The follow-up study focuses on the assessment of the benefits to selected AEOs in the United Arab Emirates.
- In this study we collect both qualitative and qualitative data.
- We purposively selected 10 companies (out of by then 40 registered AEOs) – companies that play a important role in global value chains .

Benefits of AEO in the United Arab Emirates

Some Preliminary Results of our current study

- Whereas quantitative data collection is yet to be completed and then analysed, the qualitative data (in form of interview recordings) largely show that the AEOs are “happy” about the program (**note that “happiness” is the very word that most interviewees used*)
- And the “happiness” talked about basically comes from the many and tangible benefits tied to being an AEO. Benefits like “*inspection prioritization*”, “*faster clearance*”, “*priority consignment pick-up*”, etc. – all which contribute positively to expedited trade, which ultimately makes GVCs related trade prosper
- ** The quantitative part of the study will then show us **to what extent**, in **what measure**, at **what cost** does the UAE AEO program deliver the intended objectives

Suggestions on the Way Forward

More research (both qualitative and quantitative) on AEOs is badly needed

And **cooperation** between the Academia, Customs and Business on AEOs is indispensable

Since the AEO paradigm has taken root and is expanding, there is also a need for **basic/fundamental/pure research** concerning AEOs to enhance future Customs management policies

Thank you very much!