

Cross-Border Paperless Trade: Preconditions at Customs

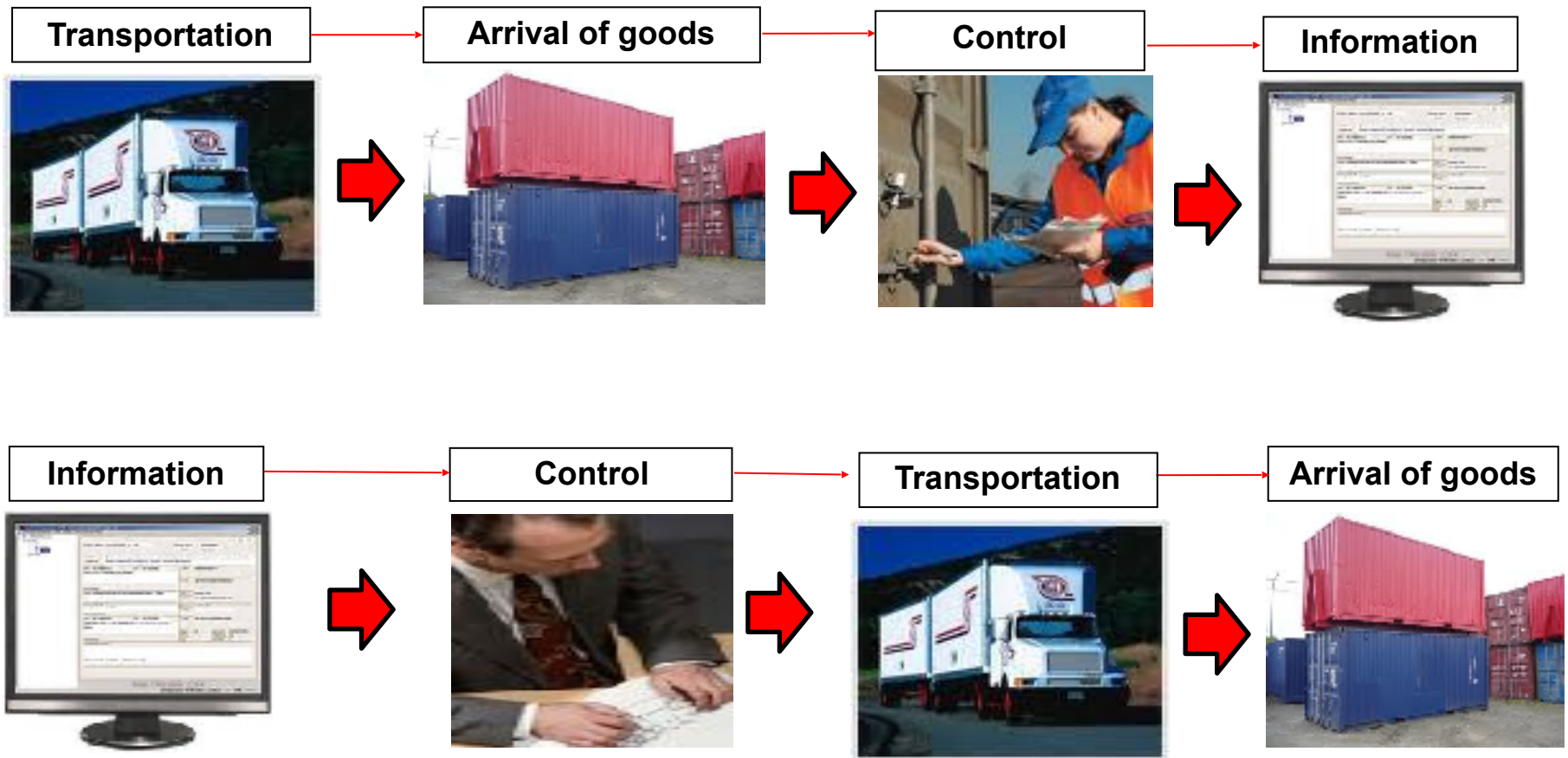
Case of Azerbaijan Customs Service

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New Challenges / New Tasks

- Advancing technologies and innovations in international trade supply chain
- e-Commerce is witnessing enormous increase in the number of **individual transactions and new faceless traders**, posing threats to revenue and to the security of the supply chain.
- Many customers sending international items are **occasional shippers** and are often not fully conversant with the requirements of data quality.

Shift in Business Process



Time to Change

- Shift to data driven & evidence-based decision making
- Shifting from traditional analytics that is often referred to as **business intelligence** (e.g. “*what happened?*”) to **predictive analytics** (e.g. “*what will or could happen?*”)

Reference Points - WCO

Customs in the 21st Century

10 building Blocks

Globally Networked Customs

*".....The vision of this network implies the creation of an international **e-Customs network** that will ensure seamless, real-time and paperless flows of information and connectivity".*

Enabling Powers

*".....Customs administrations require appropriate legislative provisions that strengthen enforcement powers, the provision of advance information and the **sharing of information domestically and internationally**".*

Data-Driven Decision Making

Enhanced connectivity with other customs administrations for data-gathering purposes will allow an organization to benefit from informed and evidence-based decision making.

For this reason:

Customs administrations need to build capabilities of receiving, storing and processing such data in a way that it could be subsequently used for analytical purposes.

What Customs needs to do

- Recognizing that we are a **“data-rich” organization**
- **Relevant Technologies** to obtain and analyze import and export data.
- **Data verification** to ensure that all relevant information regarding trade flows was captured and stored.
- Ensuring **quality of data**
- Leveraging the **power of analytics**
- **Capacity Building** (knowledge, skills and etc.)

Customs



Min. of Road Transport



Sanitary Quarantine Service



Veterinary



Phitosanitary



IAMAS



DYPX



Min. of Taxes



Border Service



Central Bank



Central Customs Examination



Min. of Economic Devel.



Min. of Finance



INTERPOL



IRU, SITA



Stand. and Patents



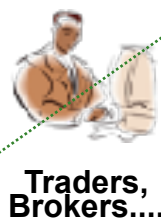
Caspian Adm.



FHN, Radiation



AZAL CARGO



Traders, Brokers...



Data Exchange Preconditions

- ❑ Political will
- ❑ High level legal framework (intergovernmental agreement)
- ❑ Inter-agency (Memorandum, Protocol)
- ❑ Real needs (transit control, trade facilitation, anti-smuggling)
- ❑ ICT tools and infrastructure
- ❑ International standards and data harmonization (WCO, UNCTAD/CEFACT)
- ❑ Technical assistance

Big Data for Customs

- Big data is the term that is used to describe large volumes of **structured and unstructured data**.
- Data is collected from **a number of sources** such as trade transactions, C2C exchanges, social media and information retrieved from machine-to-machine data.
- Data also comes in **various types of format**, from structured data such as numeric data in databases to unstructured data such as text documents, email, audio, financial transactions etc.

“Data is the new oil, and like oil, data needs to be refined before it gets value”.

Customs Service of Azerbaijan



Thank you !

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