



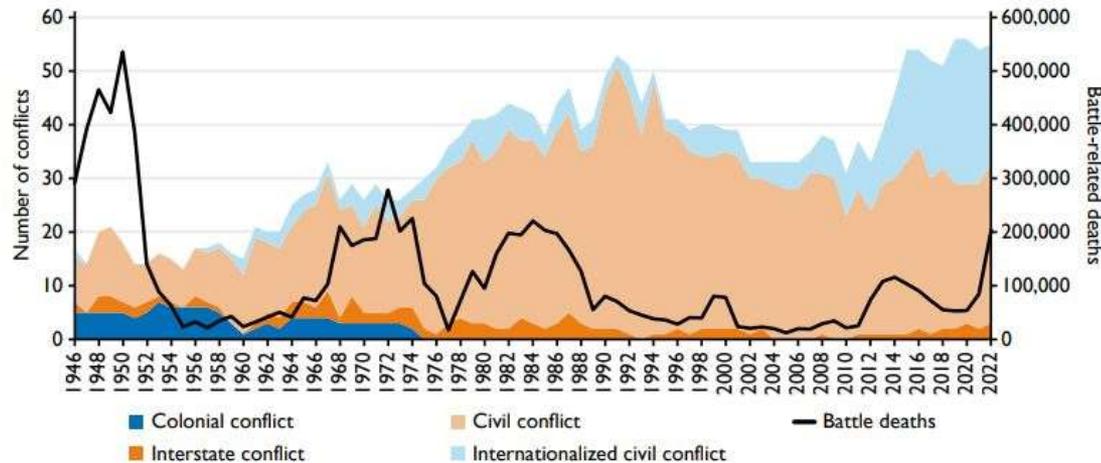
**World Customs  
Organization**

# Environmental Scan

# Geopolitical landscape and positioning of Customs



## Internationalization of civil conflicts



- Heightened security concerns at border crossings
- Fragile borders
- Humanitarian actions for reconstruction

## Geopolitical tensions, trade restrictive measures and trade wars

- Supply chain resilience

# Geopolitical landscape and positioning of Customs



## Manage the uncertainty

- Geopolitical instability introduces uncertainty into customs procedures.
- The need for adaptable customs strategies in an evolving landscape

## Shed light on the role of Customs

- More international cooperation
- Communication strategy
- Involvement in global discussions on government policies
- Position Customs in matters of global interest

# Trade growth slowing down in 2023 and expectations for 2024

Chart 1: World merchandise trade volume and GDP growth, 2015-2024

Annual % change



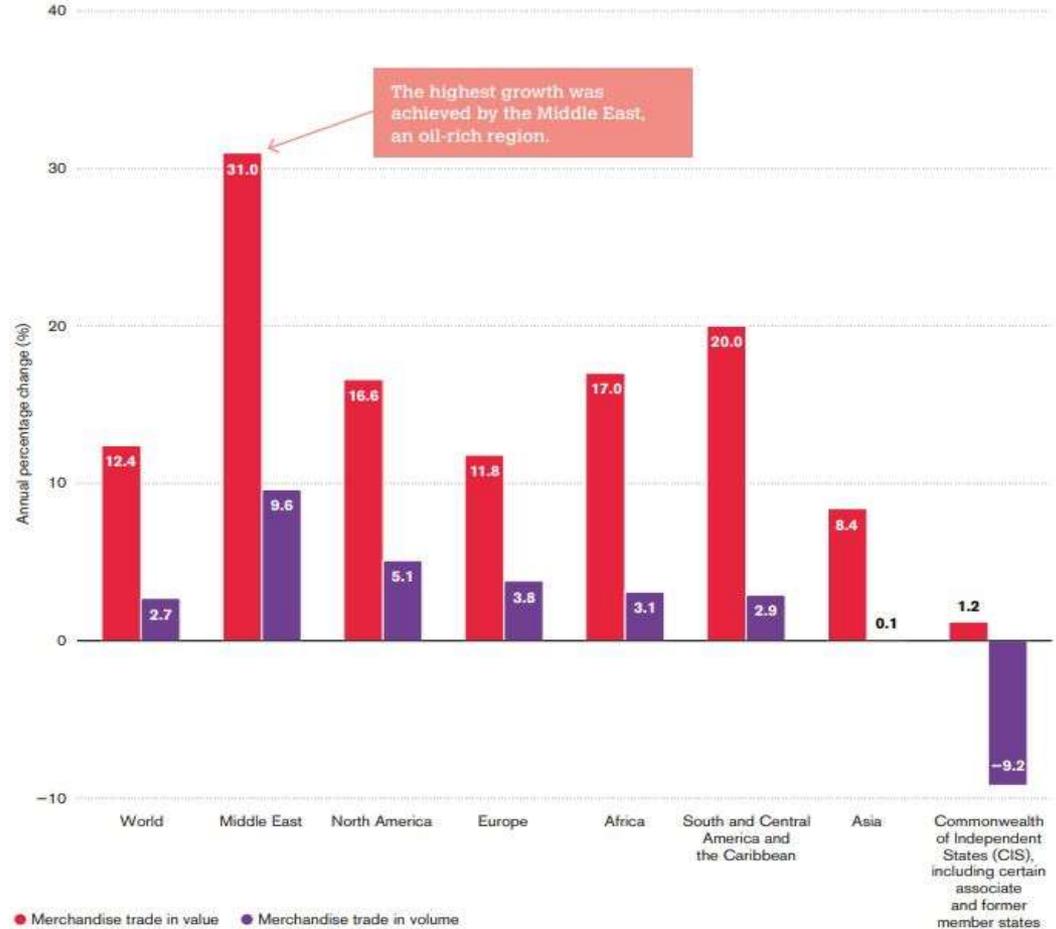
Note: 2023 and 2024 are projections.

Source: WTO for merchandise trade volume and consensus estimates for GDP.

# Inflation impacts prices



- In most economies, the priority remains achieving sustained disinflation while ensuring financial stability
- Geopolitical tensions highlight the need for resilient supply chains.
- Role of Customs in global supply chains
- Adoption of technology for smoother cross-border trade



Source: WTO Secretariat

# E-commerce continues to grow



## Enhance cooperation with e-commerce stakeholders

- The importance of international customs cooperation and information sharing
- Diversification of suppliers and actors
- Data collection

Chart 3 – The growth in retail e-commerce sales worldwide 2021-2026 (Source: Insider Intelligence)



Source: Forbes Advisor • Embed

**Forbes** ADVISOR

# Other economic trends to consider

**Slowdown in globalization**

**Shifts in trade alliances and regional trade agreements**

**Reshoring in lieu of friend-shoring**

**Need for agility and preparedness**

- Supply Chain resilience
- Update of WCO instruments
- Due consideration to evolving trade (e-commerce)
- Digitalization of procedures

# The necessary balance between trade facilitation and enforcement

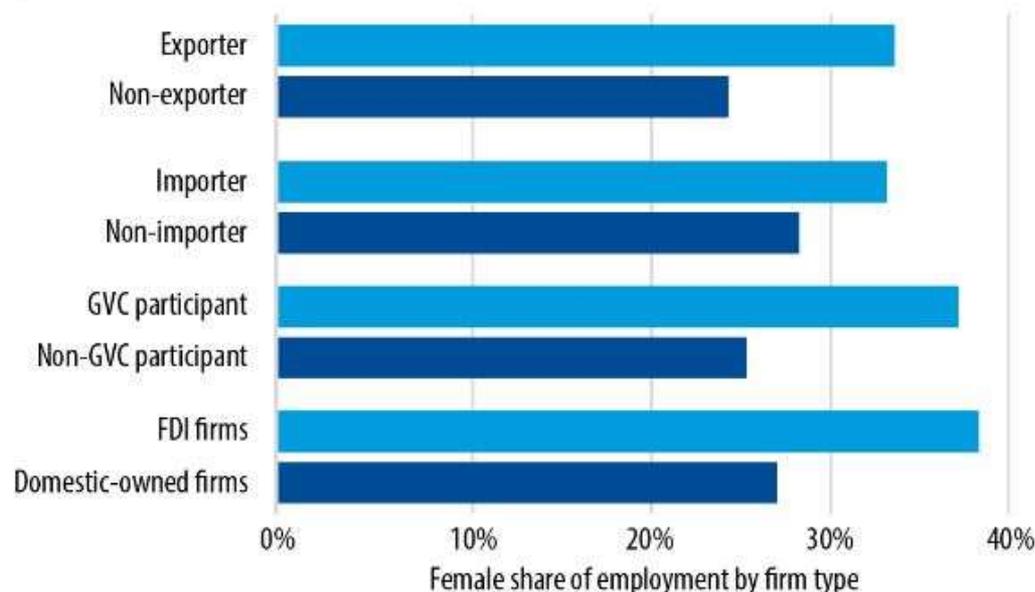


## The social benefit of trade

- Trade supports inclusivity
- Disruption have to be limited
- A balance should be found to ease trade compliance with the rules, providing them with clarity and certainty, while imposing severe sanctions for non-compliance

### Integration benefits

Average female labor share is higher for manufacturing firms integrated into global trade.



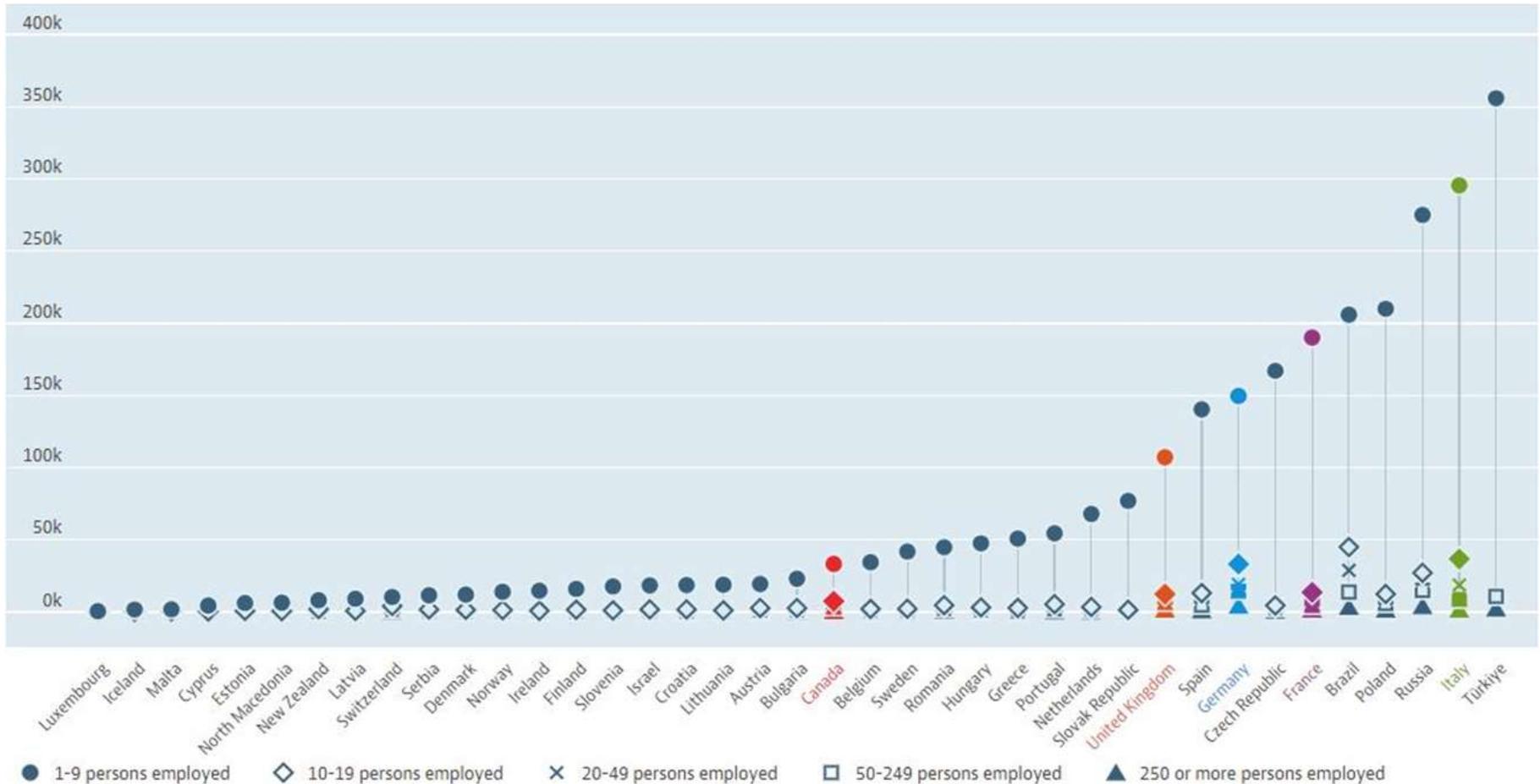
**Source:** Rocha, N., and D. Winkler. 2019. "Trade and Female Labor Participation: Stylized Facts Using a Global Dataset." Policy Research Working Paper 9098, World Bank, Washington, DC.

**Note:** The graph shows weighted averages by firm type, using the number of permanent workers as weights. Exporters are firms with an export share (direct or indirect) of at least 10 percent of total sales. Importers are firms with an imported input share of at least 10 percent of total inputs. Global value chain (GVC) participants are firms that are classified as both exporters and importers. Foreign direct investment (FDI) refers to firms with a foreign ownership share of at least 10 percent.

# The majority of actors in supply chains are MSMEs



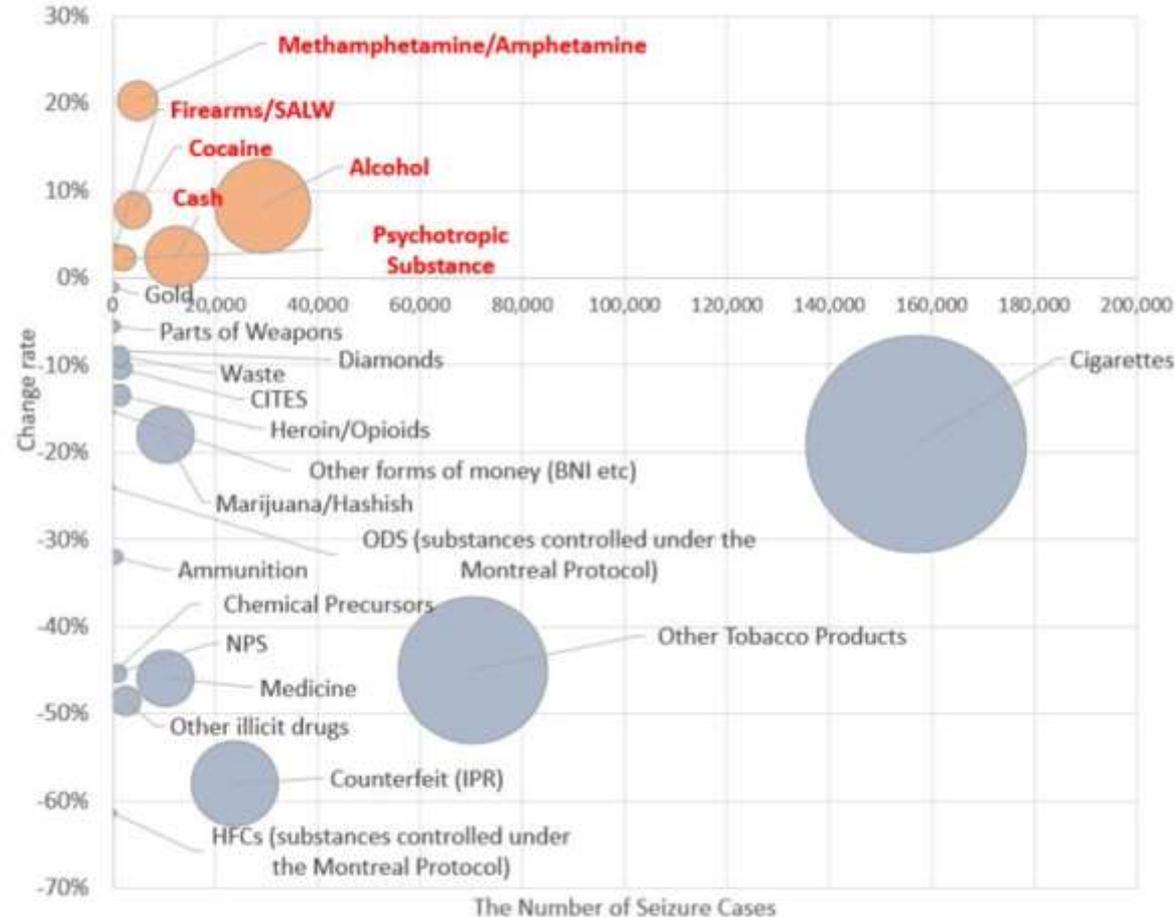
Chart 4 – Enterprises by business size, 2021 or latest available (Source: OECD - Structural business statistics ISIC Rev. 4)



# Illicit trade – Know what you fight against



Chart 6 – Number of Seizure Cases in 2022 and its Change Rate since 2021



Source: WCO Survey

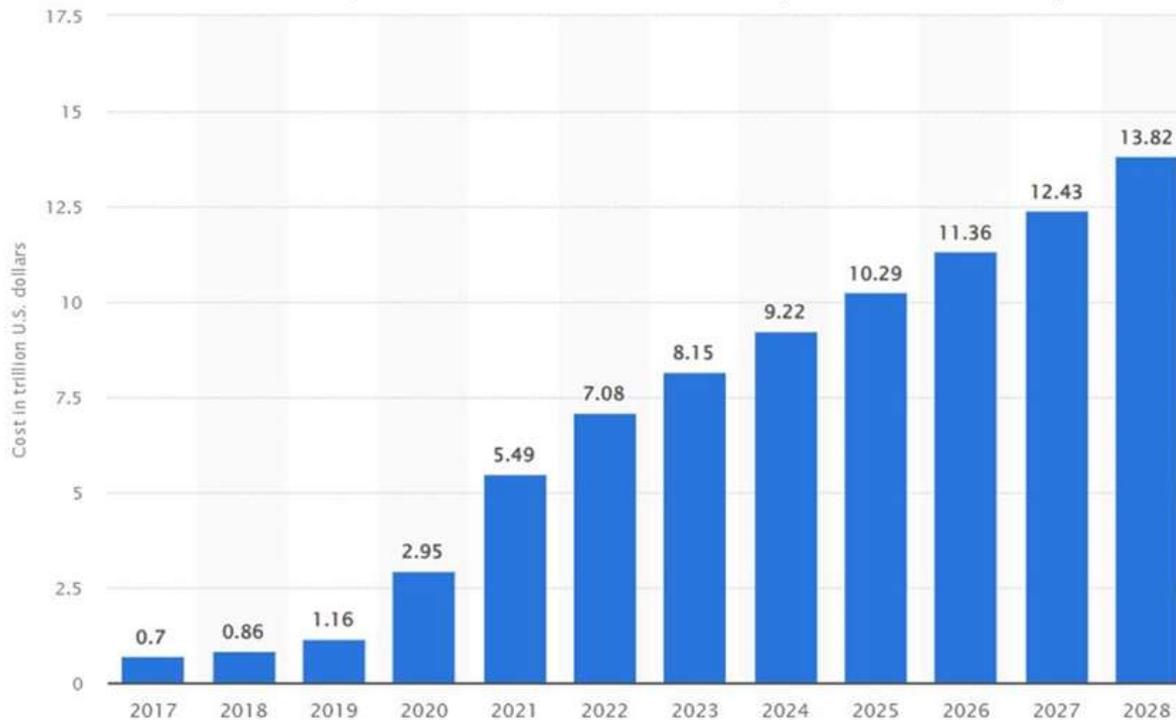
## The trends

- Cigarettes and other tobacco products are keeping their predominance within the number of seizure cases
- Increase in the number of cases is observed for methamphetamine / amphetamine, cocaine and psychotropic substances
- Firearms / Small arms and light weapons (SALW) also witnessed an increase in the number of cases
- A significant decrease is observed in counterfeited products but the number of cases still remains one of the highest within the global seizures figures.

# A criminality in constant evolution



Chart 7 – Estimated cost of cybercrime worldwide 2017-2028(in trillion U.S. dollars)



© Statista 2023

- Cybercrime services are widely available and have a well-established online presence
- High specialization inside criminal networks and collaboration between illicit providers
- Intertwined services and codependency
- Dark web
- Supply chain infiltration

# A necessary evolution in risk management



## Targeted actions

- Adjust WCO instruments considering inclusivity and distinct realities

## Customs cooperation

- Information sharing and intelligence
- Collaborative efforts to combat illicit trade and smuggling
- Develop appropriate skills to fight against illicit goods emanating from the digital economy
- Focus on data protection

## Cooperation with other agencies

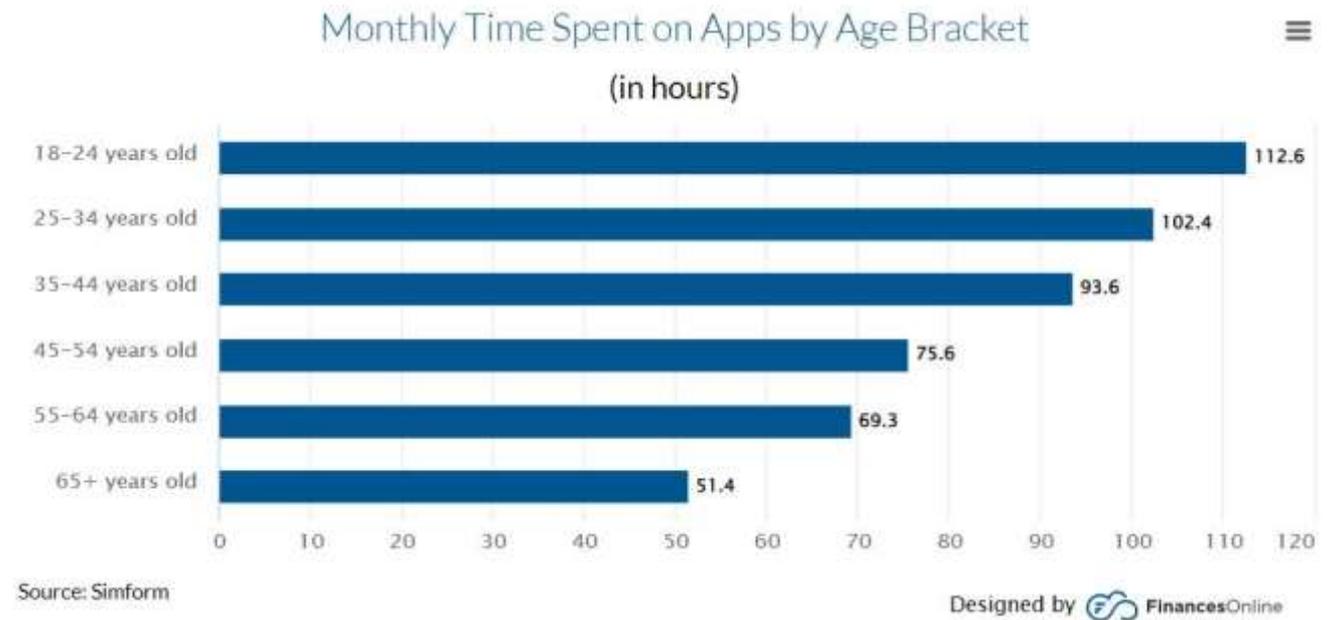
- Address organized crime through organized risk management procedures, involving multiple agencies
- Enhance operational cooperation
- Share data and create common databases

# Leverage on technology to improve procedures



## Adapt to a new kind of customers

- Digitalization of services
- Simplification of procedures
- Use of AI (ChatGPT) to ease compliance
- A modern approach responding to the daily lives of newcomers



# The power of AI



**Improved customer experience**

**User friendliness contributing to better compliance**

**Abolition of traditional barriers such as language**

**Personalized experience without additional burden**

**24/7 availability**

## Focus on data

### Sharing information

- Build trust
- Define common datasets to be shared
- Address legal issues related to privacy and confidentiality
- ➔ Work towards the establishment of a common legal framework for information sharing

### Electronic transmissions

# Focus on standardization of procedures



Chart 9 – Number of instruments implemented by at least 50% of WCO Members (Source: WCO annual survey 2023)

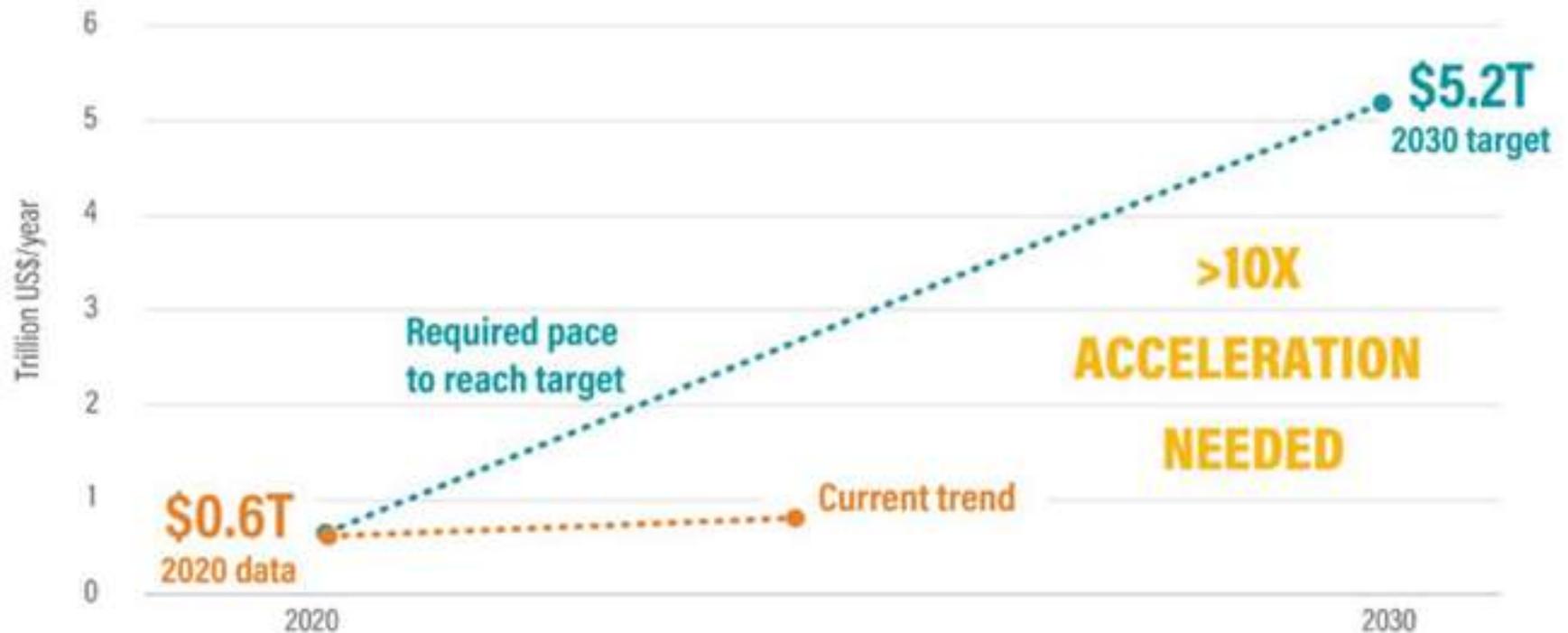


Monitoring and assessment needed to ensure standardized application of WCO instruments

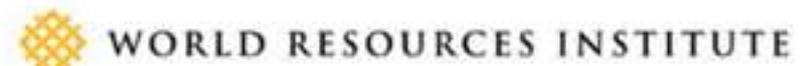
# Climate emergency



Chart 10 – Progress towards 2023 target for global climate finance



Source: State of Climate Action.



# Threats to the environment

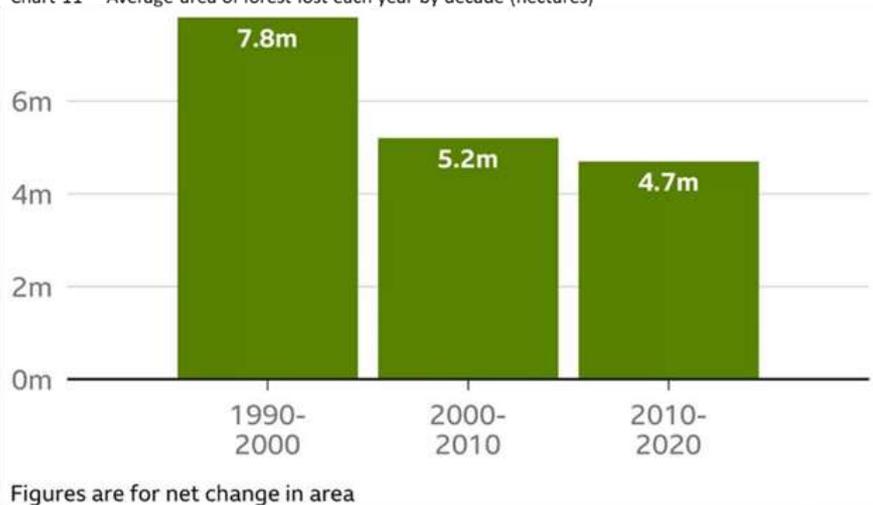


Contribution from everyone necessary, including Customs

Chart 12 – Species threatened with extinction (source: IUCN)



Chart 11 – Average area of forest lost each year by decade (hectares)



Figures are for net change in area

Source: UN Food and Agriculture Organisation, 2020



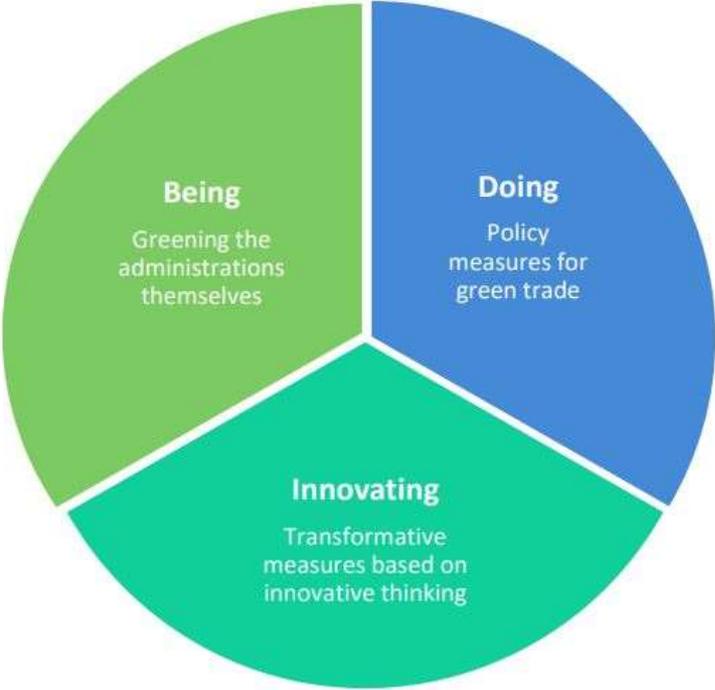
What role for Customs in the fight against climate change and the protection of the environment?

# Green Customs Action Plan



## The building blocks of Green Customs

Figure 1: Building blocks of Green Customs





**World Customs  
Organization**

**Thank you**

