EU Digitalisation of Logistics Processes

UTIKAD Webinar

Dominique Willems – JULY 2020

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Introduction

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DIGITAL TRANSPORT & LOGISTICS FORUM

FIATA

Digitalisation & IT Topics

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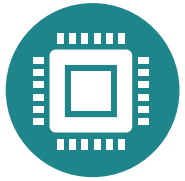


General topics

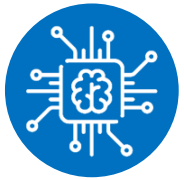
- General developments & upcoming technology
- Cybersecurity, data protection and privacy
- Authentication, Identification (e-signatures & e-IDs)
- International standards (UN/CEFACT, WCO)
- IoT related topics (autonomous vehicles, smart/e-seals, etc)
- Availability of IT systems and fall-back procedures
- Service providers and community systems

EU IT projects

- eCustoms (40+ projects)
- Electronic Freight Transport Information (eFTI Regulation)
- Single Windows (Customs & Maritime)
- Phyto and Veterinary (IMSOC/TRACES)
- Cargo security (PLACI & ICS2)
- Rail interoperability (TAF/TSI)
- Other…

Consignment notes

- e-CMR
- e-Air Waybill
- e-Bill of Lading
- e-CIM
- Etc..



Research & Innovation

- Alliance for Logistics Innovation through Collaboration (ALICE)
- Shared European Logistics Intelligent Information Space (SELIIS)
- CEF projects (Federated & Fenix)
- Other initiatives

CLECAT Principles on Digitalisation

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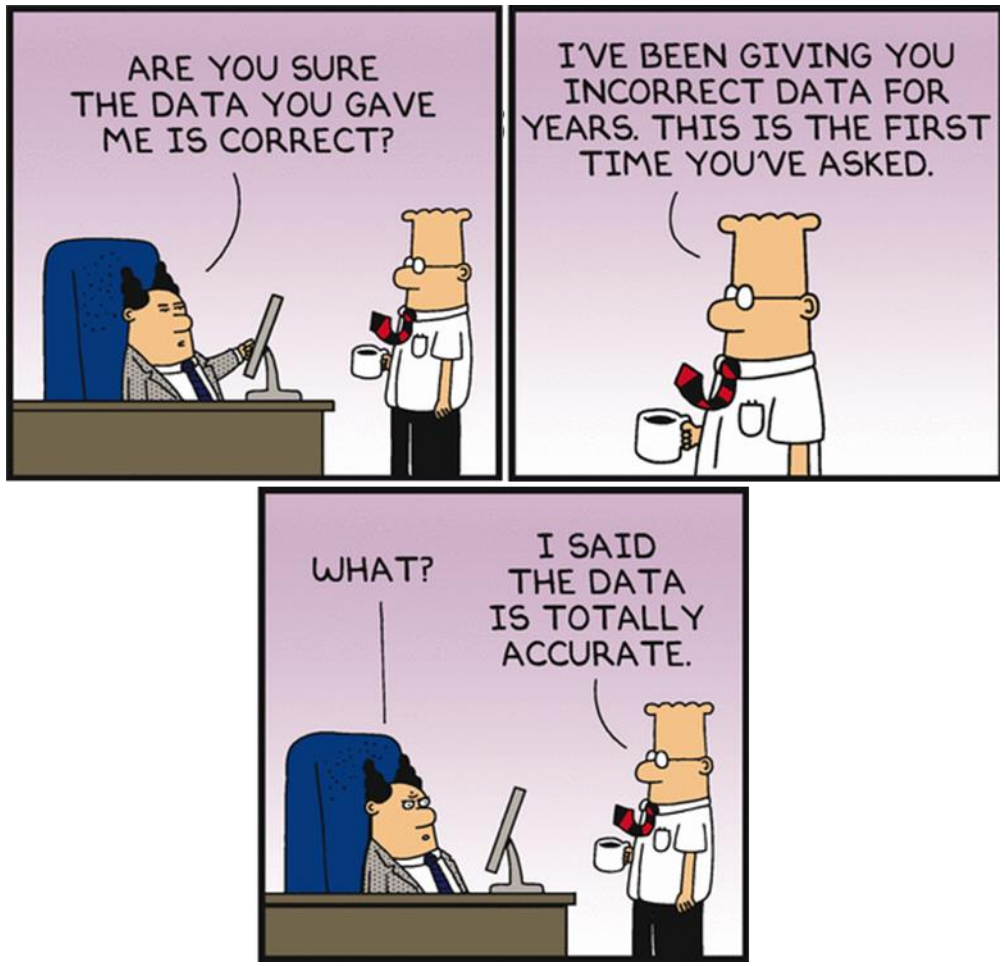
Data sovereignty is key

- ✓ Digitalisation is not a goal in itself – Increased efficiency should be the goal – digitalisation is a means to achieve that
- ✓ The EU should act where they can (B2A & A2A) – Private Sector should deal with Business-to-Business
- ✓ Digitalisation of Documents is a wrong approach – instead focus should be on Electronic Exchange of Data
- ✓ Re-use what already works – No needless IT changes & re-use of international standards
- ✓ Single / Central solutions form a Single Point of Failure - Distributed & Federated networks are more future proof
- ✓ Ensure or even enforce harmonisation of data, processing & interfaces
- ✓ Technological Neutrality - the EU should refrain from picking and selecting solutions & technology



EU Data Strategy

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A single market for data

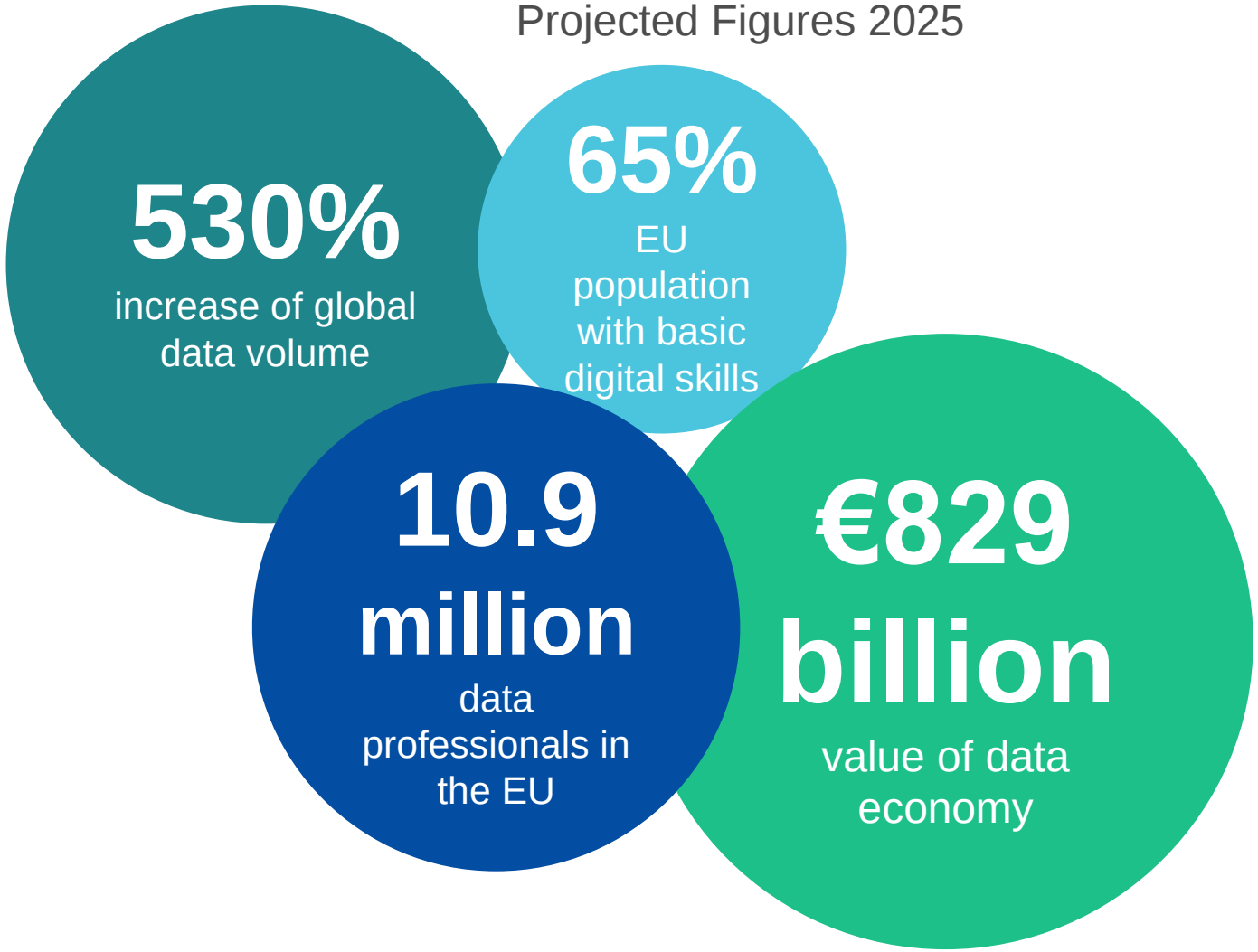
The EU is creating a single market for data where

- ✓ **data can flow** within the EU and across sectors, for the benefit of all
- ✓ European rules, in particular **privacy and data protection**, as well as **competition law**, are fully respected
- ✓ the rules for access and use of data are **fair, practical and clear**

The EU will become an attractive, secure and dynamic data economy by

- ✓ setting clear and fair rules on **access and re-use of data**
- ✓ investing in next generation **standards, tools and infrastructures** to store and process data
- ✓ joining forces in European cloud **capacity**
- ✓ pooling European data in **key sectors**, with EU-wide common and interoperable **data spaces**
- ✓ giving users rights, tools and skills to stay in **full control of their data**

Projected Figures 2025



Customs and trade in the Europe today

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Most advanced Customs in the world

- Almost completely digitalised and automated
- Legislation already provides numerous simplifications
- Results can be seen every day
- We can buy any kind of product at any moment
- Top 25 of World Bank Logistics Performance Index for customs full with EU countries

However, there are several challenges

- increased safety and security threats;
- increased trade barriers,
- tax fraud and tax evasion;
- food-, health- and environmental issues;
- and, despite all of this, a continuing general growth of international trade

New ways were needed to deal with this

Customs and trade in the EU today

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In the meantime, trade in the Europe is changing fundamentally

- The VAT directive is being renewed (especially regarding international trade in goods)
- New legislation is being created for agricultural products (Official Controls Regulation)
- Several new trade agreements
- But also more sanctions, other restrictions and export controls
- Huge increase of eCommerce – Drastic changes in EU legislation
- Many other related initiatives often concerning digitalisation
- BREXIT
- COVID-19
- And, of course, the implementation of the UCC is still ongoing

In all of these topics digitalisation plays a role

New systems, procedures and the EU Customs Data Model

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Article 6 of the UCC:

ALL exchanges of information, such as declarations, applications or decisions, between customs authorities and between economic operators and customs authorities, shall be made using electronic data-processing techniques

- More than 40 EU projects and updates of almost all national systems (eg import, export, transit)
- The end of the paper-based Single Administrative Document (SAD) and introduction of the EU Customs Data Model (EUCDM)
- New systems already introduced, others were updated
- Final implementation date 2023 and in some cases 2025

GROUP 1: CUSTOMS EUROPEAN INFORMATION SYSTEMS

1.2 UCC Customs Decisions system
1.4 UCC BTI
1.5 UCC AEO and impacts of MRA
1.6 UCC Automated Export System (AES)
1.7 UCC Transit System including NCTS
1.11 UCC Registered Exporter System (REX)
1.12 COPIS
1.13 EU Single Window environment for customs
1.14 Classification Information System (CLASS)
1.15 UCC Economic Operators Registration and Identification subsystem 2 (EORI2)
1.16 CRMS2
1.17 e-Commerce & CP 42/63
1.18 Import of Cultural Goods
1.19 UCC Import Control System 2 (ICS2)
1.20 UCC Surveillance 3

GROUP 2: CUSTOMS EUROPEAN INITIATIVES NEEDING FURTHER STUDY AND AGREEMENT

2.1 UCC Notification of Arrival, Presentation Notification and Temporary Storage
2.5 UCC Guarantee Management (GUM)
2.6 UCC Special Procedures
2.10 Adjustments of the existing import applications under the UCC
2.11 Customs Union Performance - Management Information System (CUP-MIS)
2.12 UCC Proof of Union Status (PoUS)
2.13 European Maritime Single Window environment (EMSWe) in relation to customs systems

GROUP 3: CUSTOMS INTERNATIONAL INFORMATION SYSTEMS

3.1 EU Implementation of UNECE eTIR System
3.2 eATA Carnet Project
3.3 Smart and Secure Trade Lanes (SSTL)
3.4 Exchange of TIR movement data via SPEED2 to Republic of Moldova and Ukraine (Deleted)
3.5 EU-CH EXS data exchange for indirect exports from Switzerland (On hold)
3.6 EU-RU 'Green Corridor' pilot project (On hold)

GROUP 4: CUSTOMS IT COOPERATION INITIATIVES AND TECHNOLOGICAL DEVELOPMENTS TO FACILITATE CUSTOMS EIS

4.1 National Systems Implementation by IT Collaboration Projects
4.5 CCN2
4.6 UCC Uniform user management & digital signatures - UUM&DS (Direct Trader Access to EIS)
4.7 High availability DG TAXUD operational capabilities
4.8 Maintenance and updates of operational IT systems
4.9 IT Business Continuity (Reinstated)

Projects and possibilities with significant importance

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Centralised Clearance

- *Lodge a customs declaration at customs office where established, for goods which are presented at another customs office in the EU*
- *Allows centralisation and integration of accounting, logistics and distribution functions*
- *Commission proposed a distributed / decentralised approach*
- *Specifications for phase 1 are ready, phase 2 started*
- *First implementation expected in 2021, but EU pilots already started with Customs Brokers/Freight Forwarders*

Entry into the Declarants' Records

- *Provides possibility to lodge a customs declaration in your own records*
- *Possible in combination with Representation*
- *Also possibility for waiver of presentation to customs*
- *EU provides quite some opportunities, but you have to request them yourself*

Projects and possibilities with significant importance

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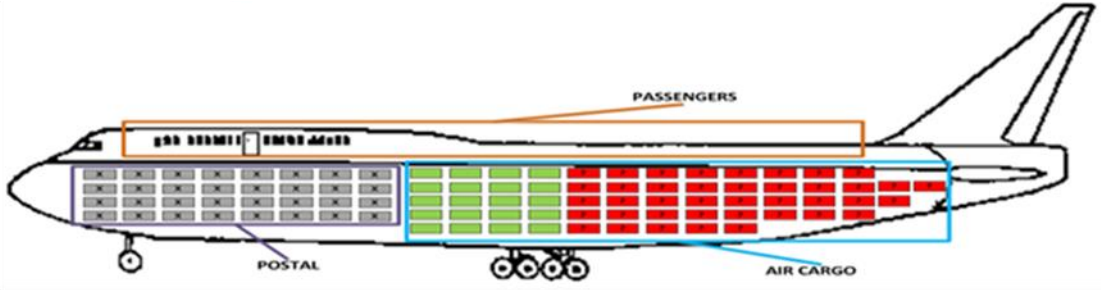
EU Advanced Cargo Information System (ICS2.0 – PLACI)

- Anti terrorism – “finding the bomb in the box”
- Not “just an update of ICS1”.
- Large role for freight forwarders foreseen
- Possibility of multiple filing; FF can file own (house) information
- Shared EU Trader interface being developed
- All other wishes of CLECAT included so far
- First phase implementation March 2021, starting with post and express pre-loading
- Air cargo “general” 2023
- Road Rail and Maritime 2024

Existing ICS gaps and weaknesses in the maritime transport. Around 60% of entry summary declarations in the current ICS contain inadequate information for a proper security and safety risk analysis (e.g. on average in each 18.000 container vessel, the EU COFE cannot properly assess security and safety risks efficiently for 10.000 containers)



Existing ICS gaps and weaknesses in air cargo. 100% gap in postal goods, X% gap in express consignments (value less than €22) and 60-90% of entry summary declarations in the air general cargo with inadequate data quality not allowing for a proper security and safety risk analysis.

eFTI Regulation

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EU Regulation on electronic Freight Transport Information

B2A Information already required by EU & MS legislation (Rates & Conditions, Cabotage, Dangerous Goods, Waste Shipments, Aviation Security, Rail Interoperability, national)

Obligation for all authorities in all EU MS to accept the information electronically – for EO's an option

Common requirements
Data, processing & interfaces
Certification is required to ensure harmonisation, acceptance & security

Certified systems will be eFTI platforms - Can still be anything like a cloud solution, eCRM solution, PCS, TMS or ERP.
Pull Mechanism is standard

Technological Neutrality

The DTLF and eFTI

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Mandate of the DTLF Subgroup on Paperless Transport

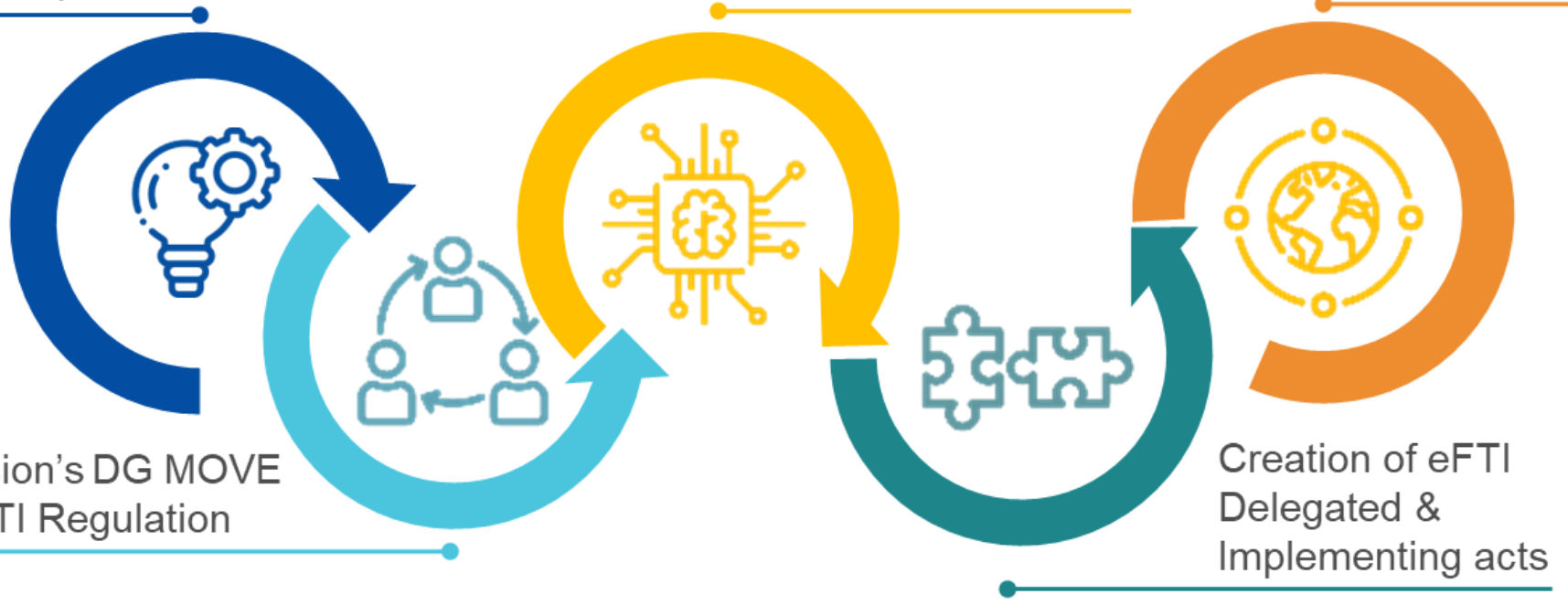
DTLF I recommends EU action on Paperless Transport

EU Commission's DG MOVE Proposes eFTI Regulation

DTLF II SG1 advises & assists in Creation and Implementation of eFTI sub legislation

Creation of eFTI Delegated & Implementing acts

eFTI Implementation



The DTLF Work

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Teams & Deliverables are linked to eFTI articles

- ✓ > 80 experts (public, private, NGO's, academia)
- ✓ All modes of transport
- ✓ 6 Tasks – 4 Teams
- ✓ Online calls every 2 weeks in different settings
- ✓ Incremental approach – results delivered in separate parts instead of all at once

The DTLF Organisation

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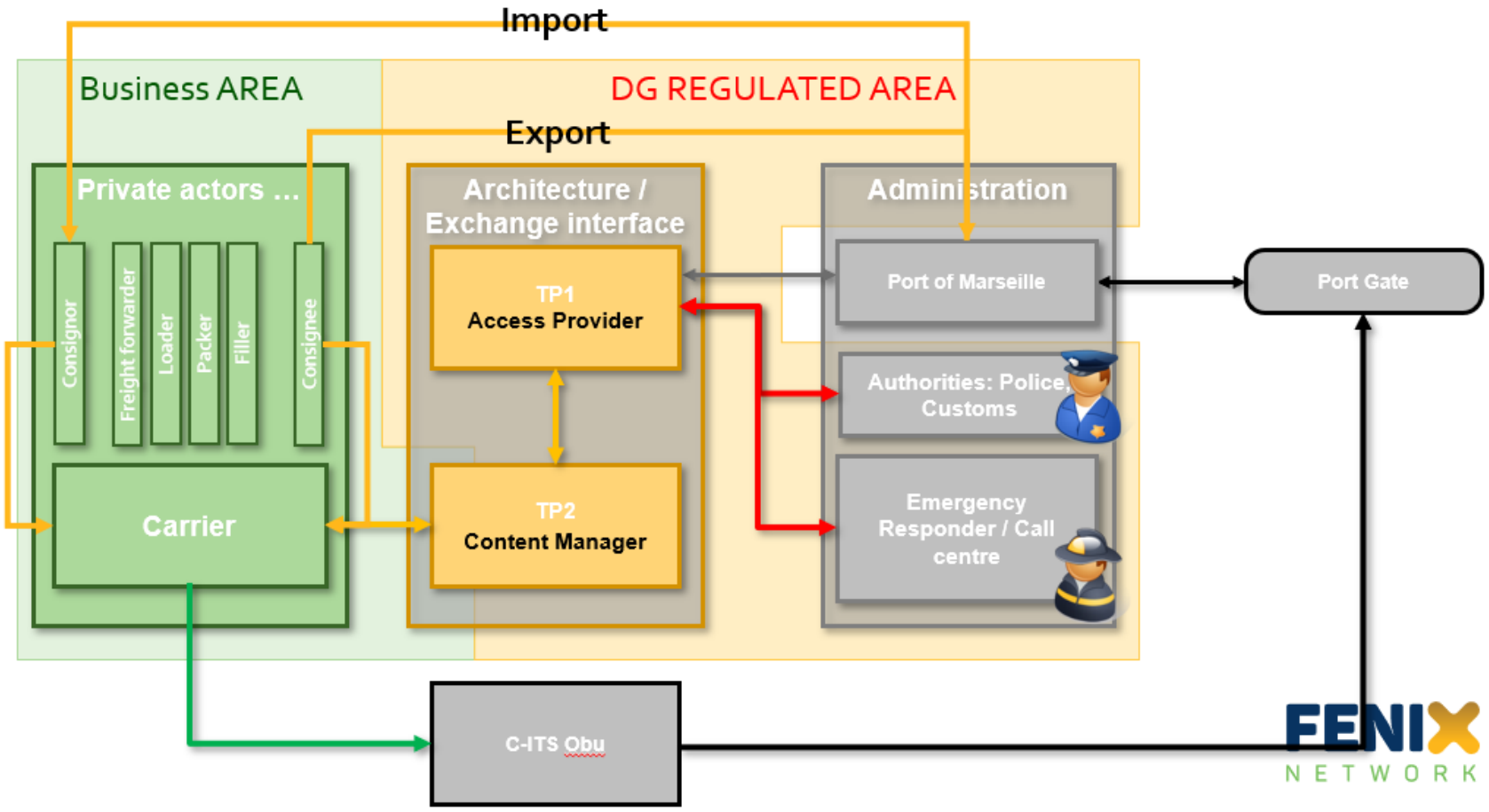
Example of Pilot Project on Dangerous Goods



Thank you for your attention

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