

# Disruptive/frontier technologies for customs

## Hope or hype?

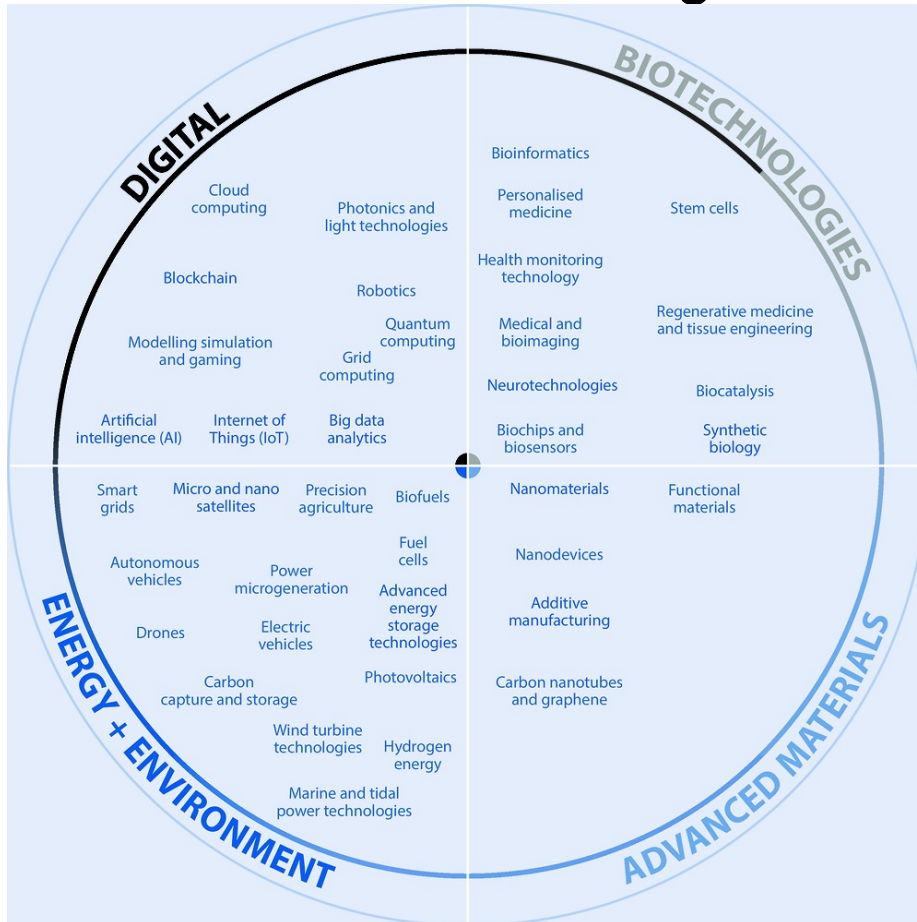
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# Key messages

- Amara's Law: "we tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run."

# Frontier technologies



Source: OECD

# Block chain

TradLens uses blockchain to help Customs authorities facilitate trade and increase compliance


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Focus

## TradLens uses blockchain to help Customs authorities facilitate trade and increase compliance

By Stewart Jeacocke, Global Customs Expert, IBM, and Norbert Kouwenhoven, TradLens Authorities Lead, IBM

**"Did you pack this bag yourself?" It's a question many of us are used to being asked when checking in at an airport. For a shipping container, the situation is more complex. Most organizations never communicate directly with the party that stuffed the container. Underpinned by blockchain technology, the TradLens platform lays the foundation for global, digital supply chains. It connects all parties in the supply chain to drive true information sharing, foster collaboration and trust, and spur industry-wide innovation. Governments who embrace the opportunities offered by TradLens place themselves in an ideal**

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Blockchain: unravelling its potential for Customs and trade

Blockchain: mapping new trade routes to trust

Digitization of ATA Carnets: how the Blockchain could enhance trust

CADENA, a blockchain enabled solution for the implementation of Mutual Recognition

# Block chain: on the other hand



I agree with Bruce Schneier (@schneierblog) that blockchain has so far proven useless. Worse, it's proven a costly distraction to people and communities who are trying to solve real problems.  
[schneier.com/blog/archives/...](https://schneier.com/blog/archives/)

I can't find a blockchain application whose value has anything to do with the blockchain part, that wouldn't be made safer, more secure, more reliable, and just plain better by removing the blockchain part. I postulate that no one has ever said "Here is a problem that I have. Oh look, blockchain is a good solution." In every case, the order has been: "I have a blockchain. Oh look, there is a problem I can apply it to." And in no cases does it actually help.

Computer scientist from Princeton University



**Kelvin Low** • Following  
Professor at Faculty of Law, National University of Singapore  
2mo • Edited • 🔒

My first paper (with the inimitable [Dr Eliza Mik](#)) to reach 1500 downloads on SSRN (not Eliza's though). This was not my first crypto paper but it was the point at which (after having studied the space for a good number of years) I became confident that much of the hype was just that - hype.

We explain how blockchains cannot really track provenance in the way that the law requires (because blockchain conceptions of security are different to that of legal systems). We also distinguish between the different senses of the word contract used by the community and its legal meaning. As we opine in our introduction:

"Regrettably, much of the excitement over the blockchain's transformative legal prowess stems from a mutual misunderstanding. Many lawyers do not understand the core technical terms in the blockchain narrative and incorrectly assume that they map directly onto similar legal terms. Concurrently, many technologists make false assumptions about how legal rules work and thus imagine legal systems ripe for disruption. As the saying goes, "a little knowledge is a dangerous thing". This paper seeks to unravel the confusion on both sides of the divide by clarifying the "Technicalities" in order to disclose pitfalls in the application of blockchain in relation to "Rights & Records" and "Smart" "Contracts"."

The more I learnt about the blockchain, the less sense it made as a system of tracking ownership (unless whole societies fork libertarian). It took me about 5 years to confidently state that this all just doesn't work (without radically changing our conception of ownership and at the expense of many of the socially disadvantaged in society). And if the blockchain cannot track provenance (as we suggest), then everything built atop that foundation simply collapses.

Law professor from National University of Singapore

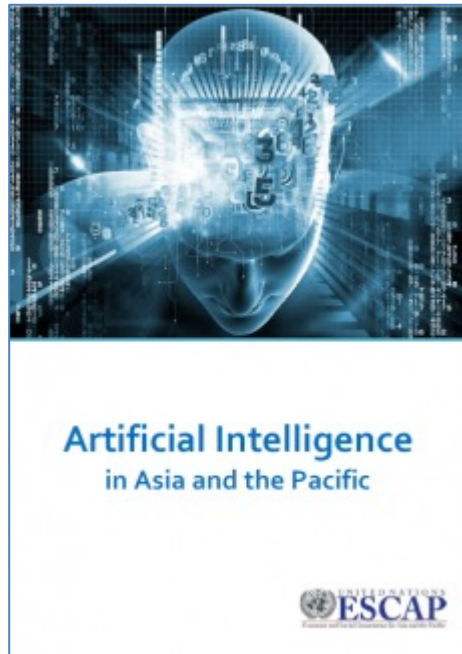
# Artificial intelligence (AI)

- ❑ The field of AI research was born at a workshop at Dartmouth College in 1956 (66 years old!)
- ❑ AI winters
- ❑ **AI promise:** Japan has adopted AI models by using Big Data including Customs declaration data. Targeting and selection of importers subject to post-clearance audit (PCA), and for the examination and inspection at during Customs clearance.

# AI: strength and weakness

Strength: imagine recognition and analysis

Weakness: conversation in a context



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- ❑ History teaches us a lesson: trade facilitation is not an IT problem.



# Challenges for Single Window and paperless trade

- ❑ IT is often not a challenge.
- ❑ The real challenges include institutional setting, collaboration, business model, continual improvement, business process analysis and re-engineering.

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- ❑ History teaches us a lesson: trade facilitation is not an IT problem.
- ❑ Partnership is the shortcut to pick the low-hanging fruit

# Key messages

- ❑ Amara's Law: "we tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run."
- ❑ History teaches us a lesson: trade facilitation is not an IT problem.
- ❑ Partnership is the shortcut to pick the low-hanging fruit.
- ❑ if you want to go fast go alone if you want to go far go together.

## Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

- The UN treaty entered into force on 20 February 2021
- ESCAP is the secretariat of the treaty
- Eight countries have acceded to the treaty.
- More countries will join the treaty soon

