

Dear Secretary General Rogge,

Dear Director Mr. Sorgetti,

Ladies and Gentlemen,

I would like to start by expressing my sincere congratulations on the 50 years' anniversary CLECAT is celebrating today. Fifty years is a respected age, not only for a human being but also for an organisation. CLECAT has proven during half a century to be an organisation which is highly respected for its wisdom, experience and valuable judgements in its contributions to the European logistics and customs sector.

*(The Customs Union)*

Honestly, I was a bit surprised when I saw the title of this afternoon's thematic meeting. Not the reference to paperless customs, but that this would be the latest step TOWARDS a Customs Union. As you know, we are celebrating this year forty years of EXISTENCE of the European Customs Union, and we have launched a major reform to FURTHER DEVELOP it.

The European Customs Union is certainly more than just a tariff free zone. The Customs Union is about one single set of rules applying equally from Dublin to Sofia. It is about 27 administrations working together like one. This Customs Union is the biggest free space in the world, where businesses can trade and consumers can buy products in any Member State without having to pay customs duties or undergo systematic controls when moving to another one. This is a major achievement of which we must be truly proud.

The Customs Union serves two main objectives: first, to make Europe a better place in which to do business, by facilitating the operations of European companies, in particular small and medium-sized ones, so that they can compete

on the world market, and create growth and jobs. Second, the Customs Union must provide Europe's 500 million citizens with the protection they expect against the possible risks posed by rapidly growing international trade. This is the dual challenge customs are confronted with in their daily work. Facilitating international trade whilst protecting the EU citizens against the threats to their security, their safety and their environment, can only be addressed in close cooperation with business.

*(Clecat's role)*

This dual challenge for customs has been well recognised by CLECAT in its valuable contributions to the development of a Community Customs Policy, over the years. CLECAT's delegates have been and are still very active participants in European Commission consultation processes. CLECAT has shown the ability to find the right balance in defending the objectives and needs of its members while contributing, with its experience and knowledge of the logistical process, to the building of practical customs procedures and Community customs legislation.

To illustrate this, I just want to take you back to the period towards the construction of the Single Market and the abolition of the internal borders. The elimination of the borders between the EU Member States led to job losses for customs officials but also for customs agents. This was an inevitable step towards the construction of the EU Single Market, which made of the EU the strongest trading block in the world. CLECAT successfully guided its members through this process, from which they now reap benefits.

*(Electronic customs and Modernised Customs Code)*

Today the men and women at the borders are not only levying import duties; they are facing worrying threats like the illegal imports of counterfeited

medicines and other dangerous goods, smuggling of weapons or cigarettes, dubious cash transfers, all this in their efforts to secure international supply chains against the menace of terrorist organisations, or to stop unsafe products endangering health and even the lives of our citizens.

In addition, logistics industries and customs administrations have to keep pace with the radical changes to the environment in which international trade is conducted, particularly the rapid and irreversible use of information technology and the exchange of electronic data, and the changing focus of customs work.

Bearing in mind the huge number of declarations being handled by customs, something like 183 million in 2007, the balance between customs controls and facilitation can only be met by using Information Technology and risk management. The development and use of electronic systems require further standardisation and harmonisation of data requirements and customs procedures in the EU.

Today, procedures based on paper transactions are still the rule, and the use of electronic clearance is limited to access to national computerised customs systems. There is still no obligation under Community law to use such systems, except for the new computerized transit system NCTS. And Community-wide IT applications for customs clearance do not generally exist, yet.

NCTS has however successfully demonstrated the feasibility of Community-wide systems. It opens new opportunities for similar applications in other customs regimes. The purpose of the Modernised Community Customs Code and of the Decision on Electronic Customs is therefore to establish updated customs procedures in a computerised environment, that are able to accommodate the facilitations required by the European industry. This change of paradigm is vital if Europe is to remain competitive in international trade.

*(Trade consultation)*

Together with economic operators, the EU customs administrations have a role to play in easing international trade operations, and supporting the competitiveness of the economy. This places facilitation at the heart of our work: we must minimise customs intervention in the flow of goods for legitimate trade. This is reflected in our policies both outside and within the EU.

In this context, I am convinced that what we can do for you, we have to do with you! During my period as EU Commissioner, consultation with traders has genuinely increased, notably through seminars and working groups. The Trade Contact Group has been established as the consultation forum on customs matters for the Commission, at which all the major players in the international supply chain are represented through their European Associations. I count on the support of CLECAT to continue to actively contribute to the work of the Trade Contact Group, in particular on the drafting of the implementing provisions to the Modernized Customs Code, and the introduction of the different IT systems under the E-customs project.

Ladies and Gentlemen,

This shows that the European Customs Union is 40 years YOUNG; and I am sure that within ten years, when CLECAT and the Customs Union are again celebrating their jubilee anniversaries, the world of logistics will look different from today. We, or our successors, will be discussing new initiatives to further improve the paperless environment which will, by that time, be a normal business process in the daily life of customs and companies.

Before then, we have a major task to perform, and I wish you all success for this afternoon session !