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**CHECK AGAINST DELIVERY**

**Customs 2007 Seminar on Single European Authorisation  
Vienna – Austria - 26 – 27 January 2006**

**Intervention by Mr Jean-Philippe Lacroix  
Chairman of UNICE's Customs Legislation Working Group**

**“Trade expectations from the Single European Authorisation”  
(11.50-12.15)**

Ladies and gentlemen,

I am very honoured to be with you here today in this Conference on the Single European Authorisation. First of all, I would like to warmly thank the Austrian Government and the European Commission for having organised it and for inviting UNICE to present the European business community's expectations on the Single European Authorisation.

UNICE, which I represent today as Chairman of its Customs Legislation Working Group, is the official voice of European business vis-à-vis the European institutions. Created in 1958, it comprises 38 central industrial and employers' federations from 33 European countries, including IV in Austria, and through them, around 20 million companies. Its main mission is to promote the interests of European companies with a view to an EU policy and legislation which contribute to their competitiveness.

## **Background for companies in Europe**

European companies are facing difficult times with slow economic growth. The competitiveness of the EU manufacturing industry is declining. Independent analysis have shown that the EU has lost more than 10% market share for three times as many high technology sectors than Japan or the US since the mid-1990s.

However, the EU can retain global leadership. From a European business perspective, Europe now needs policies turned into the right direction to overcome its challenges. Customs is a fully integrated part in the strategical plan of the EU companies. You, the EU Customs administrations, have a responsibility in this field. It is vital that you address the competitiveness of European business when developing and implementing customs legislation. And the SEA is an important part of it.

## **UNICE action in the customs field**

UNICE strategy in the customs field is focused first and foremost on working towards improving competitiveness of European companies active in trade. External trade is the engine for economic growth and customs rules should promote and facilitate that trade.

The EU is still the biggest trader in the world and depends on external trade for 16% of its GDP, accounting for more than 18% of global trade in goods. However, due to low growth prospects in Europe, it is key for business to export to high growth markets in North America, Asia, Latin America and Africa. Moreover, against the background of increased competition in a globalised market, European companies need to obtain the most beneficial possible export and import procedures when dealing with their competitors in third countries. European companies need an efficient custom system which enables them to forward goods rapidly and reliably.

In this respect, UNICE strongly supports any action that will contribute to the standardisation, harmonisation and simplification of custom procedures in Europe. In that sense, we support streamlining customs procedures in the EU and adapting rules to a modern IT-based and more secure environment. However, security and trade facilitation must be mutually supportive to maintain a satisfactory balance between the increased security controls and the facilitation of legitimate trade.

The reform of the Community Customs Code and of its implementing provisions is an important development in the customs field which UNICE is closely following working with the European Commission and business partners in the framework of the Trade Contact Group.

UNICE is seeking fundamental revision of the present draft of the implementing provisions and believes that more ambition is needed in the proposed reform, so as to seize the opportunity to genuinely simplify procedures and achieve true trade facilitation for the Authorised Economic Operators.

The new Customs Code must be implemented when the necessary new IT systems are operating. The Commission and the EU Member States cannot organise a uniform level of control within the Community and create harmonised risk analysis criteria without a computerised system in place.

One major issue is the Authorised Economic Operator (AEO). UNICE fully endorses the objective of granting a special status to reliable companies with high accounting and security standards, insofar as this status genuinely results in reducing costs for business through facilitation and simplification. However, the future AEO status should by no means be less effective than the trade benefits that are currently granted in some EU Member States. These benefits must be extended to all AEOs in the EU.

The future significance of the Authorised Economic Operator (AEO) status therefore highly depends on the criteria to be fulfilled versus the expected benefits for the companies in question. To ensure the acceptance of the concept as a reliable partnership between business and governments, it must be ensured that AEO companies will benefit from major simplifications and lower controls than those companies not having this status.

### **The Single European Authorisation**

Coming to the issue of this seminar, let me give you European business views on our interest in the Single European Authorisation.

The Single European Authorisation is extremely important for companies operating in several EU Member States even if these companies are not established in each MS. Enterprises need a clear definition/scope of the Single Authorisation in Community legislation. The authorisation granted in one country should be recognised in all the other 24 countries, unchanged by national requirements. This will reduce the cost of business as companies would only deal with customs in one country, when accounting for goods in any of the 25 countries in the European Union.

It is for those reasons that we have to ensure harmonisation of customs procedures, to be applied at an equal level by all customs administrations. Harmonisation of customs procedures throughout the EU is essential to make the Internal Market a reality and to avoid distortion of competition between companies in different Member States. To that end, UNICE fully supports the objective of making the EU Customs Administrations work as a single one.

The Lisbon strategic goal of making the EU the most competitive and dynamic knowledge-based economy in the world can only be achieved with a properly functioning Internal Market. The Internal Market is the cornerstone of Europe's prosperity and its immense potential must be fully released. The free movement of goods and avoidance of distortions are important elements for its proper functioning.

Our main external competitors operate within a single customs set of rules, which gives them, without any doubt, a competitive advantage over EU companies.

In this respect, the Single European Authorisation is an important step towards the creation of a genuine Internal Market. Business should be fully associated in developing this concept through the appropriate channels, like we are doing here today.

UNICE supports an arrangement whereby European companies can choose a single customs office to process all their customs transactions in the European Union. In this approach, all goods which form part of a company's foreign trade, irrespective of where they enter, leave the Community customs territory, or remain there temporarily.

Current bilateral arrangements between Member States are complicated and they do not lead to desired effects. A common approach must be found to guarantee correct application of EU customs rules and equality of treatment between economic operators in the different Member States. A common risk-management framework is needed.

Centralised clearance will allow European companies to deal with a single administration, avoiding a multiplicity of customs interfaces. This initiative will result in more cost-effective and efficient interaction between customs administrations and companies. UNICE hopes that the opportunity to have real simplifications for companies is not missed because of national positions.

The decentralised clearance is not a solution as it does not lead to a level-playing field and it does not bring benefits for companies. Business must be able, at least, to choose between centralised and de-centralised clearance. However, it is clear that the objective should be to fully develop the centralised system.

The system to implement the SEA must be sufficiently flexible to allow the maximum number of businesses to take advantage of it, and be tailored to the situation of companies of all sizes. Criteria for application should follow that approach avoiding burdensome requirements which could hamper access of SME's to simplified procedures.

Authorised operators must be eligible for all simplifications in customs procedures and be open to operators of all sizes. Moreover, the simplifications must not be limited to shorter deadlines for submission of the prior declaration or provision of more limited information.

The SEA must operate for exports as well as for imports. From this viewpoint, VAT regulation should not stand in the way of the SEA, especially for export operations or for the national clearance with no other formality. The work developed under the Automated Export System (AES) project should lead to the computerisation of export procedures. To that aim, it is key to have a computerised system in place as soon as possible. To be efficient and effective, this system should be interoperable with those of the other EU Member States. Moreover, the accompanying documentation should also be sent electronically.

For imports, the goods could be presented to customs offices in a different country that where the importer is based and the declaration is lodged. Companies should be able to deal with taxes and import duties in a single point, independently of the place where the goods are entering the European Union.

An important issue for the SEA is the collection of costs. It is first and foremost the responsibility of customs authorities, but this question should not block the implementation of the SEA

The work under way by the European Commission, EU Member States, and EU business community should, I hope, lead to progress in the implementation of the SEA.

Let my finish my intervention by calling on all participants to work in this seminar with one objective: creating framework conditions for the SEA, which will contribute to EU companies' competitiveness and trade facilitation. UNICE is committed to that objective and will continue its action with the European Commission and customs administrations.

I hope that this Conference will produce important results for the benefit of European business.

I thank you very much for your attention.

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