

Lamonina A.V. Managing Security in Global Supply Chains

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International trade is a key driver for economic development and prosperity of the State. It raises living standards in both developed and developing countries, contributes to the reduction of poverty as well as creates a more stable, secure and peaceful world³³. To some extent the success of trading depends on the proper organization and rational management of the supply chains system.

A supply chain can be defined as the flow of parts and raw materials from their points of origin to the factory gates, then through the factory as work-in-process, and finally out of the factory as finished goods to be delivered to the final customer³⁴.

Supply chains constitute a really intricate object to be regulated, managed and controlled due to their globalism (i.e. the vast majority of them cover more than one Customs territory) and sensitivity to a great number of challenges, the major of which is security (fig.).



Fig. – Supply Chain Challenges

Source:own development

The problem of managing security in global supply chains has been gaining increasing attention in business and governmental agendas since the terrorist attacks in the United States in 2001. Before 2001, security management decisions – security measures, investments, documentation, etc. – were primarily taken at individual company level, with no or very

³³ Customs in the 21st Century. Enhancing Growth and Development through Trade Facilitation and Border Security [Electronic resource] // World Customs Organization. – Mode of access: http://www.wcoomd.org/~media/wco/public/global/pdf/topics/key-issues/customs-in-the-21st-century/annexes/annex_ii_en.pdf?la=en. – Date of access: 07.03.2018.

³⁴ Веремейчик, О. В. English for Customs Officers = Английский язык для таможенников: учебное пособие для студентов специальности 1-96 01 01 «Таможенное дело» / О. В. Веремейчик. – Минск : БНТУ, 2016. – 390 с.

limited interaction with other supply chain participants or governmental agencies. Since 2001 the situation has changed: Customs administrations with their vested interest to protect their respective nations against terrorism and other serious international crime have entered the field. The first country to move was the US with its C-TPAT program³⁵.

Drawing heavily on the US C-TPAT initiative, the WCO released its SAFE Framework of Standards to Secure and Facilitate Global Trade, the intention being to provide “a regime that will enhance the security and facilitation of international trade”³⁶. It is based on the idea that Customs administrations as government organizations that control and administer the international movement of goods, are in a unique position to provide increased security to the global supply chain and to contribute to socioeconomic development through revenue collection and trade facilitation³⁷.

The SAFE framework implies three pillars: Customs-to-Customs (hereinafter – C2C) network arrangements, Customs-to-Business (hereinafter – C2B) partnerships and Customs-to-other Government agencies cooperation, which involve a number of standards to assure understanding of pillars and the simplicity of their implementation.

The first pillar (C2C) is based on smooth interaction between Customs authorities in the area of harmonizing and developing sophisticated mechanisms for rapid information exchange and streamlining control procedures. To achieve these goals Customs authorities should use progressive risk management systems to analyze advance electronic information. Moreover cooperating parties have to negotiate selecting and targeting criteria and be ready to carry out outbound control on the request of another party. While performing control procedures Customs officers should use modern nonintrusive inspection equipment in order not to disrupt the flow of legitimate trade.

One of the best examples of C2C practices is Container Security Initiative (hereinafter – CSI), launched by U.S. Customs and Border Protection's (hereinafter – CBP). CSI addresses the threat to border security and global trade posed by the potential for terrorist use of a maritime container to deliver a weapon. CSI proposes a security regime to ensure all containers that pose a potential risk for terrorism are identified and inspected at foreign ports before they are placed on vessels destined for the United States. CBP has stationed teams of

³⁵Voluntary Supply Chain Security Program Impacts: an Empirical Study With BASC Member Companies / X. Gutiérrez [et al.] // World Customs Journal. – 2007. – Vol. 1, Number 2. – P. 31 – 48.

³⁶Widdowson, D. The changing role of Customs: evolution or revolution? / D. Widdowson // World Customs Journal. – 2007. – Vol. 1, Number 1. – P. 31 – 37.

³⁷SAFE Framework of Standards to Secure and Facilitate Global Trade [Electronic resource] // World Customs Organization. – Mode of access: http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe2015_e_final.pdf?la=en. – Date of access: 07.03.2018.

U.S. CBP Officers in foreign locations to work together with the host foreign government counterparts. Their mission is to target and prescreen containers and to develop additional investigative leads related to the terrorist threat to cargo destined to the United States³⁸. Nowadays the same opportunity is provided to U.S. partners, which can send their Customs officers to main U.S. ports to control containerized cargo to be exported to their countries. Canada and Japan have been already involved in this initiative.

In respect of Customs-to-other Government agencies cooperation the main objective of such synergy is to avoid any duplication of inspection competencies. This type of collaboration is widely disseminated at the national level, but also can be implemented at the international level. It is translated into day-to-day reality through sharing databases or equipment, developing joint projects and applying common control measures, signing documents on allocation of responsibilities and so on.

Customs-to-other Government agencies cooperation is particularly evident in Australia, where the Border Force regularly engages with a number of partner agencies including Attorney-General’s Department, Australian Crime Commission, Australian Federal Police, Australian Maritime Safety Authority, Australian Security Intelligence Organization, Australian Transaction Reports and Analysis Centre, Department of Agriculture, Department of Defense, Department of Foreign Affairs and Trade, Department of Industry and Science, Office of Transport Security, Department of the Prime Minister and Cabinet, Department of Environment, Great Barrier Reef Marine Park Authority and so on³⁹. Moreover, the Australian Border Force tends to collaborate with international partner agencies. For example, they have an arrangement with the Indonesian Maritime Security Agency (BAKAMLA) to combat international maritime border security threats.

The analysis of the Australian Border Force’s news releases (table) shows that nearly 70% of hazards have been neutralized with the help of other agencies in 2018.

	Total amount of news	Not connected with crimes	Other agencies are mentioned	Joint cases
2018	42	11	21	67,7%

Table – Interagency Cooperation in Australia

Source: own development on the basis of <http://newsroom.border.gov.au/>

³⁸CSI: Container Security Initiative [Electronic resource] // U.S. Customs and Border Protection. – Mode of access: <https://www.cbp.gov/border-security/ports-entry/cargo-security/csi/csi-brief>. – Date of access: 07.03.2018.

³⁹Protecting our borders[Electronic resource] // Australian Government Department of Home Affairs. – Mode of access: <https://www.homeaffairs.gov.au/australian-border-force-abf/protecting>. – Date of access: 07.03.2018.

As for Customs-to-Business partnership (C2B) it should be primarily established to involve private sector in ensuring safety in global supply chains. Benefits to Customs also include improved trade efficiency and effective enforcement. In respect of the trade community, the possibility to benefit from prompt customs clearance, low trade transaction costs, transparency, and predictability of Customs procedures should be emphasized⁴⁰.

The most common form of such collaboration is gaining the status of AEO by conscientious participants of foreign trade activity which involves a plenty of incentives and gives Customs authorities the opportunity to share the burden of security competencies with entrepreneurs. For example, very often Customs suggests business-community to incorporate the best developed security measures to prohibit unauthorized access to facilities, conveyances, loading docks and cargo areas or install the software to screen the employees who take security sensitive positions.

Moreover, it is recommended to engage trade-community into designing validation processes or quality accreditation procedures that offer incentives to businesses through their status as Authorized Economic Operators. These processes will ensure that they see a benefit to their investment in good security systems and practices, including reduced risk-targeting assessments and inspections, and expedited processing of their goods³⁷.

So it is obvious that the risks, faced by Customs authorities, are reduced in the extent Customs authorities may rely on measures taken by entrepreneurs.

In this respect a Canadian program “Partners in Protection” should be mentioned. It is a cooperative program between private industry and the Canada Border Services Agency aimed at enhancing border and trade chain security. It is designed to streamline and make border processes more efficient for low-risk, pre-approved businesses recognized as trusted traders. The most significant thing about the program is that the company will be recognized as a Trusted Trader not only in Canada but in the U.S., Japan, Korea, Singapore, Mexico, Israel and Australia.

So, the problem of providing security to the global supply chains is fundamentally new. It is considered to be enormously complex and arduous due to the difficulties in achieving a sufficient level of security while not jeopardizing the efficient flow of legitimate commercial trade at the border. The best world practices in the sphere of managing security in

⁴⁰Mikuriya, K. Expansion of Customs-Business Partnerships in the 21st Century [Electronic resource] // World Economic Forum. – Mode of access: http://www3.weforum.org/docs/GETR/2012/GETR_Chapter1.7.pdf. – Date of access: 07.03.2018.

supply chains show that only through the meaningful engagement with other governmental agencies and the private sector where all parties are well-informed about each other's work as well as each other's instruments and regulations it is possible for Customs to overcome this challenge without casualties.

Ламонина А. В. Управление безопасностью в глобальных цепях поставок
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Международная торговля – это ключевой фактор экономического развития и процветания государства, который улучшает жизненные стандарты в развитых и развивающихся странах, способствует снижению уровня бедности и поддержанию стабильности, безопасности в мире⁴¹. Успешность ведения торговли в некоторой степени зависит от того, насколько рационально организовано управление цепями поставок.

Цепь поставок представляет собой взаимосвязанный набор ресурсов и процессов, начинающийся с получения сырья и простирающийся через доставку продукции или услуг конечному пользователю посредством транспортных систем⁴².

Цепи поставок считаются достаточно сложным объектом для регулирования, управления и контроля по причине своего глобального характера (т. е. большинство из них простираются на таможенной территории более чем одного государства) и чувствительности к широкому ряду проблем, основной из которых является безопасность (рис.).

Рис. – Проблемы, затрагивающие цепи поставок



Источник: собственная разработка

Проблема управления безопасностью в глобальных цепях поставок стала объектом повышенного внимания бизнес-сообщества и государственных органов после

⁴¹ Customs in the 21st Century. Enhancing Growth and Development through Trade Facilitation and Border Security [Electronic resource] // World Customs Organization. – Mode of access: http://www.wcoomd.org/~media/wco/public/global/pdf/topics/key-issues/customs-in-the-21st-century/annexes/annex_ii_en.pdf?la=en. – Date of access: 07.03.2018.

⁴² Цепь поставок [Электронный ресурс] // Академик. Словарь-справочник терминов нормативно-технической документации. – Режим доступа: https://normative_reference_dictionary.academic.ru/86986/цепь_поставок. – Дата доступа: 07.03.2018.