Future Development of e-Customs: 
A Survey Study with Swiss Companies

Juha Hintsa, Cross-Border Research Association & HEC University of Lausanne, Lausanne, Switzerland
Toni Männistö, Cross-Border Research Association, Lausanne, Switzerland
Luca Urciuoli, Cross-Border Research Association, Lausanne, Switzerland
Mikael Granqvist, Cross-Border Research Association, Lausanne, Switzerland

ABSTRACT

By means of a survey, this paper explores the current state of play regarding cross-border trade and logistics operations in Switzerland and thereafter it highlights possible future developments and potential benefits. In particular, the survey aims: (1) To identify how customs declarations are filed, (2) To understand the companies’ knowledge about compliance costs, (3) To understand future developments expected by companies, and (4) To determine the potential benefits of e-Customs platforms. This study will ultimately bring to light concrete functionalities to be included in future e-Customs platforms. The results unveil the importance of interactive and user friendly e-Customs services. In addition, design and implementation of e-Customs services need to be driven by tangible benefits for the private sector, including facilitating export procedures, improving flexibility, reducing the need to re-enter any customs data during the declaration processes, and enabling a seamless flow of data between the parties involved.

Keywords: Compliance Costs, Customs Compliance, e-Customs, e-Customs Benefits, Future Development
E-Customs

INTRODUCTION

E-Customs is an example of business-to-government interaction, which requires a consistent economic and administrative effort from private companies. In some cases, IT systems must be introduced into private companies, requiring higher costs in terms of IT investments, process re-engineering, and training of personnel. Exchange of information is becoming more and more important, especially because it may improve the cost-effectiveness of all transactions between customs and private sector (Gil-Garcia, Chengalur-Smith, & Duchessi, 2007; De Winne, Janssen, Bharosa, van Wijk, & Hulstijn, 2011; Hanseth & Lyytinen, 2010). For instance, it may improve efficiency of companies and governments by streamlining communication processes (Irani, Elliman, & Jackson, 2007).
On European level, the European Commission is working actively on several aspects of e-Government and e-Customs. The Commission aims to make the Member States’ electronic customs systems compatible with each other; introduce EU-wide electronic risk analysis and improve information exchange between border control authorities; make electronic declarations the rule; and introduce a centralized customs clearance arrangement. The result should be to increase the competitiveness of companies doing business in Europe, reduce compliance costs and improve EU security (European Commission, 2008).

Unfortunately, it is well known that the business-to-government interaction is slow to take off, especially for small and medium sized enterprises (SMEs) that lack technical and financial capabilities to use these systems (Jutla, Bodorik, & Dhaliwal, 2002). This is mainly because benefits of e-Government systems are often overwhelmed by the costs caused by technical, managerial, political and legal requirements (Gil-Garcia & Pardo, 2005; Bellamy, 2000; Landsbergen & Wolken, 1998). Hence, it is important to ask what future developments should be considered for e-Customs platforms and how the involved stakeholders would take advantage of these improvements.

This topic is not new within the e-government literature. Many authors point out the difficulties experienced by the private sector when interacting with customs (Jutla, Bodorik, & Dhaliwal, 2002). Costs are a major concern for the business sector, especially for SMEs with limited technical, financial and managerial capabilities to handle too advanced systems. At the same time, political and legal barriers should be considered (Gil-Garcia & Pardo, 2005; Bellamy, 2000; Landsbergen & Wolken, 1998). Other authors add that clear vision and objectives as well as a sound business strategy are required to ensure the full exploitation of the benefits of e-Customs technology (Stamoulis, Gouscos, Georgiadis, & Martakos, 2001). Many of these investigations are based on normative approaches and we believe that there is a lack of descriptive studies. In addition, to our knowledge, very little has been done to show what functionalities are desired in e-Customs platforms by the private sector and ultimately what benefits are expected. In addition, from a methodology viewpoint the majority of previous studies are normative and very few descriptive.

Hence, the objective of this study is to understand what functionalities should be included in e-Customs platforms and which of these are expected to be the most advantageous from the business perspective. In particular, by means of a survey and a set of interviews, this study enhances the understanding of the e-Customs systems used today by Swiss enterprises. The study elaborates cost aspects of e-Customs applications and expounds what specific functionalities and benefits businesses expect. Finally, this paper proposes recommendations concerning the adoption of simplified customs procedures, interaction with the common EU customs clearance system, and the introduction of a fully-fledged interactive web-based application.

The paper is structured in the following sections: after the introduction the related work is summarized with a literature review. Next, the methodology consisting of a survey instrument and interviews is expounded. Thereafter the empirical data collected is presented. Finally, the results are analyzed and discussed by proposing recommendations for the public and private sector actors.

LITERATURE REVIEW

Previous literature has pointed the importance of two issues: (1) the facilitation of trade by introducing new IT systems and services for supply chain companies and (2) the analysis of costs and benefits of these innovative systems.

The traditional role of Customs as a “gatekeeper” is changing due to developments in the international supply chain environment, including: the growth of international trade, reduced tariff and non-tariff barriers, crime and terrorism threats, new models of logistics and the supply chain, and the increasing use
Reducing the Perceived Risk of E-Government Implementations: The Importance of Risk Communication
[www.igi-global.com/article/reducing-perceived-risk-government-implementations/38960?camid=4v1a](www.igi-global.com/article/reducing-perceived-risk-government-implementations/38960?camid=4v1a)

Municipal Social Media Policy: A Best Practice Model
Melissa Foster and Yu-Che Chen (2013). *Human-Centered System Design for Electronic Governance* (pp. 15-36).
[www.igi-global.com/chapter/municipal-social-media-policy/74952?camid=4v1a](www.igi-global.com/chapter/municipal-social-media-policy/74952?camid=4v1a)