




Tech boost for global supply chains – enhancing efficiency and compliance

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How trade technologies can help reduce controversy risk

The past decade has seen a wealth of technology innovations and many of these push beyond what was imaginable only a few years ago. The pace of innovation means that technology is affecting all aspects of the global supply chain. In many businesses, trade technologies and automation are transforming the trade function, offering steep improvements in productivity and control. Tax and customs authorities are also using advanced technologies such as data analytics and artificial intelligence (AI) to identify potential errors and anomalies in customs declarations more readily than in the past, which can potentially increase the instance of customs audits and disputes.

Common issues that may lead to errors and disputes include poor-quality master data, gaps in enterprise resource planning (ERP) systems and a lack of data governance. The prevalence of manual business processes for tasks such as creating intercompany sales invoices or sanctions lists to identify affected trades or to review and update the country of origin is often another strong factor.

In this environment, global trade management and data analytics solutions may be developed and adopted to address specific objectives, including to:

- Improve compliance via automatically updated content, by helping to reduce human errors that can arise from manual processes.
- Increase visibility and create better governance (e.g., classification solutions), with the greatest benefit often seen where the solution is deployed across multiple territories or through harmonization of global trade data.
- Reduce cost and increase operational efficiency (e.g., free trade agreement (FTA) management, free trade zone (FTZ) management), especially in regions that use special trade programs.
- Manage the use of third parties (e.g., for declarations and filings), which can include digital transmission of information or coded communication protocols that enhance control.

TradeWatch magazine Issue 1 2024, has more insights into how technology can play a vital role in reducing trade compliance risks. You can read more in [Transforming customs and trade functions: how trade technologies and automation can release potential](#).

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