

CBRA 4 bucket model on AEO benefits for supply chain companies				
Main category	(1) Benefits with explicit/direct government/Customs participation		(2) Benefits without explicit/direct government/Customs participation	
Sub-category	(1a) Customs-granted benefits – company level	(1b) Customs-granted benefits – shipment level	(2a) Company benefits – network certificate-driven	(2b) Company benefits – security measure-driven
Characteristics and background information	<p>This bucket of benefits is about 'traditional trade facilitation and simplifications', focusing largely on the administrative aspects of the supply chain – Customs interaction.</p> <p>In most countries, these types of benefits already existed during the 'pre-AEO era', as part of national trade facilitation and simplification programmes.</p>	<p>This bucket of benefits is about 'fast cross-border flow of goods' through (physical) fast lanes, fewer inspections (than the country average), various priorities in the event of inspections and high alert situations, etc.</p> <p>In most countries these benefits did not exist in the 'pre-AEO era'.</p>	<p>This bucket of benefits is about companies choosing to buy products and services from AEO certified parties – somewhat analogical; quality certifications were often expected or required since the 1990s.</p> <p>This bucket of benefits did, by definition, not exist during the 'pre-AEO era'.</p>	<p>This bucket of benefits is about having an 'adequate set of security measures and procedures in place', in order to minimize negative incidents and disruptions in the supply chain.</p> <p>This bucket of benefits already existed in full during the 'pre-AEO era'.</p>
Examples of potential benefits from governmental literature/sources (e.g. the WCO SAFE Framework of Standards, the European Commission's AEO Guidelines, Royal Thai Customs' regulations, etc.)	<p>Reduced data set for entry and exit summary declarations.</p> <p>Self-management of bonded warehouses.</p> <p>Tax privileges to be granted, such as speedier tax refunds and compensation.</p>	<p>Minimum number of cargo security inspections.</p> <p>Priority use of non-intrusive inspection techniques when examination is required.</p> <p>Priority treatment of consignments if selected for control.</p>	<p>Improved customer service.</p> <p>Lower inspection costs for suppliers and increased cooperation.</p> <p>Improved security and communication between supply chain partners.</p>	<p>Reduced security and safety incidents.</p> <p>Improved inventory management.</p> <p>Improved employee commitment.</p> <p>Fewer delayed shipments.</p>
Examples of potential AEO benefits from non-governmental literature/sources (e.g. the WCO Private Sector Consultative Group's AEO benefits paper, the Korea MRA study, the CBRA-BASC study, etc.)	<p>Financial guarantee waivers, reductions or rebates.</p> <p>Establishment of economic operator-based profiles, and audit-based controls, as opposed to transaction-based controls.</p> <p>The obtaining of assistance from Customs AEO and security experts.</p>	<p>Notification of intention to release goods prior to their arrival, i.e. pre-clearance.</p> <p>Priority Customs processing during a period of elevated threat conditions.</p> <p>Preferential treatment at border crossings in post-disaster/post-attack situations.</p>	<p>Reducing the overall vulnerability of the supply chain.</p> <p>Improving company image and credibility.</p> <p>Maintaining existing customers.</p> <p>Gaining new customers.</p>	<p>Anti-theft: preventing/reducing the amount/value of stolen goods.</p> <p>Enhanced tangibility and stability of the supply chain.</p> <p>Reduced lead times and increased predictability in the supply chain.</p>
Measurability	<p>This bucket of benefits is normally stable, predictable and easy to measure – in general terms, you 'either have these benefits or you don't; in a yes/no fashion'.</p>	<p>This bucket of benefits can be quite challenging to monitor and measure in a robust manner, due to several dynamic factors in logistics flows, as a result of multi-agency involvement, etc.</p>	<p>One enjoys this bucket of benefits – and measurement is quite straight forward – in case AEO status is either required or it helps to maintain a current customer base and/or win new business.</p>	<p>This may be the most difficult bucket of AEO benefits to measure, as the realization of such benefits (e.g. less theft incidents) is normally not per se dependent on having or not having AEO certification.</p>
Challenges and peculiarities	<p>As many such benefits existed before the AEO era, companies which have enjoyed such pre-AEO benefits may see this bucket as an 'upside down one'; i.e. a potential reduction in existing trade facilitation, instead of the introduction of new benefits.</p>	<p>Due to the dynamics in the cross-border flow of goods, outcomes might vary considerably over time – 'seeing is believing'.</p> <p>The benefits linked to 'elevated threat' and 'post-incident recovery', may appear quite theoretical until the situation actually emerges.</p>	<p>Some could also consider that the AEO system may become a technical trade barrier – the 'become an AEO or die' scenario.</p>	<p>Some might think that an AEO programme deters crime, as criminals would rather choose an easy target (i.e. a non-AEO target), for example in the case of warehouse theft.</p> <p>Alternatively, some might think that an AEO programme attracts criminals, as they know there are likely to be fewer Customs interventions – the smuggling of narcotics, for example.</p>