

Enhancing Supply Chain Security - Advance Export Declaration

Consultation with
SMA
11 May 2010

2010 consultations with the industry on Advance Export Declaration:
Ministry of Trade & Industry, Economic Development Board, Ministry of Transport and Singapore Customs

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Growing Importance of Supply Chain Security

- Need to secure movement of global trade without impeding but in fact **facilitating** trade
- Worst-case scenario: terrorist exploitation
- Affects bottom-lines and severely damages global economy

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Growing Importance of Supply Chain Security

- US
 - Customs-Trade Partnership Against Terrorism (C-TPAT Program)
 - Container Security Initiative
 - Secure Freight Initiative
 - Megaports Initiative
 - 24hrs Advance Manifest Rule
 - “10+2” Importer Security Filing
 - 100% Scanning Law
- Multilateral Initiatives
 - Proliferation Security Initiative
 - APEC Trade Recovery Programme
- International Initiatives
 - WCO SAFE Framework
- Bilateral Initiatives
 - EU and China: Smart and Secure Trade Lane (SSTL) Pilot Project

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Protecting Singapore’s Reputation as Trusted Hub

- Participated in CSI, PSI, Megaports Initiative
- Signed letter of intent to implement the WCO SAFE Framework in Sep 05
- Implemented AEO Programme in May 07: Secure Trade Partnership (STP)
- Engaged in ongoing Mutual Recognition (MR) discussions

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Export Declaration Submission

- Under the Regulation of Import and Export Regulations, an export declaration is required to be submitted to Customs **prior** to export
- Administratively, the current procedures are
 - 5 days before the export of goods if the goods are subject to strategic goods control
 - before the export of goods if the goods are dutiable, controlled or exported by road or rail from Singapore
 - **within 3 days after export for all other goods**

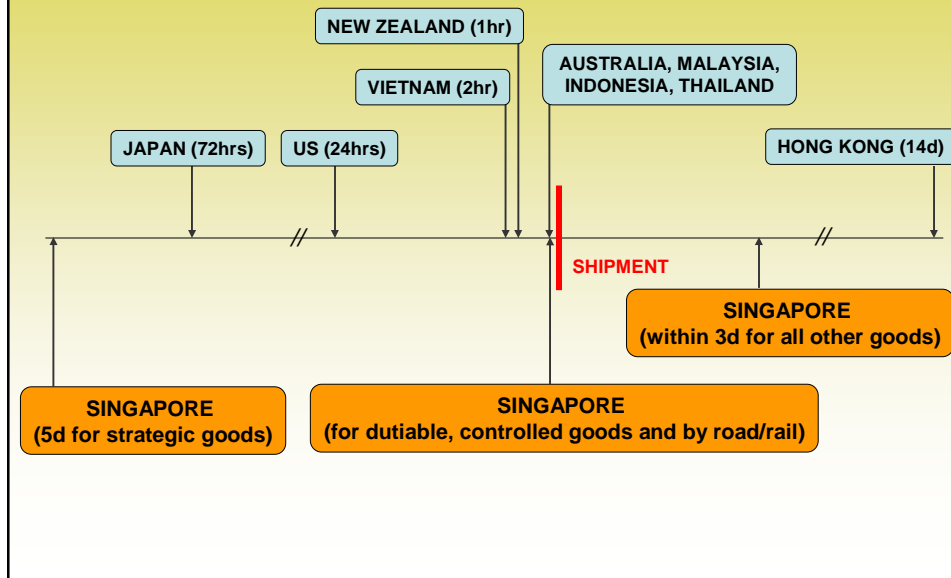
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Current Practice

- Currently, > 50% of permits already declared before export, including:
 - Strategic goods, controlled goods and dutiable goods
- Even without the above, 34% of permits for other goods are already declared before export

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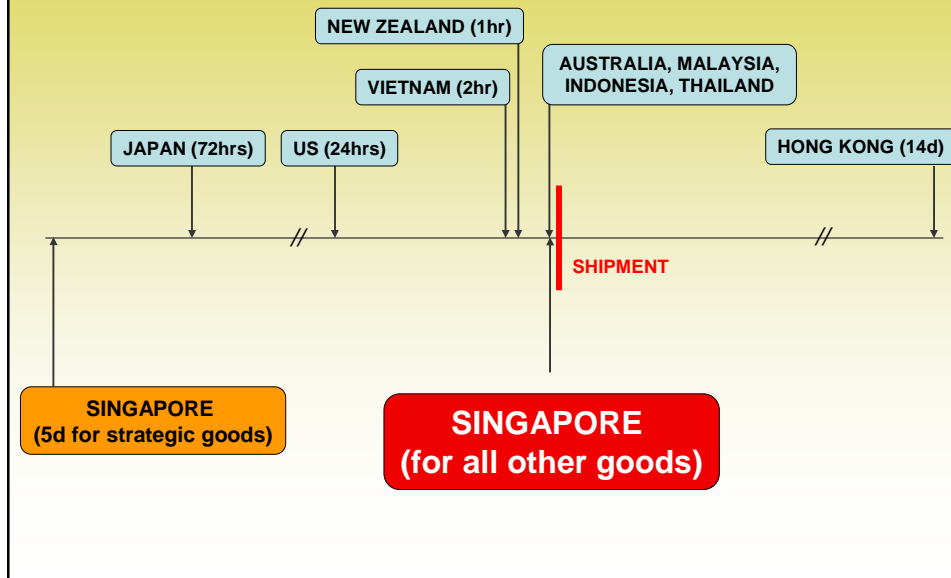
Comparing with other countries ...



Proposed Export Declaration Submission

- No change:
 - 5 days before the export of goods if the goods are subject to strategic goods control
 - before the export of goods if the goods are dutiable, controlled or exported by road or rail from Singapore
- Proposed change:
 - **before exportation for all other goods by sea and air**

After proposed AED implementation ...



So what are the benefits?

1. Enhance Singapore's reputation – responsible and trusted, safe and secure
 - Target suspected high-risk exports before leaving
 - For **companies**: increased competitiveness as customers in other countries would have greater confidence in receiving your exports
2. Ensure continued smooth flow of high volumes of trade through Singapore (trade hub)
 - For **companies**: business not disrupted

So what are the benefits?

3. Singapore's exports less likely to be checked
 - Our cargoes were deemed to be secure
 - Greater credibility when signing Mutual Recognition Arrangements (MRAs)
 - **For companies:**
 - Cargoes with low-risk scoring facilitated for clearance with less inspection
 - Greater predictability when exports reach importing country
 - Less delays due to inspections lead to cost savings

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So what are the benefits?

4. Promote risk-based approach
 - Credible alternative to blanket or 100% scanning
 - **For companies:** Less delays due to inspections lead to cost savings
5. Help facilitate trade in times of heightened security
 - Measures to be in place during peacetime
 - Minimise impact on trade flows
 - **For companies:** Trade continues to move even during high alert

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Proposed Approach (pending assessment)

- Principle of minimal impact to trade
 - Close to existing industry cut-off times
 - Transshipment not affected
 - Current cut-off times for dutiable/controlled/strategic goods permits remains

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Proposed Approach (pending assessment)

- Phased implementation
 - 1 year no-enforcement before full implementation

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Proposed Approach (pending assessment)

- Declare through existing systems to minimise cost: TradeNet and ACCESS
 - Sea freight: 8 hours before vessel arrival
 - Air freight: 1 hour before flight departure

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Further Queries? Please contact:

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