

WELCOME ADDRESS AT INTERNATIONAL CUSTOMS DAY BY MR FONG YONG KIAN, DIRECTOR-GENERAL, SINGAPORE CUSTOMS, ON 26 JANUARY 2011, 10.30 AM, ORCHARD HOTEL

Mr Peter Ong,

Permanent Secretary for Finance,

Distinguished Guests,

Ladies and Gentlemen,

Good Morning

Introduction

1. Welcome to Singapore Customs' celebration of International Customs Day 2011. I would first like to thank our Guest-of-Honour, Mr Peter Ong, for gracing this event to mark this important day for the global Customs community. We are happy to have with us invited guests from various segments of the business and trading community and colleagues from our partner Government agencies. We are also very pleased to have with us members of our Customs Advisory Committee, who have given us invaluable advice over the years and taken time off to be here today.

Customs in 2010

2. Rewinding the clock by 12 months, Singapore Customs celebrated our 100th anniversary in January 2010. We were honoured then to have the Prime Minister launched our centennial celebrations. 2010 was a good year for Singapore Customs. In April, we unveiled our revamped organisation mission and vision. To succinctly capture the core purpose of the organisation, we also introduced a new motto: which is “to make trade easy, fair and secure”. We also updated our Customs 2015 master plan, our strategic outlook and thrusts for the next 5 years.

3. Last year also marked significant initiatives by Singapore Customs to facilitate trade and strengthen Singapore’s position as a global trading hub. We formalised our first mutual recognition arrangements with the Customs administrations of South Korea and Canada. Closer to home, we facilitated the set-up of Singapore Freeport, one of the world’s largest state-of-the-art facility dedicated to the storage and trading of art and collectibles. Customs also played a part in making the inaugural Youth Olympic Games a resounding success for Singapore. I would like thank our partner Government agencies, businesses and traders represented here for your support.

Importance of Customs-Business Partnership

4. *Last year's* theme for International Customs Day was "Customs and Business – improving performance through partnership". This struck a very deep chord with us. It set us thinking about how we can progressively move the relationship between Customs and businesses from one between the "regulator" and the "regulated", to one of partnerships, where we work hand-in-hand to achieve common objectives.

5. Well, we know that businesses and traders are facing increasing challenges. One such challenge arises from the increasing complexities and inter-dependencies of the supply chains, with more players along the entire chain and an ever growing network of suppliers and end users. Given rapid changes in business environment, it is obvious that as a Customs agency, we have to adopt a flexible and responsive approach to meet business needs, and yet still be able to fulfil our role of assuring the integrity of the trading system.

6. We took a hard look at our existing transactions and relationships with businesses and traders. We found that while Singapore Customs has many facilitation schemes in place, companies were not always

aware of them. On the other hand, there were times when Singapore Customs did not know the companies well enough. We were aware of only those aspects of the businesses that were directly related to Customs regulations. The result was that it took a longer time to assess companies' applications for facilitation schemes, as our officers have to collate information on the relevant aspects of the companies' operations. For companies applying for more than one scheme, they would sometimes have to go through multiple assessments.

How TradeFIRST started

7. To address these deficiencies and other feedback we received from the businesses, we decided to study a new approach. We had in mind the goal of making Singapore Customs more responsive, more flexible and even being able to offer customised solutions to businesses, but not at the expense of higher level of risk or non-compliance. The question is whether it would be possible to subsume, under an integrated assessment framework, the elements of facilitation, compliance and risk management. After a careful study, the answer is "yes". After a year in the making, we are now ready to launch TradeFIRST, which stands for "**T**rade **F**acilitation and **I**ntegrated **R**isk-based **S**ystem". Going forward, TradeFIRST is the key platform that we

will use to strengthen our partnership with businesses, to serve the twin objectives of facilitating trade and assuring the integrity of the trading system.

8. I would also like to share with you that in 2010, Singapore Customs has restructured internally, to put in place an organisational structure that will serve to present a single point of contact to companies on trade facilitation matters. This will eventually be backed by a Customer Relationship Management system and a customer engagement portal to collate Singapore Customs' 360 degrees interactions with businesses and traders.

9. Well I know you may have questions about TradeFIRST since it is relatively new, and we will be happy to further engage you. We have arranged for two companies, THT Logistics and Asia Pacific Breweries, to share with you their first-hand experience with TradeFIRST later this morning. I think nothing beats hearing the perspective of your fellow colleagues.

Theme for International Customs Day 2011

10. Looking ahead to 2011, the theme for this year's International Customs Day is "Knowledge, a catalyst for Customs excellence". The theme envisions a professional, knowledge-based service culture as a building block for modern Customs administrations. This is what Singapore Customs constantly strives to be and be rest assured that we will not rest on our laurels. Today, as we celebrate International Customs Day, all of us in Singapore Customs renew our commitment towards continuous improvements and to work in partnership with you towards making trade easy, fair and secure.

11. Thank you and I look forward to the continued support of all you here.