



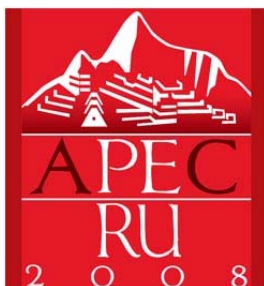
**Asia-Pacific  
Economic Cooperation**

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**2008/SOM3/CTTF/STAR/005**  
Opening Session

## **Setting the Scene: What Are We Facing? Issues in Secure Trade**

Submitted by: City University



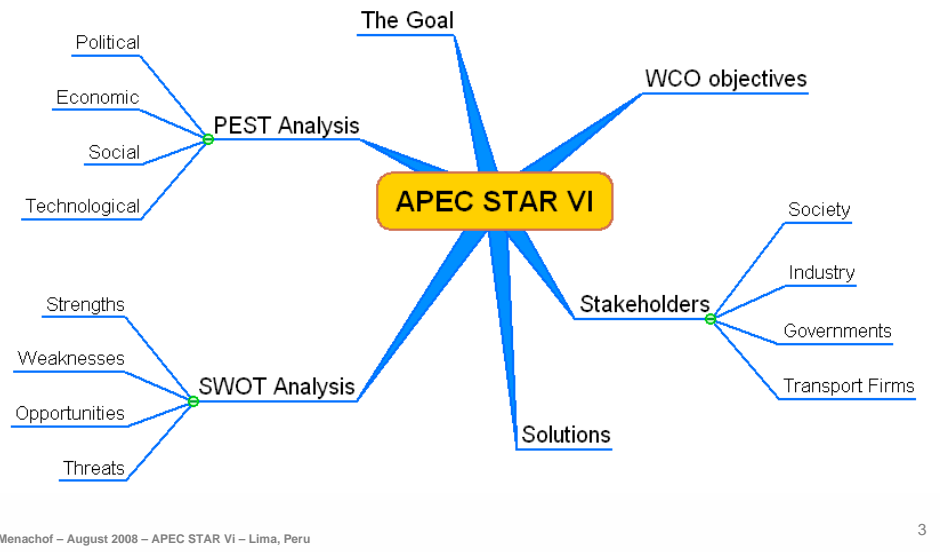
**6<sup>th</sup> Secure Trade in APEC Region Conference**  
**Lima, Peru**  
**20-21 August 2008**



# Setting the Scene: What are we facing? Issues in Secure Trade

David Menachof, Ph.D.  
Cass Business School  
City University  
London





## The Goal

## APEC Objectives

- to sustain the growth and development of the region for the common good of its people thus contributing to the growth of world economy;
- to enhance the gains of both regional and world economy by encouraging the flow of goods, services, capital and technology;
- to develop and strengthen the open multilateral trading system in the interest of Asia-Pacific member economies and all other economies; and
- to reduce barriers to trade in goods and services, and minimize hindrance to investment among its participants in a manner consistent with GATT/WTO principles, where applicable, and without detriment to other economies.



## The Goal

## APEC STAR Objectives

- To help obtain the main APEC objectives by creating a secure trade environment
- To create this environment in conjunction with supranational organizations such as the WCO



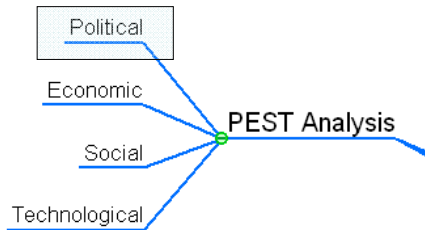
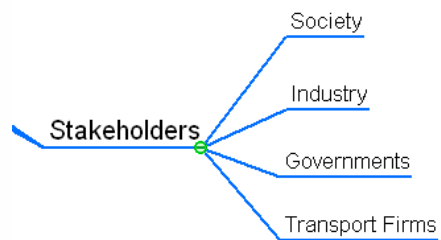
## WCO objectives

- Establish standards that provide supply chain security
- Enable integrated supply chain management
- Strengthen networking arrangements between Customs administrations
- Enhance the capabilities of Customs administrations
- Promote cooperation between the Customs and business communities
- Champion Seamless Movement of Goods

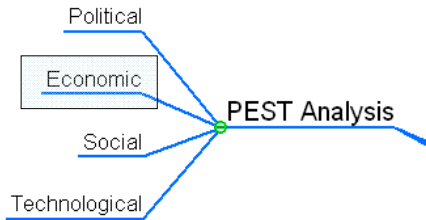


All stakeholder groups must be satisfied for any solution to work

Consider what happens if one group is not satisfied?



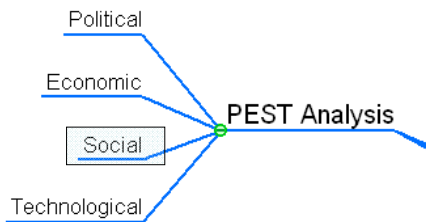
- APEC – 21 nations working together for common goals
- 21 nations with individuals goals
- With 195 countries in the world, 174 non-APEC nations with other goals
- 158 active FTAs in goods and services globally



•APEC member-economies represent around two billion people or 42% of the world's total population

•APEC occupies 43% of the world's land area.

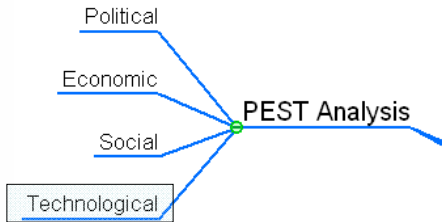
•APEC accounted for almost half of the world's total merchandise exports in 1997.



•Diverse backgrounds and cultures

•Can lead to misunderstanding and divergent goals

•Focus on the common ground



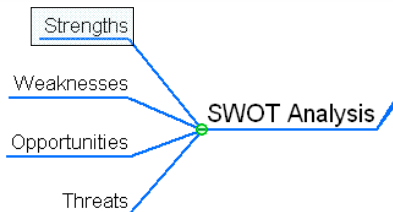
- Continuing advancements in detection technologies
  - Increases in computing power
- Ability to share information easier than ever
  - Conventional X-ray at its limits
- New detection must be developed
  - Concepts can become reality



Committed legislation to combat the threats

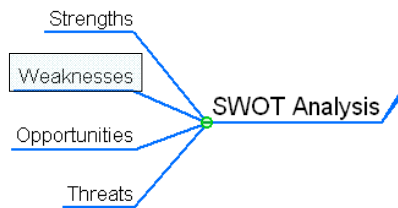
PL110-53, the 9/11 bill in US estimates \$13.1 billion for next 5 years for Air Cargo Security

A\$250 million spent by Qantas in 2006 for security

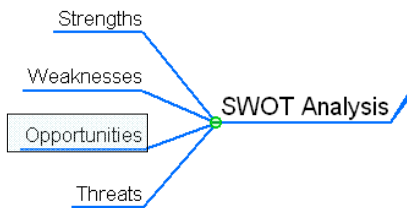




Tend to be reactive to emerging threats  
Current technologies at their limits  
We may be able to screen 100%,  
but it may not be 100% effective



To become more proactive  
To better utilise our assets  
Create threat-adaptive security  
Sharing of information

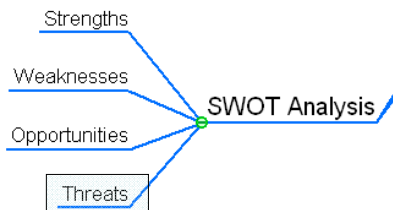






More or less threats?

Tactics change



GlobalIncidentMap.com

A Global Display of Terrorism And Other Suspicious Events



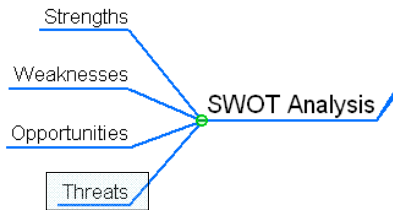


Terrorism

- \$500 billion cost to economy

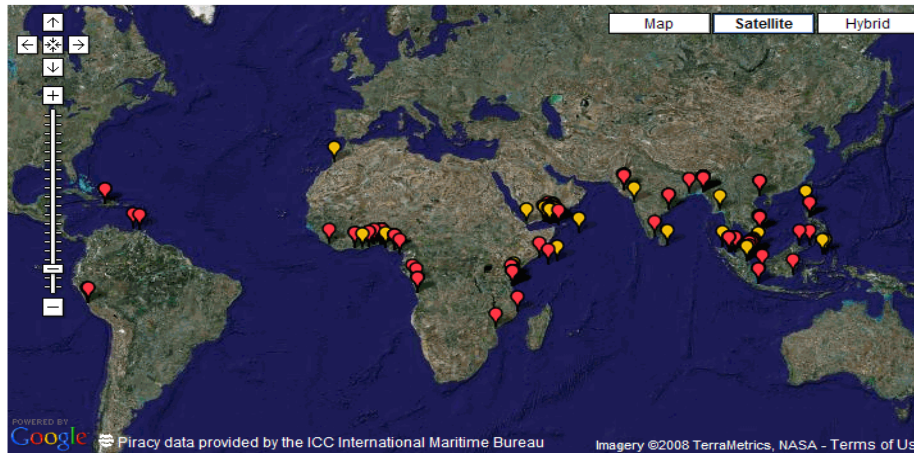
Cargo Crime

- Theft
  - Pilferage
  - Piracy
  - Counterfeiting
- \$10 to 25 billion in US alone
  - US DOD – \$1 billion/year
  - 263 attacks in 2007
  - \$705 billion worldwide



## IMB live piracy map 2008

Piracy attacks 2007 Piracy attacks 2006 Piracy attacks 2005





Which leads to why we are here this week

- Which technologies work?
- Isolated or integrated?
- Changing our mindset towards security
- Can proper security actually reduce costs?
- Is Harmonized Security across the APEC region possible?

## Solutions



Thank you for your kind attention