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

Submitted by: City University
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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.
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 Quantas 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

SWOT Analysis

Strengths
Weaknesses
Opportunities
Threats
Terrorism
Cargo Crime
• Theft
• Pilferage
• Piracy
• Counterfeiting

• $500 billion cost to economy
• $10 to 25 billion in US alone
• US DOD – $1 billion/year
• 263 attacks in 2007
• $705 billion worldwide

SWOT Analysis

Strengths
Weaknesses
Opportunities
Threats

IMB live piracy map 2008

Piracy data provided by the IMB International Maritime Bureau
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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