



**Asia-Pacific  
Economic Cooperation**

---

2010/SOM3/CTI/WKSP/014

## **Secure Trade Partnership: Singapore's Authorized Economic Operator Programme**

Submitted by: Singapore



**Ease of Doing Business Workshop on Trading  
Across Borders  
Sendai, Japan  
18-19 September 2010**



**SECURE TRADE PARTNERSHIP**  
SINGAPORE CUSTOMS

Singapore's Authorized Economic Operator Programme

Teh Thiam Siong  
Head, Schemes and Licensing Branch  
Singapore Customs

APEC Ease of Doing Business Workshop on Trading Across Borders  
Sendai, Japan, 18 – 19 September 2010

## Agenda

- Threats to the Global Supply Chain
- Efforts to Secure the Supply Chain
- Singapore's implementation of the AEO programme
  - ▣ Objectives, Benefits, Implementation Challenges
- AEO-related developments in APEC
- Securing the Global Supply Chain through Mutual Recognition
- Conclusion

# Threats to Global Supply Chain

- Terrorism threat is constantly evolving
  - ▣ largely aimed to instill fear
  - ▣ seek to destabilize governments.
- The Supply Chain is a potential target
- Maritime Containerised Cargo
  - ▣ 90% of global trade is carried by sea
  - ▣ Millions of containers move between ports
  - ▣ Ease of concealment – many weak links



*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

# Efforts to Secure the Supply Chain

- Efforts to secure supply chain
  - ▣ Global programmes
  - ▣ Domestic programmes
- Existing AEO programmes
  - ▣ C-TPAT (US)
  - ▣ EU "Authorised Economic Operator" (AEO)
  - ▣ Secure Exports Scheme (NZ)
  - ▣ Secure Trade Partnership (Singapore)
- AEO programmes -> Customs' effort to secure and facilitate global trade



ISPS



ISO 28000



WCO Framework of Standards to Secure and Facilitate Global Trade (SAFE FoS)



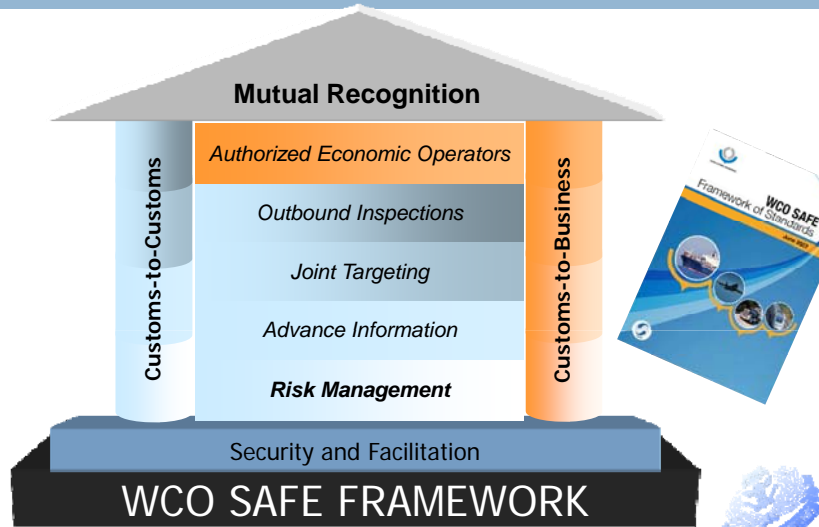
EU Authorised Economic Operator

NZ Secure Exports Scheme



*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

## World Customs Organisation SAFE Framework of Standards



*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

## Singapore – A Global Trade Hub

- Strategic Location
- Excellent Connectivity

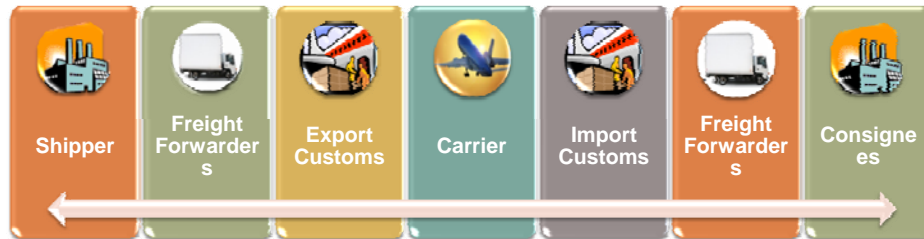


- Complex Supply Chain
- Increased Vulnerability

*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

## Total Supply Chain Security

- Every player takes responsibility
- Integrated approach to achieve consistency
- Spread benefits across the entire supply chain



*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

## Programme Development



*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

# Programme Development



## Key Responsibilities

Validating and certifying companies under the STP

Serving as the focal point for all local and foreign enquiries and mutual recognition discussions

Conducting industry outreach and public awareness programmes on supply chain security

*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

# Programme Development

Developing the supply chain security programme

Partnership approach

"Testing the concept"

- Consultation with businesses through surveys, dialogues and focus groups
- Understand business models, supply chain activities & security practices
- Work closely with other Government Agencies and foreign Customs administrations
- Studies best practices and other supply chain security initiatives

- Pilot project with 8 companies
- To test & fine tune proposed requirements
- Feedback received assisted on the review & fine tuning of proposed processes and guidelines

*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

# What is the STP



- **Consistent** with the World Customs Organisation (WCO) Framework of Standards to secure & facilitate global trade
- A **voluntary** certification programme
- Open to **all players** based in Singapore that are involved in supply chain activities



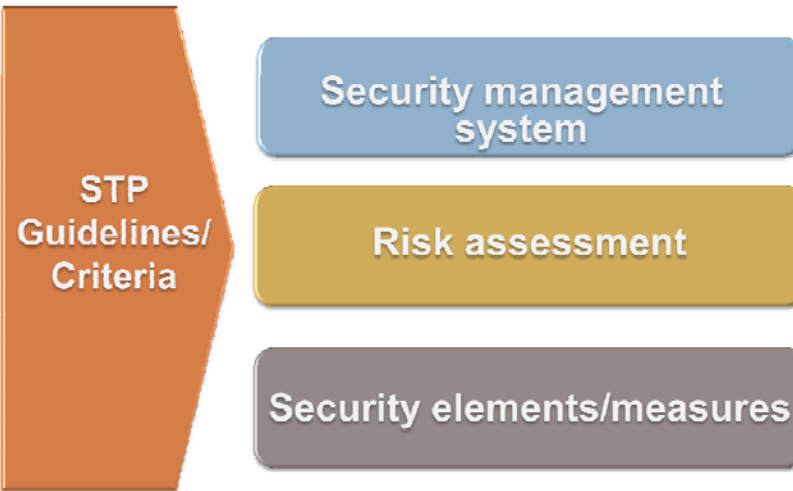
*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

# Objectives of the STP



*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

## STP Guidelines and STP Criteria



A leading Customs that advances Singapore's economy by assuring the integrity of the trading system

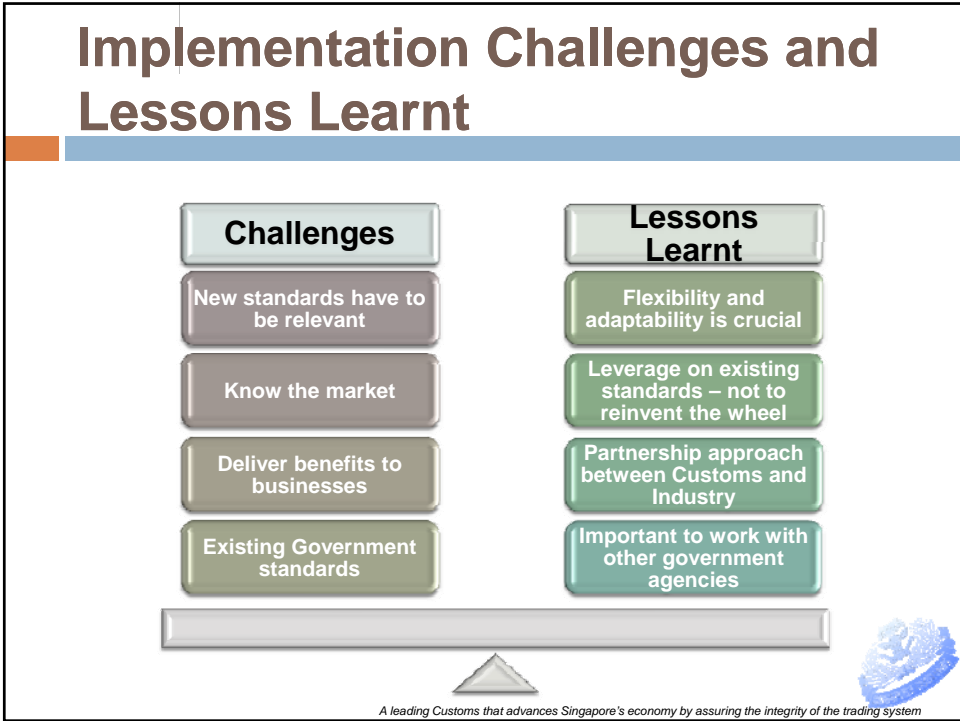
## STP's Benefits to Businesses

### Trusted Partners

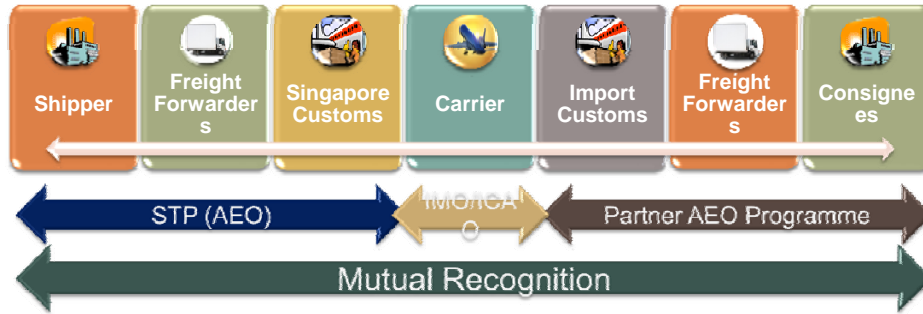
- Designated account managers
- Trade Facilitation benefits
- Enhanced Branding
- Access to assistance & funding schemes
- Cargo less likely to be inspected
- Status recognised under other security regimes

A leading Customs that advances Singapore's economy by assuring the integrity of the trading system





## Securing the Global Supply Chain Through Mutual Recognition



- Growing acceptance of mutual recognition of AEO programmes and controls between customs administrations
- Offer a more holistic approach in strengthening trade security across the global supply chain
- Secure and facilitate cross-border movement of goods

A leading Customs that advances Singapore's economy by assuring the integrity of the trading system

## Concluded Mutual Recognition Arrangements Globally

Date Signed	Country
June 2007	New Zealand - USA
May 2008	Japan - New Zealand
June 2008	Canada - USA
June 2008	Jordan - USA
June 2009	Japan - USA
June 2010	Canada – Japan Canada – Korea Canada – Singapore EU – Japan Korea – Singapore Korea – USA

A leading Customs that advances Singapore's economy by assuring the integrity of the trading system

## Benefits Through Mutual Recognition

### For Customs

- True “end-to-end” supply chain security
- Better allocation of resources
- Ability to detect and deal with high-risk consignments early

### For Businesses

- Reduce the need for multiple assessments by other Customs administrations
- Lesser chance of Customs intervention at the importing port

*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

## Conclusion

- AEO programmes are integral to achieve total supply chain security
- Promising work on AEO programme development in global fora
- Realise global benefits through mutual recognition
- Facilitate and Secure Global Trade

*A leading Customs that advances Singapore's economy by assuring the integrity of the trading system*

