

**OPENING REMARKS BY MR TEO ENG CHEONG,  
DIRECTOR-GENERAL OF SINGAPORE CUSTOMS  
AT THE SEMINAR ON JAPAN-SINGAPORE-UNITED STATES  
EXPORT CONTROLS  
18 JUN 2007, SINGAPORE**

Colleagues from

The Ministry of Economy, Trade and Industry (METI), Japan,  
The Bureau of Industry and Security, US Department of Commerce, and  
The US Embassy in Singapore.

Ladies and Gentlemen,

**Background of Seminar**

Good morning. Welcome to this Seminar on Japan-Singapore-United States Export Controls. Some of the participants here may recall that a Japan-Singapore Export Controls Seminar was organised by Singapore Customs and Japan's Ministry of Economy, Trade and Industry (METI) back in 2005.

Recognising the need to reinforce our companies' understanding of other export control regimes, we have expanded the scope of this Seminar and brought together experts from both Japan and the United States to share on some of the developments in export controls in their countries. I would like to thank my colleagues from Japan and the US for agreeing to share with us their experiences.

**Evolvement of Export Control and the Terrorism Threat**

As many of you know, export controls have adjusted to the new global security concerns and are now focused on preventing the proliferation of weapons of mass destruction (WMD), i.e. nuclear, chemical and biological weapons.

Terrorist acts are not just confined to attacks by well-formed and organised groups. They could also be committed by individuals not part of any groups. In Feb 2007, a self-radicalised Singaporean (Abdul Basheer Abdul Kader) was arrested while embarking on his plan to join and fight alongside the Taliban in Afghanistan. As DPM Mr Wong Kan Seng said “If an individual can go overseas and conduct violence and terrorist activities, he can one day also come back and do the same to Singapore and work against Singaporeans”. We must therefore have an effective export control system in order to prevent such terrorist groups and individual actors from acquiring or developing WMD.

### **Singapore's Expansion of the Control List**

Since the implementation of our Strategic Goods Control System on 1 Jan 2003, we have seen a steady increase in the number of strategic goods permit applications, from about 4,000 permits a year in 2003 to about 5,000 permits in 2006.

Customs has also carried out enforcement actions on offences committed under the Strategic Goods (Control) Act. We have prosecuted several companies and individuals, with offences ranging from exporting without permit to brokering without Customs registration. Beside prosecution we have also compounded an average of 12 cases per year from Jan 04 to Dec 06) over the past 3 years.

Last year, the total trade in Singapore hit S\$810 billion dollars with 448 million freight tons and 24.7 million TEUs of containers passing through our sea ports. As total trade continues to grow, it is vital that we constantly review and enhance our strategic goods control system.

As part of this effort, we would expand the strategic goods control list for export, transshipment and transit. The expanded list<sup>1</sup>, which will take effect on 1 Jan 2008, will incorporate all the remaining items listed under the four multilateral export control regimes, namely, the Australia Group, Nuclear Suppliers Group, Missile Technology Control Regime and Wassenaar Arrangement.

These changes are especially important as more developed countries are building their factories and transferring technologies in the region including Singapore. Asian countries now produce and trade many dual-use items and technologies that can be used for military or WMD purposes besides their traditional commercial purposes.

### **Strategic Trade Scheme**

As we enhance controls on illicit shipment, we have to also strike the right balance between controls and facilitation to allow our companies to reap the benefits of trade and technology collaboration while minimising threats to our security.

To minimise the impact arising from the expansion of the strategic goods control list, we will introduce an enhanced permit regime called the Strategic

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<sup>1</sup> The new categories of items include high-end computers and telecommunications systems, equipment and components; marine systems, equipment and components; propulsion systems, space vehicles and related equipment; and navigation and avionics, of certain specifications. Their related software and technology will also be controlled.

Trade Scheme (STS). The level of facilitation granted under the STS hinges on the quality of internal compliance programme of the company. The three tiers of the STS will cater to companies with different levels of readiness in terms of their internal controls. I would like to encourage companies that are involved in the trade of Strategic Goods to consider implementing robust internal compliance programmes and enjoy facilitated trading procedures under the STS.

Since the announcement of the expansion of our control list and the enhanced permit regime, Singapore Customs has held extensive consultations with the trade and conducted a series of outreach seminars to create awareness of the new controls and the Strategic Trade Scheme.

I am pleased to announce today that we will be presenting certificates to 3 pilot companies who have implemented an effective export control compliance regime, and taken part in our pilot run of the new Tier 3 permit regime under the STS. The three companies will later share with you their experiences of the STS. I would like to thank these companies for providing their feedback and giving their full cooperation to Singapore Customs during the pilot phase.

Recognising the specific needs of the industry, we have also catered for a 1-to-1 consultation session tomorrow with Singapore Customs officers as well as with the experts from Japan and the US.

### **Conclusion**

Ladies and Gentlemen, I would like to encourage everyone to participate actively in this seminar and I hope you will have valuable take-aways from the session.

Thank you.

