

WELCOME ADDRESS BY DIRECTOR-GENERAL OF CUSTOMS MR FONG YONG KIAN AT SINGAPORE CUSTOMS' CENTENNIAL CELEBRATIONS, 8 JANUARY 2010, 11.10 AM, ORCHID COUNTRY CLUB

Prime Minister, Mr Lee Hsien Loong

Minister for Finance, Mr Tharman Shanmugaratnam

Minister, Prime Minister's Office and Second Minister for Finance and Transport, Mrs Lim Hwee Hua

Distinguished Guests

Fellow Colleagues

INTRODUCTION

1. A very warm welcome to all of you. I would like to thank Prime Minister Lee for gracing this joyous event and our distinguished guests for joining us in commemorating this historic occasion for Singapore Customs. It is our pleasure and honour to have all of you here with us.

2. Today, we celebrate 100 years of Singapore Customs. The past 100 years contained many exciting changes for Customs. If one were to listen to different generations of Customs officers recounting their careers, we would no doubt hear many diverse stories. Customs' roles have indeed evolved over the century. Please allow me to give a brief account of our history.

OUR HISTORY – RESPONDING TO TIMES

3. We trace our roots back to 1st Jan 1910, when the Government Monopolies Department was formed under the Government of Straits Settlement to regulate and collect revenue from opium and liquor. At that time, these provided the colonial government with a steady and key source of income.

4. Tariff was later extended to tobacco and the Department also took over the collection of duty on petroleum from the Treasury. As the government increased its reliance on revenue from duties on tobacco, petroleum and liquor, the Government Monopolies Department was renamed as Excise Department in 1935, and later in 1938 to Department of Customs and Excise. During the Second World War, the Department also collected war duties on items such as rubber and fireworks to support the war effort.

5. Following independence in 1965, Singapore adopted an export orientated industrialisation strategy to create employment opportunities and improve our status as a key transportation hub. To support the nation's economic strategy, Customs took on new functions relating to free trade zones and export promotions.

6. Progressing with the country's development, the Department leveraged on computerisation in the 80s to modernise and speed up customs processes. In 1989, the world's first national single-window trade documentation system, TradeNet, was jointly developed by the Department and the then Trade Development Board.

7. The years leading to the millennium saw developments towards regional integration and trade liberalisation. It was a landmark development in 1992 when ASEAN signed the agreement on the Common Effective Preferential Tariff Scheme to eliminate tariffs and non-tariff barriers in the region, paving the way for the ASEAN Free Trade Area, which came into force in 1993. In the year 2000, Singapore signed its first bilateral FTA, the Agreement on a Closer Economic Partnership, with New Zealand, to be followed by many other FTAs. These regional and bilateral trade agreements called upon Customs to administer the preferential tariffs so that our traders could realise the benefits from the network of FTAs established.

8. Trade liberalisation did not diminish the revenue collection role of Customs. Singapore implemented the Goods and Services Tax on 1 Apr 1994 and Customs was charged with the collection of GST on all imported goods.

PRESENT CUSTOMS

9. Singapore Customs as we know today was reconstituted on 1 Apr 2003 when the trade regulation and facilitation functions of International Enterprise Singapore were brought together with the revenue collection and protection functions of Customs and Excise Department. Since then, Singapore Customs has expanded its focus to be responsible for trade regulation, enforcement and security. The integration of all customs and trade functions under a single agency put Singapore Customs in a good position to achieve trade facilitation to support our global hub status.

CUSTOMS PARTNERSHIP

10. Singapore Customs' accomplishments to-date would not have been possible without the strong support of our partners and stakeholders. We value and take pride in the partnerships we have developed over the years with our trading community, other government agencies and our international counterparts.

11. To fulfil our mission of supporting Singapore as a global trade hub, Singapore Customs strive to establish open communications and partnerships with the trading community. When we see the problems through traders' viewpoints, we can better address business concerns before making any changes to our trade regulations. Similarly, when businesses understand the rationale behind our regulatory requirements, they would be more willing to comply and suggest improvements to the implementation approaches. We appreciate the trading community's feedback and suggestions through various channels. We are especially thankful to business bodies and trade associations, many of you are here today, which have been providing us with focused views of the business community. These include the Singapore Business Federation, Singapore Logistics Association, Singapore Aircargo Agents Association, Association of Small and Medium Enterprises, Singapore Manufacturers' Federation, Container Depot Association of Singapore, Singapore Ship Chandlers Association, Singapore Transport Association and Conference of Asia Pacific Express Carriers. Business bodies even helped us in carrying out some of our trade regulation roles. For example, the chambers of commerce are authorised by Customs to issue non-preferential certificates of origin. We are also appreciative of

the members of the Customs Advisory Committee for their ongoing advice.

12. To achieve the outcome of trade facilitation, we collaborate closely with economic agencies such as Economic Development Board, International Enterprise Singapore, Singapore Tourism Board and SPRING Singapore to continuously improve our regulatory procedures and schemes. As the system owner for TradeNet, our partners also include all the competent authorities, such as the Agri-Food & Veterinary Authority, National Environment Agency, to incorporate all the requirements pertaining to import, export and transshipment of goods under their regulatory purview. On revenue enforcement, we join forces with the Home Team agencies such as the Police Force and the Immigration & Checkpoints Authority to jointly tackle criminal activities involving contrabands. We partner with Health Promotion Board and Health Sciences Authority in public outreach and enforcement to achieve our national social objective of curbing smoking. Within Ministry of Finance, we work with Inland Revenue Authority of Singapore to ensure GST is collected accurately with minimal hassle to businesses. I am unable to name all the agencies that Singapore Customs works with today, but I pay equal tribute to all these inter-agency partnerships, without which we could not have been as effective.

13. Last but not least, support from our international partners has enabled us to further our work on trade facilitation beyond Singapore's shores. With our ASEAN Customs partners, we worked hard to implement regional trade facilitation initiatives such as the ASEAN Harmonised Tariff Nomenclature and the ASEAN Customs Transit System. Together with the Singapore Ministry of Transport, we

collaborated with several APEC economies on ways to expedite trade recovery in the aftermath of a major global supply chain disruption caused by a security incident. We have also recently worked with the World Customs Organisation to lead the effort to add a set of Trade Recovery guidelines to the WCO Framework of Standards to Secure and Facilitate global trade.

CONCLUSION

14. We are deeply grateful to all our partners who had supported us in this challenging but rewarding journey. Thank you for placing your trust in us to make trade easy, fair and secure for the prosperity of Singapore. We hope you will enjoy the programme we have lined up for you today.

Thank you.