

**SPEECH BY MR LEE HSIEN LOONG, PRIME MINISTER, AT SINGAPORE CUSTOMS 100TH ANNIVERSARY CELEBRATIONS, 08 JANUARY 2010, 11:20 AM AT ORCHID COUNTRY CLUB**

1. I am delighted to join you today for Singapore Customs' Centennial Celebrations.

2. You have chosen an appropriate theme for today's celebrations – "Our Heritage, Our Success, Our Commitment". Few organisations have served Singapore for a full century. This is therefore an occasion to recall and celebrate the illustrious history of Customs in Singapore, and also to reflect on your evolving role and new challenges, and renew your commitment for the future.

**CUSTOMS THROUGH THE DECADES**

3. The history of Singapore Customs is an interesting one. Few would know that it started off a century ago as the "Government Monopolies Department", which was responsible for the preparation and distribution of chandu, i.e. prepared opium. This replaced the previous system of tendering out the right to import and retail opium to the highest bidder, who became known as the "Opium Farmer". The Government Monopolies Department collected tariffs on opium as well as liquors. We cannot imagine Singapore Customs selling opium today, but you may not realise that opium was only banned in Singapore in 1946.

4. After opium was banned, Customs became responsible for anti-opium smuggling efforts. In fact, Customs was in-charge of narcotics suppression until the establishment of the Central Narcotics Bureau in 1971.

5. As part of its Centennial Celebrations, Customs has mounted an exhibition of its key milestones over the years. It includes a heritage section which displays opium pipes, as well as other Customs artefacts, like old paper permits and cinema tickets (because Customs used to collect entertainment duties). The exhibition promises visitors a fascinating glimpse of the department's heritage.

6. As the world changed, and Singapore developed, the department reinvented itself many times over the last 100 years. It adapted itself to new situations, retrained Customs officers to perform fresh roles, and re-structured the organisation to meet new challenges. In this way, Customs continued to serve Singapore well through the decades.

## **FACILITATING AND REGULATING TRADE**

7. Today, the main job for Customs is to facilitate and regulate our trade with the world. Each year, it processes trade flows worth close to a trillion dollars. The department works quietly in the background, and seldom attracts public attention. But Singapore Customs performs an important dual role. First, it helps to keep our trade moving smoothly. This is vital to our whole economy which depends on efficient, uninterrupted trade flows. Second, Customs ensures that duties and taxes are properly collected, and acts on intelligence to interdict dangerous items. In this way, it maintains the integrity of the trading system, and helps to enhance our border security.

8. The last half century has seen a tremendous expansion of global trade, as tariffs fell worldwide, transportation became cheaper and more readily available, and countries linked up more closely with one another in one globalised economy. This has put pressure on Customs authorities all over the world, including the Singapore Customs. As trade volumes grew, the department upgraded its systems and processes and hence maintained service standards. In 1989, Customs and other government agencies got together and developed TradeNet, a computerised permit processing system. With TradeNet, traders gained a convenient, fast and integrated system. They could apply electronically from their office computers, and expect most permits to be approved within 10 minutes. They could also submit a single application, instead of having to apply to different government agencies for multiple permits. The system hence saves time and money for our traders.

9. An efficient and incorrupt customs service is an important element of Singapore's competitive edge. Traders know that standards of customs clearance vary from country to country. In Asia and many parts of the developing world, red tape and delays are routine when traders try to clear consignments through Customs. Often they even have to pay for "informal facilitation" to get cargoes through. But in Singapore, we have kept our system honest and effective, and the department has been recognised for its excellence. In the 2009 World Economic Forum (WEF) Global Enabling Trade Report, Singapore topped the areas of "Efficiency of Customs Administration" and "Efficiency of Import and Export Procedures". This commendable performance helped us to win first place in the overall (WEF) rankings.

## **IN TIME FOR THE FUTURE**

10. Despite these achievements, Customs must not rest on its laurels. It must continue to work hard, strengthen and improve the organisation, and ready itself to tackle new demands. The department operates in a constantly changing environment. It regularly encounters new challenges, like trafficking of arms and technology which can be used for weapons of mass destruction. To do its job in

this new world, Singapore Customs needs to be forward looking, progressive, and ahead of the game. It has to constantly scan the horizon, assess and understand the new strategic environment, and develop new capabilities in time for the future.

11. Amidst a changing trading landscape, Customs must maintain a balanced and enlightened approach. Trading patterns are growing in complexity. Shipments nowadays travel to and from multiple locations and change hands several times along the way. This reflects the globalised nature of modern corporations, which run different operations in various places around the world. While this increasing complexity creates new risks for Customs, the department should maintain a light regulatory hand. The best way to fulfil both its facilitation and regulation roles is to work in partnership with the business community. In this way, Customs can keep abreast of new developments, and develop effective yet unobtrusive ways to reduce risks. It should also continue to simplify Customs rules, improve services and integrate requirements across government agencies.

12. As the world becomes more globalised, Customs needs to increase cooperation with overseas authorities, not just on enforcement matters, but also on trade facilitation. It should also look beyond border security to consider the global supply chain, and work with like-minded international partners to keep it safe. Customs has an important role to establish Singapore as a secure and trusted node in the global supply chain, so that others will want to trade with us.

## **CONCLUSION**

13. At the start of its second century, Singapore Customs faces challenges aplenty. You will have to stay nimble, and respond intelligently to the new developments. You must take bold and creative steps to meet the new challenges. I am confident that the department will succeed in these endeavours, and scale greater heights in the decades ahead.

14. I congratulate Singapore Customs and all its officers, past and present, for a century of excellence. Happy 100th birthday.