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KEYNOTE ADDRESS BY MR FONG YONG KIAN, DIRECTOR-GENERAL, SINGAPORE CUSTOMS AT THE 12TH INTERNATIONAL EXPORT CONTROL CONFERENCE, 24 MAY 2011, SINGAPORE

Introduction

Good morning, [Second Permanent Secretary for Foreign Affairs, Mr Chee Wee Kiong], Ambassador Adelman, Ambassador Ungeheuer, Acting Assistant Secretary Van Diepen, Dr. Wallraff, ladies and gentlemen.

Welcome to the 12th International Export Control Conference.

Singapore is pleased to co-host the 12th International Export Control Conference, held for the first time in Asia, together with the United States of America and the European Union.

With us today are over 300 delegates from more than 75 countries, attesting to the growing significance of strategic trade controls.

A. Global Trend / Developments

1 Global trade grew at an average of 6% per year between 1990 to 2010. Coupled with the increasing complexity of the global supply chains, it has been a growing challenge for the relevant authorities to prevent the proliferation of strategic goods and Weapons of Mass Destruction (WMD). The fact that many of the dual-use technology and products can be found in common commercial applications also make it even more challenging for export control regimes not to unduly impede legitimate trade. For example, gyroscopes are found in some

consumer products such as smart phones and wireless pointers. However, it is also an essential navigational component in ballistic missiles. There are many such examples.

2 There is also increasing international concern over the ability of state and non-state entities continuing to find ways to procure Weapons of Mass Destruction related materials despite tightening sanctions. To counter this threat, various international organizations such as the United Nations (UN), International Atomic Energy Agency (IAEA) and the Organization for the Prohibition of Chemical Weapons (OPCW) have released guidelines for member states.

3 At the same time, proliferators have been trying out new ways of manipulating the supply chain, such as by creating front companies and using various intermediaries to circumvent the relevant export control regulations. More than ever before, agencies and authorities entrusted with the responsibility of securing the supply chain and counter-proliferation have to play a greater and more active role.

B. Singapore's Commitment to Counter Proliferation

4 Singapore takes the proliferation of WMD, their means of delivery and related items very seriously. We remain committed to strengthening our national legislation and strategic trade control regime to ensure that we can effectively play our part in preventing dual-use technologies and WMD-related items from falling into the wrong hands.

5 As the National Authority responsible for implementing Singapore's Strategic Trade Control regime, Singapore Customs maintain Singapore's position as a trusted global trade hub through robust regulations, effective enforcement and active engagement of the trading community. We take a risk-based approach to facilitate the flow of legitimate trade. At the same time, traders who trespass our laws and engage in illicit trade will be brought to justice. Through an active partnership with the trade, we seek to understand their challenges and needs, so that we can respond with effective regulations and flexible facilitation.

6 Singapore was the first few countries in the region and the first in ASEAN to adopt an enhanced strategic trade control regime. Singapore is also committed to implementing the UN Security Council Resolutions and place great emphasis on cooperating with other countries in counter proliferation efforts.

7 Singapore's strategic trade control regime is built on 3 main pillars, namely engagement with the trading community, international cooperation and intelligence exchange. I will further elaborate on them.

C. Engagement with the trading community

8 Engagement with the trading community is the first critical pillar of an effective and robust strategic trade control regime. Singapore Customs holds regular outreach programmes for the Singapore business community to provide updates on latest developments and requirements as well as to share industry best practices. We also co-organised outreach seminars with other countries so that our business community is aware of international strategic trade control

policies. In fact, we have just concluded a joint-seminar yesterday with speakers from the European Union, Hong Kong, Japan, Malaysia and United States, which was well received by the industry. We have also conducted a series of joint-seminars with the United States and Japan, targeting at the Singapore subsidiaries of multinational corporations and other local businesses. It is heartening that businesses are now showing much greater keenness to keep abreast with export control laws. For e.g., the most recent Seminar on US-Singapore Export Controls in 2011 saw a three-fold jump in the number of business attendees compared to the previous seminar.

9 Such constant engagement with the businesses and industry is a key factor to ensuring greater self-compliance in the industry and commitment by individual businesses towards undertaking due-diligence to reduce the likelihood of proliferation. With a better well-informed and more compliant business community, a win-win situation is achieved as more facilitation can be accorded to these lower risk entities, whilst enforcement agencies, including Singapore Customs, can better direct scarce resources towards trading activities of higher risk companies.

D. International Cooperation

10 Given the global nature of supply chain, it is important for every country to establish an effective strategic trade control regime. After all, a chain is as strong as only its weakest link. To help in regional capacity building, Singapore has frequently participated and contributed at numerous regional and international fora by sharing our experiences in counter-proliferation efforts and also to learn from other countries' experience in implementing strategic trade control regimes. Some of these fora include the recent 18th Asian Export Control Seminar in Japan and the Dubai Transshipment Conference where we

presented on ‘International Regional Cooperation for Export Control’ and ‘Singapore’s Industry Outreach Efforts’.

11 We have also hosted a number of foreign fact-finding missions such as the visit by the United Arab Emirates Offset Program Bureau’s in 2009 and Malaysia’s Ministry of International Trade & Industry (MITI) in 2010. We were happy to share with our visitors our strategic trade control regime and our experiences and challenges in implementation. - Such visits also create opportunities for us to foster stronger networks with overseas authorities for future collaboration in areas such as enforcement cooperation and intelligence sharing which I will now move on to.

E. Intelligence Exchange

12 An effective international counter proliferation regime depends on actions by parties at every node of the supply chain. This is why every trading country should establish an effective strategic trade control regime, whether they are the country of origin for the goods, the transit ports or the goods’ destination. At the origin (i.e. exporting) or destination (i.e. importing) countries, the information available on the shipment is usually more detailed and the shipment can be more readily inspected. However, when the goods are in transit, it is normally less effective to detect and intercept suspected shipments due to less timely information and short turnaround time for risk profiling purpose. In the case of Singapore, with about 27 million TEUs transiting through annually, our experience has been that credible and timely intelligence and good international cooperation is the critical element to intercept suspect shipments. The Singapore agencies have been consistent in taking prompt and effective interdiction

actions on infringing goods whenever we receive actionable and credible intelligence.

13 I believe that I am echoing the sentiment of most of you here when I say that no country or even a region alone can tackle the problem of WMD proliferation. More than ever before, countries and regions need to work in close partnership to build a tight, effective and efficient international network of strategic goods controls. As such, Singapore believes that enhanced international and regional cooperation is the way forward to combat the proliferation of WMD, their means of delivery and related systems.

F. Desired Conference Outcomes

14 Before I end, let me say a few words on today's Conference. This Conference will provide an opportunity for countries to share their best practices with each other. Furthermore, the networking opportunities available will provide countries with specific contact points for closer collaboration in the future. With closer networks amongst authorities, enforcement cooperation and intelligence sharing is made easier.

15 Capacity building is another key objective of this conference and we hope that countries who have yet to implement export controls or who are in the process of setting up their regimes would have a deeper insight through the sharing, presentations and discussions over the next few days.

16 I am happy to highlight that for the first time at this conference, we have initiated a new aspect in the breakout sessions which are the table top exercises. Participants will have an opportunity to review case studies and work on various scenarios provided. One of the key goals of these table top exercises is to

balance theory and practice by not only focussing on presentations but conducting hands-on exercises as well. Such exercises would also spur discussions amongst participants on common problems and obstacles encountered and best practices in dealing with them. A different dimension would be added to these sessions and such exercises provide the opportunity for greater interaction as well. Please do make full use of these sessions to share and clarify ideas.

Conclusion

17 In conclusion, I would like to re-iterate Singapore's commitment towards strategic trade controls. It is indeed an on-going work in progress of constant reviews to keep pace with international developments.

18 I would like to wish everyone a successful and fruitful conference.

Thank you and have a good day ahead!