



SINGAPORE CUSTOMS 新加坡关税局 **KASTAM SINGAPURA** சிங்கப்பூர் சுங்கத்துறை

MEDIA RELEASE

1 Jul 2012

Faster customs clearance for certified Singapore companies exporting goods to China

Singapore companies that have been certified by Singapore Customs can now enjoy faster customs clearance for the goods they export to China.

Under an agreement signed between Singapore Customs and the General Administration of China Customs (GACC), such companies will have their exports recognised by the GACC to be of lower risk, leading to priority clearance when the goods arrive in China's ports. These companies can therefore better plan their cargo movements and enjoy savings in costs which would otherwise be incurred due to port delays.

Similarly, Chinese companies which have been certified by the GACC will have their exports cleared expeditiously when the goods arrive in Singapore.

This mutual recognition arrangement (MRA) to enhance supply chain security and facilitate trade between Singapore and China was signed at the 119th/120th World Customs Organisation (WCO) Council Sessions in Brussels, Belgium, on 30 Jun 2012.

Singapore's Director-General of Customs (新加坡关税局局长), Mr Fong Yong Kian (方永健), and the Vice Minister of the GACC (中华人民共和国海关总署副署长), Mr Sun Yibiao (孙毅彪), signed the arrangement.

This is China's first MRA with another country. Singapore signed similar arrangements with Canada and South Korea in 2010, and with Japan in 2011.

China was Singapore's third largest trading partner in 2011, with a trade volume amounting to S\$101.4 billion.

"As China is the second largest economy in the world and a major trading partner of Singapore, the signing of this arrangement is an important milestone for us," said Mr Fong. "Singapore Customs is very pleased to be the first customs administration to sign a mutual recognition arrangement with China Customs."

"Working closely together to conclude this arrangement within two years has further strengthened cooperation and mutual understanding between both customs administrations. The ties between the two customs administrations have definitely reached a higher level," added Mr Fong.

“The signing of this mutual recognition arrangement, after two years of negotiations, marks a new level of cooperation between China Customs and Singapore Customs, which will greatly contribute to the security and facilitation of our bilateral trade,” said Mr Sun.

“The signing of this arrangement with Singapore has a significant implication for China Customs as this is our first arrangement with our counterparts. As an active player in the world customs community, China Customs will continue to put in its greatest effort for the security and facilitation of the global supply chain,” added Mr Sun.

Companies welcome the China-Singapore arrangement

The China-Singapore MRA recognises the compatibility between Singapore Customs’ Secure Trade Partnership (STP) programme and the GACC’s Measures of Classified Management of Enterprises programme, as well as companies that have been accorded Authorised Economic Operator (AEO) status under these two programmes.

Companies in Singapore with significant trade with China welcomed the signing of the China-Singapore mutual recognition arrangement.

“The signing of the China-Singapore mutual recognition arrangement is of particular significance for enterprises manufacturing and trading in both countries, and where there are continuous flows of goods traded in both directions,” said Mr Joe Lombardo, Group Vice President, Global Trade and Customs Compliance, STMicroelectronics Asia Pacific Pte Ltd.

“For STMicroelectronics, this agreement between Singapore and China will bring notable value-added benefits to the company’s manufacturing and distribution supply chain capabilities. We can expect streamlined customs processes, secure cargo and logistics movements and ultimately, improved service levels for all our customers,” added Mr Lombardo.

Mr Hans-Martin Stech, Chief Financial Officer and Compliance Officer, Infineon Technologies Asia Pacific Pte Ltd, said: “Infineon will benefit not only from the security aspect, but also from faster turn-around time and greater reliability in deliveries.”

Advanced Micro Devices (S) Pte Ltd, which deals with sensitive semiconductor components requiring special protective packaging materials and techniques, is looking forward to the prospect of reduced inspections. “We are excited about the mutual recognition arrangement and we hope that with it, exports of certified merchants will be subjected to a much lower inspection rate,” said Mr Lawrence Lim, the company’s Section Manager Logistics. “This will translate to cost avoidance and improvements in our on-time delivery performance.”

Securing and facilitating global trade

Singapore Customs’ STP programme is based on the WCO’s Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework of Standards). The WCO SAFE Framework of Standards highlights the need for all stakeholders to take measures to ensure the security of the supply chain, and for customs administrations to establish AEO programmes to certify companies which adopt robust security practices.

Mutual recognition arrangements multiply the benefits of national AEO programmes by elevating trade facilitation and trade security to the international level. Such arrangements also help to facilitate continuous secure trade flows in situations of high alert or when international trade is disrupted.

Singapore Customs is the first customs administration in Southeast Asia to enter into mutual recognition of AEO programmes with other customs administrations. It joins the ranks of a growing number of customs authorities which have signed mutual recognition arrangements, including Canada, the European Union, Japan, New Zealand, South Korea, Switzerland, and the United States.

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Photos of the China-Singapore Mutual Recognition Arrangement Signing Ceremony at the 119th/120th World Customs Organisation Council Sessions, Brussels, Belgium, on 30 Jun 2012



Singapore's Director-General of Customs, Mr Fong Yong Kian, and the Vice Minister of the General Administration of China Customs, Mr Sun Yibiao (seated), signed the China-Singapore mutual recognition arrangement at the World Customs Organisation (WCO) in Brussels, Belgium, on 30 Jun 2012. The signing was witnessed by the Chairperson of the WCO Council and Chairman of the Revenue Commissioners in Ireland, Ms Josephine Feehily, and the WCO Secretary General Mr Kunio Mikuriya (standing).



Sealing the deal: Singapore's Director-General of Customs, Mr Fong Yong Kian (left), and the Vice Minister of the General Administration of China Customs, Mr Sun Yibiao (right).

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