

Welcome Remarks

Mr. Ho Wai Yin

Director, Corporate Planning Division and International Organizations

International Enterprise Singapore

Forum on Trade Facilitation and Customs Modernization

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Distinguished Country Delegates from East and Central Asia,

Our dear friends from ADB,

Private Sector Representatives,

Ladies and Gentlemen

1. A very warm welcome to all of you especially to those who are here in Singapore for the first time and to many of you who have travelled a long distance to be here with us today.

2. Also a very good morning to you. It gives me great pleasure to welcome you to this Forum on Trade Facilitation and Customs Modernization. I sincerely hope that your visit to Singapore will not only useful to you as you learn our Singapore version of implementing our customs modernization programs but also that by this sharing you will find many suitable solutions that will contribute to your overall economy development and growth.

About IE Singapore

3. Before April 2002, International Enterprise Singapore, or IE Singapore for short was the Singapore Trade Development Board or TDB. Under TDB, the organization undertook the mandate on Trade Policy, Trade Facilitation and Trade Promotion. Then, TDB worked very closely with the Singapore Customs on many modernization programs which you will learn through the speakers who were all very much a part of the planning and implementation process.

4. In April 2002, TDB was renamed to International Enterprise Singapore to reflect our focus towards helping Singapore-based companies to internationalise through trade and overseas investments. In 2002, Singapore's overseas investments reached \$148 billion In 2004, Singapore's total trade reached \$580 billion. That's a rise by 22 per cent, a strong improvement from the 9.6 per cent growth in 2003.

Importance of Customs & Trade/Investments

5. Today, the focus of customs responsibility has shifted, in many major trading nations, from revenue raising to tasks such as the protection of the environment and public health, the interdiction of illicit drugs, the implementation of trade policy and the protection of intellectual property, all of which engage the fullest support and interest of the world business community.

6. At the same time, we realize that in many developing and transitional economies, import duties are still a major source of government revenue and customs stand at the center of the collection process.

7. Customs procedures around the world need to be modernized to keep up with the expansion and increased complexity of international trade and investment. The ability of countries to reap the benefits of international trade, to compete effectively in global markets and to attract foreign direct investment, thereby fostering economic growth, increasing employment, and improving the welfare of their citizens, will be closely related to the quality of their customs services.

8. Successive multilateral trade negotiations, culminating in the Uruguay Round that gave birth to the World Trade Organization (WTO), have brought tariffs down to their lowest levels this century. Inevitably, this unprecedented liberalization has drawn attention to other practical obstacles to the free flow of goods across borders.

9. International trade has increased 15-fold over the half century. According to the WTO, the volume of world merchandise exports grew by 9.5% in 1997, the second highest rate recorded in more than two decades. More and more industrial products sold throughout the world are assembled in one country from components manufactured in several others. Increased reliance on just-in-time production and delivery makes speedy customs clearance a major issue for business.

10. Customs modernization and harmonization have become a priority for companies that find their operations hampered by administrative delays at borders and stand to be disadvantaged even more as economic globalization gathers pace. Small and medium-sized companies, especially those in developing countries, are among the most affected.

11. Clearly, the extent of customs delays and red tape varies enormously from country to country. But everywhere, the goal must be to apply the full benefits of modern technology and management practices to reconciling the control and revenue-raising requirements of customs with the imperatives of a global economy.

Development in Central Asia

12. Singapore-based private sectors have tended to foray in the so-called traditional markets such as China, India and South-east Asia. However, recently, I was very encouraged to read an ADB article that “after 13 years of independence, Central Asia is finding its feet. The decade of disorientation ended with each country having charted a course for the future. More secure in their nationhood, the new states of Central Asia are moving beyond nation building to focus on the social, institutional, and economic development that will enable the region to make the most of its strategic position, its wealth of natural and human resources, and its deeply ingrained entrepreneurial roots. This shift indeed represents very significant progress”.

13. In this regard, IE Singapore will be glad to be your partner to attract greater flow of trade and investments from the private sector not only in Singapore but also our foreign partners, into the Central Asian region.

Conclusion

14. Singapore welcomes all examples of customs modernization which can bring the full benefits of modern technology and management practices to bear on a daily reconciliation of customs control and facilitation.

15. The good news is that governments are becoming increasingly aware of the urgency of customs modernization. The first ministerial conference of the WTO in Singapore at the end of 1996 marked a breakthrough when governments for the first time placed the simplification of trade procedures, including customs, on the WTO's agenda.

16. IE Singapore is glad to partner ADB to assist the Central and East Asian governments to modernize their customs services.

17. On a lighter note, do take advantage of your timely visit to experience the preparation of our Chinese New Year festival, particularly in Chinatown here, as I understand the very reason this location was selected for your stay.

18. I wish you all a fruitful and enjoyable stay in Singapore.

Thank you.