

Process Improvements for Trade Facilitation – Harnessing of IT



Singapore Customs



Singapore Customs

- ❖ Singapore Customs is a government department under the Ministry of Finance.
- ❖ We are the lead agency on trade facilitation and revenue enforcement matters.



Singapore Customs' Roles

❖ Our Roles –

- One-stop solution provider for trade and customs procedures
- Collecting and protecting customs revenue
- Lead agency for trade facilitation and tax suspension schemes
- Implementation of trade enforcement measures
- Promotes and enhances supply chain security



Singapore Customs' Mission

**To assure the integrity of
the trading system
and
support Singapore as a
global trade hub**



Integrity of Trading System

- ❖ Revenue integrity
 - Customs duties
 - GST on imports

- ❖ Trade integrity
 - Data and Information
 - International obligations - Secure trade and FTAs



Conducive Regulatory Environment

An **effective and conducive regulatory environment** needed to support Singapore as a TRUSTED and SECURE trade hub



Harnessing of IT

Sharing Singapore's Experience

- TradeNet®: Single Electronic Window -



Objectives

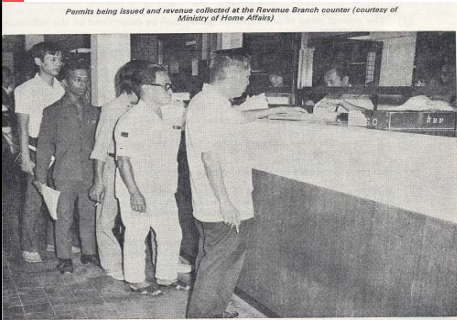
Objectives of Trade Declarations

1. Enforce controls laid down by domestic policies and international agreements
2. Collect GST and Customs duties
3. Collect trade statistics





A Look in the Past



- ★ Multiple commercial parties
- ★ Many government agencies
- ★ Several documents per shipment
- ★ Voluminous paperwork
- ★ Labour-intensive
- ★ Time-consuming
- ★ Uncertainty



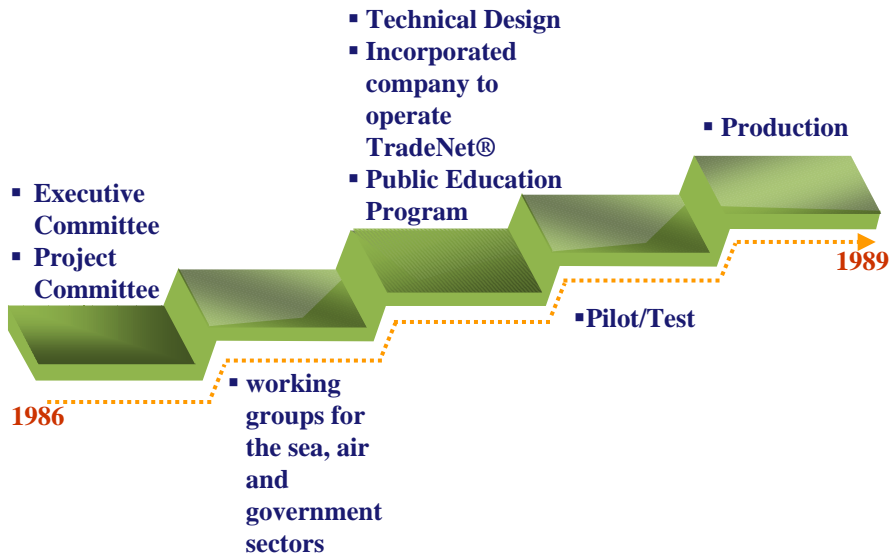
How TradeNet[®] Started



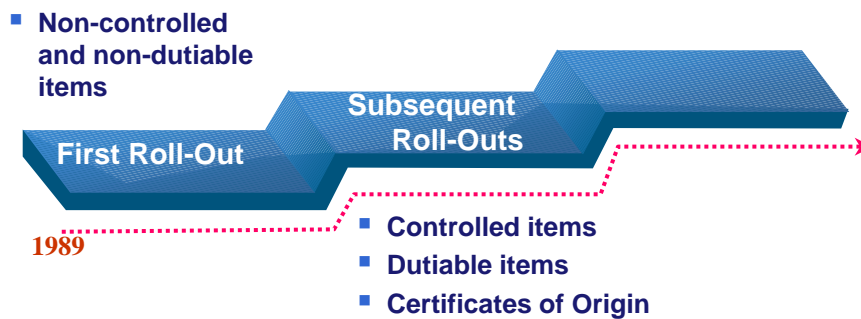
- Part of National IT Plan
- High-level Govt commitment
- Involved private sector
- Incorporated company to run
- Involved intensive trials and tests

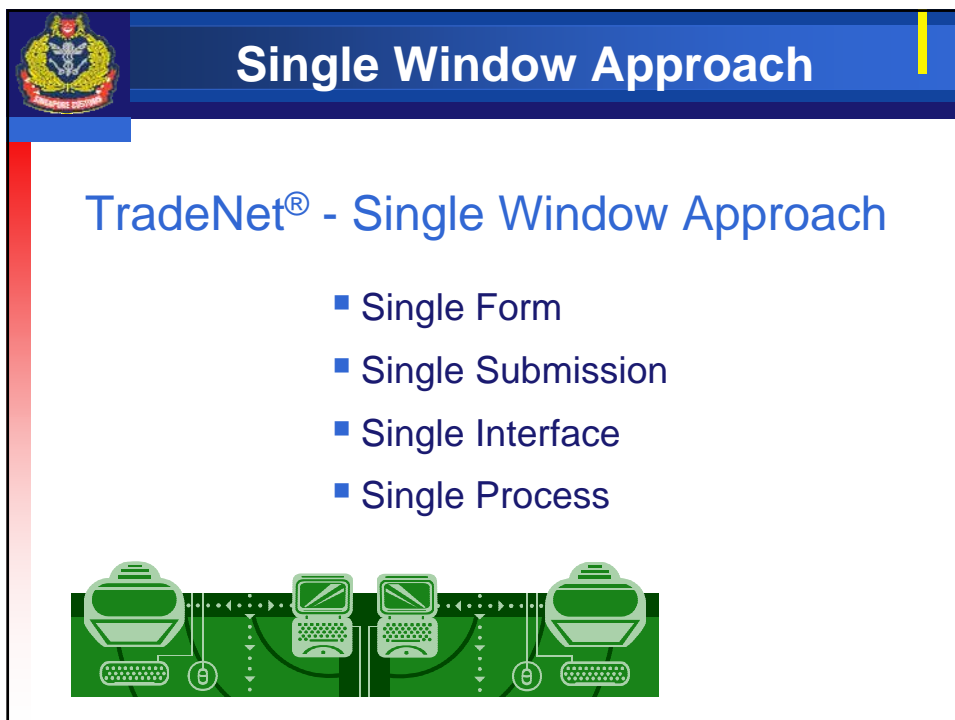


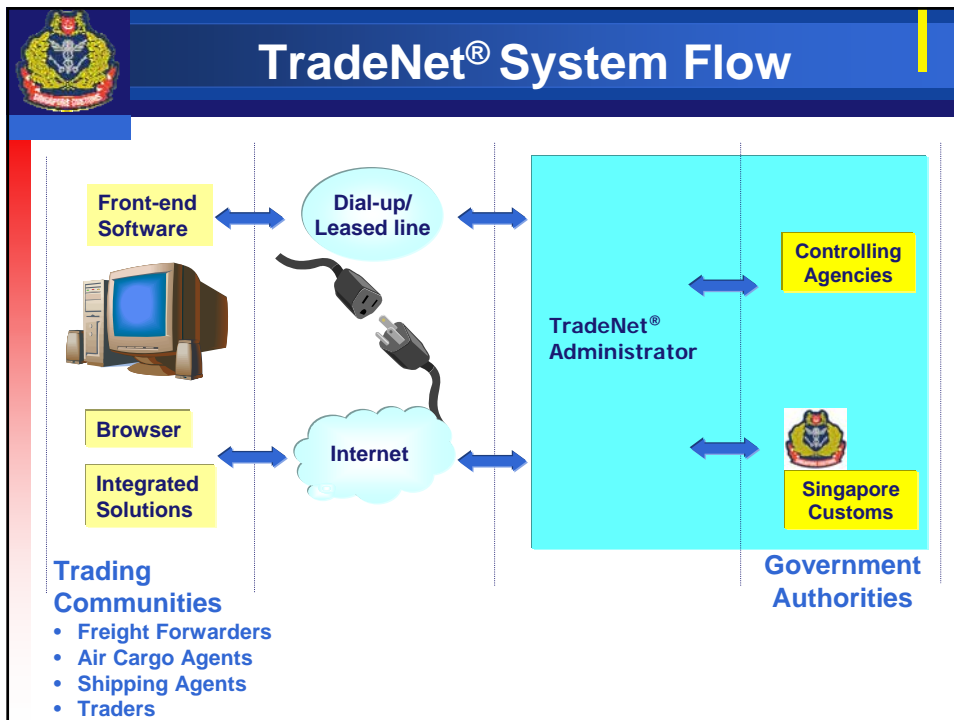
Development of TradeNet®



Phased Implementation







- ## Benefits of TradeNet[®]
- Convenience to traders:
 - One submission to multiple agencies
 - Available 24 hrs X 7 days
 - Facilitate electronic payments
 - Submission and retrieval at own premises
 - Faster turnaround time:
 - Approval within 10 minutes



Impact of TradeNet®

	Before TradeNet®	TradeNet®
Processing time per permit	4 hours to 2 - 7 days	less than 10 minutes
Submission of documents	Multiple submission	Single document through a single Interface
Number of documents	3 - 35 documents	1 document
Trade Documentation Fees	S\$10 per document	S\$2.88



Success Factors

- Clear Mandate from Government
- Driven by appointed lead agency
- Dedicated Committees and Working groups with Various Agencies
- Public - Private Partnership
- Participation of Private sectors
- Pilots and Tests
- Educations
- Proper Legal Frameworks



Challenges

- Different degree of computerization
- Changes in business operations



Accolades

- Internationally Acclaimed
 - 2 Harvard Business School Case Studies
 - King, J. and Konsynski, B. **Singapore TradeNet (A): A Tale of One City**. Case 9-191-009,
 - Neo, B.S.; King, J. and Applegate, L. **Singapore TradeNet (B): The Tale Continues**. Case N9-193-136,



- TradeNet - Trade Facilitation Award 2003
 - Asia Pacific Council for Trade Facilitation & Electronic Business, 2003



Current Volume

- More than **8,000** users from **2,600** subscribers
- About **30,000** declarations per day
- More than **9 million** declarations annually
- Total trade > **\$700b**



Current Performance

- **100%** of customs declarations processed and approved via TradeNet®
- **100%** of the collections are made electronically through Inter-Bank deductions
- **90%** of permits processed within 10 minutes



Continuous Enhancements

- Introduce new requirements
 - International obligations
 - e.g. Strategic Goods Control
 - Regional cooperation
 - e.g. ASEAN Harmonized Tariff Nomenclature



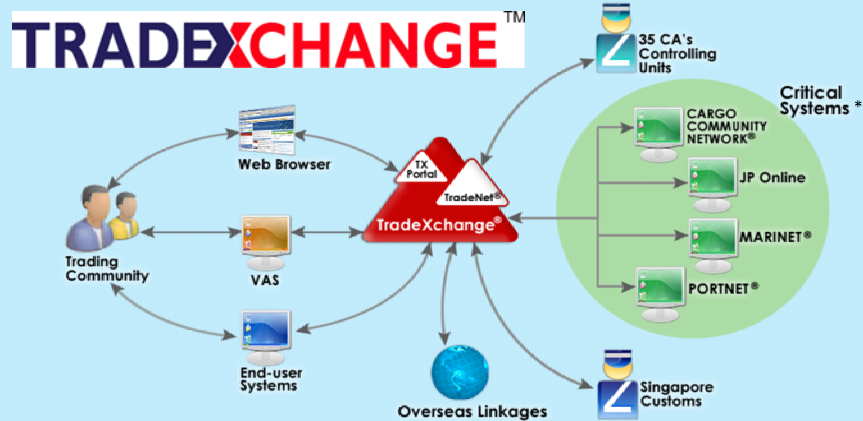
Continuous Enhancements

- User-friendly features
 - Traders' survey and dialogue sessions
- Technology refresh
 - Alignment with global technical standards
 - Use of XML in addition to UN/EDIFACT



Tradexchange®

- A B-to-G and B-to-B platform for trade
- Inter-connectivities among the commercial and regulatory systems for the Singapore trade and logistics community.



Benefits of Tradexchange®

- Improve trade documentation process
 - Business process re-engineering
 - Simplified permit declaration requirements
- Lower Business Costs
 - Single interface to multiple systems
 - Reduce errors from repeated data entry

TRADEXCHANGE™

Thank you

www.tradexchange.gov.sg
www.customs.gov.sg

