

## **Singapore Customs – Secure Trade Partnership**

### **Supply Chain Security**

Globalization and free trade will continue to be the impetus for the phenomenal growth in cargo containers transshipment that constitutes approximately 90% of international trade as well as underscoring the significance of the world's global supply chain command. To underpin and facilitate the globalize flow of goods, vital infrastructures encompassing critical ports, freight transportation, logistics and commercial shipping carriers to maintain efficiency are of paramount importance.

Prior to September 11<sup>th</sup>, security focus traditionally embraced in this spectrum was centered much on the role and responsibility of the port of unloading. This narrow security band invariably provided organized criminal syndicates and illicit parties the opportunities to manipulate and exploit the system vulnerabilities and inherent security gaps to smuggle contrabands, illegal drugs, counterfeit goods, arms and weapons including human trafficking.

Unfortunately, the horror and awakening shock on Sept 11<sup>th</sup> revealed the greatest alarm and misgiving message that acts of indiscriminate destruction to destabilize nations and social fabric of societies have become a global phenomenon of grave concern. Indeed, the prevalence of terrorism threats was further underlined and compounded by many more continued terrorist attacks on various world-wide targets.

Collectively, global authorities and government agencies are faced with key challenges to tackle the proliferation of this predominant threat. Amongst wide ranging and robust framework introduced to enhance security and to counter the trail of terrorism, the narrow security band traditional in the cargo containers transshipment chain entailing wide spectrum of modes and nodes came under very extensive review and scrutiny. It was indeed a necessary and crucial preemptive counter measure as the world's economy can ill afford a catastrophic disruption on the global supply chain network.

Singapore is a prominent world class global trading hub which handled transshipments in excess of 50 million standard containers in fiscal year 2006 according to the Port of Singapore Authority. One of the key factors underlying this significant and proud achievement is the standard of security maintained through fully compliance with United States Container Security Initiatives (CSI). In addition, the adoption and implementation of the International Ship and Port Security (ISPS) code as laid down by International Maritime Organization (IMO) have added further complexity to the ambit and periphery of security modes and nodes.

However, from an overview on the entire transshipment chain, it crystallizes that the primary point of origin of goods being exported and imported would constitutes the weakest link in the supply chain. Whilst recognizing the existence of this prevalent weak link in the global supply chain network, government authorities and agencies are equally mindful of the severe implications that the imposition of any mandatory regulatory security framework would cause disruption and hindrance to the conducive flow of transshipment goods throughout the global supply chain.

To meet this challenging scenario, multitude of voluntary programmes such as C-TPAT, FAST, StairSec, PIP, and WCO have been initiated to address the inherent vulnerabilities. Most of these voluntary programs framework have been specifically tailored to synthesize geographical pre-requisites and its trading system. However, much of it has been developed from a common security platform consistent with the world's customs organizations framework.

### **Singapore's Strategy in the Supply Chain Security**

In July 2006, DPM Prof S. Jayakumar announced at the APEC symposium the establishment of Singapore's own national supply chain security programme in the light of growing concerns over threats to the global supply chain. Accordingly the Singapore Customs announced the introduction of Secure Trade Partnership (STP). It is a wide ranging and robust framework that objectively aimed to

galvanize the key players of the supply chain industry to enhance its overall security.

As the government's lead agency designated and tasked to promote and collaborate with industry players, the Singapore Customs launched an outreach programme in January 2007 to inform, educate and create awareness amongst all industry players and key security organizations of their roles and responsibilities in promoting supply chain security. Holistically, Singapore's secure trade partnership aimed to:

- minimize disruptions in the flow of goods in the event of a terrorist attack
- promote Singapore as a secure transport and trading hub
- encourage companies to play their part in securing their own processes within the supply chains
- make it difficult for criminals, smugglers and terrorists to make use of the supply chain for illegal activities
- create awareness of the importance of adopting a total supply chain approach to cargo security.

### **Secure Trade Partnership – Benefits**

The successful implementation of a robust and comprehensive secure trade partnership is expected to yield the following benefits:

- Increase visibility of goods in the supply chain
- Reduction in pilferage
- Greater recognition for being recognized as a secured partner of Singapore Customs

In addition, firms initiating such voluntary certification would potentially reap benefits such as faster customs clearance; platform for collaboration; improving supply efficiency; and creating a security culture.

## **Secure Trade Partnership – Approach and Certification**

To achieve the objectives of the security trade partnership programme, the Singapore Customs will adopt the following approaches:

- A voluntary and partnership approach
- A risk based endorsement approach for the application of security measures
- Security plans that are flexible and customized according to the business models of the companies implementing the programme.
- Building upon industry best practices and partnerships
- Self assessment of security measures and best practices
- A validation and certification process that are centrally administered by the Singapore Customs

## **Secure Trade Partnership – Security Spectrum**

Under the security trade partnership programme, the spectrum of security will encompass:

- Physical security
- Personnel security
- Process Security
- Data Security
- Conveyance security
- Business partner security

## **Secure trade Partnership – Launch Date**

The Secure Trade partnership is open to all the supply chain stakeholders and the tentative launching of this program will be July 2007.

## **Specialist Certificate Programme in Supply Chain and Asset protection**

The successful implementation of the Secure Trade Partnership initiative launched by Singapore Customs requires the active support and co-operation of all the players in the supply chain industry. Therefore, to assist member companies in seeking the beneficial voluntary certification with Singapore Customs, SMa School of Management has launched a three days specialist Certificate programme on Supply Chain Security encompassing asset protection. The programme is in collaboration with a Swiss Recognized Security Organization (Heierli Consulting Engineers Consultancy Company) specializing in security risk engineering, protective design and emergency planning.

The three days specialist certificate programme is tailored specifically for company's managerial and executive staff to acquire the practical knowledge and skill to carry out their facility risk assessment for submission to Singapore Customs. It adopts a holistic approach that is based on; the key principles of supply chain security and asset protection, the practical aspects of security surveys and risk assessment methodologies to derive cost effective security measures for implementation, and a comprehensive report framework to document the findings and results for validation and certification with Singapore Customs.