

**OPENING REMARKS BY MR PANG KIN KEONG, PERMANENT SECRETARY,
MINISTRY OF TRANSPORT, SINGAPORE, AT THE JOINT CONFERENCE ON
ENHANCING AIR CARGO SECURITY AND FACILITATION, 5-6 JULY 2012,
ORCHARD HOTEL, SINGAPORE**

Mr Raymond Benjamin, Secretary-General of the International Civil Aviation Organisation,

Mr Kunio Mikuriya, Secretary-General of the World Customs Organisation,

Ladies and Gentlemen,

Good morning.

1 It is a great pleasure for me to be here to open this Joint Conference on Enhancing Air Cargo Security and Facilitation, co-organised by the Singapore Ministry of Transport, Singapore Customs, the International Civil Aviation Organisation (ICAO) and the World Customs Organisation (WCO). The significance of the Conference lies in the fact that it is the first ever conference to bring together the international civil aviation and customs communities, and their leaderships, to discuss security and facilitation issues related to air cargo. Our collective hope must be that our discussions over the next few days, and at subsequent other forums and meetings, will eventually lead to greater understanding, greater collaboration, and greater harmonisation between each other's requirements and measures. Such will bring cost and efficiency benefits to industry, and at the same time, enhance the security of our countries.

Importance of the air cargo sector

2 We need little reminder that air cargo plays a critical role in the global economic value chain. Although only an estimated 0.5% of all cargo is carried by aircraft, it accounts for 35% of the total value of goods traded internationally. Today, air cargo supports some 32 million jobs and generates US\$3.5 trillion of economic activity worldwide.

3 And by the year 2030, the International Air Transport Association (IATA) expects air cargo traffic to have tripled to an estimated 150 million tonnes. The growing demand for high value goods, and for goods that are time-sensitive, will fuel the growth.

4 Given the prominence of air cargo in global trade and commerce, I think there is little argument that closer co-operation between the civil aviation and customs communities will be mutually beneficial, and indeed, imperative.

Need to balance security and facilitation

5 On the one hand, the printer cartridge terrorist attempt in October 2010 clearly underlines the need for more security measures to prevent air cargo from being exploited by terrorists.

6 At the same time, however, we cannot disregard the impact that such security measures may have on trade and commerce, and, in particular, the air cargo industry. The challenge lies in finding the appropriate balance.

7 This twin challenge is not insurmountable. But it needs political will on all sides to agree to work together, as we are doing this week, and an open mind and flexibility in order to be able to translate will and intent, into outcome.

Three levels of collaboration

8 To effectively meet the challenge of enhancing the security and facilitation of air cargo, there are three levels at which collaboration must take place amongst the various actors – regulators and industry. Indeed, the responsibility cannot and should not be put on the shoulders of just any one actor alone, but must involve all stakeholders. It is also unwise to place the onus and responsibility on just one node of the global supply chain. It will be less robust security-wise, and inefficient as it is more likely to create choke points.

9 The first layer of collaboration lies within the State. Most States would have their own national air cargo security regime, as well as their own customs regime.

10 In Singapore, there are the Regulated Air Cargo Agents' Regime (RCAR)—which is the regime for the security of air freight carried on passenger aircraft; and Singapore Customs' Secure Trade Partnership (STP) programme—which is Singapore's version of the Authorised Economic Operator (AEO) programme that governs the security of the cargo supply chain.

11 The RCAR and STP are the benchmark standards for the security of cargo being shipped out of Singapore. These two regimes, which cover some 360 freight companies,¹ provide the security for air cargo which is uplifted from Singapore to more than 100 destinations across the world. An inter-agency committee which includes the Singapore Ministry of Transport and Singapore Customs is finalising its study to integrate, align or harmonise various aspects of Singapore's two regimes. For example, it is contemplating harmonising the audit requirements on companies participating in both the RCAR and STP. This reduces the companies' burden of needing to interact with and be audited by two different regulatory agencies. Mutual recognition of checks between the two agencies will mean that companies need only be audited once.

12 The second layer of collaboration required is co-operation between States. These can take the form of agreements, bilateral or pluri-lateral, to give mutual recognition to each other's cargo supply chain security regimes. Through such mutual recognition agreements, regulators in one country can have assurance of the security accorded to cargo coming out of the borders of the partner country. And industry avoids having to apply repetitive or even redundant security and other measures, which will save costs, and improve efficiency and facilitation at various airports.

13 ICAO and WCO support the establishment of such mutual recognition agreements for their air cargo security and Authorised Economic Operator programmes. We are encouraged

¹ As at 15 June 2012, Singapore had 275 companies certified as Regulated Air Cargo Agents and 85 companies certified under the Secure Trade Partnership programme.

by their support, and also by the many mutual recognition initiatives concluded or being pursued by various States.

14 In this regard, Singapore has concluded Mutual Recognition Arrangements (MRAs) for AEO programmes with various countries such as Canada, Japan, the Republic of Korea and most recently, last Saturday (30 June 2012), with the People's Republic of China.

15 In April 2012, Singapore and the United States of America also signed a Joint Statement assuring our strong commitment to enhance collaboration to strengthen supply chain security bilaterally and with other partners. This commitment includes supporting key principles that would further enhance the security and resilience of the global supply chain, such as adopting a risk-based and multi-layered approach to cargo security; harmonisation of international standards; and enhancing partnership with industry to develop and adopt cargo security policies and measures that are practical and operable.

16 I look forward to more of such commitments between States. It will help to form a web of commitments and action towards strengthening the global cargo supply chain.

17 The third layer of collaboration required is at the multilateral level. ICAO and WCO signed a MOU last year to collaborate on enhancing global air cargo security. Both organisations have since been working together to identify common approaches and alignment of standards. I urge all of us here to give full support to this work by ICAO and the WCO.

18 I am also pleased to note the participation of the International Maritime Organisation and Universal Postal Union in this Conference. Even as we focus on enhancing air cargo security and facilitation, we should bear in mind that cargo movements are multi-modal. The same shipment often has to travel by land and sea, as well as air. There is therefore a need to align and, if necessary, de-conflict security requirements for cargo travelling by different modes of transport. Collaboration with organisations such as the IMO and the UPU must therefore feature equally on the agenda.

19 I also call on stakeholders to support the work on enhancing supply chain security at the regional levels. In 2006, the Asia-Pacific Economic Co-operation forum (or APEC) recognised the importance of strengthening supply chain security for the continued flow of international trade. In 2007, APEC endorsed the integral role of a supply chain security approach to the recovery of global trade in the event of a major disruption.

20 A number of States have since embarked on supply chain security and trade recovery measures, and the WCO has incorporated trade recovery as a component of the WCO's SAFE Package.

Conclusion

21 In conclusion, I hope this Conference will serve as a crucible for new ideas, and for the debate of different views and experiences by the over 300 distinguished experts from 40 countries present. Your discussions may seed new and lasting approaches that would benefit all stakeholders. I urge all of us to take advantage of this opportunity to engage deeply, openly and robustly to find new and sustainable ways to raise the security of air cargo, and

yet facilitate its smooth and efficient movement across the globe. As the saying goes, “the journey of a thousand miles begins with one small step.” We can take that step this week.

22 It leaves me to thank the Secretaries-General of ICAO and WCO, Mr Benjamin and Mr Mikuriya, for taking time from their busy schedules to join us for this Conference. Their presence is testimony of ICAO and WCO’s strongest support for our common quest to enhance air cargo security and facilitation.

23 I wish all of you a successful Conference, and to our foreign guests, a wonderful time in Singapore. I now declare the Conference open.

Thank you.

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