1. Overall Trade Facilitation Environment

Singapore’s economy relies heavily on trade – the country’s trade–gross domestic product (GDP) ratio is over 300%\(^1\) – and the country is also a regional and global supply chain logistics hub. Its container throughput is about 3 million 20-foot equivalent units per month; it was the second-busiest port in 2020 after Shanghai (China Daily, 2021). Many global logistics companies use Singapore as their regional hub. This position was achieved through a combination of building connectivity (e.g. transport and regulatory), regular innovation in infrastructure, and private sector engagement (Lam and Ramakrishnan, 2017). Singapore continues to make investments in each of these fronts, making continuous progress in trade facilitation.

Singapore has a 100% implementation rate on measures related to paperless trade, import/export formalities, transparency, and transit.\(^2\) Amongst these, implementation rates on formalities and transit increased from 88% and 92%, respectively, in 2017. It has an 88% implementation rate for institutional arrangements and cooperation and 72% in cross-border paperless trade, the same as in 2017. Although the World Bank’s Trading across Borders indicator did not change between 2018 and 2020,\(^3\) Singapore was already scoring very high, so further improvement would be difficult to detect. In fact, Singapore’s progress is likely to be more of a qualitative aspect of existing measures, as trade facilitation measures are already excellent.\(^4\)

Singapore also continued building deeper connections with other economies, with implications for trade facilitation. Since 2018, several free trade agreements have entered into force, including the European Union (EU)–Singapore Free Trade Agreement on 21 November 2019 – the first between the EU and an Association of Southeast Asian Nations (ASEAN) country. In a survey conducted by the European Chamber of Commerce in Singapore, 57% of respondents found Singapore’s trade facilitation measures in customs procedures to be useful (EuroCham Singapore, 2021).


In November 2020, Singapore Customs signed a letter of intent with the United States to form a connection between the two countries’ national single windows (NSWs) to facilitate the exchange of trade data (CBP, 2020; The Straits Times, 2020). Similar facilitation has been conducted with Australia, and options are being explored with China, Indonesia, and the Netherlands (ABP, 2020). Furthermore, Singapore’s authorised economic operators enjoy mutual recognition in 10 other countries, including Thailand from 2019.

At the peak of the pandemic, while Singapore implemented stringent measures to restrict economic activity and physical movement in an effort to control the spread of COVID-19, it maintained its commitment to keeping all Singaporean borders open. This was done to ensure the smooth flow of goods, particularly essential items, amidst the challenging circumstances. Singapore Customs undertook various safety measures such as mask wearing and virtual meetings. To reduce physical interaction, it also encouraged the public to use its digital services, including innovations at checkpoints through the Customs@SG app, digitalisation of processes via FormSG, the Electronic Origin Data Exchange System, and Electronic Banker’s Guarantee Programme.

Continuing its work on monitoring trade facilitation in ASEAN, the Economic Research Institute for ASEAN and East Asia (ERIA) conducted a follow-up ASEAN Seamless Trade Facilitation Indicator (ASTFI) survey in 2020, using the same questionnaire from 2018 with slight modifications (ERIA, 2021). In Singapore, nine government ministries/agencies responded to the questionnaire: the Central Narcotics Bureau, Health Sciences Authority, Ministry of Health, Ministry of Trade and Industry, National Environment Agency, National Parks Board, Singapore Customs, Singapore Food Agency, and Singapore Police Force.

With already high scores from the 2018 baseline ASTFI I survey, Singapore shows continued progress in trade facilitation in the ASTFI II survey thanks to multiple domestic reforms as well as full implementation of ASEAN-wide initiatives. Regarding transparency of and information on rules and regulations, Singapore has fully implemented relevant policies and practices.

In the baseline ASTFI I survey, the information on non-tariff measures was in different places and was difficult to locate. However, with the development of the TRAINS database in 2019 – an outcome of the collaboration between ERIA, the United Nations Commission on Trade and Development (UNCTAD), and ATR (thus Singapore) – this information is now easily available (MFA, 2019).5

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However, information about non-tariff measures cannot be accessed directly from Singapore’s NTR. This information needs to be accessed by going through the ATR, which links to the online repository of Singapore’s statutes, Singapore Statutes Online. This website only lays out laws – without the convenience and clarity expected of a non-tariff measures database. While the progress since 2018 is noteworthy, Singapore should strive to link the TRAINS database directly to its NTR to enhance transparency.

On the next component, communication with and active engagement of the private sector, Singapore’s status is unchanged due to the lack of development of a formal National Trade Facilitation Committee (NTFC). Nonetheless, Singapore has a well-known practice of private sector engagement in a whole-of-government manner. Formalisation of the committee would align Singapore better with recommendations but may not make any substantive difference to the trade environment.

Singapore also made improvements in the third component – release and clearance formalities. One notable positive change was the publication of dwell-time and time-release studies on an ad-hoc basis, which were non-existent in 2018. This information was publicly shared for the first time as part of the ERIA baseline trade transactions cost (TTC) project, which is also publicly available (Singapore Customs, 2020). Singapore will also conduct these studies for follow-up TTC studies. However, this information is not published regularly. Institutionalising regular conduct and publication of dwell time and time release study would help Singapore improve its already efficient trade procedures.

Another improvement is the full operationalisation of ASEAN-Wide Self-Certification, which was in a pilot stage in 2018. The status of simplified and expedited clearance remains unchanged, with continued lack of a de minimum exception for land borders. Another trade facilitation progress regarding Singapore’s Authorized Economic Operator Programme is that a mutual recognition agreement (MRA) was signed between Singapore and Thailand in 2019. Although Singapore has already signed such agreements with 10 nations, this was the first with another ASEAN member.

On the fourth component – import/export formalities – Singapore’s ASTFI II status is the same as in the baseline. Singapore had already achieved best practices in terms of the use of digital documents, a well-developed NSW (i.e. TradeNet), and domestic coordination across border agencies. TradeNet was established several decades ago, and Singapore is currently building the Networked Trade Platform (NTP) as a trade and logistics information technology ecosystem.

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7 Since the drafting of this report, the United Nations Trade Facilitation (UNTF) Survey (https://www.untfsurvey.org/economy?id=SGP) has updated Singapore NTFC’s status from ‘partial implementation’ in 2019 to ‘Full implementation’ in 2021.
connecting business, community systems and platforms, and government systems. When completed, it will replace TradeNet as Singapore’s NSW.

Commitment to such continuous progress should be emulated in other ASEAN members. Singapore has been exchanging ASEAN Trade in Goods Agreement (ATIGA) e-Form D and the ASEAN Customs Declaration Document with other participating ASEAN members, although information on the integration with the NTR and ATR are not available. Instead, the NSW provides links to the Singapore Customs website for additional information on customs matters.  

On the fifth component – cross-border coordination and transit facilitation – Singapore’s performance improved due to full operationalisation of the ASEAN Customs Transit System (ACTS), which increased the scores for computerised system of transit, transit guarantee mechanism, and simplified procedures for authorised transit traders. For the sixth component, transport facilitation, Singapore improved due to the full implementation of ASEAN transport facilitation agreements. The last component on e-commerce also shows improvement after Singapore fully implemented a revenue framework for cross-border e-commerce trade and conducted a study on a legal framework for dispute settlement in domestic and cross-border e-commerce trade.

The rest of the report discusses in greater detail the changes in each question across all components of the ASTFI II survey.

2. Trade Facilitation Environment – Customs Authority

According to the response from Singapore Customs, all major elements of customs procedures for imports and exports are present. Transparency of rules and regulations is maintained by having a fully functional NTR that contains all trade-related information required by the private sector. A customs contact centre responds to any queries from traders.

Regarding engagement with the private sector, an NTFC exists but does not have all necessary elements for full institutionalisation. This was also confirmed by another survey, which categorised the presence of the NTFC as ‘partially implemented’.9 The NTFC conducts consultations as needed, but does not have an established terms of reference nor regular consultations with the private sector.10 Furthermore, no members or advisors from the private sector sit on the NTFC. Singapore Customs also noted that it does not have a formal consultation mechanism with the private sector. However, Singapore does have a well-documented culture of engagement with the private sector, even if it is not formalised in the NTFC.

10 In the baseline survey, it was reported that the NTFC is present with established terms of reference.
Most of the facilitative customs procedures are fully implemented by Singapore Customs. These include pre-arrival processing, risk management, electronic payments, a review and appeals mechanism, post-clearance audit, Authorized Economic Operator Programme, ASEAN-Wide Self-Certification, and temporary admission under the Istanbul Convention.

While procedures for applying for advanced rulings on origin, classification, and valuation are available, publication of advanced rulings require the consent of traders. Those that are published can be accessed by traders.\footnote{Singapore Customs, Application for Customs Ruling on Classification of Goods. https://www.customs.gov.sg/businesses/harmonized-system-hs-classification-of-goods/application-for-customs-ruling-on-classification-of-goods (accessed 20 April 2022).}

On the separation of release from final payment, a release without guarantee is available under certain schemes, such as the Major Exporter Scheme, Import Deferment Goods and Services Taxes (GST) Scheme, Approved Import GST Suspension Scheme, Licensed Warehouse Scheme, Zero GST Warehouse Scheme, and Container Freight Warehouse. In cases where goods are imported under the Temporary Import Scheme, guarantees are required before suspending payments.\footnote{Singapore Customs, Temporary Import Scheme, Importing Goods, https://www.customs.gov.sg/businesses/importing-goods/temporary-import-scheme (accessed 20 April 2022).}

Electronic payment is the default means for traders importing goods into Singapore. For a small number of imports hand-carried into Singapore by traders, other modes of payment are also available if the traders are unable to pay electronically.

According to the survey, dwell-time and time-release study report publication is regular; however, only one dwell-time and time-release report was found online (Singapore Customs, 2019a). For the 2018 baseline survey, it was reported that no dwell-time publication occurred. Singapore Customs is working towards publication on a more regular basis.

The Singapore Authorised Economic Operator programme is well-developed and known as the Secure Trade Partnership (STP)-Plus programme.\footnote{Singapore Customs; Secure Trade Partnership (STP) and STP-Plus; Customs’ Schemes, Licences, and Framework, https://www.customs.gov.sg/businesses/customs-schemes-licences-framework/secure-trade-partnership-stp#:~:text=The%20programme%20encourages%20companies%20to,keeping%20the%20supply%20chain%20secure. (accessed 20 April 2022).} Companies can apply to receive this status, and upon fulfilling the eligibility criteria, they enjoy additional trade facilitation benefits such as prioritised customs clearance. Apart from robust security measures, a company must also have good compliance records with Singapore Customs to be certified under the STP-Plus programme. The Singapore Customs website records at least 80 companies that have STP-Plus status as of 4 April 2022.\footnote{Ibid. Note that only companies that consented to having their names publicly listed are included in this document.}

\footnote{Ibid. Note that only companies that consented to having their names publicly listed are included in this document.}
Singapore Customs actively seeks to sign MRAs with other Customs Administration so that each customs administration’s authorised economic operator can be recognised as low risk by the other, making them eligible for expedited clearance procedures. At the time of the baseline survey, Singapore had signed an MRA with non-ASEAN members only. Singapore is currently in discussion with Members, with targeted implementation on a pathfinder approach by 2025.

ASEAN-Wide Self-Certification came into effect on 20 September 2020; self-certification was at a pilot stage in the 2018 baseline survey. Participation in the scheme requires that traders show a substantial amount of experience in export procedures and possess a ‘manufacturers’ declaration’. Since September 2020, Singapore garnered 65 certified exporters who can self-certify their products under the scheme. Singapore Customs and the Ministry of Trade and Industry are continuing to promote greater awareness and utilisation of the scheme as well.

Expedited or simplified clearance is available for all air cargo, but there is no exemption under de minimis available for sea and land cargo. The import-export procedures are fully digitised, which means that traders do not need to provide a paper copy for declaration. TradeNet streamlines procedures from 13 agencies, with Singapore Customs as the lead agency. It also exchanges ATIGA e-Form D and ASEAN Customs Declaration Document through the ASEAN Single Window. While the exchange of ATIGA e-Form D commenced in January 2018, exchange of the ASEAN Customs Declaration Document began only in December 2020. Singapore is currently one of five ASEAN members to exchange the ASEAN Customs Declaration Document (USAID, 2021).

There is good coordination amongst customs and immigration at the institutional and operational level. The number of agencies involved in TradeNet increased from 11 in 2018, with the addition of the National Parks Board and Ministry of Home Affairs. Further, there is cross-border coordination between the immigration authorities of Singapore and counterparts in Indonesia and Malaysia. The Singapore Immigration and Checkpoints Authority participates in regular bilateral meetings with its Indonesian and Malaysian counterparts. These meetings deepen working-level cooperation and discuss challenges and collaboration in the areas of immigration and border control. Border-crossing operational coordination also takes place with Malaysia, focusing on safety, security, and border-control issues. In the baseline year, no institutional or operational cross-border coordination was reported to be in place.

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The ACTS was implemented in ASEAN members including Cambodia, the Lao People’s Democratic Republic, Malaysia, Singapore, Thailand, and Viet Nam on 2 November 2020; it was in a pilot stage in 2018. A cross-border transit guarantee mechanism is in place under the ACTS, with cross-border exchange of data. Simplified procedures for authorised transit traders are available at the Woodlands Checkpoint and Tuas Checkpoint, the two land border checkpoints with Malaysia. Since the operationalisation of the ACTS, authorised traders are exempted from the presentation of goods, allowed special seals use, and do not need to provide a written signature. Under transport facilitation, Singapore Customs responded that Protocol 2 of the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) has been fully implemented, including ratification and development of national laws and regulations.

3. Trade Facilitation Environment – Major Agencies

The ASTFI II survey indicated that government agencies are facilitating trade at a high level. The website of Singapore Customs provides a list of prohibited or controlled goods as well as the competent authorities that oversee the trade in those goods (Table 9.1). All agencies accept electronic payment and digital copies of documents. Some agencies conduct post-clearance audit of companies that trade in goods regulated by that agency.

<table>
<thead>
<tr>
<th>Responding Agency</th>
<th>Goods Regulated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore Police Force</td>
<td>Arms and explosives</td>
</tr>
<tr>
<td>Central Narcotics Bureau</td>
<td>Drugs and chemicals</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>Hazardous biological agents and selected microbial toxins</td>
</tr>
<tr>
<td>National Environment Agency</td>
<td>Radioactive materials and hazardous substances</td>
</tr>
<tr>
<td>Singapore Food Agency</td>
<td>Food products</td>
</tr>
<tr>
<td>National Parks Board</td>
<td>Wildlife specimens</td>
</tr>
<tr>
<td>Health Sciences Authority</td>
<td>Therapeutic and health products</td>
</tr>
</tbody>
</table>

None of the agencies indicated that they have a formal consultation mechanism with stakeholders. Similar to the NTFC, while Singapore is reputed for its business-friendly governance, this practice has not been institutionalised in any regulatory requirement. Having such a formal arrangement, however, is part of the World Trade Organization Trade Facilitation Agreement (Hansen, 2015).

Singapore explained that regular private sector engagements do occur. The Ministry of Trade and Industry directly engages various business associations in Singapore. For example, its ministers and/or senior management meets up with Singapore’s apex business chamber, the Singapore Business Federation, at least every quarter. For other local and foreign chambers of commerce such as Singapore Chinese Chamber of Commerce and Industry, Singapore Indian Chamber of Commerce and Industry, Singapore International Chamber of Commerce, and American Chamber of Commerce, ministers and/or senior management engages them typically once a year.

In addition, government statutory boards, such as Enterprise Singapore and the Singapore Economic Development Board, focus on supporting the private sector. Enterprise Singapore champions enterprise development and works with companies to build capabilities, innovate, and internationalise, while Singapore Economic Development Board works with companies to transform their operations to boost productivity and to generate growth in adjacent and disruptive areas by growing businesses out of Singapore. To ensure that private sector views are heard at the highest level, the boards include executives from the private sector.

Other governmental agencies, such as the Singapore Tourism Board, Infocomm Media Development Authority, Marine and Port Authority, and Civil Aviation Authority of Singapore also engage the private sector in their specific areas of responsibility. For example, the Infocomm Media Development Authority engages multiple stakeholders to seek their views on a wide range of issues, such as competition in the provision of telecommunications and media services and intellectual property-based interconnection in Singapore. In addition, Singapore has a pro-enterprise panel, chaired by the head of the Civil Service, which comprises business leaders supported by a network of senior public officers. It serves as an advocate for businesses within the government with the aim of creating a more pro-enterprise environment that enable businesses to grow. This arrangement seems to be working well in Singapore given its size, history, and advanced development stage, but it is possible that formalisation may be needed to solve cross-border issues that may arise.

The use of the NSW is widespread. The number of agencies using it increased from 11 in 2018 to 13 in 2020. Of the responses received, two agencies indicated that they use their own system rather than the NSW. The Central Narcotics Bureau uses the GoBusiness Licensing System, and the National Parks Board uses its own computerised system.
4. Trade Facilitation Environment – Transit, Transport, and E-Commerce

Progress was made on transit facilitation in Singapore, which was mostly because of operationalisation of the ACTS. Singapore Customs had already conducted several outreach sessions to raise awareness of the ACTS amongst the trading community in Singapore. Most traders are interested in using the ACTS. During the 2018 survey, Singapore carried out a pilot trial with Malaysia and Thailand before its full implementation.

However, no further progress was made in formal or operational coordination with bordering agencies. In the baseline survey, the Immigration and Checkpoints Authority indicated that there was no coordination mechanism for both institutional and operation with Malaysia, Singapore’s only bordering country by land. That is still the case, with the immigration authorities coordinating on security issues but not necessarily on trade facilitation. This is also reflected in similar questions in the United Nations survey.\(^16\) Indeed, ‘alignment of working days and hours with neighbouring countries at border crossings’ and ‘alignment of formalities and procedures with neighbouring countries at border crossings’ were both considered fully implemented, while the latter was only partially implemented in the 2017 survey.\(^17\) Singapore noted that many of the processing and decision-making work to facilitate the clearance of goods are carried out away from borders at higher-level coordination meetings, before being executed by agencies located at the borders.

Singapore also made progress in transport facilitation by implementing ASEAN land transport protocols, thus scoring full points. In 2019, Singapore, Malaysia, and Thailand agreed to conduct the pilot to test the AFAFGIT Protocols.\(^18\) With the full ratification of the AFAFGIT, the Land Transport Authority will be installing road signs to indicate transport routes for ASEAN goods vehicles operating in Singapore. These transit transport routes are part of the ASEAN Highway Network (LTA, 2019).


\(^17\) Ibid.

Regarding ASEAN goods vehicle cross-border permits, the Land Transport Authority indicated that such procedures are in place and issued with quotas. There is no clear information on how to apply for this permit; instead, interested parties are directed to contact LTA through an online feedback form.\textsuperscript{19} Likewise, there is some discrepancy with the response from the baseline survey, in which it was indicated that no quotas are applied. Quotas are actually a part of the ASEAN agreement, since there is a limit of 500 permits at the national level for transport operators.\textsuperscript{20} The discrepancy could also be due to the fact that implementation in 2018 was on a smaller scale. Regarding electronic data interchange, the status remained the same as in 2018.

Regarding the e-commerce component, Singapore already put into place the Electronic Transactions Act 2010 that provides a legal framework for e-identification and authorisation, but an ASEAN-wide harmonised system has not yet been developed. Singapore also reported that a revenue framework for cross-border e-commerce trade is operational, thus scoring full points. Singapore maintains a regime that collects revenue for all imports and grants tax relief for low-value goods. No such provision was available during the 2018 survey. Singapore also reported that a dispute settlement framework for e-commerce trade is under study.

5. Conclusions and Recommendations

Overall, Singapore’s continued improvement of its trade facilitation environment is a welcome sign for the movement of goods into Singapore and across the globe. Although some elements are still missing, at the practical level, there is good practice of private sector engagement. Progress in implementing ASEAN-level agreements in cross-border transit is a welcome sign for lowering trading costs within ASEAN.

Going forward, Singapore can lead the way for ASEAN to develop a facilitative approach to cross-border e-commerce by developing a domestic system that can work well with other ASEAN members. Although, on average, the efficiency of Singapore’s clearance procedures is high, regular publication of dwell-time and time-release studies can also help identify existing bottlenecks in specific areas, such as agricultural products, that are subject to more scrutiny.


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