



**Asia-Pacific  
Economic Cooperation**

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**2009/SOM2/IEG-EC/SEM/004**

Session 2

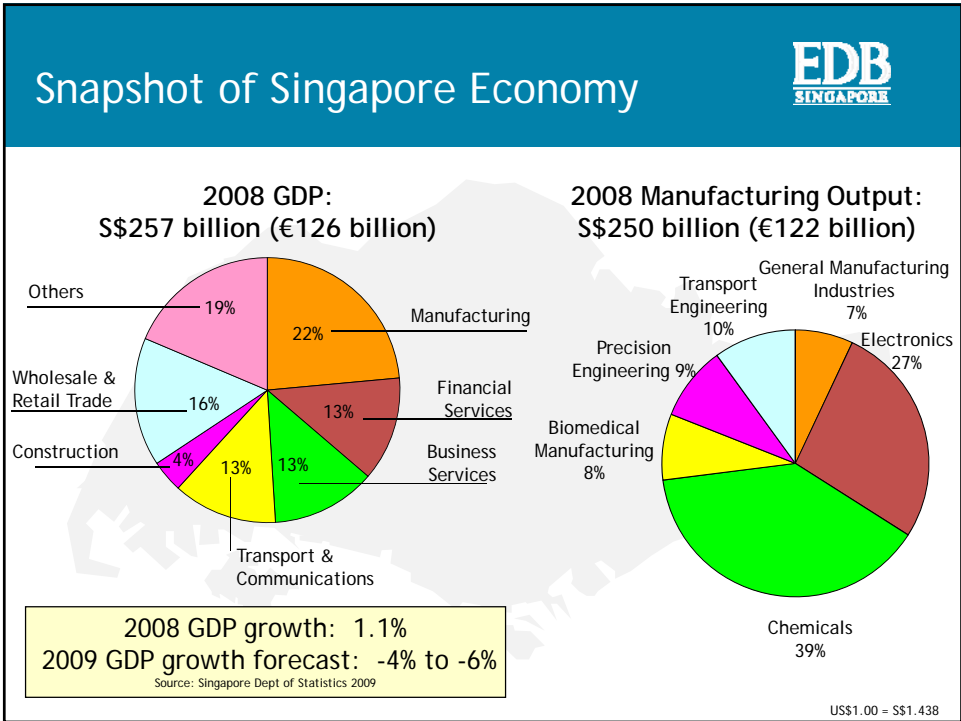
## **Singapore: Gearing Up for the Future**

Submitted by: Singapore



**Capacity Building for Sharing Success Factors  
for Improvement of Investment Environment**

**Singapore  
27 July 2009**



# World's Best Logistics Hub by World Bank



The Straits Times, Wednesday, 7 November 2007

## Singapore ranked No. 1 logistics hub by World Bank

Its edge lies in a highly efficient and reliable supply chain combined with competitive costs

The survey pulled 800 operators in the international freight sector and compiled the Logistics Performance Index (LPI) to gauge each country's efficiency.

Experts in logistics, as the survey noted, indicate that a country is also likely to do well to attract such as growth and competitiveness, export diversification and trade expansion.

markets is fast becoming a key aspect of a country's capacity to compete, grow, attract investment, create jobs and reduce poverty," said World Bank's vice-president for poverty reduction and economic assistance, Mr. Thomas L. Bruneau.

### » TOP 10

#### World Bank shipping survey

Rank	Economy	Score*
1	Singapore	4.19
2	The Netherlands	4.18
3	Germany	4.10
4	Sweden	4.08
5	Austria	4.06
6	Japan	4.02
7	Switzerland	4.02
8	Hong Kong, China	4.00
9	United Kingdom	3.99
10	Canada	3.92

### Top 12 airports in terms of total cargo handled (source: Airports Council Int'l)

2007 Airport Ranking	City (Airport)	Cargo Volume (million tons)
1	Memphis, TN (MEM)	3,840,491
2	Hong Kong, China (HKG)	3,773,964
3	Anchorage, AK (ANC)	2,825,511
4	Shanghai, CN (PVG)	2,559,310
5	Seoul, KR (ICN) / Incheon (ICN)	2,555,580
6	Paris, FR (CDG)	2,297,896
7	Tokyo, JP (NRT)	2,254,421
8	Frankfurt, DE (FRA)	2,127,646
9	Louisville, KY (SDF)	2,078,947
10	Miami, FL (MIA)	1,922,985
11	Singapore, SG (SIN)	1,918,158
12		1,884,317

### #1 Seaport in terms of container port traffic

2008 Ports Ranking	City (Seaport)	Throughput (million TEUs)
1	Singapore (SIN)	29.9
2	Shanghai (PRC)	28.0
3	Hong Kong (HKG)	24.3
4	Shenzhen (PRC)	21.4
5	Busan (Republic of Korea)	13.4
6	Dubai (UAE)	12.0
7	Ningbo (PRC)	11.2
8	Guangzhou (PRC)	11.0
9	Rotterdam (NL)	10.8
10	Qingdao (PRC)	10.3

# Efficient Customs



## Electronic Permit Applications

- 90% processed within 10 minutes

## Physical Cargo Clearance

- 90% cleared within 8 minutes
- 100% cleared within 13 minutes

## Special Schemes

- Zero GST Scheme
- Container Freight Warehouse Scheme
- Major Exporter Scheme
- Approved 3PL Scheme

Business Times, 18 Jan 2006

# Customs streamlines trading process

It announces 2 schemes to enhance S'pore as trade hub

By MATTHEW PHAN SINGAPORE Customs today announced two schemes to strengthen the country's effort to be trading and logistics hub. The first is the Xchange — an online fact that simplifies duty processes of and exports among things, and is expected to save traders \$75 million over 10 years. The second is the Zero GST Warehouse Scheme, which is an expansion of the Bonded Warehouse Scheme that suspends GST for unsold goods in warehouses. A typical trade involves multiple parties in systems to exchange information and documents.

THE STRAITS TIMES MONDAY AUGUST 1, 2005

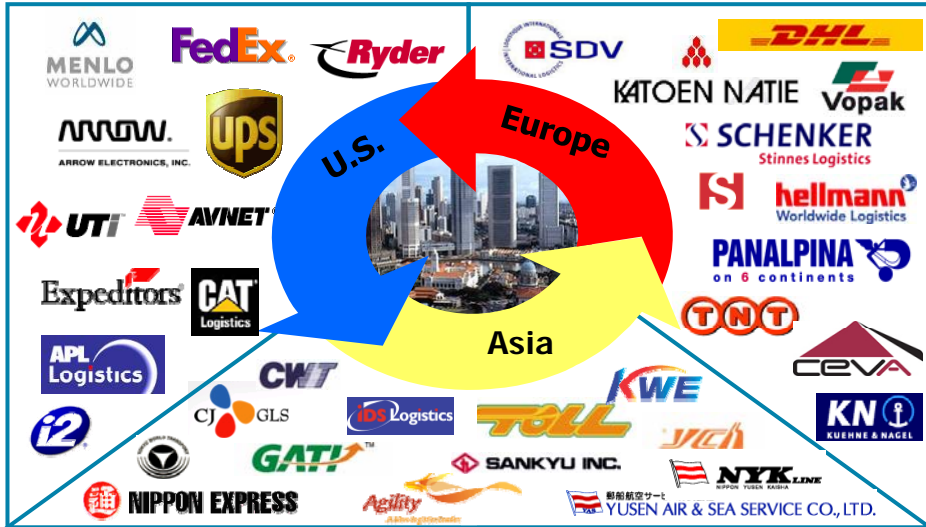
## No upfront GST payment for importers soon

By NARENDRA AGGARWAL Singapore. Speaking to the media, the said reducing business costs would further enhance Singapore's position as a global trading hub. There would be no GST advance on goods for the Government, the said. Just like banks when they are in a credit crunch, the Government had taken the pre-business way to help firms out with and develop their business by providing new opportunities. At a trading, Singapore Customs said all imports with standard inventory control systems stand to benefit. Now, only imports where at least 80 per cent are for re-export can be brought into the bonded warehouse. The new scheme will be implemented in stages. All goods will be in bonded warehouses that will be in stages. However, only qualifying operators, which means pre-approved companies, will enjoy the facility. One major benefit for qualifying operators with multiple warehouses is that they will be able to store and move their goods between pre-approved warehouses without incurring tax. The number of bonded warehouses here, currently 73, could only double under the scheme gone into operation next year. Detailed details will be announced on Oct 1, when firms will be invited to apply to participate. The scheme was first mooted by Prime Minister and Finance Minister Lee Hsien Loong in his Budget 2005 statement as an expansion of the existing Bonded Warehouse Scheme.

### Pro-business

The new scheme aims to:   
 • improve border trade flow;   
 • allow larger warehouse operators;   
 • cut GST-related paperwork;   
 • offer flexible business opportunities with an expanded customer base.

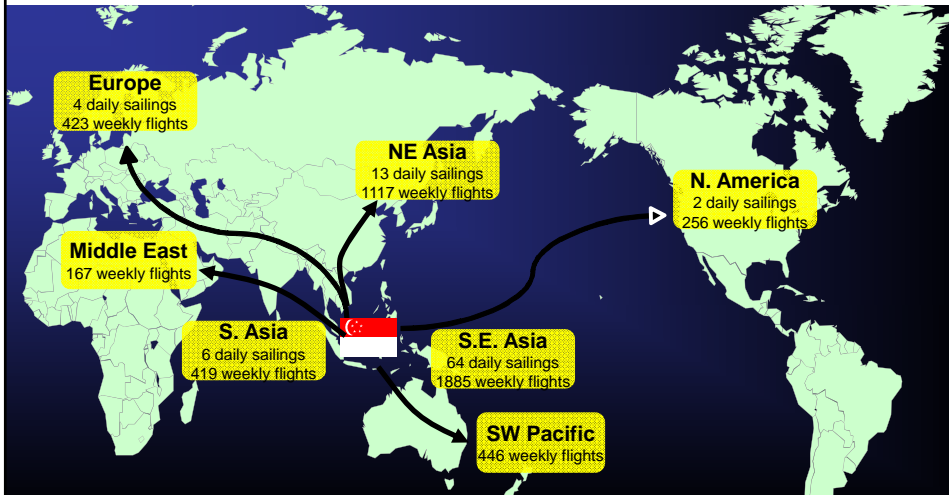
# World Class Logistics Players



# Excellent Air and Sea Connectivity



**AIR:** 1.86 mil tons handled in 2008 • 83 Airlines • 190 cities



**SEA:** 29 mil TEUs handled in 2008 • 200 Shipping lines • 600 ports

# Regional Distribution Centres



## Infocomms & Media

HP IBM Adaptec  
Avocent Verifone  
Kenwood Alcatel Avaya  
Stratus John Wiley  
Taylor & Francis



## FMCG/ Consumer

Starbucks Estee Lauder  
LVMH Moet Hennessy Gillette  
Remy Cointreau Loreal  
Coles Myers Unilever DFS



## Electronics & Precision Engrg

Nat'l Semiconductors  
3 Com On Semicon  
Qualcomm Xilinx  
Texas Instruments  
NetApp Zebra  
Flextronics AMD  
SKF Tyco Variant  
Veeco Sandvik  
Numonyx



## Chemicals

Jotun Chugoku  
Rohm-Haas Clariant  
Ciba



## Biomedical

Roche Diagnostics Siemens Medical  
Schering-Plough J&J Medical  
VWR Abbott Philips Medical



## Transport Engrg

Daimler Toyota  
Volkswagen  
Rolls Royce  
Embraer Boeing  
Airbus R. Bosch  
Caterpillar  
Yamaha

Singapore

# Manufacturing Supply Chain Centres (MSCCs)



## MSCCs consist of:

- **Supply chain control tower**
  - Regional sourcing & procurement
  - Network planning and optimization
  - Other SCM functions
- **Regional distribution centre**



MOET HENNESSY, LOUIS VUITTON  
Perfumes & Cosmetics

- Regional Logistics Hub
- Distributes > 50 brands to markets in Asia-Pac, USA and Canada



TEXAS INSTRUMENTS

- 130-150 man, 90,000 sq ft Asia Parts Distribution Centre
- Serves all of Asia Pac, Europe and Western US



DELL

- Global SCM/Procurement centre
- Singapore – proximity to Asia suppliers, Chinese Taipei and Korea



IBM

- Supply Chain Control Tower
- Global financial hub; 80-85% of global transactions
- Saves IBM tens of millions \$/yr

# Case Study: Airport Logistics Park of Singapore (ALPS)



### Competitive Advantages

- Free Trade Zone
- Direct access to airfreight centre
- No customs clearance necessary
- Reduced double handling
- Reduced cycle time

**Multi-tenant Facility**

**Dedicated Customs Checkpoint**

# Future • Singapore - Logistics Industry



<h3>SCM Technology</h3> <ul style="list-style-type: none"> <li>• Solve future problems in logistics and global supply chains</li> </ul> <div data-bbox="357 1417 795 1533"> <p>MATERIAL FLOW AND HANDLING PROCESS</p> <p><b>+</b></p> <p>Technology</p> <p>eSCM • AUTOMATION • SECURITY</p> </div>	<h3>Green Supply Chain / SCM</h3> <ul style="list-style-type: none"> <li>• First in Asia to develop the knowledge base in green supply chains</li> </ul> <div data-bbox="828 1417 1266 1533"> <ul style="list-style-type: none"> <li>• Carbon foot-printing methodology</li> <li>• Develop alternative low emission transportation Fleet</li> </ul> </div>
<h3>Secured SCM</h3> <ul style="list-style-type: none"> <li>• Develop trustworthiness &amp; reliability as key differentiators (response to wildcards)</li> </ul> <div data-bbox="357 1669 795 1806"> </div>	<h3>Specialized Logistics</h3> <ul style="list-style-type: none"> <li>• Develop specialized logistics capabilities</li> <li>• Entrench highly defined market segments</li> </ul> <div data-bbox="828 1669 1266 1806"> <ul style="list-style-type: none"> <li>• Cold Chain Logistics</li> <li>• Wine Logistics</li> <li>• Art Logistics</li> <li>• Project Logistics</li> <li>• Heavy Haulage Logistics</li> <li>• Clinical Trials Logistics</li> </ul> </div>

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