

A large DHL cargo aircraft is the central focus, parked inside a spacious hangar. The aircraft is yellow with the DHL logo in red. In the background, another DHL aircraft is visible. In the foreground, a yellow DHL van is parked, and three people are standing near the base of the aircraft. The hangar has a high ceiling with metal beams and skylights.

JOHOR-SINGAPORE SPECIAL ECONOMIC ZONE PROPOSAL FOR SEAMLESS AND EFFICIENT LOGISTICS

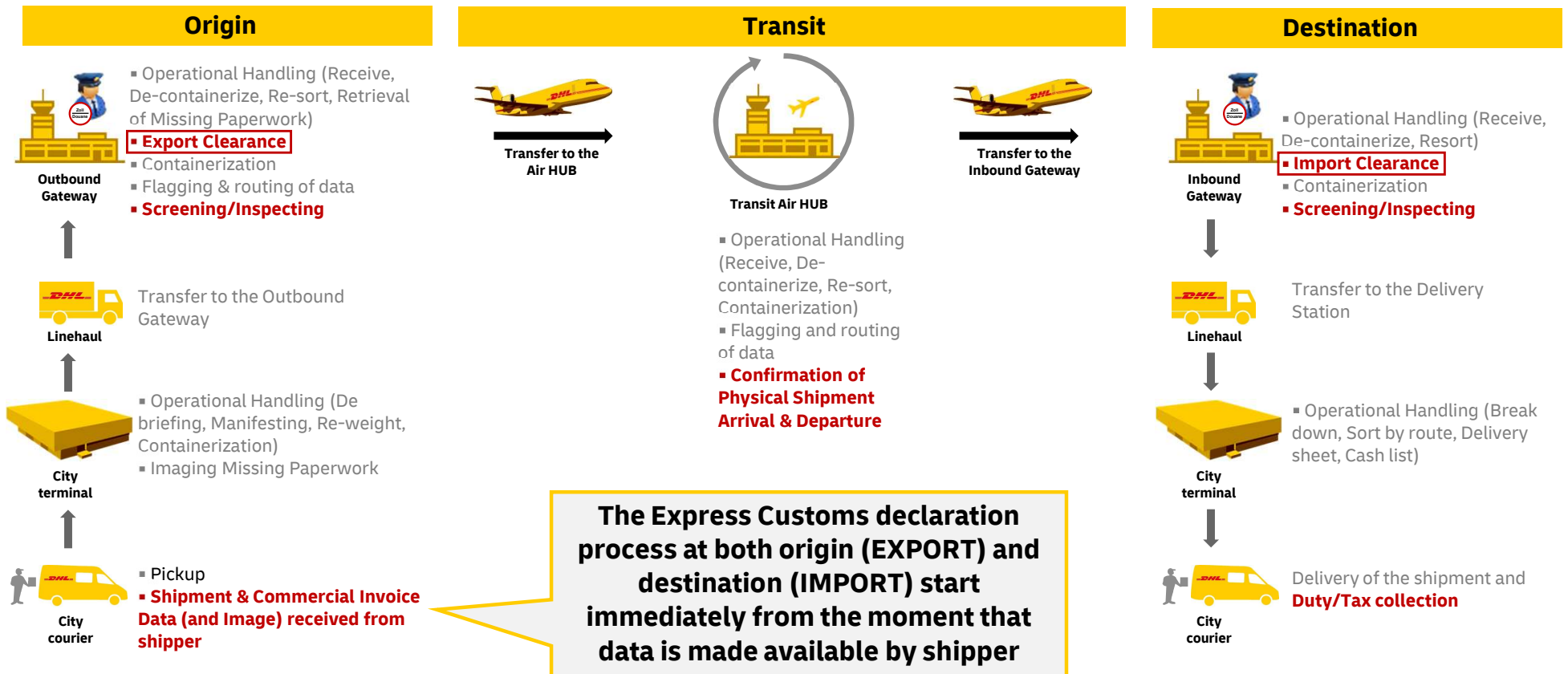
Raymond Yee
DHL Express
November 2024



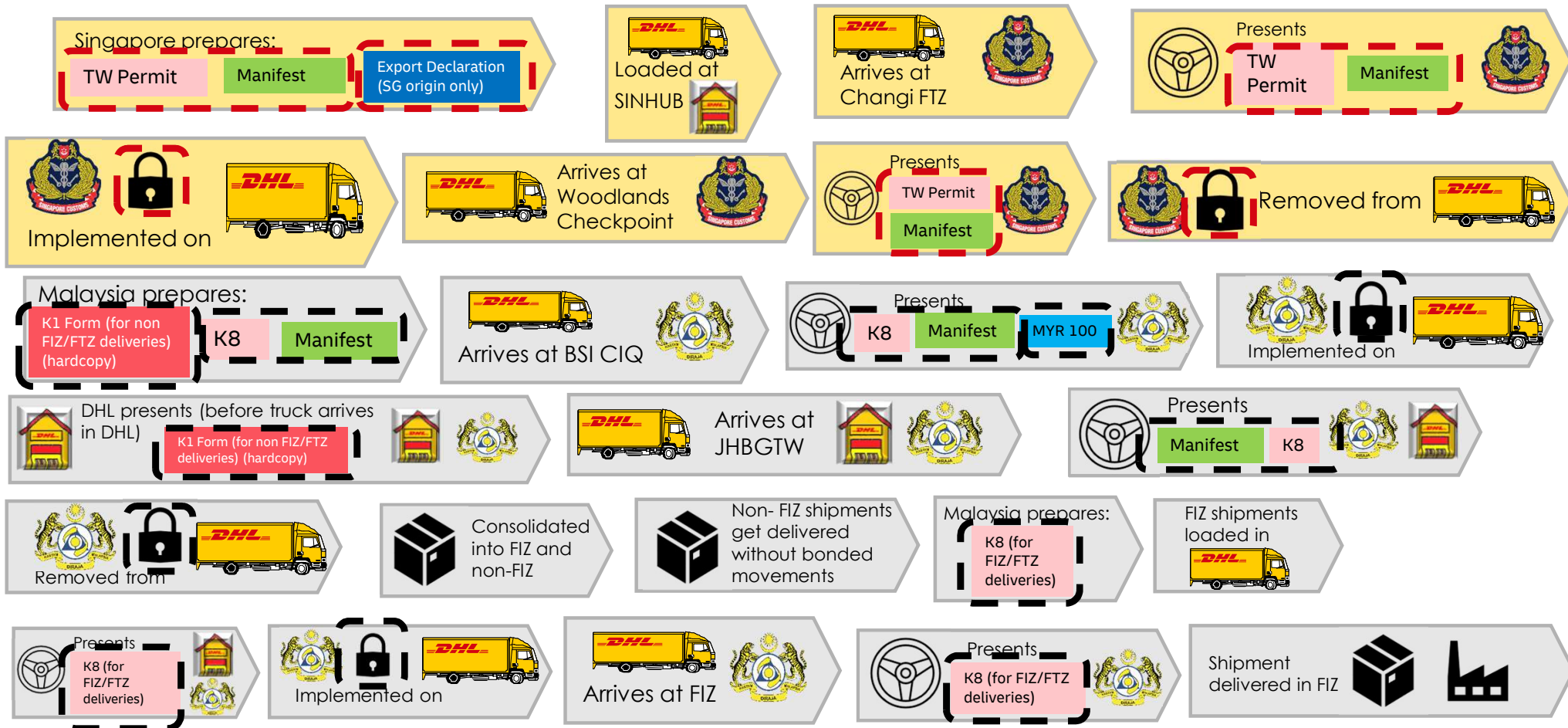
Express Logistics: Door to Door, Time Sensitive Deliveries



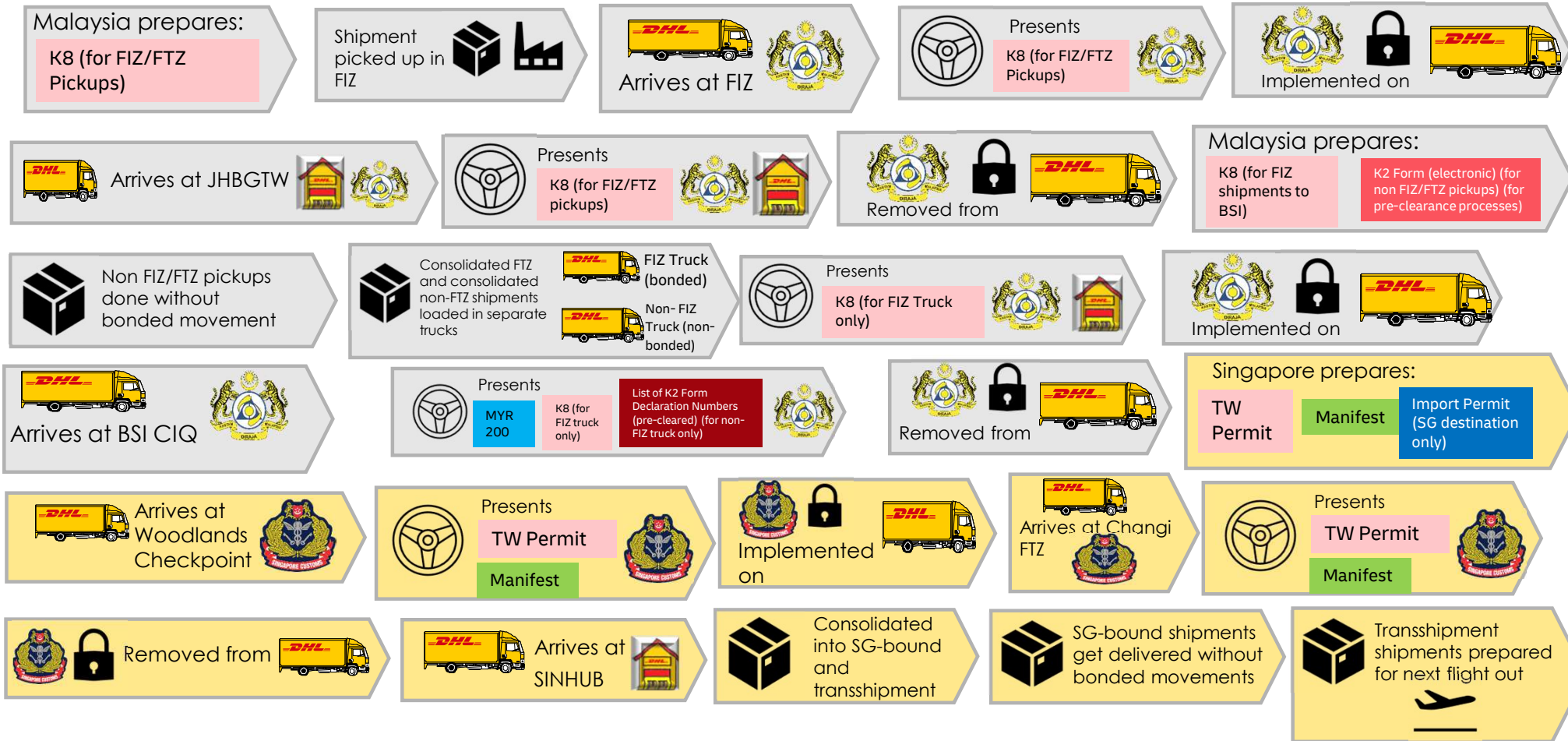
The Express Customs declaration process at both origin (Export) and destination (Import) start early to avoid any delays



CUSTOMS PROCESSING – SINGAPORE TO JOHOR



CUSTOMS PROCESSING – JOHOR TO SINGAPORE



JOHOR-SINGAPORE CARGO MOVEMENTS: THE ISSUES

1. Over 500,000 - 1million shipments per year
2. Average 4-5 hours end to end trucking
3. Average half an hour clearance and immigration on each side
4. Some truck timings have short lead times for processing, sorting and loading prior to flight uplift
5. Risk of missing scheduled flights if delayed – find alternative routings or stage for next day uplift
6. Total 2500 man hours to prepare customs declaration and transit documents for both sides combined
7. RM100 and RM200 truck levy on Malaysian side
8. 70% similar data for transshipment/bonded transfer declarations on both sides
9. 40-50% similar data for import declaration and corresponding export declarations on either side



REFERENCE POINT: GREATER BAY AREA, HK SAR AND CHINA



- Submission of pre-defined set of cargo information to Customs 30 minutes before border checkpoint;
- ROCARS returns a Customs Cargo Reference Number used by truck for crossing;
- System will direct the truck to cross the boundary immediately or after 30 minutes – inspection or otherwise
- Newly launched single e-lock scheme end to end controls without border checks
- In the future, single customs controls between HK SAR and China

| | Before ROCARS (by manual & paper-based ops) | After ROCARS implemented |
|-----------------|--|--|
| Queuing Time | Longer (average 1-2 hours) due to the longer processing time | Shorter (30 mins to 1 hour) or even negligible as the processing time is shortened |
| Processing Time | 20+ mins | 3-5 mins (as far as the bundling was completed 30 mins before arrival) |



POSSIBLE SECTORS OF INTEREST

1. Life sciences and healthcare
2. Engineering and manufacturing
3. E-retail and fashion
4. Technology

POSSIBLE ELEMENTS FOR SEAMLESS AND EFFICIENT LOGISTICS IN THE SEZ

1. **Single Window, One Time submission for transshipment/bonded transfers with Smart Locks, Joint Controls to exporter's/importer's premises**

Malaysia (Johor)



- 2500 hours potential savings per month in customs/border processing
- Reduced risk of delays, enhanced efficiency and quicker time to market

Singapore



2. **Deminimis treatment for imports by road in line with air**
3. **Simplified clearance treatment for exports by road in line with air**
4. **Removal of truck levies at the border**
5. **Separate and expedited truck lanes for bonded movements at border checkpoints**
6. **Leverage technology**

JOHOR – SINGAPORE SEZ: THE POLICY ISSUES FOR SEAMLESS SUPPLY CHAINS

1. What is the policy objective? SEZ as an
 - a. FDI destination and launch pad for exports globally; **or**
 - b. Includes facilitating movement of goods between domestic markets in SG and JB? SME impact.
2. Should the zone be physically earmarked, or determined by entity status? Impact on 2nd and 3rd tier suppliers;
3. How to balance trade facilitation and customs/security controls?
4. Border agencies willing to share data and cooperate?
5. Liability issues for regulatory non-compliance by stakeholders in the JB-SG supply chain?

**SEZ presents a unique opportunity for both countries to explore bolder, cutting edge and more integrated policies/solutions for seamless movement of goods
- Best Practice for ASEAN economic integration**

THANK YOU.

EXCELLENCE. SIMPLY DELIVERED.