

**Speech by Senior Minister of State Mrs
Josephine Teo at Supply Chain Asia Industry
Night 2016
on 17 Nov 2016, 7.15 pm, at Orchard Hotel**

Ladies and Gentlemen

Distinguished Guests

1. Thank you for inviting me. I like speaking after Robert – he usually has said everything I need/want to say, so I can keep my speech short.
2. I am happy to be a part of Supply Chain Asia Industry Night 2016 to celebrate the achievements in the industry.
3. X'mas is round the corner; CNY follows soon after. Traditionally, the few months are some of the most hectic for logistics service providers.

Mad rush to fill shelves in anticipation of shoppers.

4. But much has changed.

a. My daughters shop online 2/3 weeks before festive occasions.

b. In any case, there is no need to wait for festive occasions, e.g. Singles Day – now a global phenomenon.

c. Tmall/Taobao alone chalked up nearly US\$18 billion in 2016 sales, nearly 3 times the volume in 2013.

➔ Supply chain supporting retail and manufacturing has changed irreversibly

➔ Logistics providers are adapting accordingly

5. New capabilities will be required. Take data analytics for example. In the next five years, the number of internet-connected devices is

expected to grow from four billion to 30 billion.

What's the impact?

- a. speed of decision-making across many industries will rise sharply → needs for responsiveness along the supply chains will change dramatically;
- b. valuable metrics that were once invisible will become available just a mouse-click away → will give tremendous advantage to those who can harness the data to improve processes and productivity which translates to lower costs and/or better customer service.

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6. Robotics can potentially cause another revolution in the way the industry works. The world now has 1.1 million working robots. They already perform 80% of the work in manufacturing a car. These armies of robots are

streamlining supply chains to deliver more efficient and predictable business results.

7. Just two of the key trends that logistics service providers will have to adapt to. I'm aware of the many experiments in Singapore where players, big and small, are trying out to stay ahead of the curve. They include:

- a. UPS' 3D Printing Centre of Excellence;
- b. PSA International Pte Ltd has also announced the inception of PSA unboXed, its new corporate venture capital arm; and
- c. YCH's venture arm Supply Chain Angels' (SCAngels) tie-up with KPMG to boost the start-up ecosystem

8. Supply Chain Asia itself got into the act when you hosted the inaugural Supply Chain Hackathon.

9. One key aspect I hope you will not overlook is the needs of your people. You need to groom talent, and you need to help your staff up and down the line adapt to all of these changes. I urge you to do so not only because it is the right thing to do, but also because it makes good business sense.

10. That's why I'm happy that you are launching the Supply Chain & Logistics Academy (SCALA). Special thanks to Robert for spearheading this.

11. To conclude, let me take this opportunity to congratulate all the winners and finalists of the Awards. All of you are the industry champions that have demonstrated leadership in knowledge, innovation and talent development.

12. I am confident that the supply chain community in Singapore will continue to grow and lead with best-in-class capabilities and operations in Asia. I wish you every success. Thank you.

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