

EMBARGOED TILL 22 SEPTEMBER 2017, 8.30PM

SPEECH BY SENIOR MINISTER OF STATE DR LAM PIN MIN (MINISTRY OF HEALTH, MINISTRY OF TRANSPORT) AT THE 32ND ANNIVERSARY GALA DINNER OF THE SINGAPORE SHIPPING ASSOCIATION ON 22 SEPTEMBER 2017, 1930HRS AT MARINA BAY SANDS

Introduction

Mr Esben Poulsson, President of the Singapore Shipping Association

Ladies and Gentlemen,

1. Good evening, I am happy to join you at the 32nd SSA Anniversary Gala Dinner.
2. Let me first congratulate the SSA on your 32nd Anniversary.

Challenging Market, But Some Bright Spots

3. The global economic environment remains weak and uncertain, and the maritime industry continues to face headwinds. Structural overcapacity remains, and ship owners are still struggling to keep up charter rates, while maritime companies are trying their best to stay competitive.
4. While the overall environment remains challenging, there are some bright spots in the horizon. The global container trade exceeded expectations in the first half of the year; in fact, the second quarter of 2017 was the most profitable quarter for containers in two years. The dry bulk segment has also improved from last year's level, supported by stronger trade volumes in iron and ore.

Need to Transform Maritime Industry

5. In this challenging environment, it is tempting to focus merely on cost controls. This would seem an appropriate response to near term challenges. But if we want to emerge in a stronger competitive position in the longer term, we need to also look ahead, and continue to invest in human capital development and measures to increase productivity. In this regard, I am glad to note that MPA will continue to invest in preparing our workforce for jobs of the future, and improving companies' ability to respond to emerging disruptions. MPA will provide co-funding for training in areas such as IT, data analytics and leadership skills through its Maritime Cluster Fund.

6. We will also need to make smart investments in emerging technologies, so that we are ready for a world that is drastically different from today. Automated control systems on board ships may soon advance to autonomous systems, transforming the nature of shipping as we know it today. Increased digitalisation will enable seamless real-time data sharing, and can significantly improve

operational efficiencies for all entities in the logistics value chain. Having a head start will be critical in developing new growth potentials for the maritime industry.

7. Undergirding these efforts are skills, innovation and productivity. These are key areas forming the core of the sea transport industry transformation map (ITM), which MPA is co-developing with all of you and hopes to launch early next year. With your support, I believe we would have an actionable plan that will enable Maritime Singapore to continue to thrive and succeed.

Strong Public-Private Partnership to Grow Singapore's International Maritime Centre to 2030 and Beyond

8. Indeed, a key factor that distinguishes Singapore from other maritime capitals is the close and strong partnership between the public and private sector. SSA has been instrumental in forging this partnership, which has withstood the ebbs and flows of the industry.

9. As a testament to the strong partnership, stakeholders from the industry joined the IMC 2030 Advisory Committee to chart the future development of Singapore as an international maritime centre and identify new growth opportunities.

10. Chaired ably by Mr Andreas Sohmen-Pao, the Committee comprises 21 industry captains, from shipping and maritime services, to other fields such as logistics, trading, banking and infocomms technology.

11. I met some of the committee members just before dinner. They have been very committed and passionate in discharging this important responsibility. Their discussions had been vigorous and thorough. I am also told that several members specially flew into Singapore to attend the Committee meetings.

12. The Committee's hard work has been crystallised into a report that outlines a vision for Singapore to be a "Global Maritime Hub for Connectivity, Innovation and Talent". It is a call for Maritime Singapore to take bold steps to embrace technology and innovation, invest in developing people and seek new ventures in a more connected world.

13. The Government is happy to receive the Committee's report. I thank Mr Sohmen-Pao and the committee members for their dedication and hard work. We will study the recommendations and work with the industry to implement them.

Conclusion

14. In closing, let me thank all of you for your support and partnership. Maritime Singapore has come a long way. But we must never be complacent. Neither should we be daunted by the current challenging market conditions. Let us continue to work together, seize every opportunity and take our IMC to greater heights, 2030 and beyond.

15. Once again, congratulations to SSA on your 32nd anniversary. Thank you.