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Subject: (EMBARGOED) Speech by Mr Lim Swee Say, 28 Mar 2000, 9am

# *Singapore Government*

# ***PRESS RELEASE***

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**SPEECH BY MR LIM SWEE SAY, MINISTER OF STATE FOR TRADE  
& INDUSTRY AND COMMUNICATIONS & IT AT THE OPENING  
CEREMONY OF LOGISTICS ASIA 2000 & MANUFACTURING  
SOLUTIONS 2000 (LA 2000 & MS 2000), 28 MAR 2000, 9 A.M.,  
SINGAPORE INTERNATIONAL CONVENTION AND EXHIBITION  
CENTRE, ROOMS 303 TO 305 (LEVEL 3)**

Distinguished guests  
Ladies and Gentlemen

1. Singapore's Transport & Logistics industry emerged positively from the recent economic crisis, contributing over 7% to our GDP last year. With the regional economies returning to growth path and coupled with the rise of e-commerce in the global marketplace, we can expect to see the transport and logistics industry

playing an increasingly important role in the Knowledge Based Economy (KBE).

2. Asia-Pacific is a significant market for logistics. A study by the Michigan State University indicated that the Asia-Pacific region accounted for 19% of the US\$3 trillion global logistics business in 1996. The same study also projected that third party logistics services would grow to account for 20% to 30% of overall logistics budget. The OECD has forecast strong demand for logistics services, with growth in trade volumes of over 6.5% in 2000.

3. This steady trend towards logistics outsourcing has presented tremendous growth opportunities to our logistics industry. Our challenge is to leverage on new business concepts to remain relevant in the global new economy. E-commerce is revolutionising the logistics industry. Undoubtedly, e-logistics will be the industry's next frontier.

#### Embracing the Next Frontier: E-Logistics

4. According to the Gartner Group, Asia-Pacific's business-to-business e-commerce is expected to constitute 20% of the world's e-commerce, or a staggering US\$272 billion, by 2003.

5. As Internet commerce grows, it will bring with it major logistical challenges. Customers will become more demanding, supply chain networks will become more complex. Companies will have to re-engineer their "fulfilment" infrastructure so as to sell and deliver "anything from anywhere to anyone." Forrester Research Inc. of Cambridge, Massachusetts has identified the ability to "Distribute globally" at "Lowest fulfillment costs" as the biggest challenge for the transport and logistics industry.

6. The Government will do its part to encourage Singapore-based logistics companies to harness technology, re-strategize and reposition themselves. I am pleased that TDB, in close collaboration with the Infocomm Development Authority of Singapore (IDA) and various agencies, have formulated an *IT Action Plan for the Logistics Industry*.

7. The *IT Action Plan* provides a framework for the adoption and deployment of IT and e-commerce technologies across the industry to achieve intra-company integration, inter-company connectivity and international linkages. The Plan comprises eight key programmes spanning areas such as enhancing integrated inventory management, developing track and trace capabilities, integrating

workflow and supply chain activities, optimising logistics planning and modelling, and developing e-commerce portals.

8. The IT Plan will be implemented over a period of three years, supported by a budget of S\$20 million through various government funding schemes including the Industry Productivity Fund, Innovation Development Scheme, Local Enterprise Computerisation Programme, and Trade Development Incentive for e-Commerce.

9. TDB, IDA and the various supporting agencies will work closely with logistics operators and technology vendors to pilot the programmes. Under a private-public sector partnership, we hope to help prepare Singapore-based logistics companies to meet the challenges of the new economy. We look forward to the active support and participation of the industry in the various initiatives.

#### Developing Manpower and Standards for Logistics

10. To support the upgrading and repositioning of the industry, we need to strengthen and expand the pool of professional workforce. I am pleased to learn that TDB and IDA are working with the Chartered Institute of Transport Singapore and other relevant institutions to formulate a *Certified Professional Logisticians* or CPL programme.

11. This CPL programme is equivalent to the Chartered Financial Analyst (CFA) programme for the Financial sector. It will be used as *the definitive standard* for measuring competence and professionalism in logistics and supply chain management. The CPL programme will also accord due recognition and accreditation to logistics and supply chain management professionals. It will be launched in June this year. I am also pleased to note that the CPL programme will include the development of critical IT skills, necessary for the effective implementation of the IT Action Plan for the logistics industry.

#### Maturing of Singapore's Transport & Logistics Industry

12. Singapore's Transport & Logistics industry has grown in stature and importance over the years. I am happy to see the cooperative efforts of the Singapore Logistics Association (or SLA) and Gintic Institute of Manufacturing Technology in elevating the status of the industry. I congratulate SLA for taking the bold step in coming up with *Logistics Asia 2000* two years ago. The

successful staging of this event is indeed an achievement, made possible by the concerted efforts of logistics experts, educational institutions, technology providers and government agencies under the leadership of SLA.

13. I wish all of you a fruitful seminar. To our overseas guests, I wish you a memorable stay in Singapore. Thank you.

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