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Mr Aloysius Arlando, CEO of SingEx Exhibitions,
Distinguished guests, ladies and gentlemen,

1. Good morning. I am pleased to join you at the Last Mile Fulfilment Asia 2016.

eCommerce as a growth engine for Asia

2. 2015 ended with tumbling Chinese stock prices and oil prices retracing to 1990 levels¹. 2016 began on softer footing as well. In addition, concerns over Brexit and negative interest rates, amongst others, have also risen; and there are talks of safe haven gold prices². But despite these global uncertainties, eCommerce will continue to be an important growth engine for Asia. According to McKinsey Global Institute's latest report on Digital Globalisation, eCommerce enabled US\$2.2 trillion worth of trade in global goods in 2015. While projected growth in overall trade in goods may remain muted, B2C cross-border eCommerce is projected to double to 30% in the next five years³. From a regional perspective, based on estimates by Euromonitor, Asia will continue to have a higher growth rate for internet retailing compared to that for the Rest of the World⁴.

¹ 1990s oil prices from U.S. Energy Information Authority - data as at 2014, 2015 oil prices from Nasdaq WTI (NYMEX) Price Chart.

² BBC - UK EU exit would be global economy 'shock' - G20 leaders, February 16, Channel News Asia – Gold prices likely to climb as economic uncertainty intensifies

³ McKinsey Global Institute – Digital Globalisation: The Era of Global Flows, March 2016

⁴ Euromonitor , as at end 2015

Integration across private and public stakeholders will be key

3. To facilitate this continued growth of eCommerce in Asia, various stakeholders have begun taking the right steps in working together.
4. For the private sector, innovative ones, including many of you, are integrating, creating unique value propositions and developing disruptive business models⁵. For example, Amazon announced that it will build its own global shipping and delivery operations. In Singapore, Anchanto⁶, an eCommerce fulfilment company that integrates marketing, order management and deliveries through a single point recently announced a partnership with government-owned postal and logistics company, Pos Logistik Indonesia⁷. This ability to integrate across Southeast Asia and pan-Asia will be a critical differentiating factor.
5. Even the public sectors in this region are mindful of the potential benefit, and are working together. In ASEAN, we have made progress to eliminate tariffs among member states and will continue to seek harmonisation of standards, certification procedures and customs declarations to further ease cross-border eCommerce⁸.

IE Singapore will continue to assist Singapore-based companies adopt the right digital strategy in their internationalisation plans

6. IE Singapore is the government agency responsible for promoting trade and helping Singapore companies expand overseas. We have thus been working closely with Singapore companies to venture overseas in the areas of what we categorise as eMarketplace, eFulfilment and eServices.
7. In the eMarketplace arena, we have facilitated SMEs to leverage on eMarketplaces like Amazon, Tmall and Taobao to reach global customers. For example, IE Singapore worked with the Singapore Food Manufacturing Association to set up a Singapore Pavilion for food manufacturers on Tmall. With Amazon, we hosted a roundtable for

⁵ Bloomberg - Amazon Building Global Delivery Business to Take On Alibaba, February 16

⁶ The modules of services by Anchanto include 1) Cross-border E-Commerce 2) Channel Management 3) Fulfilment and Delivery

⁷ Logasiamag and Yahoo News, January 2016

⁸ fta.gov.sg on Trade in Goods under the Asean Free Trade Agreement, ASEAN.org on ASEAN Cooperation on Standards and Conformance to Facilitate Trade in the Region

the furniture industry and facilitated meetings for tie-ups. These enabled Qlipp an IoT tennis performance startup to expand its sales channels quickly to US and UK. At the same time, we want to help our companies develop into niche marketplaces. iFast Central, more popularly known by their Fund Supermart platform, is a good example of a company building an innovative platform in the finance space, which has since won multiple awards in Hong Kong and Singapore⁹.

8. In the eFulfilment sector, we are helping various companies to develop strategic partnerships with overseas in-market champions, both in logistics and payments. For instance, NETS is the only Singapore ePayment gateway that allows direct payment for Alibaba and Tmall. This partnership resulted in Singapore being one of the top five countries contributing to the record US\$14 billion turnover on Alibaba on Singles Day¹⁰.
9. In the eServices space, we seek to accelerate the growth of a variety of enabling eServices. Visenze is one such company that has enabled Flipkart's online shopping experience to be language agnostic. Shoppers are able to find the products they are looking for by simply uploading an image of the product¹¹.
10. Last year, IE Singapore has engaged and worked with over 1,000 companies on eCommerce via our broad-based iAdvisory sessions, as well as targeted platforms such as the inaugural China-Singapore Digital Economy Forum in January, where our companies engaged with digital giants such as Ctrip and Tencent directly¹².
11. Today, and especially in the digital sector, talent is core and this is another area where IE Singapore also partners our companies to develop our future talent. For example, IE and the Singapore Chinese Chamber of Commerce & Industry facilitated a training programme to China, where 23 individuals met up with the internet giants (eg WeChat and Tmall) and gained insights on the latest eCommerce business models. IE also has

⁹ iFast Central webpage

¹⁰ IE Singapore Media Factsheet - IE Singapore drives Singapore-China business partnerships in new digital economy, January 16 and CNN – What does \$14 billion in one day mean for Alibaba, November 15

¹¹ Tech in Asia - Flipkart now has image-based search, and Singaporean startup Visenze is behind it, July 15

¹² In 2015, more than 370 companies were engaged by iAdvisory sessions, 479 companies were supported for online marketing activities, 80 companies digitalise and 70 companies were introduced to Google's handholding program

talent development programmes for internships and scholarships where young budding coders and entrepreneurs can join established companies to learn and contribute.

12. The opportunities in the digital economy are manifold, with new offerings and companies created daily. I hope that in this second instalment of the Last Mile Fulfilment Asia, we can generate even more ideas, forge new partnerships and ultimately strengthen the ecosystem for Asia.

Thank You.

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Note to Editor

Please use 'IE Singapore' if an acronym for 'International Enterprise Singapore' is required. In addition, unless otherwise stated, the use of statistics cited in our media releases, website or Statlink, should be attributed to IE Singapore.

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International Enterprise Singapore

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