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OPENING REMARKS BY MR KHAW BOON WAN, COORDINATING MINISTER FOR INFRASTRUCTURE AND MINISTER FOR TRANSPORT, AT THE OPENING OF SEA ASIA 2017 ON TUESDAY, 25 APRIL 2017, 9.00AM, AT MARINA BAY SANDS

Mr Niam Chiang Meng, Chairman, Maritime and Port Authority of Singapore,

Mr Andreas Sohmen-Pao, Chairman, Singapore Maritime Foundation,

Mr Chris Hayman, Chairman, Seatrade,

Excellencies,

Ladies and gentlemen,

1. Let me first congratulate Mr Hayman and his team for the good turnout at this year's Sea Asia. It is more than double the number of people who attended the inaugural Sea Asia a decade ago. I thank all of you for your support, and a warm welcome to Singapore for our friends who have come from overseas.

Asia Remains a Strong Engine of Growth

2. Despite economic uncertainties and challenges in the maritime industry, Asia will continue to drive global shipping for some time to come. Supported by a growing middle class and rising incomes, Asia remains the fastest growing region in the world. So it is fitting that the organisers have chosen the theme "The Asian Voice in a Global Industry" for this event.

Transforming Maritime Singapore to Ride on Asia's Growth

3. Being at the heart of a fast-growing Asia, Singapore is in a good position to partner the industry to capitalise on the opportunities.

4. We were fortunate that our founding leaders made the right investments in port infrastructure. This, and a strong commitment to high service levels and responsiveness, have enabled us to anchor shipping lines and alliances in Singapore, and build up our port's connectivity. Today, the Singapore port is connected to around 600 ports in over 120 countries. Our stable, pro-business environment has also attracted a vibrant network of maritime businesses to be part of the International Maritime Centre (IMC) here.

5. But the landscape is changing rapidly. Digitalisation is disrupting and transforming global transportation and supply chains. The lines between shipping, e-commerce and logistics are blurring. For example, Amazon will soon be launching its own shipping and logistics operations. What does this spell for shipping companies when e-retail giants have in-house shipping operations? Freight forwarders too would have noticed the Maersk and CMA CGM partnerships with Alibaba to allow shippers to book space on container ships online. IBM and Maersk's announcement of their blockchain solution to digitise the global supply chain will further transform the industry. It will bring an unprecedented level of transparency to operations, speeding up processes and improving inventory management. Closer to home, we are seeing the rise of multi-modal infrastructure and the growth of other logistics hubs in Asia, fuelled by e-commerce. These trends have also sparked talk about the emergence of new trade routes, or even a multi-hub network in the longer term, where no single hub will enjoy superior connectivity.

6. These developments paint a picture of digitalisation potentially disrupting business models in the maritime sector, as it has in sectors like airline booking, tourist accommodation, taxi transportation and many others. No one can predict exactly how these developments will pan out, or what the future landscape will look like. But what is sure is we will have to change the way we think about connectivity. Superior connectivity will be measured in multi-modal terms, and may be as much digital as physical. Shifting shipping alliances, changing distribution methods, and evolving global trade routes may mean it is more important to be part of an interconnected port network than to compete to be the biggest hub port. Rather than seeing each other as competitors, we may have to learn to collaborate more with one another.

7. So even though Maritime Singapore is in a good place today, we will have to get ready for a different future. We are taking steps to ride on the transformation of the industry.

8. First, we will help companies in Singapore develop capabilities to succeed in the future landscape. MPA's enhanced Maritime Cluster Fund now provides more co-funding for companies that want to use technology to optimise their processes, or even transform entirely their business model. We are also committing more resources to help maritime companies innovate and move into new growth areas. Through platforms such as the Smart Port Challenge, MPA is working with industry partners to groom the next generation of start-ups in the e-maritime and e-logistics space.

9. Second, we will ensure that Maritime Singapore is ready for digital transformation. MPA is developing the Maritime Single Window, which will provide a single portal access to submit documents for port clearance. There is also a cross-Government effort to develop the next-generation National Trade Platform, which will be an integrated, one-stop digital platform connecting shippers, shipping lines, the port, Government agencies and logistics players. These initiatives will deepen collaboration along supply chains, and strengthen linkages within the trade, shipping and logistics eco-systems in Singapore. They will enable Singapore to play a bigger role in new areas such as e-fulfilment and multi-modal connectivity.

10. Third, we are working to establish our position as a standards bearer and pace-setter in new, niche areas. For instance, to prepare Singapore for a future where sustainable shipping will become even more important, MPA is working with partner ports to develop a global network of LNG bunker-ready ports, and establish international LNG bunkering standards and processes. To enhance the safety and efficiency of shipping in the Straits of Malacca and Singapore, MPA is developing a next-generation Vessel Traffic Management System which will use e-navigation to facilitate data exchange and communication among ships, and between ship and shore.

11. Finally, we will invest in getting our people ready for transformation. The jobs of tomorrow will be markedly different from today. They will be more knowledge-intensive, and require new skill-sets and mind-sets. We have to ensure that our maritime manpower is equipped to handle transformation, and

for some of them, to drive the transformation. To this end, MPA has enhanced co-funding for training in areas such as data analytics and new maritime technologies. This will reinforce the quality of our maritime workforce.

Conclusion

12. Ladies and gentlemen, periods of change and disruption are fraught with risks and challenges. But they are also periods of renewal and rejuvenation. They herald new opportunities for new players, and also for incumbents who are nimble and flexible enough to adapt. Sea Asia 2017 is a timely opportunity for all of us to come together to share our insights and perspectives on these trends and developments, and how the industry can stay relevant and continue to grow.

13. On this note, let me wish all of you a fruitful and rewarding time at Sea Asia and the Singapore Maritime Week. Thank you.

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