

**SPEECH BY MRS JOSEPHINE TEO, SENIOR MINISTER OF STATE (PRIME MINISTER'S OFFICE, MINISTRY OF FOREIGN AFFAIRS & MINISTRY OF TRANSPORT) AT THE INTERNATIONAL MARITIME AWARDS 2017 ON 25 APRIL 2017, 7.15PM AT SHANGRI-LA HOTEL**

Distinguished guests,

Ladies and gentlemen,

1. Good evening. Thank you for inviting me to join you for the 9<sup>th</sup> Singapore International Maritime Awards ceremony.

**Introduction**

2. Since Singapore's founding as an entrepôt, international competition has never been far from our maritime sector. Today, the competition is more intense. Ports are being expanded and added. Rapid advancement in technology is accelerating the pace of change.

3. The maritime industry is also ripe for disruption. In the 1960s, containerisation presented the first major disruption to the shipping industry. For many years thereafter, the basic models for maritime businesses remained largely unchanged. But now, digitalisation and new technologies could revolutionise the way the maritime industry does business, much like how online shopping and ride-hailing apps are disrupting the retail and taxi industries.

4. As the maritime industry faces these and other challenges, the Singapore Government remains committed to developing Maritime Singapore. Let me share three areas we are focusing on.

**Building a Smarter Port**

5. Back in 1967, Singapore made a strategic decision to develop a container terminal. Over the years, our container port has provided vital maritime connectivity for trade and businesses that helped us become a thriving global city. We will continue to invest heavily in port development. Our plans for Tuas Port, which will have the capacity to handle up to 65 million TEUs a year, are on schedule.

6. For the port to remain competitive, we know that scale alone will not be enough. Margins have become compressed. As shipping lines consolidate, port operators must also develop the capability to handle increasingly complex permutations of transshipment connections.

7. PSA is very much alive to these challenges and is looking vigorously into the use of data analytics to gain insights about the flow of vessels and containers. At the same time, it is testing automation solutions to optimise processes and the use of equipment.

8. Our vision is for Tuas Port to be a Smarter Port that deploys technology intelligently and in an integrated manner, to provide superior connectivity, efficiency, and reliability.

9. Being a Smarter Port will not be just about buying or installing the latest equipment. It will be about how we pair hardware with software to enhance service levels and maximise value. The degree of automation will be unprecedented. But more importantly, PSA will optimise processes and deploy equipment to generate time and cost savings for customers.

## **A Vibrant Enterprise Ecosystem: the Maritime Singapore network**

10. The development of a global hub port in Singapore provided a solid base for us to also build ourselves up as an international maritime centre (IMC). To take our IMC further, we will need to complement a Smarter Port with a vibrant enterprise ecosystem.

11. This means having a densely interwoven network of business connections anchored by key players across diverse maritime services. We loosely refer to this network as Maritime Singapore, and we believe it offers great value to you.

12. Businesses which are plugged into the Maritime Singapore network can be closer to your customers and gain quicker access to market intelligence to help make timely decisions. You can also find good business partners more easily to follow up on new business ideas. To foster greater collaboration and innovation, MPA is setting up the “MPA Living Lab” for industry partners to co-develop and pilot innovations.

13. Maritime Singapore has continued to grow in spite of industry headwinds. We now have 140 international shipping groups from 29 countries operating here. Like in all good ecosystems, there is a healthy level of diversity. The businesses are not just in physical shipping. They include services such as ship broking, marine insurance, and bunkering. Our maritime legal sector has grown, and the maritime arbitration landscape has become more vibrant. The start-up scene is also becoming interesting, with innovative products and services.

14. These developments are a vote of confidence for Maritime Singapore. This evening’s awards acknowledge and honour those who have made outstanding contributions to the growth and diversity of Maritime Singapore. Your decision to set up and grow your businesses here contributes to a virtuous cycle which encourages other businesses to do likewise. Together, you reinforce the attractiveness and resilience of our maritime ecosystem, making it much stronger than the sum of its parts.

## **Developing Human Capital**

15. Our maritime ecosystem is ultimately held together by the people who power the businesses. That is why we believe we should always find ways to develop our human capital, to grow a more skilful workforce for Maritime Singapore.

16. As the maritime industry undergoes transformation and disruption, jobs will become more knowledge-intensive. For example, port equipment engineers today maintain and repair equipment and facilities. With the introduction of automated guided vehicles (or AGVs), they will need new skills to synchronise the AGVs’ operations with other automated equipment. Data scientists will be needed to optimise shipping routes and port operations.

17. We will need a future ready workforce that is comfortable and adept at harnessing technology in their work. We will have to upskill and reskill our workforce, and help our people seize new opportunities. Given how interconnected our world is, many of these opportunities will lie beyond Singapore’s shores.

18. For our people, being future-ready therefore also means having a globally-oriented outlook. It will be a great advantage to understand how businesses operate in foreign markets, and to collaborate effectively across borders and cultures. To support Singaporeans gaining overseas exposure, MPA enhanced the Overseas Attachment scheme under the Maritime Cluster Fund (MCF) for Manpower Development earlier this year to support longer durations for overseas training attachments. In addition, the MPA Global Internship Award, which is into

its fifth year now, gives undergraduate students a taste of working abroad through internship placements with international maritime companies.

19. To position our maritime sector for the future, the MPA is spearheading the development of the Industry Transformation Map (ITM) for Sea Transport. In charting the next phase of development for our International Maritime Centre, MPA will focus on productivity, innovation, internationalisation of local companies, as well as jobs and skills for those in the industry. In particular, MPA aims to nurture a sustainable pipeline of skilled talent.

20. This evening, as we have gathered the most important people and partners of Maritime Singapore, I am pleased to announce the launch of the Skills Framework for Sea Transport. This Framework is a joint effort involving industry stakeholders such as yourselves, SkillsFuture Singapore, Workforce Singapore, and MPA.

21. The Framework provides a good overview of the career pathways and skills required for 48 different jobs in the Sea Transport Sector, and is targeted at new entrants as well as existing employees in the maritime industry. It also helps maritime companies decide what kinds of training programmes to invest in. Businesses will be glad to know MPA will provide funding support for relevant courses. Through the Maritime Cluster Fund for Manpower Development, we expect to support close to 5,000 trainees each year.

### **Conclusion**

22. In closing, I'd like to congratulate all the award recipients and thank everyone here for helping to build a strong and vibrant Maritime Singapore.

23. Singapore was not born a maritime nation. We became one through determination and a lot of support from all of you.

24. We're not done yet. The industry may be disrupted or transformed and it may not always be smooth-sailing. But we have every intention, 50 years from now, to still be a global hub port and a leading international maritime centre. With your continued support and some luck, we will get there.

25. Thank you.

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