

**SPEECH BY GUEST-OF-HONOUR MR S ISWARAN, MINISTER FOR TRADE & INDUSTRY (INDUSTRY) AT THE SINGAPORE AIRLINES DIGITAL INNOVATION BLUEPRINT LAUNCH EVENT, ON 29 JANUARY 2018, 10.00AM, AT SIA TRAINING CENTRE AUDITORIUM (720 UPPER CHANGI ROAD EAST)**

Mr Goh Choon Phong, Chief Executive Officer of Singapore Airlines,

Distinguished Guests,

Ladies and Gentlemen,

Good morning.

1. It is my pleasure to join you this morning for the launch of Singapore Airlines' (SIA's) Digital Innovation Blueprint. As our national carrier, SIA's rich heritage has been intertwined with Singapore's history, and the airline's evolution has mirrored our economic development. This digital transformation is yet another milestone in SIA's and Singapore's shared journey of transformation, as you embark on this blueprint to strengthen SIA's digital innovation capabilities.

**Digitalisation will transform and catalyse new growth in industries**

2. Singapore's aerospace industry has witnessed consistent and solid growth over the past two decades, with output growing at an annual average of nearly 8%. Our air carriers and airports have likewise grown steadily, with Changi Airport recording over 60 million passenger movements in 2017.

3. Meanwhile, digitalisation is transforming if not disrupting industries, and catalysing new growth areas. The aviation and aerospace industries are no exception to this trend. And we are likely to see a significant impact across the value chain – from customer service and airline operations, to aircraft manufacturing and maintenance, repair and overhaul (MRO).

**The Government will continue to partner industry to support innovation and build digital capabilities**

4. Encouraging and supporting our industries, firms and workforce in their efforts to innovate and prepare for the changes and opportunities of a digital economy, is a key priority for Singapore.

5. The Aerospace and Air Transport Industry Transformation Maps, or ITMs, both emphasise innovation as a key driver of long-term growth. In today's highly competitive environment, it is imperative for Singapore to differentiate ourselves through our innovation capabilities to catalyse and sustain growth. SIA and its subsidiaries will be important industry partners to lead this transformation for the aviation and aerospace industries.

6. I am therefore heartened that SIA is partnering EDB and CAAS in its digital innovation journey. SIA has started building a dedicated digital innovation office that will develop new digital capabilities, including data analytics and artificial intelligence, as well as drive the development and adoption of digital solutions across the entire SIA group. This is in line with the Committee on the Future Economy's (CFE's) recommendation for our companies to build strong digital capabilities to tap on new opportunities in the digital economy.

7. Besides strengthening its in-house digital capabilities, SIA is also partnering our research institutes and universities to undertake joint research and development. For example, SIA is collaborating with A\*STAR to develop predictive maintenance solutions for critical components in aircrafts. This partnership leverages A\*STAR's expertise in data analytics to glean insights from aircraft maintenance data and anticipate when specific components need to be fixed or replaced. This would increase dispatch reliability and ensure that airline operations continue uninterrupted. I understand that the team has already started work on A380 aircraft components, and that this will progressively be extended to other aircraft types in SIA's fleet.

8. Such collaborations are very much in line with the partnership spirit of the ITMs and the Research, Innovation and Enterprise 2020 (RIE 2020) plan – to foster closer public-private collaboration, so that companies can tap on the diverse capabilities of our research institutes and universities to develop and commercialise new solutions.

### **Strengthening our local ecosystem through open innovation and partnerships**

9. Many of today's innovations are spawned through open innovation platforms and a vibrant startup eco-system. Recognising this, SIA has made open innovation and partnerships an integral part of its Digital Innovation Blueprint to support the growth and transformation of its existing businesses, while also generating new growth opportunities. This is also an area of focus for the EDB which is stepping up efforts to support our large local enterprises in the creation of new businesses that are complementary, adjacent or even disruptive to their core business.

10. When industry leaders embark on such an effort, its effects will also influence and pervade the entire industry landscape. In this case, SIA will be working closely with the local eco-system, including start-ups and small and medium enterprises (SMEs), to co-develop digital innovations for the aviation and aerospace industries. For example, SIA will be partnering NUS Enterprise to set up an accelerator programme to cultivate and grow promising aviation and travel technology start-ups in Singapore. I welcome this initiative as it will benefit not just the aviation and aerospace industries, but also the larger innovation ecosystem in Singapore.

11. In further support of this objective, the SIA Innovation Centre will also be designed to facilitate open innovation and collaboration among staff, industry and research partners. This will help to strengthen the culture of innovation within SIA, allowing it to become an agile co-creator and user of digital innovations.

### **Conclusion**

12. The launch of the Digital Innovation Blueprint marks the beginning of SIA's exciting digital transformation. It is an endeavour that holds much promise and benefit for the SIA group of companies, our aerospace and air transport industries, and

Singapore's broader innovation eco-system. I wish the SIA team every success in this exciting innovation journey, and look forward to celebrating many more achievements and milestones with SIA in the years ahead. Thank you.

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