

**SPEECH BY DR LAM PIN MIN, SENIOR MINISTER OF STATE FOR TRANSPORT AND HEALTH, AT THE GIA-IUMI ASIA FORUM 2018, 24 APRIL 2018 (TUESDAY), 9.00AM, AT MARINA BAY SANDS EXPO & CONVENTION CENTRE**

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Mr Dieter Berg, President, International Union of Marine Insurance,

Mr Michael Gourlay, Member of the General Insurance Association of Singapore Management Committee,

Distinguished guests,

### **Introduction**

1. Good morning. I am pleased to join you at this inaugural GIA-IUMI Asia Forum today. It's good to see so many of you here today. To our friends who have travelled here from overseas, a warm welcome to Singapore. I thank the GIA and IUMI for providing this opportunity for us to gather and exchange views and ideas.

### **Riding on Asia's Growth**

2. We are meeting at a time of uncertainty and opportunity.

3. In the last two years, the marine insurance industry has faced choppy waters, plagued by an excess supply of insurance capital and depressed premium rates. The outlook for 2018 remains uncertain. Insurers are grappling with an evolving client base – a result of the ongoing consolidation in the maritime sector. The industry also has to keep pace with the rise of digitalisation and new technologies, and the emergence of new risks, such as cyber risks, that are not fully understood yet.

4. But a rising Asia presents tremendous opportunities for the industry. With shipping's centre of gravity shifting eastwards, Asia is becoming an increasingly important region for marine insurance. The region already accounts for almost 30% of global premium income,<sup>1</sup> and we expect this figure to rise as the proportion of the world's merchant fleet controlled by Asian shipowners continues to grow. In addition, the growth in trade and investment from China's Belt & Road Initiative could generate an additional US\$1.3 billion worth of marine insurance premiums in Southeast Asia till 2030.<sup>2</sup>

### **Singapore as Asia's Marine Insurance Hub**

5. Singapore is home to a vibrant marine insurance ecosystem – one which we have steadily built up over the past two decades. From just two Lloyd's Asia service companies in 1999, we now have 19 service companies writing marine and offshore energy business on the platform. Nine of the 13 International Group of Protection & Indemnity Clubs have

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<sup>1</sup> IUMI, 2016 figures.

<sup>2</sup> Asia Insurance Review (Oct 2017). China's Belt & Road Initiative: Opportunities and Risks for ASEAN.

offices here, and they are supported by major marine insurance brokers and a wide array of ancillary service providers. In 2015, Singapore joined the ranks of key maritime nations with the launch of our own war risk facility – the Singapore War Risk Mutual – which further expanded our insurance offerings.

6. Bolstered by increasing opportunities in the region, our status as a regional marine insurance hub has also grown. Based on IUMI's latest figures, Singapore is the third largest market in Asia, after China and Japan, contributing about 15% of Asia's marine insurance premiums.<sup>3</sup>

7. Indeed, Singapore is well-placed to be a hub for marine insurance players to serve the growing Asian market. As a busy hub port and leading international maritime centre, we are an attractive location for maritime business. Today, we serve as the Asian base for over 140 international shipping companies. For marine insurance players, having a presence in Singapore brings you closer to your customers – you can offer better service and products from within the same time zones. At the same time, you can tap on Singapore's maritime ecosystem of over 5,000 companies to access a plethora of supporting maritime services.

8. In addition, our marine insurance sector employs a pool of highly-skilled talent with expertise in a wide range of roles, from marine insurance brokers and underwriters, to surveyors and loss adjusters. This allows us to offer a comprehensive spectrum of marine insurance services, and anchor business from the region here. For instance, thanks to our strong underwriting expertise, more than 90% of the business on the Lloyd's Asia platform in Singapore comes from the wider Asia Pacific region.

### **Strengthening Maritime Singapore – Connectivity, Innovation and Talent**

9. The Singapore Government will continue to support the growth of the marine insurance sector. We recognise the importance of a vibrant maritime ecosystem in attracting businesses here, and will push ahead with our efforts to grow Singapore as a Global Maritime Hub for Connectivity, Innovation and Talent.

10. First, boosting connectivity. Besides investing in port capacity at Tuas to entrench more container shipping activities here, we will also expand the range of maritime services available, to boost Singapore's attractiveness as a maritime hub. We will do this by encouraging companies to set up new business functions, and growing new players like maritime technology enterprises.

11. Second, we will do more to spur innovation, to help companies build new capabilities and venture into new growth areas. MPA has recently enhanced the Maritime Cluster Fund to co-fund collaboration and co-innovation activities. I encourage the marine insurance community in Singapore to tap on this funding, and explore proof-of-concept projects to enhance their business processes, or develop new products and services. For

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<sup>3</sup> IUMI, 2016 figures.

those keen to tap on digitalisation to explore new ways of doing business, MPA's schemes also support the development of technology solutions such as e-placement platforms.

12. Third and most importantly, we will continue to grow a skilled pool of talent in Singapore. This year, MPA launched the new Global Talent Programme (GTP) to support companies in grooming their local talent, through structured rotations and overseas attachments. The GTP will complement MPA's existing manpower development programmes to strengthen the local pool of talent by equipping them with relevant skillsets and a global mindset.

### **Conclusion**

13. In closing, while the industry may be facing some uncertainty now, the future offers exciting opportunities for Maritime Singapore and for the larger Asian region. I thank all of you for your support, and look forward to working with you to seize these opportunities and steer Maritime Singapore to greater heights.

14. I wish you a fulfilling forum, and encourage all of you to participate in the rest of the events at Singapore Maritime Week 2018. For our overseas guests, I wish you an enjoyable stay in Singapore. Thank you.

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