

**Logistics Industry Transformation Map to Strengthen Singapore's
Position as a Globally Leading Logistics Hub**

2,000 PMET jobs to be created

1. Mr S Iswaran, Minister for Trade and Industry (Industry), launched the Logistics Industry Transformation Map (ITM) today at the groundbreaking of JTC Logistics Hub @ Gul. The Logistics ITM integrates the efforts of various government agencies and associations and maps out strategies that will reinforce Singapore's position as a globally leading logistics hub through operations excellence, innovation and a strong Singaporean core. Transformation of the industry is expected to achieve a value-add of S\$8.3 billion and introduce 2,000 new PMET jobs by 2020.

Importance of the Logistics Industry

2. The logistics industry is a critical enabler of Singapore's economy and our everyday-lives. It connects suppliers to manufacturers and merchants to consumers, both domestically and overseas. In 2015, the Transportation and Storage sector, which includes logistics, contributed 7.4% to Singapore's GDP and employed over 8% of the total workforce.

3. The Logistics ITM identifies the opportunities that the industry can tap on as a result of global trends such as the rise of Asia, emerging business and manufacturing developments such as additive manufacturing and omni-channel retail, as well as the advent of new technologies. It takes into consideration the challenges that the industry will face in securing sufficient land and labour, as well as competition from the region and globally.

4. To this end, the ITM has identified strategies to catalyse enterprise level efforts to transform and grow the industry through productivity and innovation. Strategies will also focus on developing strong local talent and enterprises, strengthening trade associations to be change agents and improving Singapore's overall logistics landscape.

Enabling enterprises through innovation, productivity and talent

5. The Logistics ITM aims to uplift the operations excellence of the industry by directly supporting companies to tap on suitable process methodologies and technologies. Implementation assistance will also be made available to enterprises that adopt impactful productive technologies that are new to Singapore or the industry. For SMEs, the Government will invest in next-generation facilities with high specifications units that encourage co-location of companies. This will drive the deployment of advanced technologies by operators and improve overall collaboration of the industry to derive productivity savings. These efforts will safeguard the industry's ability to capture cargo volume growths in the next few years amidst Singapore's resource constraints.

6. The Logistics ITM will also help companies to build differentiating capabilities through the establishment of Centres of Innovation and Centres of Excellence in Singapore. To bolster the logistics innovation eco-system in Singapore, the Government will work with research institutions and universities to develop world-class capabilities in the logistics and supply chain management domains. The Government will also continue to promote Singapore as a choice location for leading manufacturers and brand owners to base their supply chain management activities and decision making.

7. The logistics industry is expected to create 2,000 PMET jobs over the next five years, and see changes to its workforce – rank-and-file jobs will become less laborious and more skilled, while new professional roles will be created. Through the Adapt and Grow initiative which includes the Logistics Professional Conversion Programmes by Workforce Singapore, the Government aims to help mid-careerists from other sectors transit smoothly into the industry. Workforce

Singapore will also support the current logistics workforce to acquire niche and emerging skills aligned to Logistics ITM through the Industry Catalyst Programme. A Logistics Skills Framework that provides comprehensive information on career pathways in the logistics industry led by SkillsFuture Singapore is also being developed, in consultation with various government agencies, unions and industry leaders. These initiatives will complement each other and further strengthen the Singaporean core within the Logistics industry.

Transforming the industry for long-term growth

8. To enable enterprise growth, the ITM will support the adoption of technology and the deepening of specialisation into sectors such as food and healthcare through the development of specialised logistics handling capabilities. Enterprises will also be supported in their market expansion efforts to secure trade flows and increase international presence. With these efforts, the ITM hopes to develop more Globally Competitive Companies.

9. Taking a broader industry perspective, the Logistics ITM will involve the Trade Associations and Chambers (TACs) to amplify the impact through projects that will optimise resource utilisation across industry players. The active participation of TACs such as the Singapore Logistics Association in the Logistics ITM will also ensure that more companies can come to know of and tap the benefits of its initiatives.

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10. At the national level, the Logistics ITM will improve our domestic logistics system to deliver resource optimisation for enterprises and the public. The initiative encompasses projects such as the deployment of federated lockers, consolidation logistics at malls, and a possible integrated goods mover system.

-End-

About the Singapore Economic Development Board (EDB)

EDB is the lead government agency for planning and executing strategies to enhance Singapore's position as a global business centre. EDB dreams, designs and delivers solutions that create value for investors and companies in Singapore. Our mission is to create for Singapore, sustainable economic growth with vibrant business and good job opportunities.

EDB's Home strategy articulates how we are positioning Singapore for the future. It is about extending Singapore's value proposition to businesses not just to help them improve their bottom line, but also to help them grow their top line through establishing and deepening strategic activities in Singapore to drive their business, innovation and talent objectives in Asia and globally.

For more information on EDB, please visit www.sedb.com

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Annex A: JTC Logistics Hub @ Gul to boost efficient and collaboration for the Logistics sector

At the groundbreaking ceremony for the JTC Logistics Hub @ Gul, JTC and the Container Depot Association Singapore (CDAS) inked a memorandum of understanding (MOU) to develop a new Traffic Management System for the Hub.

2 Mr Sharafdeen s/o AR, President of CDAS, shared, “As an extension of the existing Container Management System (CMS) and e-Container Trucking System (eCTS), the new Traffic Management System will optimise traffic flow within and around JTC Logistics Hub. This will facilitate smoother traffic movement within the hub and enable the companies to have faster turnaround of the fleet within the hub, hence increase productivity and job scheduling processes.”

3. Three Inland Container Depot (ICD) operators and a warehouse operator have also signed an Expression of Interest with JTC for the upcoming Hub. Mr Peter Ho, Director of Wing Seng Logistics, an ICD operator that offers transportation, container storage and maintenance services, said, “JTC Logistics Hub @ Gul is a good concept as the indoor multi-storey ICD facility will enable operations in all weather conditions. This is especially important as our core business lies in container inspection, storage and repair. This feature will help to increase our operational efficiency and manpower productivity in the long run.”

4. Mr Poh You De, Managing Director of Pioneer Districentre, an ICD operator that offers warehousing, depot and delivery services, said, “It is a unique development with high-specification features that will enable us to consolidate both our warehouse and ICD operations in a single location, enabling SMEs like us to enjoy significant productivity gain.”

5. Mr Yap Sze Kam, Chief Executive Officer of Container Connections, an ICD operator that offers transportation, container storage and maintenance

services, said, “The innovative ready-built facility helps transform our business model with its close proximity to supporting infrastructure such as warehouses and HVP. It will value-add to our business.”

6. Apart from the three ICD operators, Ocean Transportation, a logistics service provider who specialises in global freight transportation services, has also expressed interest to come on board the development. Mr Fabian Ong, Director of Ocean Transportation, said, “One of the key draws is the co-location of the different operations across the logistics value chain. The clustering concept will offer us more opportunities to collaborate effectively with other businesses.”

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Annex B: About JTC Logistics Hub @ Gul

A next-generation innovative logistics facility co-locating container depots, warehouses and a heavy vehicle park

Targeted to be completed in 2019, JTC Logistics Hub @ Gul is the first high-rise multi-tenant facility co-locating Inland Container Depots (ICDs), warehouses and a heavy vehicle park. The new integrated development is set to improve operational efficiency and productivity for logistics companies, thereby catalysing the growth and transformation of the logistics industry.

Creating an innovative logistics solution

2 JTC Logistics Hub @ Gul represents the Government's efforts in creating an innovative infrastructure solution for the logistics industry. ICDs are traditionally located on large open yards to accommodate the handling of large numbers of containers. The co-location of ICD operators across multiple storeys at the high-rise Hub will reduce the amount of land required for ICD operations, thus increasing land productivity.

3 The facility will also be the first indoor ICD in Singapore, enabling all-weather operations. The high-specification facility also provides opportunities to deploy crane installation that will result in more efficient processes for ICD operators, while ensuring a safer operating environment for workers.

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Increasing operational efficiency and productivity of the logistics industry

4 The clustering of activities within a single development will reduce traveling time between heavy vehicle parks, ICDs and warehouses, which are typically located across different locations. This improves companies' operational efficiency and productivity, and reduces their transportation costs, while addressing the industry's shortage of drivers.

Promoting industry collaboration and integration

5 The clustering of ICD operators and logistics companies in the Logistics Hub promotes collaboration across the value-chain. This helps to increase operational efficiency and enhances the competitiveness of the value-chain as a whole.

6 The Hub also provides smaller logistics players the opportunity to be part of an integrated ecosystem to tap industry linkages and develop innovative solutions to compete beyond cost.

Specifications

Site Area	5.8 ha
Gross Plot Area	2.4
Number of Storeys	Warehouse: 8 storeys Empty Container Storage: 2 storeys
Number of Units	30 Warehouses: 2,100 – 2,800 sqm Up to 4 container depot units with up to 6,500 TEUs per floor

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Annex C: Factsheet for Logistics Professional Conversion Programmes **(Logistics PCPs)**

Sector Overview¹

1. The Logistics industry is one of Singapore's key services industries. It employed more than 200,000 workers and contributed 7% of GDP in 2015. As a global logistics hub, Singapore is a prime location for logistics firms, with 20 of the top 25 global logistics players conducting operations here. Most of them, like DHL, Kuehne + Nagel, Sankyu, Schenker, Toll, UPS and Yusen Logistics, have set up regional or global headquarter functions in Singapore.

2. With an expansive base of leading global logistics players, world-class infrastructure and excellent global connectivity, Singapore is the preferred logistics and supply chain management hub for leading manufacturers across industries, which include Avaya, Diageo, Dell, Hewlett Packard, Infineon, LVMH, Novartis, ON Semiconductor, Panasonic, and Siemens Medical Instruments.

3. The World Bank ranked Singapore as the No. 1 Logistics Hub in Asia in the 2014 Logistics Performance Index. Singapore's strategic location in the heart of Southeast Asia and at the nexus of major shipping lanes has made it an important logistics hub and conduit for world trade.

About the Logistics Professional Conversion Programmes

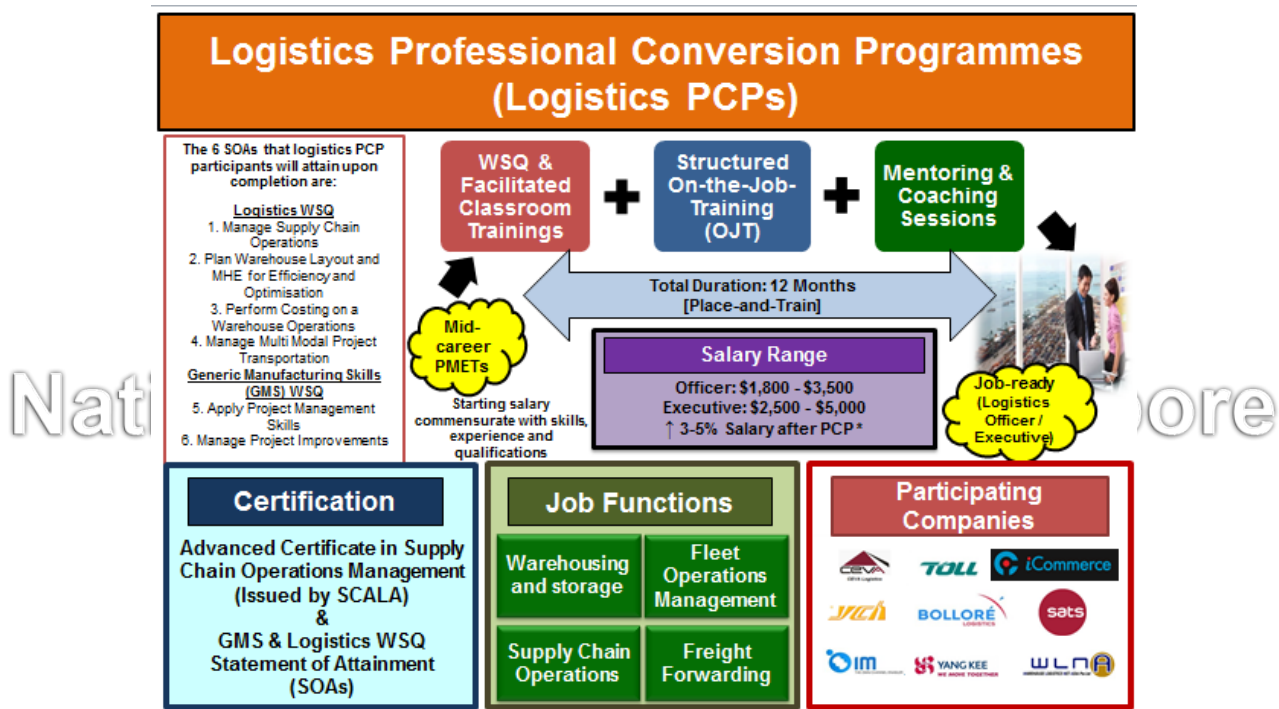
4. As part of the Adapt and Grow initiative to provide greater support to mid-career Professionals, Managers, Executives and Technicians (PMETs) job seekers, Workforce Singapore has worked with the Logistics industry to develop new Professional Conversion Programmes for Logistics Officer and Logistics Executive. The PCP integrates job-matching and reskilling to help PMET job seekers gain new skills in areas such as supply chain management and warehouse management so as to prepare them for new PMET job roles within the industry as Logistics officers and executives.

5. The 12-month PCP will be administered by Supply Chain and Logistics Academy (SCALA) and will operate on a Place-and-Train mode. Participating

companies will employ the participants first before they undergo rigorous training comprising of 18 days of facilitated classroom sessions, customised structured On-Job-Training (OJT) and 12 days of mentorship programme. Upon successful completion of programme, the participants will be awarded an Advanced Certificate in Supply Chain Operations Management from SCALA and also WSQ Statement of Attainment (SOAs) issued by SkillsFuture Singapore:

- Manage Supply Chain Operations (LG-WS-402S-1)
- Plan Warehouse Layout and MHE for Efficiency and Optimisation (LG-WS-403E-1)
- Perform Costing on a Warehouse Operations (LG-WS-407E-1)
- Apply Project Management Skills (MF-COM-402C-1)
- Manage Multi Modal Project Transportation (LG-FT-404E-1)
- Manage Project Improvements (MF-COM-403C-1)

Archetype of Logistics Professional Conversion Programmes



Programme Support for Companies

6. The PCPs aim to help lower the companies' cost of hiring PMEs by providing salary support at 70% of participant's salary capped at \$2,000 per

month for the 12 month training period. Enhanced salary support of 90% of participant's salary capped at \$4,000 per month will be applicable for only Singapore Citizen (SC) that are Long-Term Unemployed (LTU) PMETs (who have been unemployed for more than 6 months) or mature SC PMETs that are aged 40 and above.

7. In addition to salary support, participating companies would also receive course fee support of up to 70% and SMEs can tap on the Enhanced Training Support to enjoy higher course fee support of up to 90% capped at \$50 per hour for PMETs to help lower the programme fees incurred by participating companies.

Eligibility Criteria

8. Participants must fulfil the following criteria:

- The participant must be a Singapore Citizen or Singapore Permanent Resident;
- Participant must be newly hired PMET and nominated by an eligible participating company for the PCP; and
- Participant must not be in a similar job role prior to joining PCP and have at least 1 year of working experience
- Participants are expected to hold a minimum of a Diploma or equivalent.

9. Participating companies must fulfil the following criteria:

- The participating company must be registered or incorporated in Singapore;
- The participating company must issue a valid employment contract; and
- The participating company must be able to provide structured OJT training for the participant.

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Annex D: Fact sheet on Logistics Trade Associations and Chambers and their LEAD-supported Industry Initiatives

Singapore Logistics Association (SLA)

The SLA was established on September 1973 as Singapore Freight Forwarders Association. It was renamed as Singapore Logistics Association (SLA) in 1999 given the membership base of freight forwarders, distributors and truckers. Today, SLA is Singapore's largest logistics trade association with more than 500 members.

LEAD+ support for SLA:

Having demonstrated leadership in driving industry transformation, SLA will receive support under the LEAD+ programme to strengthen existing secretariat capabilities and build new internal competencies. The objective of the LEAD+ support is to help SLA build internal capacity to support more SMEs and contribute more to industry development under the Logistics ITM. Under the LEAD+ support, SLA will engage an industry veteran as its Director-General to lead the development of industry-wide initiatives and help build capabilities of logistics SMEs. Some of the past and ongoing initiatives by SLA include:

- **Productivity & innovation through automation and standards development**

Given increasing manpower constraints in Singapore, SLA has begun piloting the use of Automated Guided Vehicles (AGVs) with local robotics firm Hope Technik in a third-party logistics (3PL) warehouse. SLA also actively participates in working groups to develop standard practices in alignment with industry or international practices. The pilot is ongoing.

- **Talent attraction for the logistics sector**

Apart from setting up and running The Logistics Academy (TLA), which provides vocational training for the industry, SLA is pursuing numerous initiatives to attract talent into the industry. Since 2012, SLA has been organising the annual Supply Chain Challenge, a case competition in collaboration with SIM University, to expose ITE and Polytechnic students to work on real-world logistics problems under the mentorship of participating companies. In collaboration with WSG, EDB, and SPRING, SLA has launched a Logistics Industry Career Guide for new entrants to the industry today.

Container Depot Association (Singapore) (CDAS)

Established in 1991, CDAS represents the interests of the inland container depot companies and container trucking companies in Singapore. Currently, CDAS has about 75 members.

CDAS has developed three systems through projects supported by SPRING Singapore under the LEAD programme. With support from SPRING and WSG,

CDAS launched the Electronic Container Trucking System, or eCTS, in August 2016. By connecting truck drivers to the ports, container depots and trucking offices through a single IT platform, the eCTS will cut down on time wastage from the current use of disparate communication systems and devices, reduce congestion at container depots, minimise work repetition. This consequently improves productivity for container logistics players.

Singapore Transport Association (STA)

STA was formed in 1937 to represent the freight land transport industry. Today, the association represents 124 members in the land transport industry.

In 2014, STA, with the support of Safer Roads Industry Taskforce and SPRING Singapore, developed a driver safety framework that leveraged Mobileye's advanced driver assistive technologies. STA is currently working with SPRING under the LEAD programme to develop an Integrated Chassis Pool to help local truckers achieve better resource utilisation and manage rising costs.

SAAA@Singapore (SAAA)

Established in 1971, SAAA (formerly known as the Singapore Aircargo Agents Association), represents the interests of air freight forwarders in Singapore. Today, SAAA has a base of 140 companies from the air freight industry.

Supported by SPRING under the LEAD programme, SAAA has launched the Air-Cargo Terminal Shuttle Service (ACTS) for SME air-cargo agents in September 2016. This helps consolidate deliveries into the complex to improve asset utilisation of trucks and address congestions and long idle time at ground handling terminals during peak periods.

On the LEAD+ Programme

Overview

At Budget 2016, the LEAD+ programme was introduced to raise the internal competencies of TACs that are involved in driving sector-wide initiatives and plan to do even more. Through LEAD+, these TACs may receive support for internal upgrading initiatives that would boost their capabilities to drive sector level upgrading projects more effectively.

Scheme Rationale

As industry champions, TACs are in a strong position to reach out to enterprises to enhance their competitiveness and drive industry internationalisation. Leveraging industry players' knowledge and experience, TAC members can also work together to pursue overseas business opportunities and address industry development needs.

Supportable Areas under LEAD+

The LEAD+ programme supports internal upgrading initiatives of eligible TACs in four key areas that will enhance their capability to lead industry development efforts more effectively:

- Strengthening TAC leadership (i.e. volunteer leadership)
- Strengthening TAC management (i.e. full time secretariat)
- Strengthening TAC processes
- Creating new TAC services for higher value

For more information, please visit www.spring.gov.sg/LEAD.

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