

SPEECH BY DR LAM PIN MIN, SENIOR MINISTER OF STATE FOR TRANSPORT AND HEALTH, AT THE SINGAPORE MARITIME FOUNDATION NEW YEAR COCKTAIL RECEPTION 2018, 12 JANUARY 2018 (FRIDAY), 6.15PM, AT PSA PASIR PANJANG TERMINAL BUILDING 3

Mr Andreas Sohmen-Pao, Chairman of SMF,
Distinguished guests,

Introduction

1. Good evening. I am pleased to be here at the SMF New Year Cocktail Reception, and I would like to wish everyone a very Happy New Year.

Looking Back at 2017

2. Overall, 2017 has been a good year for the maritime sector. We are seeing signs of recovery in shipping, particularly in the container and dry bulk sectors. Estimates indicate that the global container throughput grew by more than 6%; and dry bulk shipping rates generally bounced back too.

3. Singapore also put up a strong performance in 2017. Our container throughput rose by 8.9% to 33.7 million TEUs, due to the pick-up in the global economy and PSA's efforts to anchor major shipping alliances here. Our port also handled a record total of 626.2 million tonnes of cargoes. This represents an increase of 5.5% compared to the previous year.

4. Meanwhile, Singapore's international maritime centre grew both in breadth and depth. We welcomed several new players, such as P&I Clubs Steamship Mutual and West of England. Existing companies have also deepened their presence here to capitalise on emerging areas of growth. For example, CMA CGM announced that it will be setting up its Asian digital activity hub in Singapore, so as to grow its digital and e-commerce business in the region. Vantage, a local ship broker, has recently set up a LNG desk to tap on the increasing demand for LNG in the Asia Pacific region.

5. This is testament to the continued attractiveness of Singapore as a leading international maritime centre. While 2017 was a better year than the last, we watch with cautious optimism, as the road ahead remains challenging.

Transformation is Essential for Maritime Singapore to Stay Ahead

6. Indeed, we have to continue to paddle hard to stay ahead. We not only have to continue to deliver world-class port services, we must also capture new growth opportunities, and strengthen our value proposition to the world. This means that we must fundamentally relook at the way we operate our businesses, as well as the kind of capabilities our maritime workforce needs.

7. This is why it is timely for me to announce today the launch of the Industry Transformation Map (ITM) for the Sea Transport sector. Developed by MPA in partnership with industry representatives and the labour movement, the Sea Transport ITM will serve as our blueprint as we pursue real and deep transformation of the sector over the next few years. The ITM will also complement our strategies to grow our port and international maritime centre, and help us achieve our vision for Singapore as a “Global Maritime Hub for Connectivity, Innovation, and Talent”.

8. Let me briefly speak about some of the strategies laid out in the ITM to help strengthen Singapore’s position on the global stage.

Strengthening Connectivity and Inter-Linkages

9. First, we will strengthen Singapore’s connectivity to enhance our status as a key economic node of the global trading system.

10. Today, the Singapore port is connected to more than 600 ports. And we will continue to boost our physical connectivity by actively anchoring and attracting shipping lines here – such as CMA CGM last year.

11. But besides physical connectivity, Singapore is well positioned to be a key node for maritime financing in the global economy. We can be the place where maritime capital is raised from both traditional and alternative sources. The inaugural Maritime Capital Forum held last year is an example of how Singapore could serve as a platform to bring maritime companies and investors together. Going forward, we will implement more of such initiatives to further develop Singapore’s maritime financing landscape.

12. The connectivity that we enjoy today is not due to chance but a result of disciplined investments in capability and infrastructure development. These have given our partners confidence in Singapore.

Driving Growth through Productivity Enhancements and Innovation

Improving Productivity through Automation and Digitalisation

13. Second, amidst tightening constraints in domestic manpower growth and land availability, we will continue to dedicate resources to leverage new technologies and automation to improve operational efficiency.

14. PSA’s Automated Crane Operations Centre (ACOC), located right here in this building and which I had visited a few months back, is a good example of how PSA has transformed its operations over the years. In the past, each yard crane was manually controlled by an operator. Today, the unmanned rail-mounted gantry cranes at Pasir Panjang Terminal allow a single operator to remotely oversee several cranes at once from

the comfort of the ACOC. This has boosted PSA's productivity significantly, enabling it to serve its customers more efficiently and reliably.

15. To enable more transformative improvements like this, MPA enhanced the Maritime Cluster Fund (MCF) last year to support maritime companies in developing in-house and customisable productivity solutions. The MCF has co-funded a whole slew of projects -- from cloud-based maritime enterprise resource planning systems to email parsing software driven by machine learning algorithms. We hope that more companies will tap on the MCF to invest in such solutions.

16. To drive digitalisation and boost the overall productivity of the sector, MPA is also developing technology platforms such as the Maritime Single Window, which will be integrated with the National Trade Platform (NTP) to facilitate sharing of vessel and cargo related information with the wider trading community.

Building a Vibrant Innovation Ecosystem

17. Beyond investments to enhance productivity, we need to build a vibrant innovation ecosystem as we set our sights to be a world-leader in developing and employing new solutions.

18. One key initiative to support this is the MPA Living Lab, which will serve as a demand-aggregator and test-bed for innovative solutions in areas such as autonomous systems and smart infrastructure. MPA will also promote the growth of maritime technology enterprises, by building the capabilities of local technology companies and developing start-ups through initiatives such as the Smart Port Challenge. In fact, Glee Trees, which won the Smart Port Challenge 2017 with its Robotic Process Automation solution, will be involved in a proof-of-concept with the Singapore Shipping Association to develop a productivity tool for the ship agency sector.

19. To deepen our research & development capabilities, I am pleased to share that the Singapore Maritime Institute will be investing \$12 million to establish the Centre of Excellence in Modelling and Simulation for Next Generation Ports (C4NGP) under the National University of Singapore (NUS). The C4NGP will leverage port modelling, simulation and optimisation capabilities in NUS to enhance our port's ability to handle increasingly complex operations. For instance, it will develop a 'digital twin' – or digital replica – of the future Tuas Terminal to simulate and assess the impact of various port designs and operational logics on port efficiency.

Developing a Future-Ready Maritime Workforce

20. Finally, to support transformation of the industry, we will ensure that Singapore's maritime workforce is equipped with the relevant future skills.

21. New programmes will help bring in well-trained personnel to the industry. In 2016, we launched three maritime SkillsFuture Earn-and-Learn Programmes for seafaring

professionals and port operations executives, which have placed 49 polytechnic graduates so far. Starting from this year, the two seafaring Earn-and-Learn Programmes will be opened to graduates from the Tripartite Nautical Training Award (TNTA) and Tripartite Engineering Training Award (TETA) programmes. This move will enable more junior seafarers to deepen their seafaring skills to take on higher-level jobs on board ships.

22. Having the right skillsets alone is necessary but not sufficient. It is imperative to adopt a global mindset. I am happy to learn that Ms. Benita Low, the first recipient of MPA's Global Internship Award with Norden, has actively sought to develop a global perspective to go further in her career. As an intern and later on as an Operations Trainee at Norden's headquarters in Denmark, the overseas exposure Benita gained helped her appreciate the diverse and global nature of shipping and adapt readily to Norden's corporate culture. She has since progressed to be an Assistant Operations Manager at Norient Product Pool, a subsidiary of Norden, which manages 97 product tankers.

Tripartite Partnership Key to Industry Transformation

23. With these strategies in place, we aim to grow the sector's real value-add by \$4.5 billion and create more than 5,000 jobs by 2025. Most of these will be PMET jobs in the maritime sector. The strategies and targets set out in the ITM are undoubtedly ambitious. But with the partnership of the industry, the unions and government agencies such as SkillsFuture Singapore and Workforce Singapore, I am confident that we can reach these new heights together.

24. Later this evening, we will be witnessing the signing of five MOUs¹ between MPA and tripartite partners in areas ranging from growing maritime start-ups to developing electronic bills of lading. These MOUs underscore our collective commitment to drive innovation, productivity growth and human capital development in the sector. I am glad that many of you are already participating in initiatives to drive the industry's transformation, and I urge more of you to come on board.

Conclusion

25. To conclude, Maritime Singapore is in a position of strength. It is not due to chance, but is a result of sheer hard work of our nation building fathers as well as the current team. The ITM is yet another testament to our determination to succeed and to stay relevant. I look forward to working with all of you, together, to steer Maritime Singapore to new frontiers.

26. On this note, let me wish you all a happy and successful new year.

¹ The five MOUs are (i) MPA-NUS Enterprise MOU on Maritime Technology Acceleration Programme; (ii) MPA-Customs-SSA MOU on Digitalisation of Trade and Maritime Documentation in the Industry; (iii) MPA-SSA-Glee Trees MOU on the Application of Robotic Process Automation Technology in the Ship Agency Sector; (iv) MPA-JP-NTWU MOU on Human Capital Development for Next Generation Multipurpose Port; and (v) MPA-PSA-SPWU-POU MOU on Human Capital Development for Next Generation Container Port.