

**KEYNOTE ADDRESS BY
MR S ISWARAN, MINISTER FOR TRADE AND INDUSTRY (INDUSTRY),
AT THE LAUNCH OF THE
WHOLESALE TRADE INDUSTRY TRANSFORMATION MAP,
ON 6 SEP 2017, WEDNESDAY, 2:00PM, NTUC CENTRE**

“Digitalisation of Trade – New Mindsets, New Skillsets”

Distinguished Guests,

Ladies and Gentlemen,

Introduction

1. Good afternoon. I am pleased to join you today for the launch of the Wholesale Trade Industry Transformation Map (ITM). The strong and diverse representation of stakeholders gathered here, including many industry leaders in the Wholesale Trade sector, is a reflection of the close public-private collaboration in the development of an ITM that we all have a stake in.

Opportunities in the Wholesale Trade sector

2. Wholesale trade is one of the Singapore economy’s largest and most diverse sectors. It comprises more than 34,000 firms engaging in

Business-to-Business (B2B) transactions in a wide range of goods, from commodities to industrial and consumer products. The sector is a key pillar of our economy, directly contributing more than 325,000 jobs¹ and accounting for 12% of our Gross Domestic Product (GDP)² in 2016. It is a sector with strong growth opportunities for both wholesale trading enterprises, and for individuals seeking to develop expertise and specialisation in this field.

Wholesale Trade and the Future Economy

3. In this regard, the Committee on the Future Economy has identified global shifts that will change our trade landscape, requiring adaptation to create and seize new opportunities. Technological advancements such as block chain technologies and data analytics will transform the way global trade is conducted in areas such as cross-border trade financing. The B2B ecommerce market is also projected to reach US\$6.7 trillion by 2020³ riding on improved digital connectivity and the emergence of new platforms. Innovation cycles are becoming shorter, and enterprises must

¹ Source: Ministry of Manpower, Singapore

² Source: Department of Statistics, Singapore

³ Source: Frost and Sullivan, "The Global B2B E-commerce Market will reach US\$6.7 trillion by 2020."

continually adapt and connect to emerging networks to stay ahead of the curve.

4. The underlying trends are favourable to the wholesale trade sector. In the next decade, Asia's rapid population growth and urbanisation will propel the region's urbanisation and consumer needs. This will spur the region's demand for goods such as food, infrastructure, fuel and smart devices, all of which will catalyse trade and trade value-added services. Singapore is well-positioned to benefit from these opportunities if we continue to strengthen our ecosystem as a global trading hub. We can do so by adapting and staying open to innovation and new networks. This will require the right business models and government structures/programmes to support transformation at the industry, enterprise and individual levels.
5. Over years of effort, Singapore has successfully transformed into a trusted and well-connected global trading hub. Top global wholesale trade and distribution companies have established a significant presence in Singapore. Many of our local enterprises in the sector have also grown in strength and capabilities, and are competing in the global arena. This is especially so for commodities where 30% of Asia's commodities trade is

conducted through Singapore, driven by close to 80% of the world's top commodity companies who operate here. However, we need to take proactive steps to further reinforce our trading hub status.

Launch of the Wholesale Trade ITM

6. The launch of the Wholesale Trade ITM today is therefore timely and it sets out our approach towards the transformation of this important sector. The ITM has been developed in collaboration with a wide range of key stakeholders, covering industry players, trade unions, trade associations and government agencies. Let me touch briefly on 3 key elements of the ITM.

Digital Platforms and Marketplaces

7. First, we will work with industry players and trade associations to build our own digital marketplaces and attract global platform players into Singapore. These marketplaces will allow companies to pool resources and complement their product offerings to sharpen their

competitiveness, which will be particularly beneficial to SMEs. These platforms will enhance companies' ability to immediately expand market reach and improve productivity.

- a. The National Trade Platform (NTP) is one such ongoing effort. It is a one-stop trade information platform that enables digital data exchange between all key trade and logistics stakeholders. Through interoperable digital documents and integration of key Business-to-Business and Business-to-Government processes, the NTP will enable enterprises to digitally connect to a range of business partners and regulatory authorities.

- b. The Singapore Logistics Association (SLA) is also taking the lead in developing the ASEAN Digital Trade Facilitation Platform, which links the SLA with other ASEAN logistic associations. When ready in the 4th quarter of 2017, the platform will allow companies to benefit from customs clearance through a single window. This allows wholesale traders within the region to move goods across borders in a more efficient and cost-effective manner.

- c. Another example is today's signing of the agreement between Global eTrade Services (GeTS) Global Pte Ltd and IBM to develop the Cross Border Cognitive Supply Chain Solution for the trade community. The solution will connect 350,000 trading partners on IBM's Supply Chain Business Network to 18 Customs nodes globally for automated customs declaration, facilitating more efficient cross-border transactions of goods.
8. The solutions being developed through such initiatives will bring new capabilities into our ecosystem, and provide many channels for enterprises to connect directly with different segments of the value chain. This will in turn strengthen Singapore's competitiveness as a global trading hub. Therefore, I urge all wholesale traders to link up with these platforms, and to collaborate with the relevant agencies and trade associations to develop more specialised platforms that can create value for your businesses.

Enterprise Capabilities and Vibrant Ecosystem

9. Second, we will strengthen enterprise capabilities and grow a vibrant ecosystem of wholesale traders in Singapore. We will continue to attract

global players to anchor their key trading activities here, by creating an environment that can best serve their trading needs in a digital world. Concurrently, internationalisation must take on greater emphasis for Singapore companies in the wholesale trade sector to achieve scale and expand their networks. We will assist local enterprises to build strong inmarket capabilities and acquire strategic assets that can help them to gain a competitive edge in global markets.

10. Yesterday's announcement of the formation of a new government agency, "Enterprise Singapore", through the merger of IE Singapore and SPRING, underscores the government's commitment to adapt to the changing economic environment, and strengthen support for our enterprises. Enterprise Singapore will be the lead agency driving the transformation of the wholesale trade ITM, by bringing together the expertise of IE Singapore and SPRING. In particular, Enterprise Singapore will build on IE Singapore's good work and core strengths in internationalisation by deepening our overseas in-market networks and understanding of key markets. Together with the integration of SPRING's expertise and levers to help SMEs and start-ups build strong capabilities,

all companies regardless of size, can benefit from a holistic and integrated network to access opportunities in multiple markets.

Developing industry-ready talent with deep skills

11. Third, we can only transform the sector effectively if we have talent with the requisite skillsets. Wholesale trade has been identified as a key growth sector that will continue to create good jobs amidst the changing global landscape. Through the ITM, the sector is expected to introduce about 10,000 new jobs by 2020. To achieve our goal of creating good jobs for Singaporeans, including in overseas markets that provide good exposure and learning opportunities, we need to ensure that our people have the appropriate right training and experience.

12. As part of the ITM, training programmes will be made available for both entry-level graduates and mid-career professionals. I am happy to note that there are already some initiatives in the works:

- a) Ngee Ann Polytechnic's full-time International Trade and Business Diploma is being prepared for launch in April 2018. This Diploma will be the first wholesale trade related diploma programme designed to help students hone their skills in digital business solutions and analytics. Ngee Ann is expecting to take in 120 students for its first cohort.
- b) The Singapore University of Social Sciences (SUSS) has introduced a new curriculum in International Trade, where part time adult learners can look forward to developing relevant expertise required for the trading sector through on-the-job learning. The curriculum will provide the flexibility for adult learners to earn credits by taking modules to attain professional certification. These also include modules that address digitalisation trends, such as Internet and Social Media Marketing, Analytics for Decision Making and Technology Enabled Business Transformation.
- c) Singapore Management University (SMU) has a Professional Conversion Programme (PCP) for International Trading Executives, which helps to equip mid-career professionals for a career in this

sector through a 'place and train' model. The programme has been well-received since it started last year, and to date 65 mid-career professionals have successfully found employment in trading companies. SMU is working towards a target of 100 PMET placements per year.

13. With rapid growth in Southeast Asia, we also recognise the importance of having a workforce that is equipped with a deep knowledge of regional markets. Hence, we are working with the Singapore Business Federation (SBF) to develop a PCP – South East Asia Ready Talent to place local PMETs into a market immersion training programme that is designed and driven by private enterprises. Through the programme, we hope to nurture a pipeline of local talent, with the in-market knowledge to support companies' internationalisation efforts into the region.

14. We will be witnessing the signing of some of these Memorandums of Understanding later today. Let me take this opportunity to thank our industry partners and trade associations, educational institutions and National Trades Union Congress for their strong support. We continue to welcome more educational institutions and industry players to partner us in this effort.

Conclusion

15. The Wholesale Trade ITM encapsulates the key strategies that we are taking to mitigate risks as well as seize opportunities as new trends and innovations emerge. As the lead agency for the wholesale trade ITM,

Enterprise Singapore will continue to strengthen partnerships with industry players, trade associations, educational institutions and unions to develop holistic strategies for the sector. With all stakeholders ready to work in concert, businesses and workers in this sector can look forward to becoming stronger enterprises and build specialisations that can take the wholesale trade sector to greater heights.

16. I wish everyone a fruitful day ahead. Thank you.

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