

MEDIA FACTSHEET

3 October 2024

1. Overview of Singapore Supply Chain Connect 2024

- a. A first-of-its-kind event, Singapore Supply Chain Connect 2024 will bring together around 400 senior supply chain and business leaders to discuss ongoing shifts in global supply chains. Supply chain leaders will also share best practices on how their companies are using Southeast Asia (SEA) and Singapore to drive growth and supply chain diversifications within Asia. The event is organised by the Singapore Economic Development Board (EDB) in partnership with the Civil Aviation Authority of Singapore (CAAS), Enterprise Singapore (EnterpriseSG), Maritime and Port Authority of Singapore (MPA), the Ministry of Trade and Industry (MTI), PSA Singapore and Workforce Singapore (WSG).

2. Singapore's role as a critical and trusted hub amidst shifts in global supply chains

- a. In response to an increasingly complex and volatile global operating environment, companies are rewiring their global supply chains, with Singapore and SEA as key beneficiaries from efforts to derisk and diversify existing production bases and supply chain management activities.
- b. A 2023 Gartner survey found that close to 50 per cent of the businesses with existing supply chain operations in Asia-Pacific plan to expand or build new manufacturing capacity in Southeast Asia over the next three years¹. Singapore's long-term investments to boost its business ecosystem continue to attract global companies to site advanced manufacturing and regional logistics activities here. These activities leverage Singapore's efficient and reliable cargo connectivity to serve global markets.
- c. In tandem, the government is focusing on developing and transforming Singapore's world-class logistics sector and supporting global companies to establish Supply Chain Management (SCM) Hubs to orchestrate regional and global supply chains.

3. Global manufacturers and cargo owners are setting up SCM Hubs in Singapore

- a. As companies expand their suite of supply chain activities across SEA, Singapore has seen growing interest from leading manufacturers and cargo owners to set up SCM Hubs². These SCM Hubs direct and orchestrate the smooth execution of a company's regional or global supply chains and maintain oversight of key supply chain functions across planning, sourcing and procurement, manufacturing and logistics management. Global companies like Applied Materials, Asahi, Becton Dickinson, Henkel, Schneider Electric and 3M are setting up or expanding their SCM Hubs in Singapore. Last year, Zuellig Pharma Singapore and GlaxoSmithKline (GSK) also jointly established a vaccine distribution hub. The hub is able to serve 13 Asian markets in a timely and resilient manner, leveraging Zuellig Pharma's warehousing and cold-chain distribution capabilities.
- b. Companies can benefit from Singapore government programmes to expand regional supply chain networks and to forge industry partnerships, so that they can diversify and localise their supplier base.

¹ Findings from "2023 Gartner Trends in APAC Supply Chain Network" Survey. Available on EDB's website at www.edb.gov.sg/en/business-insights/market-and-industry-reports/findings-from-the-2023-gartner-trends-in-apac-supply-chain-network-survey.html

² Case studies of SCM Hubs in Singapore are available in Annex A.

- a. Government initiatives enable manufacturers to establish complementary production in neighbouring countries such as Malaysia and Indonesia, while benefiting from Singapore’s extensive Free Trade Agreement networks³ and global connectivity. For instance, Philips and Alcon run twinned operations, combining high-tech manufacturing and innovation in Singapore with cost-efficient production in Batam and Johor.
- b. To support MNCs efforts to diversify their supplier base through ecosystem collaborations with local small and medium-sized enterprises, the government has launched initiatives like the Partnerships for Capability Transformation (PACT) Scheme. Through PACT, GlobalFoundries partnered with local company Forefront Additive Manufacturing to supply critical equipment parts for its manufacturing activities in Singapore, effectively nearshoring to increase resilience against global supply chain volatility and reduce logistics costs.

4. Strong Bench Strength of Supply Chain Talent

- a. Singapore continues to develop a strong bench strength of supply chain talent which global companies can access to set up new or to expand existing SCM Hubs. Between 2023 and 2025, 700 new supply chain management jobs are expected to be created.
- b. Some highlights of Singapore’s supply chain talent development efforts include:
 - a. The launch of a suite of workforce development initiatives in 2023, including the SCM-Jobs Transformation Map⁴, continuing education and training (CET) and skills development initiatives.
 - b. WSG’s Career Conversion Programmes (CCPs) for the supply chain, logistics, air and sea transport sectors⁵ have benefitted 6,700 employees and 570 employers since 2017. Through the CCP for Supply Chain, companies received support in developing emerging capabilities, particularly in green supply chain roles.
 - c. WSG is launching the new Overseas Markets Immersion Programme (OMIP) in November 2024 to support companies that have plans to expand overseas, helping them send their new mid-career hires and existing employees with little or no relevant overseas market experience for overseas postings. Through this, employees will be reskilled to take on global and regional roles. Companies will also be able to build a stronger and more globally oriented talent pipeline to support their overseas growth and contribute to Singapore's position as a global logistics hub.
 - d. Institutes of Higher Learning offer nearly 20 SCM-related courses and there are about 3,600 graduates annually with the relevant skillsets to take up supply chain job roles. In line with Singapore’s efforts to grow the pool of supply chain talent, the Singapore University of Social Sciences launched a new graduate diploma in Logistics and SCM in December 2023 to equip professionals with relevant skillsets for digital transformation and pursuing greener supply chains for their businesses.
 - e. EDB is partnering with global companies to drive supply chain innovation and new capability development via the set-up of supply chain innovation teams or Centres of Excellence (COE). For example, 3M has established its a 700-employee strong supply chain COE, complementing its significant manufacturing facilities in Singapore. The COE allows 3M to deliver “region for region” products across a range of diverse industries including electronics, automotive and consumer goods.

³ Singapore has forged a network of 27 Free Trade Agreements, including the Regional Comprehensive Economic Partnership Agreement. For more info, please visit www.mti.gov.sg/Trade/Free-Trade-Agreements.

⁴ The SCM Jobs Transformation Map is available at: www.edb.gov.sg/en/business-insights/market-and-industry-reports/guide-to-transforming-singapores-supply-chain-management-workforce.html.

⁵ The number of individuals who have benefitted from WSG’s Career Conversion Programme is from 2017 to July 2024.

5. Singapore is a Trusted Air and Sea Connectivity Hub

- a. Singapore is the largest air cargo hub in Southeast Asia and the world's busiest transshipment seaport.
- b. Air Connectivity and Handling Capacity:
 - a. Singapore's air cargo handling capacity will increase from 3 million tonnes per annum to 5.4 million tonnes per annum, through a remodelled Changi Airfreight Centre, the new Changi East Industrial Zone, and supported by the Airport Logistics Park Singapore (ALPS).
 - b. Operational since 2003, ALPS was developed to capitalise on the growing regional demand for third-party logistics (3PL) services, to address manufacturers' needs for time-sensitive and value-added logistics services in Singapore and the region. ALPS is home to many global forwarders and contract logistics players, which process transshipment or import/export cargo. ALPS operates at full occupancy, playing a critical role in enabling regional air cargo flows through Singapore.
 - c. **[NEW]** Singapore will increase its logistics capacity by developing a second Airport Logistics Park from 2030s onwards, to augment the existing capacity of ALPS and boost Changi's role as a regional air cargo hub. ALPS2 will provide new and greater capacity to anchor more logistics companies and activities, including Regional Distribution Centres and freight forwarding activities. Similar to the existing ALPS, Singapore plans to make ALPS2 a Free Trade Zone, allowing 3PLs to respond swiftly and turnaround time-sensitive products for redistribution.
 - d. The upcoming Changi East Industrial Zone and ALPS2, together with the existing ALPS and the Changi Airfreight Centre, will allow cargo to flow seamlessly through the Changi Aviation Park and strengthen Singapore's position as a leading integrated logistics and air cargo hub in the region.
 - e. Singapore's Changi Airport, the leader⁶ in Southeast Asia for international airfreight, has over 150 city links globally, and close to 100 airlines operating over 6,900 weekly flights. Of all Changi's airline partners, over 25 airlines are operating freighter services to more than 45 city links worldwide. To expand market access, Changi Airport Group continues to augment the number and frequency of cargo freighter connections between Singapore and key markets and has added three cargo airlines and three airlines freighter links over the past year⁷.
- c. Sea Connectivity:
 - a. As a global hub, Singapore is the world's busiest container transshipment hub and a major port of call for tankers and bulk carriers. The total arrival tonnage for all vessel types increased by 9.4% to reach a record of 3.09 billion Gross Tonnes in 2023. Singapore's container throughput grew 4.6% in 2023, reaching a record of 39.01 million twenty-foot equivalent units. Singapore is also the world's largest bunkering hub, registering 51.82 million tonnes of bunker sales in 2023, surpassing the previous record of 50.64 million tonnes in 2017.
 - b. Singapore is also enhancing its capabilities and port efficiency to reduce turnaround of vessels calling into Singapore, including tankers and bulk carriers, enhancing Singapore's position as an international maritime centre.
 - c. When fully operational by the 2040s, Tuas Port will be the world's largest fully automated port, with annual handling capacity of 65 million twenty-foot equivalent

⁶In 2023, Changi Airport posted 1.74 million tonnes in international airfreight throughput. In the first half of 2024, Changi Airport ranked 9th globally in international airfreight volume, registering a throughput of 960,000 tonnes – representing a 15 per cent y-o-y growth.

⁷ Over the past year, CAG welcomed three new cargo airlines, Air Incheon, Shandong Airlines and Sichuan Airlines. CAG also established new freighter links with China's Haikou and Nanning, as well as Japan's Nagoya.

units (TEUs), capable of managing the world's largest container ships and complex cargo operations.

6. Singapore is a World-Class Logistics Services Hub

- a. Singapore was ranked first in the 2024 DHL Global Connectivity Index⁸ and the 2023 World Bank's Logistics Performance Index, which evaluates factors such as efficiency of customs and border management clearance, quality of trade and transport infrastructure, quality of logistics services, tracking and tracing and timeliness. As a reflection of Singapore's efficiency as a world-class logistics services hub, Singapore's customs dwell time, which refers to the time for a container to move from the stack yard to the checkpoint for clearance, is under 10 minutes⁹.
- b. Of the top 25 globally leading 3PLs, 22 have established their presence in Singapore¹⁰.
- c. Global shippers and 3PLs regard Singapore as a trusted and reliable logistics hub, with best-in-class regional and global distribution centres that ensure timely access to raw materials and fulfilment of goods despite disruptions elsewhere. Global 3PLs such as DB Schenker, DSV and Maersk are pushing the boundaries of innovation and sustainability with their new regional distribution centres in Singapore, planned for completion in 2025 in response to strong regional demand growth for contract logistics services. In the healthcare industry, global pharmaceutical companies are increasingly partnering their logistic services providers or distributors to adopt innovative solutions that centralise and optimise their regional inventory, product postponement and freight consolidation. These strategies enhance the resilience, agility, flexibility, and sustainability of their supply chains in Asia. For example, Zuellig Pharma has supported global healthcare MNCs in managing their supply chains across the region through its regional distribution hub in Singapore for the last 30 years.
- d. Singapore's logistics sector is expected to achieve an annual Value Add growth of two per cent to S\$6.9 billion and introduce 2,000 new jobs by 2025.¹¹ With rising digitalisation, sustainability demands, and an ageing workforce, government agencies press on with multi-year partnerships with companies to pursue outcomes such as innovation, productivity enhancements and a future-ready workforce:
 - a. **Innovation:** Logistics companies are setting up innovation teams in Singapore to drive adoption of advanced technologies and solutions to streamline operations and boost efficiency. For example, Toll set-up its Global Innovation Centre in Singapore in 2022 to explore autonomous, digital and sustainable solutions such as warehouse robotics, artificial intelligence and machine learning.
 - b. **Asset rejuvenation:** EDB and EnterpriseSG are partnering logistics players to rejuvenate existing logistics assets with the aim of enhancing productivity and to increase overall cargo handling capacities. One such partner is Nippon Express, who is investing to re-develop its Tuas warehouse to add 33 per cent storage capacity to serve more shippers and to optimise cargo handling efficiencies.
 - c. **Sustainability transition:** In partnership with the Singapore Logistics Association, EnterpriseSG launched a sustainability playbook¹² for Logistics Enterprises, providing

⁸ The DHL Global Connectedness Report 2024 is available for download at: www.edb.gov.sg/en/business-insights/market-and-industry-reports/dhl-global-connectedness-report-2024.html

⁹ The data is based on a 2020 Time Release Study for containerised sea cargo.

¹⁰ Recent investments by 3PLs in Singapore are available in Annex B.

¹¹ More information on the Logistics Industry Transformation Map is available at: www.edb.gov.sg/en/about-edb/media-releases-publications/new-growth-strategies-to-drive-advanced-manufacturing-across-five-sectors-in-singapore.html

¹² The sustainability playbook is available for download at: www.enterprisesg.gov.sg/all-forms/sustainability-playbook-for-logistics-enterprises.

a step-by-step guide and resources for companies to chart their sustainability and decarbonisation strategies.

- d. **Future-ready logistics workforce:** EDB, ESG and WSG will be jointly rolling out the Logistics Job Transformation Map (JTM) next year to help the sector build a globally competitive workforce. The JTM will provide insights into emerging trends that will impact jobs, such as digitalisation, Generative AI, internationalisation, and sustainability. Through these insights, companies can better anticipate changes and help them reskill new hires and existing workers to take on emerging or enhanced job roles. To assist companies in transforming their workforce, job redesign sandboxes will also be pilots to allow companies to trial new and emerging areas such as Green Logistics and Procurement, virtual reality, digital twins and cloud logistics.

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About the Singapore Economic Development Board

The Singapore Economic Development Board (EDB), a government agency under the Ministry of Trade and Industry, is responsible for strategies that enhance Singapore's position as a global centre for business, innovation, and talent. We undertake investment promotion and industry development, and work with international businesses, both foreign and local, by providing information, connection to partners and access to government incentives for their investments. Our mission is to create sustainable economic growth, with vibrant business and good job opportunities for Singapore and Singaporeans. For more information on EDB, please visit www.edb.gov.sg.

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Annex A – Case studies of SCM Hubs in Singapore

Singapore is the preferred location in Asia for global manufacturers and cargo owners to orchestrate their global and regional supply chain activities, tapping on Singapore’s connectivity, world-class logistics infrastructure, and highly skilled workforce.

Company	Details
3M	<p>3M established its regional supply chain Centre of Expertise (CoE) in Singapore, which also serves as a significant manufacturing hub for the company. Across 3M’s manufacturing facilities in Woodlands and Tuas, the company produces a range of products serving diverse industries, including electronics, automotive and consumer goods. These facilities are integral to 3M's strategy of producing "region for region" products, tailored to meet the specific demands of the local and regional markets. 3M’s Singapore operations employ over 1,400 people, including more than 700 in its supply chain CoE.</p>
Applied Materials	<p>Singapore serves as the regional headquarters for Applied Materials, home to its largest manufacturing facility outside the U.S. This Singapore Operations Centre is responsible for producing half of Applied Materials’ global semiconductor equipment.</p> <p>As part of its "Singapore 2030" initiative, Applied Materials announced a \$600 million investment in 2022 to nearly double its manufacturing space, reinforcing Singapore’s role as a key hub for semiconductor manufacturing and enhancing supply chain resilience. With this expansion, Singapore is positioned as a more robust node in the global semiconductor ecosystem. Applied Materials employs over 2,500 people in Singapore, including a team of supply chain talent.</p>
Becton Dickinson	<p>Becton Dickinson (BD) is one of the largest global medical technology companies in the world and is advancing the world of health by improving medical discovery, diagnostics and the delivery of care. The company develops innovative technology, services and solutions that help advance both clinical therapy for patients and clinical process for health care providers. BD’s regional headquarters is in Singapore, alongside its Greater Asia Innovation & R&D Hub, one of three R&D centers in the region. It also houses a Sustainability Center of Excellence and has eight manufacturing plants in Asia.</p> <p>The Tuas Manufacturing Plant (TMP) plays a crucial role in producing high-volume medical devices for Europe, the Americas, and Asia Pacific (APAC). It serves as a strategic hub to support incubation of innovation, new product introduction into APAC markets and export, and the Singapore operation has full capabilities from product development to manufacturing and distribution, facilitating rapid commercialization. BD employs around 1,400 people in Singapore, including over 1,000 in supply chain roles.</p>
Schneider Electric	<p>Schneider Electric was established in Singapore in 1973 and serves as a key regional distribution hub for the Asia-Pacific region. The company’s regional distribution centre leverages Singapore’s role as a hub for supply chain innovation, where Schneider Electric implements cutting-edge technologies such as digitalisation, automation, and artificial intelligence to enhance operational efficiency. In Singapore, Schneider Electric employs 1,500 staff and operates a Hub Asia (Global Logistics Hub Network) and an Innovation Hub and is well-positioned to drive both manufacturing and logistics innovation and serve regional markets.</p>

Zuellig Pharma	<p>Zuellig Pharma, a leading healthcare solutions company in Asia, makes healthcare more accessible by providing world-class distribution, commercial and clinical trial management services to support the growing healthcare needs in this region. In Singapore, Zuellig Pharma has one of the largest healthcare cold-chain facilities, equipped with advanced capabilities to ensure the safe storage and transportation of temperature-sensitive healthcare products like biologics and vaccines across the region. Zuellig Pharma serves as a vital regional distribution hub for global healthcare companies, helping them implement effective supply chain strategies such as centralising regional inventory, product postponement and freight consolidation. The company also offers cutting-edge technology solutions like eZTracker, a blockchain-powered end-to-end supply chain traceability solution that provides comprehensive track-and-trace visibility at the product level, bolstering supply chain security by combatting product counterfeits and fostering compliance and trust throughout the healthcare ecosystem for improved access to healthcare and patient safety.</p>
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Annex B – Recent investments by 3PLs and partnerships with global companies in Singapore

Global 3PLs set-up best-in-class warehouses in Singapore and offer specialised cargo handling capabilities to serve the diverse and sophisticated logistics needs of global traders from various industries.

Company	Details
DB Schenker	In 2023, DB Schenker launched the Red Lion2, a 600,000 sq ft zero-emissions and carbon-negative facility to serve the semiconductor, technology and healthcare industries. Scheduled for completion by the first half of 2025, Red Lion2 houses advanced automation solutions such as intelligent conveyor systems, automated storage and retrieval systems, and autonomous guided vehicles. Additionally, a collaboration space within Red Lion 2 known as the Sandbox encourages SMEs to take part in the automation journey, providing an incubator of novel ideas and spur innovation in the logistics industry here in Singapore.
DSV	DSV launched DSV Pearl, a 720,000 sq ft built-to-suit warehouse facility in 2023. Spanning five storeys, the facility will be equipped with advanced warehouse automation systems for the efficient storage, retrieval and processing of goods. Schedule for completion in Q2 of 2025, DSV Pearl is designed to define new warehousing standards in Singapore with investments in automation, digitalisation and sustainability as DSV aims to create more high-value jobs in the market. Solar panels will be fitted at DSV Pearl to harness renewable energy to power the facility and onsite electric vehicle chargers. Smart lighting system and energy efficiency air-conditioning will also be utilized to optimise energy consumption. In a bid to drive innovation locally, DSV is working closely with Singapore’s research institutes and robotics and logistics technology providers to support the advancements of automation and sustainability solutions in Singapore.
Maersk	In 2023, Maersk broke ground on a 1.1 million sq ft distribution centre, World Gateway 2, to strengthen its omnichannel fulfilment capabilities. This facility is designed to have a capacity of 30,000 pallet Automated Storage & Retrieval System (AS/RS), with a large floorplate of 160,000 sq. Ft. With extensive use of automation and robotics systems, this facility will create skilled and high-value jobs in technology, digitalisation, data analytics, and ecommerce.
SF Express Singapore	In February 2024, SF Express Singapore inaugurated a new gateway facility spanning over 1,100 sqm with airside access capable of processing up to 20,000 parcels daily within Changi Airport to improve operational efficiency. The company has also signed a Memorandum of Understanding with SATS in July 2024 to expand their strategic collaboration on a global scale, starting from Singapore. SF Express is the largest integrated logistics service provider in China and the fourth largest globally, and was established in Singapore in 2010.
YCH Group	Supply chain solutions company YCH Group partners global travel retailer Heinemann to manage the distribution of their duty-free products from Heinemann’s RDC in SG to APAC markets. Through its supply chain tower solution called SCRY, YCH provides shippers with visibility on the movement of goods and predicts issues such as delivery delays. This facilitates timely and efficient goods handling for shippers like Heinemann.
Chasen	Chasen, a logistics provider for semiconductor companies, is expanding its capabilities by offering specialised storage services and modularised cleanrooms for its customers. Chasen broke ground on a new integrated facility in 2023, which will triple its capacity for storage and goods handling. The warehouses can control temperature and humidity, and withstand ground vibrations, for storage and movement of high-value and sensitive goods for its semiconductor and OEM customers.