

**REMARKS BY MINISTER FOR TRANSPORT S ISWARAN
AT SINGAPORE MARITIME FOUNDATION NEW YEAR CONVERSATIONS 2022
13 JANUARY 2022**

Opportunities amid Disruptions: Maritime Singapore in the post-pandemic world

Good evening. I am happy to join you this evening at the SMF New Year Conversations, which is also the first maritime industry event of 2022. It is nice to see many familiar faces in person, which is a rare privilege these days.

Maritime Singapore's Performance in 2021

Maritime Singapore has done well in the past year to preserve our position as a trusted global maritime hub. In contrast to the global supply chain disruptions, the Port of Singapore continued to serve as a one-stop, catch-up port. With support from tripartite partners, PSA re-opened berths at Keppel Terminal, activated container yards at the new Tuas Port, and deployed more manpower to help liners cope with schedule disruptions. MPA supported crew changes and expanded vaccination access to include foreign seafarers onboard ocean-going vessels calling at Singapore and signing on to ships in Singapore.

Our efforts have been recognised and they have also paid off. In 2021, Singapore's container throughput rose to a new record high of 37.5 million TEUs. Bunker sales, of both conventional fuels and liquefied natural gas, exceeded 50 million tonnes. The Port of Singapore was crowned the "Best Global Seaport" for the first time, and the best Asian seaport award for the 33rd time at the 2021 Asia Freight, Logistics and Supply Chain Awards (ALFAS).

In tandem, our international maritime centre continued to grow, with 9 companies establishing operations in Singapore and 14 businesses expanding their operations here. Singapore retained its top spot as an international shipping centre in the Xinhua-Baltic International Shipping Centre Development Index for the eighth consecutive year. I look forward to the results of the Menon Report on *The Leading Maritime Cities of the World*.

Shifting Strategic Environment for Maritime

We have, in general, done well last year. While the near term focus is on the transition to living with COVID-19, we must also be keenly attuned to the driving forces that are shaping the strategic context of the maritime sector, something that I am sure all of you are seized with.

First, demographics and economic fundamentals will drive trade and the demand for goods. With the rise of Asia, including China, India and ASEAN, more resources and goods will flow into Asia to meet the growing middle-class demand.

Second, geopolitical competition along with supply chain disruptions caused by the pandemic, have compelled governments and companies to re-examine the resilience of supply chain strategies. A blend of “just-in-time” and “just-in-case” supply chain models will likely emerge in the coming years, with implications for sailing distances and vessel sizes, as well as increasing demand for more flexible shipping services.

Third, novel technologies, like artificial intelligence, big data analytics, cloud computing, the Internet of Things, will transform the maritime sector and many others. Automation and robotics will also drive changes in production and supply chains.

And finally, climate change, which is the defining challenge of our times. Retreating Arctic ice could open new commercial routes between Asia and Europe can divert trade flows away from this region. Meanwhile, there is a mounting call for urgent global action to tackle international shipping’s carbon emissions.

Positioning Maritime Singapore for Growth

As with all changes and challenges, these driving forces can also yield opportunities. **I believe that the next bound of growth for our maritime sector, and also sustaining Singapore’s status as a global hub port and international maritime centre hinges critically on four factors – resilience, digitalisation, decarbonisation, and talent.** I am sure much of this has been discussed amongst you in the course of this event today, but let me share some of our thoughts on how these key thrusts will inform the government’s efforts and work in the maritime sector in the years ahead.

Resilience

First, resilience. Countries and companies are taking various measures to strengthen supply chains – be it re-shoring, near-shoring, or friend-shoring production, or multi-sourcing and stockpiling supplies. The challenge is to achieve supply chain resilience without impairing efficiency or competitiveness. Maritime companies that can offer bespoke or customised cargo solutions to customers at scale with competitive pricing, will be best positioned to capture this opportunity.

As a key transshipment hub port, we believe we can continue to play an outsized role in securing global supply chains. Just as our current competitive strengths derive from thoughtful investments made over the years, we will continue to invest in automation and digitalisation to provide best-in-class terminal handling and marine services to serve our port’s customers.

Digitalisation

This brings me to digitalisation. The ability to capture, process, store and analyse data efficiently and securely, will undoubtedly unlock significant productivity gains and new business opportunities. For instance, Klaveness established a new business unit, Market Manager, to develop vessel operating solutions as part of its digital freight and tonnage platform. Equipped with machine learning and data-driven decision-making tools, the platform helps its clients to manage their market portfolio and risk exposures.

This year, we will progressively roll out new port systems and programmes to drive maritime digitalisation. As a start, I am pleased to announce that MPA has awarded \$3 million to 8 industry projects to develop digital bunkering solutions. These projects would leverage data from the mass flow meter systems, new IoT (Internet of Things) devices, and MPA's Maritime Data Hub to reduce the time taken to complete bunkering documentation such as the bunker delivery note. At the ecosystem level, this is estimated to save the industry over 39,000 man-days annually, and help reinforce our reputation as a trusted and efficient bunkering hub.

Decarbonisation

Thirdly, maritime decarbonisation is a key component of the global response to climate change. To that end, we could, for example, harness automatic identification systems (AIS) and data on weather and engine performance to dynamically optimise voyages and reduce fuel consumption. Several commodity traders and shipbrokers in Singapore are also looking to expand into carbon trading and brokerage.

To maintain this momentum, the Government had taken advice from the International Advisory Panel on Maritime Decarbonisation by setting up the Global Centre for Maritime Decarbonisation (GCMD) to spearhead the maritime sector's energy transition journey. In the coming months, MPA will be launching the Maritime Singapore Decarbonisation Blueprint 2050, which will outline our plans to mitigate domestic maritime emissions and support global efforts to reduce emissions from international shipping. This includes initiating joint-industry R&D projects in areas such as alternative fuels and energy management, and promoting green financing.

Talent

Ultimately, our vision and aspirations for the maritime sector are underpinned by talent – capable women and men who can and do fill the ranks of Maritime Singapore. Amidst the so-called “Great Resignation” in many countries, the maritime sector will need an attractive package – of wages, benefits, and perhaps most importantly, career progression – to attract and groom talent with in-demand skills such as operations management, data analytics, and sustainability.

To prepare our maritime workforce for these opportunities, we have been working with our tripartite partners to map out business and training needs, and provide co-funding for skills development. We have also enhanced our Sea Transport Career Conversion Programme to equip mid-career switchers and existing maritime employees to take on new or expanded roles, with competencies in areas such as automation, data analytics, cybersecurity, and decarbonisation. We must attract the best talent, local and foreign, to support the maritime sector's digital and green transformation.

The difficulties faced by seafarers over the past two years is a stark reminder of the importance of these unsung heroes. We will be re-examining the talent attraction and career development landscape for seafaring together with our industry and union partners, to ensure that it remains a viable career option for those with a spirit of adventure and a love for the sea.

Conclusion

All these and ideas initiatives need to be synthesized into a holistic plan. And that is where our Sea Transport Industry Transformation Map comes in.— The first ITM was launched at this very event four years ago and it is timely to do a refresh. The Ministry of Transport and the Maritime and Port Authority of Singapore have conducted an internal review and are consulting the industry and unions for inputs. We look forward to partnering all of you in charting the next phase of our maritime sector.

Maritime Singapore has stayed resilient in the face of challenges wrought by the pandemic over the past two years. I am confident that our vision, strategies, and strong tripartite partnership will not only see us through the recovery phase, but also enable us to emerge even stronger as a globally competitive maritime centre.

Thank you.
