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SPEECH BY MR S ISWARAN, SENIOR MINISTER OF STATE FOR TRADE & INDUSTRY AND EDUCATION, AT THE SUPPLY CHAIN ASIA FORUM 2010, AT GRAND COPTHORNE WATERFRONT HOTEL ON WEDNESDAY, 25 AUGUST 2010, AT 0930 HRS

Dr Robert Yap, Founding Chairman, Supply Chain Asia,
Mr Paul Lim, Founder & President, Supply Chain Asia,
Distinguished Guests,
Ladies and Gentlemen,

Introduction

1. I am happy to join you this morning to commemorate Supply Chain Asia's fifth anniversary.
2. It is encouraging to see how this Singapore initiated community, has grown into Asia's leading supply chain knowledge exchange platform, with more than 17,000 members today. This achievement attests to Singapore's role as Asia's thought-leader in logistics and supply chain management.

Singapore - A conducive environment for a logistics hub

3. According to the 2010 World Bank report, Singapore is one of the top logistics hubs in the world. Our excellent connectivity, sound infrastructure, and pro-business environment, has attracted many leading global and home-grown logistics players here.

4. Furthermore, there is tremendous market potential in Asia. Singapore presents an ideal vantage point to harness these growing opportunities in the region. I'll elaborate on the three key opportunities next.

Singapore - Key Partner to Develop Integrated Pan-Asian Supply Chain Solutions

5. Firstly, logistics companies can tap on Singapore's capabilities to develop pan-Asian supply chain solutions for customers. Intra-Asian trade growth is expected to outpace the other regions and will bring about new levels of supply chain complexities. As global companies re-think their Asian strategies, many will be looking to supply chain partners in this region to re-design, plan and execute new solutions.
6. Singapore is also a one-stop location where companies can access solutions for their supply chain needs across Asia's diverse markets. They can leverage on the presence of many leading logistics companies in Asia including India, China, Korea, Australia and ASEAN, and not just from the G3 economies.
7. To strengthen our Pan-Asian readiness, EDB has successfully worked with forward-looking companies such as YCH to train and build up pan-Asian teams. These teams will develop supply chain solutions for the region from Singapore. With a stronger understanding of complex regulatory and operating environments, such pan-Asian teams will help customers design and execute more responsive and efficient intra-Asian supply chains.

Singapore – Base to Develop Innovative, Specialised Solutions

8. Secondly, Singapore has a strong presence of manufacturers and service providers in key industries, as well as a growing pool of regional and global headquarters offices located here. As such, logistics companies can leverage on Singapore's sophisticated lead market to develop specialised services for customers in key growth industries.

9. The biomedical sciences sector is one such example. Today, leading companies in Singapore manufacture about S\$21 billion worth of medicines, medical devices and nutritional products for global markets annually. Each year, companies and public-sector institutes spend more than S\$1 billion in biomedical R&D that include basic research as well as translational and clinical research. In response to the growing demand in Asia for biomedical supply chain services, Zuellig Pharma has established a pioneering regional consultancy and bio-logistics services division here in Singapore. Earlier this month, World Courier and UPS also announced that they will set up state-of-the-art logistics hubs that specialise in services for the biomedical sciences sector.

10. In addition, DHL recently collaborated with the National University of Singapore to launch the Sustainable Supply Chain Centre of Asia Pacific. This centre will present a key resource for customers and service providers in developing practical solutions and learning from best practices in sustainable supply chains across Asia.

Singapore – Committed to Enhancing Productivity

11. Thirdly, companies can leverage Singapore's commitment to enhance productivity to raise the bar in supply chain excellence. The Government announced in the last budget that we will commit S\$1.1 billion each year over the next five years, in the form of tax benefits, grants and training subsidies to raise productivity in Singapore.

12. The logistics and storage sector is one of 12 key sectors of focus identified by the National Productivity and Continuing Education Council (NPCEC), which was formed this year to champion the national productivity drive. In the coming months, key government agencies such as the EDB, MPA, SPRING and WDA will be working closely with companies to study and develop new strategies to enhance productivity in the logistics sector.

13. As a key enabler for other industry sectors, enhancing productivity in the logistics sector will in turn improve productivity for the other sectors. Therefore, I urge the industry to work closely with the agencies and stay at the forefront in leading our national productivity drive. The logistics industry will also need to enhance its competitiveness to meet future demands.

Conclusion

14. I would like to commend Supply Chain Asia for its continued commitment and contributions to the Logistics industry. I hope that the ideas generated and the relationships fostered during this forum, bear testament to Singapore as a thought leader in supply chain management. In concluding, I will like to wish Supply Chain Asia, a happy fifth anniversary. I wish you all a fruitful discussion ahead. Thank you.