FORGING VITAL LINKS
How Singapore’s edge as a major supply chain hub has made it a hot spot for global logistics firms
Challenge Topic: Big Data and Analytics are the new drivers of growth in Asia’s burgeoning economies. Learn what big data is and how the power of Big Data and Analytics can help businesses make swift and accurate decisions in real time to gain first-mover advantage in the market.

Big data represents a profound shift in the use of contextual information to shape business decision-making. Going far beyond traditional business intelligence, big data analytics enables faster, less expensive, better decisions, and even the creation of innovative new products and services that are linked to rapid, iterative experimentation.

Thanks to an absence of legacy foot-dragging, which can slow the implementation of new analytics platforms in developed markets, companies in emerging markets are moving forward decisively to exploit analytics, particularly the data flow from ubiquitous consumer mobile devices. Singapore, in particular, is a hotbed of big-data experiments and field laboratories that are changing the way that companies use analytics and learn.

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"Today, Singapore is home to 20 of the world’s top 25 third party logistics companies including DHL, DB Schenker, Kuehne + Nagel and Panalpina."

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Australian logistics giant Toll Group has opened a S$300 million facility in Loyang. The Toll Offshore Petroleum Services (TOPS) facility is the result of a five-year redevelopment of an existing supply base. It now supports more than 100 companies in the marine, offshore and oil and gas industries to conduct a range of activities from maintenance and repair to warehousing. Operating 24 hours a day, seven days a week, TOPS’ berthing length of almost 1,000 metres and water depth up to 8.5 metres at all tide variance allows it to service more than 11 vessels at once, including large ones such as drill ships. Other features include extensive warehousing capabilities, including a multistorey ramp-up warehouse; centrally managed lay down areas; and designated zones for the safe storage of dangerous goods.

Speaking at the opening ceremony, Economic Development Board (EDB) Executive Director for Transport Engineering Lim Kok Kiang said Toll’s significant investment had upgraded Singapore’s offshore logistics capabilities. “This redevelopment demonstrates the strong partnership between the government and industry”

Jacob Tan of Toll Group takes Minister Iswaran and other VIPs on a tour of the TOPS development

Nestlé announced in May that it had expanded research and development (R&D) operations in Singapore to focus on its fastest-growing markets in Asia-Pacific. It has invested almost 4 million Swiss francs (S$5.5 million) to extend its research facility, which will add 20 jobs in 2013 to its current team of 100.

The centre, which employs experts from 17 countries, specialises in fields including mechanical engineering, analytical chemistry, microbiology and sensory science.

Yeoh Keat Chuan, Managing Director, Economic Development Board (EDB), noted at the centre’s opening ceremony how global companies like Nestlé were able to use Singapore’s innovation ecosystem to complement their resources and shorten product development time.

“Singapore is also developing capabilities to derive pan-Asian consumer insights that will enable companies to better tailor innovations,” he said.

Johannes Baensch, Senior Vice President and Head of Nestlé R&D, also spoke at the ceremony.

“For over 30 years, R&D Singapore has made successful technological advances for global application,” he said.

“This investment strengthens our expertise in Asian cuisine and Singapore’s proven track record in converting consumer understanding into winning products.”

Nestlé’s Singapore centre will now take the global lead for the company’s innovations in Nescafé coffee mixes and Milo powdered beverages.

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A new Centre of Innovation for Supply Chain Management (COI-SCM) was officially opened at Republic Polytechnic in April 2013.

Specialising in logistics and supply chain management, the centre aims to champion supply chain excellence for Singapore-based companies by providing them with logistics, supply chain engineering and technology know-how, as well as training programmes.

A specific focus of the COI-SCM is small and medium enterprises (SMEs), which are expected to benefit significantly from the centre’s knowledge, resources and training.

Jointly set up by Spring Singapore, the Economic Development Board (EDB) and Republic Polytechnic, the COI-SCM began operating in January last year. It was set up with a co-funding support from Spring and EDB of $7.8 million over three years. SMEs can also apply for Spring’s Innovation and Capability Voucher (ICV) or grants such as the Capability Development Grant to engage the services provided.

Since its inception, COI-SCM has supported 28 companies across various industries and been actively involved in 33 projects, including the development of cloud technology software, machine-to-machine communications, and analytics for supply chain resource pooling opportunities.

The centre has also participated in discussions with more than 400 companies in the supply chain and logistics sector to understand the trends and challenges they face.

“The COI-SCM plays a key role in helping the industry transform through innovation and technology, paving the way for Singapore to attain the next phase of leadership in the logistics sector,” said Kelvin Wong, Executive Director, Logistics, EDB.

“Multi-national companies can tap on the expertise of the COI-SCM as well, particularly in helping their smaller sub-contractors on their journey to greater productivity.”

COI-SCM’s Centre Director, Dennis Quek, said: “With the right resources, expertise and insight, the COI-SCM will provide real value and support to ensure Singapore-based companies are well equipped to compete locally and abroad.”
In partnership with EDB, the National University of Singapore (NUS) and IBM are setting up a new NUS Centre for Business Analytics to help students and mid-career professionals gain the latest skills in business analytics.

The centre aims to help students and professionals unlock and monetise the value of data, increasingly viewed as a ‘natural resource’ from which Singapore can derive economic value.

The Centre will begin offering a new Master of Science degree in Business Analytics (MSBA) from August 2013. The programme will bring together a long-term industry partner to conduct training in deep business strategy and data analytics technology by combining NUS’ research capabilities and IBM’s industry expertise.

Rajesh Nambiar, General Manager, IBM Services Integration Hub East, said: “Gaining business insight through Big Data and analytics is critical and the demand for talent to help companies succeed in this increasingly digital and data driven world will only continue.

“Graduates will learn from Big Data thought leaders at IBM and will also gain access to our industry-specific technology and capabilities, as well as insights from our thousands of client engagements.”

Students will be trained to devise and refine solutions to complex business analytics problems by using the appropriate techniques and tools. Thereafter, they will be prepared for high-value careers as business intelligence analysts, research analysts, data scientists, quantitative data modellers, marketing analysts, and finance analysts, among other roles.

“Data analytics has been identified as an important growth sector for Singapore. By the end of 2017 it is expected to contribute S$1 billion (US$814 million) in added value to the economy and nurture a pool of 2,500 multidisciplinary data analytics professionals,” added Jayson Goh, Executive Director of Infocomms and Media at EDB.

“We are supportive of this important collaboration to set up the Centre for Business Analytics, as it combines NUS’ research capabilities and IBM’s industry expertise.

This collaboration will contribute towards building a sustainable pipeline of talent that will support Singapore’s push into data analytics.”
In the past decade, intra-Asia trade has increased at about 14 per cent per year. This is projected to increase further as Southeast Asia continues to take significant strides to transform the region into a single market and production base, with a free flow of goods, services and investments within the 10-member Association of Southeast Asian Nations (ASEAN).

Trade flows within Asia are expected to increase exponentially as the region grows from being not just the manufacturing centre of the world but also its largest consumer market.

Despite Asia’s opportunities for growth, its air cargo industry continues to face a tough operating environment due to the global economic uncertainty and reduced demand for airfreight.

Forging global growth links
How Singapore’s role as a top logistics hub is helping global businesses transform their value chains
It would thus be particularly pertinent for industry players to strengthen their competitiveness and develop innovative solutions in order to compete beyond cost.

**Helping businesses to transform their value chains**

Leading manufacturers such as Apple and Unilever are using supply chain management as a differentiating competency for their global business.

To remain globally competitive, Singapore has been working with global companies to help them to optimise and manage their supply chains across Asia.

Today, Singapore is home to 20 of the world’s top 25 third party logistics companies including DHL, DB Schenker, Panalpina and Kuehne + Nagel. With the presence of world-class service providers available to support their supply chain activities, companies based in Singapore can adopt a strategic pan-Asian perspective and develop future solutions for their operations across Asia at large. For example, Infineon set up its supply chain science centre in Singapore to optimise its entire supply chain in Asia to deliver innovative improvements to the supply chain processes.

**Developing innovative and specialised logistics solutions**

As one of the top 10 most competitive manufacturing nations globally, Singapore is home to world-class manufacturers across industries such as healthcare, chemicals, aerospace and consumer goods. These leading firms represent a sophisticated lead market for logistics and transport players based in Singapore, as their proximity to their customers enables them to work together closely to design customised supply chain and transport solutions.

**Building the right environment for international success**

Apart from being strategically located at the crossroads of major trade lanes, Singapore offers strong air connectivity, the presence of many leading logistics providers and specialised infrastructure such as the Air Cargo Express Hub.

Ranked by the World Bank as the globe’s top logistics hub, our sea- and airports are readily accessible through a well planned domestic road network equipped with world-class technology and capacity developed ahead of time to handle the latest demands.

Furthermore, Singapore is party to 18 multilateral and bilateral Free Trade
Agreements (FTAs), and the city-state continues to pursue trade facilitation with key ongoing negotiations such as the Trans-Pacific Partnership. The multilateral ASEAN FTA, as well as the economic bloc’s multiregional FTAs with key trading partners such as China, India, Japan and South Korea, will continue to drive trade growth in the region for years to come.

Air freight providers focused on the shipment of high-value goods will benefit from Singapore’s safe and trusted hub status. The island is aligned with international security conventions and has introduced the Secured Trade Partnership programme, Advanced Export Declaration Scheme and the establishment of Mutual Recognition Agreements (MRA) with major trading partners including Canada, Japan, South Korea and China. Notably, Singapore is China’s first MRA partner. These agreements enable Singapore-based companies to enjoy a higher level of facilitation at clearance in both countries.

**Moving ahead**

In order for intra-Asia trade to realise its potential, infrastructure improvements are needed across the region. As neighbouring countries embark on these changes, Singapore will continue to remain future-ready and at the forefront of transformation of the air cargo sector.

Singapore will continue to enhance its position as a leading cargo hub in the region by developing connectivity, and maintaining world-class infrastructure and seamless processes to help companies with their customers’ increasing demands for shorter turnaround times.

As the air cargo industry continues to seek innovative ways to grow its business in Asia, Singapore is well positioned to assist air transport companies, logistics providers and global manufacturers to manage their supply chains across the entire region.

This article first appeared in the June issue of Changi Cargo Insight.

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**Opinion Leaders**

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**About the Writer**

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Optimising supply chains: How Singapore connects the links

Singapore’s strategic location at the nexus of major shipping lanes and access to talent able to navigate Asia’s trade and regulatory landscape has made it a leading logistics hub. Below, we take a look at how two of the world's leading supply chain service providers are using their bases in the city-state to capitalise on regional demand and be closer to relevant decision makers.
The Panalpina Group is one of the world’s leading providers of supply chain solutions to businesses. The company combines its core products of Air Freight, Ocean Freight and Logistics to deliver globally integrated, tailor-made end-to-end solutions. Panalpina has its headquarters in Basel, Switzerland, and is a publicly traded company, listed on the Swiss Stock Exchange. It has 500 branch offices in 80 countries and is represented in a further 80, through a network of partner companies.

Its three core values are performance, professionalism and integrity. The company’s major client base includes Hewlett Packard, Huawei, The Volex Group, Syngenta and Heerema Marine Contractors. Globally, Panalpina employs approximately 15,000 people.

**Getting established**

Panalpina first set up operations in Singapore as early as 1977, entering the market as an air and ocean cargo service provider. “We have clearly grown with Singapore,” says Stefan Karlen, Panalpina’s Regional Chief Executive Officer (CEO) and President Asia-Pacific.

The company expanded its presence in the city-state as the market evolved, increasing its service offerings to include value-added logistics services for the automotive, healthcare, consumer, retail and fashion, chemical and telecoms, as well as oil and gas industries.

In 2011, with many manufacturers choosing to locate their key supply chain functions and decision makers in Singapore, the company opened a Logistics Competence Centre on the island. This entity caters to regional customers’ growing demand for customised logistics solutions and design.

By 2012, the company had established its regional headquarters for Asia Pacific in Singapore, with

**“We want to exploit the growth potential of Intra-Asian trade and optimise cost efficiencies in our customers’ supply chain networks even more strongly”**

Panalpina took delivery of the second Boeing 747-8 Freighter on July 24, 2012.
the aim of further capitalising on the huge growth potential of the Intra Asia trade lane. “We want to exploit the growth potential of Intra-Asian trade and optimise cost efficiencies in our customers’ supply chain networks even more strongly,” Karlen commented at the launch.

Panalpina’s Asia Pacific region consists of the areas North Asia, India, Oceania and Southeast Asia.

**Positioning for long-term growth**

In 2012, Panalpina announced that its long-term strategy was to grow business on key Asia trade lanes such as the Far East Westbound, Transpacific Eastbound, Asia to Latin America and the Asia to Middle East trade.

The company said that the rising Intra Asia trade lane – forecast to grow at an annual compound rate of 6.2 per cent – would be given special attention.

“Globally, we are a big player in ocean freight. Yet we don’t even have a market share of 0.1 per cent of the Intra Asia trade lane. This speaks volumes about the exciting growth potential that we are going after,” said Marcus Gadola, former regional CEO, Panalpina Asia Pacific.

The rising Intra Asia trade lane is forecast to grow at an annual compound rate of 6.2%.

**The way forward**

With new market opportunities in Asia increasingly prompting leading manufacturers to use supply chain management as a differentiating competency for their global business, Panalpina is evaluating possibilities to establish additional satellite centres in Asia. This will allow the company to further leverage its ability to navigate Asia’s fragmented trade and regulatory landscape, capitalise on regional demand and be closer to relevant decision makers.

**Testimonial**

“Singapore is an attractive international location that offers easy access to the Asia Pacific market. The country has a good mix of both professionals with a good understanding of Asia and a skilled labour force,” says Stefan Karlen, Panalpina’s Regional Chief Executive Officer (CEO) and President Asia-Pacific.

“As Singapore is also a regional centre for many international companies, including many of our customers, we want to be in Singapore to be near them. Moreover, the country is politically stable and business-friendly.”
Standing tall as the global market leader of the international express and logistics industry, DHL offers unparalleled expertise in express, air and ocean freight, overland transport, contract logistics solutions and international mail services.

The company continues to expand at a phenomenal rate as it adapts itself to meet the changing needs of its customers.

DHL began its operations in Singapore four decades ago. Its partnership with the city-state is not confined to financial investments but also includes expertise, capability and knowledge transfer, underscoring the company’s commitment to moving Singapore up the value chain of the global logistics industry.

Operations in Singapore
In April 2007, DHL established its regional headquarters in Singapore. Not only did this allow the company to offer customers its entire value chain of services from one location, it meant DHL could take advantage of Singapore’s world-renowned efficiency, extensive connectivity, excellent infrastructure and great human capital.

DHL’s regional headquarters combines best-in-class supply chain management expertise and practical logistics operations know-how, bringing tremendous value to leading manufacturers such as Hewlett-Packard, Dell, Sun Microsystems and Infineon.

With a combined staff strength of more than 2,000 employees and at least 20 dedicated facilities, DHL’s regional hub ensures that clients are able to connect seamlessly across all 25 countries in Asia Pacific, further enhancing service quality while remaining flexible in meeting customers’ demands.

Asian focus on sustainability
In July 2010, DHL and The Logistics Institute – Asia Pacific of the National University of Singapore (NUS) established the S$3 million (US$2.3 million) Sustainable Supply Chain Centre of Asia Pacific (SSCCAP). It is the region’s first best-practice hub and intellectual property engine to drive sustainable supply chain development.

With a team of five full-time employees steered by a tripartite committee comprising representatives from DHL, NUS, Singapore Economic Development Board (EDB) and industry partners from Accenture and Dell, the SSCAP’s mission is to embed sustainability in tertiary supply chain management curriculums, both
in Singapore and the Asia Pacific.

“At DHL, we are proud of the programmes we have put in place to focus on sustainability. But there are limits to working in isolation, and we are excited about the great potential for collaboration that the Centre represents,” said Paul Graham, Chairman of SSCCAP and CEO of DHL Supply Chain, Asia Pacific.

The way forward
Singapore's geographical location along major trading routes at the confluence of the East and the West has established the city-state as an important port in global trade. Today, Singapore's sea port is linked to 600 other ports in 123 countries via 200 shipping lines, making it a major port of call. For air cargo, Singapore's Changi Airport is ranked amongst Asia's top five, served by more than 6,100 weekly flights connecting to 210 cities in 60 countries, handling close to two million tonnes of cargo in 2011.

In 2004, DHL opened the Asia Pacific Quality Control Centre (APQCC) to give customers the transparency and visibility of all shipment movements across DHL's dedicated Intra Asia Air Network by providing real-time tracking. Today, this centre is part of a network of regional and country quality control centres that monitor all global DHL shipments in the air and on the ground around the clock. Complementing the country's geographical location is the world-class infrastructure, pro-business environment and strong track record Singapore has established to position itself as a strategic home base for logistics / supply chain management (SCM) companies, and manufacturers alike, to expand their footprint in Asia.

Given Singapore's standing in the aerospace and life sciences industry within Asia Pacific, DHL also committed its support to participate in two local highly anticipated trade shows - Singapore Airshow 2012 and Biopharma Asia Convention 2012 – as one of their key sponsors.

In the words of Herbert Vongpusanachai, Managing Director, DHL Express Singapore, “2012 marks DHL Express’ 40th anniversary in Singapore and we will remain focused on the course we have charted by reinventing the logistics business through the introduction of innovative initiatives and processes. We will continue to engage and stay close to our customers, and remain nimble in order to maintain our lead as the logistics provider and employer of choice.”

Testimonials
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For more information on why Singapore is a leading logistics and supply chain hub, read more here
Managing complexity in Asian supply chains

When it comes to mitigating risk in Asia’s lengthy supply chains, the winners will be the logistics providers that can adapt to the region’s ever-changing conditions, customers and costs.

Companies sourcing from the emerging markets in Asia, and the logistics operators that handle their shipments, are finding it more difficult to cope with risk, accurately forecast demand and avoid disruptions than ever before.

Supply chains have become longer and more complex as logistics companies grow their service portfolios from traditional air and ocean freight forwarding to end-to-end supply chain management. This change is occurring as globalised firms expand their production bases to multiple countries in order to meet new customer demands and readjusted trade flows. This expansion increases the risk of failure within the supply pipeline.

Having the operational agility to mitigate risk in a lengthy supply chain can give a logistics provider a competitive advantage. Not every logistics company can manage very low levels of inventory and switch sourcing easily from country to country as stocks are depleted, or speed up and slow down cargo that is already in transit.

Managing the inventory in the pipeline is becoming critical as rising domestic demand in Asia changes the nature of the supply chain in the region. According to The Economist, as the global balance of economic power shifts from the West to the East, and as private consumption in Asia picks up, trade flows in the region will change dramatically. The making of components across Asian countries that are assembled in one place, mainly China, and exported to the West remains huge, but there is a steady increase in regional consumption.

This will present logistics operators with the challenge of improving ‘inward’-focused supply chains to cope with increased import volumes. Demand in these new markets will initially be difficult to forecast, and lead times and revenue will be hard to predict, so agility from logistics providers is a key factor.
Capabilities and services
The need for this agility is driving the development of new solutions that enable supply chain operators to increase their flexibility and respond to changes more quickly.

Take Damco – the logistics unit of container shipping and offshore group AP Moller-Maersk – as an example. The company runs a versatile and lean supply chain with offices across Asia staffed by logistics professionals that can quickly switch sourcing or change the flow rate of cargo to match demand.

According to Damco Chief Executive Officer, Rolf Habben-Jansen, as market conditions become more volatile and difficult to predict, the key to logistical flexibility in longer supply chains originating in Asia lies not in improving the ability to plan, but rather in mastering an ability to adapt quickly to the fluctuations of demand and supply.

Positioning itself to capture this market, the logistics provider has introduced Damco Dynamic Flow Control. This feature aims to reduce the time, cost and complexity through analysis and optimisation of data along the supply chain.

Similarly, CEVA Logistics recently released its SMART Solutions portfolio. The system is designed to give end-to-end service to a specific industry, while mitigating risk in an increasingly lean environment.

Challenges and risks in supply chains
Risks have always been present in the supply chain – severe weather, security issues, port congestion, equipment failures – but in the past few years these risks have become more pronounced with rising labour rates, unstable freight charges and fluctuating demand all increasing bottom-line costs.

As wage levels keep rising in China – the minimum wage has doubled in the past five years – global retailers will continue to diversify their production to other, less expensive locations, such as Vietnam, Indonesia or even Mexico. For instance, Nike, which used to make most of its trainers in Chinese factories, chose Vietnam to be its biggest production base worldwide in 2010.

China’s rising wages are also having an impact within the country. Low-cost manufacturing is beginning to shift away from the coastal areas to inland provinces. Hon Hai Precision Industry Co, the Taiwanese maker and exporter of electronics components that trades as Foxconn, assembles huge volumes of Apple iPhones and iPads at its largest Shenzhen factory, but in the past few years the company has been expanding inland with plants at Chengdu and Wuhan.

Production in these remote locations gives the supply chains a vulnerability that must be managed. The risks to export goods in transit are greatly increased when thousands of kilometres are added to their routes, especially with insufficient air cargo handling capacity at inland airports, a congested Yangtze River and high road tolls for container trucks.

The same is true for import goods, and rising domestic demand in economies across Asia is keeping inbound pipelines full and balancing trade flows.

Consumer flows
The spending power of a rising middle class is behind this flow readjustment. An increase in consumer spending led by China, Indonesia and India has caused a change in the one-way flow of products from the cheaper manufacturing countries to the developed world, said Tommy Lui, Executive Vice-President of Hubbing and Freight Solutions at Li & Fung, a global consumer products trading company.
The multidirectional flow is starting to balance trade as new bilateral agreements open doors between Asian nations. This requires logistics companies and manufacturers to build more in-depth knowledge and pan-Asian expertise, staffing regional offices with people who understand different customs procedures or peculiarities in local transportation.

**Singapore and Hong Kong: premier logistics hubs**

Today, supply chain control towers are fast becoming the solution for companies to achieve break-through operational efficiencies and business agility across their trading communities. As a transport hub strategically positioned between the East and West, Singapore can be used as a strategic base to manage supply chain control tower functions. Companies can plan, manage and optimise the supply chain from Singapore to efficiently forecast demand, source for raw materials, manage vendors, procure goods or services and distribute finished goods.

Quality personnel, good infrastructure and high service standards recently saw Singapore placed in the top spot in the World Bank Logistics Performance Index. The benchmark survey found that countries with better logistics could grow faster, become more competitive and increase investment in their own economies. East Asia logistics centre Hong Kong ranked second, providing another example of how trade facilitation is crucial to economic development. The high placing of these cities reflects their status as the two most competitive and advanced hubs in Asia. Huge volumes of cargo pass through both cities, which have have firmly established trade-facilitation services, speedy, transparent and efficient customs clearance, access to trade finance, insurance, dispute resolution and sophisticated IT systems.

Hong Kong acts as a gateway to China, and Singapore is strategically placed as a trans-shipment centre between East and West, with about 85 per cent of the containers that cross its wharves being transhipped to another port. Logistics operations in many other countries in the region lag behind these two cities. Despite free trade agreements between the Association of Southeast Asian Nations (ASEAN) members fuelling trade and creating a mighty logistics market, infrastructure and regulatory shortcomings continue to hamper the efficient movement of cargo. Indonesia in particular suffers from these failings, with road and port bottlenecks and cumbersome customs adding days to shipments. Likewise, Vietnam’s improvement of road and rail infrastructure has not kept pace with cargo-volume growth. The ability to move cargo quickly and efficiently via land, ocean and air links is crucial to modern supply chains that increasingly rely on speed to market. Capitalising on these fast-growing emerging Asian markets is not always easy for logistics providers and transportation firms. “Within populous countries such as China and India, selecting the right distribution facilities and hubs can be challenging,” said Danny Goh, Vice-President, North Asia for Arizona-headquartered firm APL Logistics.

**North Asia’s supply chain powerhouses**

In North Asia, the landscape is dominated by China, Japan and South Korea. China, of course, is the chief engine of growth and all the world’s large logistics operators are present in the country; however, a recent Global Supply Chain Council survey found that the biggest problems for companies requiring logistics in the country were related to the high cost and reliability of local logistics providers. With supply chains being extended inland as China’s manufacturers move west to the
cheaper central provinces, the cost and reliability issues add to the risks involved in moving export cargo.

Japan remains an economic force in the region, despite posting its first trade deficit in three decades last year, following a decline in production capacity for exports after the March 2011 earthquake and tsunami.

But, the massive electronics and automotive manufacturing industries – masters of just-in-time shipment – gave the Japanese logistics industry a wealth of experience in handling supply chain crises. Following the shutdown of automotive plants in the tsunami-ravaged region, the companies used their logistics providers to restructure supply and switch production to factories in China and Thailand.

Across the Sea of Japan, South Korea inked a free trade agreement with the US that came into effect on 15 March, opening up bilateral trade between the two countries. The expected rise in cargo volume in the electronics, pharmaceutical and automotive sectors will quickly consume available transport space and require some innovative freight-management solutions. Tony Darwell, Construction and Real Estate Analyst, China, at Daiwa Capital Markets also expects to see this rise in cargo volume across markets and sectors. In an interview with Forbes, he said while China is viewed as an export-oriented economy, the development of domestic markets, fuelled in part by increased imports, has seen domestic consumption rise. That very likely will be a major demand-driver, he added, for both warehouse and logistics services.

Managing complexity
For logistics providers in Asia, the real challenge lies in managing these diverse, complex and vulnerable supply chains that stretch across multiple countries and link factories producing components for assembly. It is a finely tuned business and companies providing the logistics services must be agile enough to react to sudden changes in supply or disruption in the cargo pipeline.

With volatility here to stay, the winners in the Asian arena will be the logistics providers that learn how to work with this complexity. They need to better utilise outsourcing and offshoring as tools to achieve scale, flexibility and access to talent, resources and new markets. Asia’s logistics providers will need to diversify with sourcing, adapting to the region’s expanding and ever-changing conditions, customers and costs.
Emerging Markets and the Future of Logistics

Guest speakers include:

Essa Al-Saleh
President & CEO, Agility

John Manners-Bell
CEO, Transport Intelligence

Wolfgang Lehmacher
President, Corporate Value Associates

Kelvin Wong
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Ajit Venugopal
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Singapore Business News is a publication of the Singapore Economic Development Board.

Singapore: Future Ready articulates the nation’s aspirations to be a partner for global businesses as they develop their ideas for tomorrow’s solutions. Singapore does so by recognising the value of long-term partnerships, adopting a forward-looking approach, taking on challenges with a can-do spirit.

ABOUT EDB
The Singapore Economic Development Board (EDB) is the lead government agency for planning and executing strategies to enhance Singapore’s position as a global business centre. EDB dreams, designs and delivers solutions that create value for investors and companies in Singapore. Our missions is to create for Singapore, sustainable economic growth with vibrant business and good job opportunities.

EDB’s ‘Host to Home’ strategy articulates how we are positioning Singapore for the future. It is about extending Singapore’s value proposition to businesses not just to help them improve their bottom line, but also to help them grow their top line through establishing and deepening strategic activities in Singapore to drive their business, innovation and talent objectives in Asia and globally.