

Session 4

**Port Cluster Dynamics in
Singapore.**

**The Synergies between the
Port and the Business
Communities**



PORT DEVELOPMENT AND COMPETITIVENESS

Session 4

Port Cluster Dynamics in Singapore

The Synergies between the Port and the Business Communities

Speaker: *Mr. Fong Kum Hor*

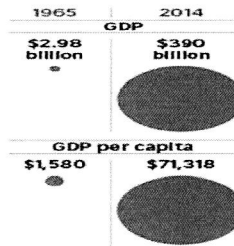
Outline

- The Economic Pillars of Singapore & its progress from Trade to Marine Services, Manufacturing, Transport, Commerce and, Construction Services.
- The Singapore Maritime Cluster and its growth sector;
 - The Traditional 'Core' Maritime Sector.
 - The Non-Core Maritime Sector linkage to Economy.
- Singapore Port, a vital node and prime-mover of Singapore manufacturing and trade. Played key role in networks for industries and commercial sectors. The stakeholders in the Port Community.
 - Government Agencies – Maritime Port Authority (MPA), SPRING Singapore, IE Singapore, Economic Development Board (EDB), Jurong Town Corporation (JTC), Singapore Customs.
 - Trade Associations – CDAS, SAAA, SLA, SSA, STA, SMF, SBF, SNSC, SMI, ASMI, SSS.
 - Institutes of Higher Learning – NUS, NTU, SMU, Polytechnics
 - Research Institutes – A*star, SIMtech.

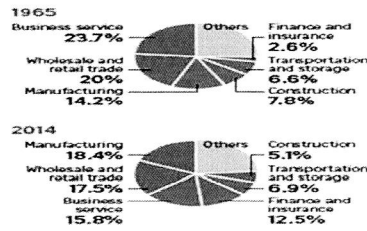
The Singapore economy: Then and now

The Singapore economy has come a long way since the country's independence in 1965. The Sunday Times looks at how the economy has evolved over the years, and some of the biggest hurdles it will face in the coming decades.

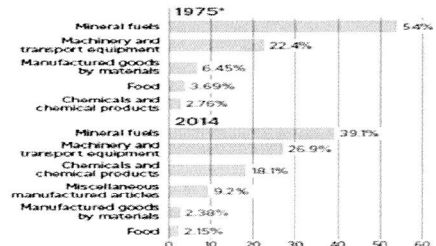
GDP AND GDP PER CAPITA



VARIOUS SECTORS' SHARE OF THE ECONOMY



BREAKDOWN OF MAIN EXPORTS



TOP TRADING PARTNERS

Year	Partner	Share
1976*	1 US	26.8%
	2 Japan	16.1%
	3 Hong Kong	11.8%
	4 Australia	7.3%
	5 Malaysia	6.6%
	6 Thailand	4.2%
	7 Germany	4%
	8 Britain	3.2%

2015 (first six months)

Partner	Share
China	14.3%
EU	11.8%
US	9.9%
Malaysia	7.7%
Hong Kong	7.3%
Indonesia	5.9%
Taiwan	5.8%
Japan	5.3%
Thailand	4.5%
South Korea	4.1%

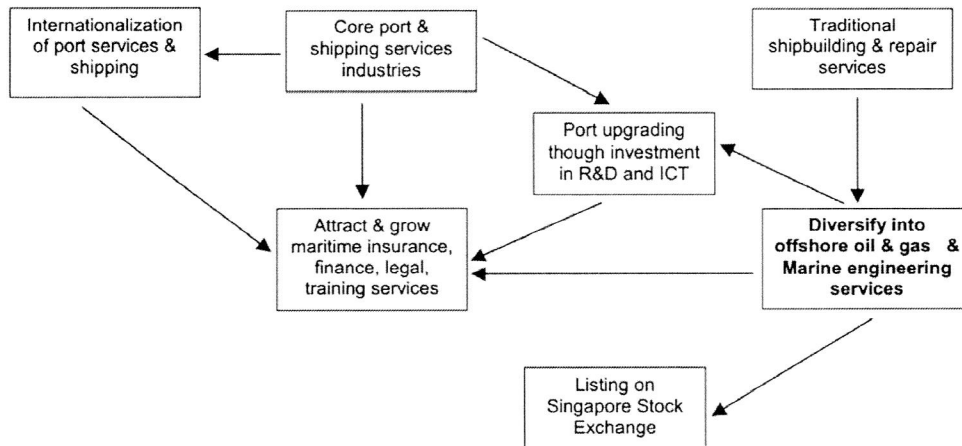
POPULATION AND SIZE OF LABOUR FORCE



Source: http://www.straitstimes.com/sites/default/files/attachments/2015/08/09/st_20150809_4thennow09_1586110.pdf

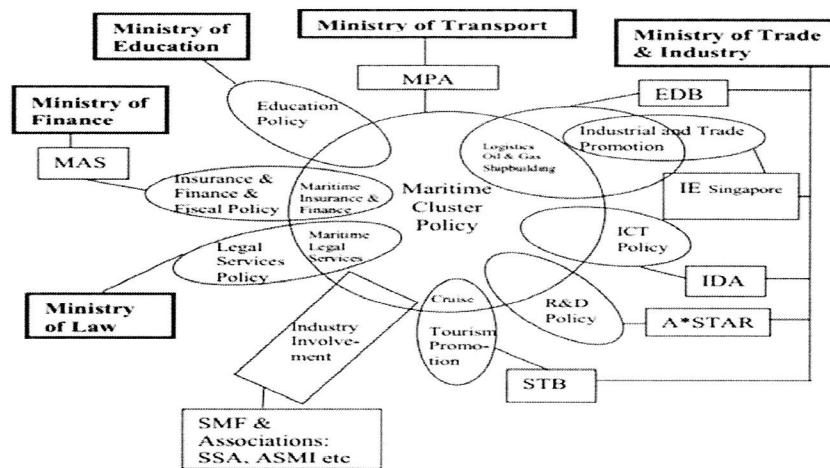
HOW THE MARITIME ECONOMY FEATURES IN SINGAPORE'S OVERALL ECONOMIC STRATEGY

Figure 3: Flow-Chart of Singapore's IMC Development Strategy



HOW OUR DIFFERENT AGENCIES COOPERATE TO DEVELOP OUR MARITIME ECONOMY

Figure 2: Overall Institutional Framework in Singapore for IMC Development



The Port Logistics Community

- The Global Trends
- Growth Targets
- SWOT
- Vision
- Physical and Virtual Hub
- Enhancing Physical Hub Capabilities
- Developing Virtual Hub Capabilities
- London-Plus Development Framework
- IT Logistics Nerve Centre
- SCM Nerve Centre
- Secured Hub
- Multimodal Connectivity
- Fiscal Recommendations
- Champion Agency

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Objective:

Strategy & Recommendation for Singapore (SG) as Transport and Logistics Hub

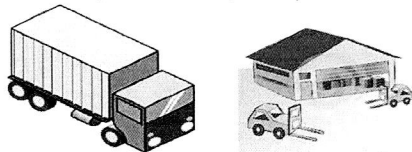
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The Global Trends

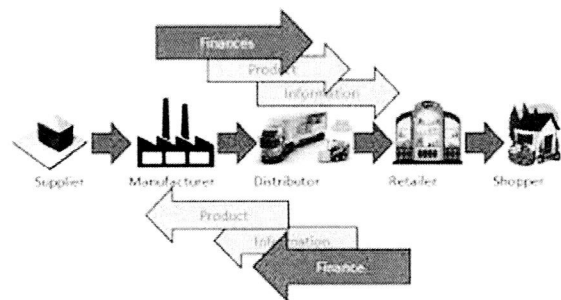
- Annual growth rate 3-10 %



- Container, warehouse, transportation



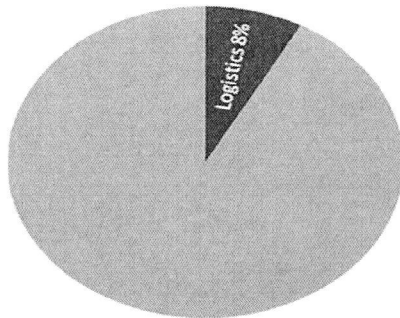
- Value added
- Supply Chain Management



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Growth Targets

- 7-8 % GDP



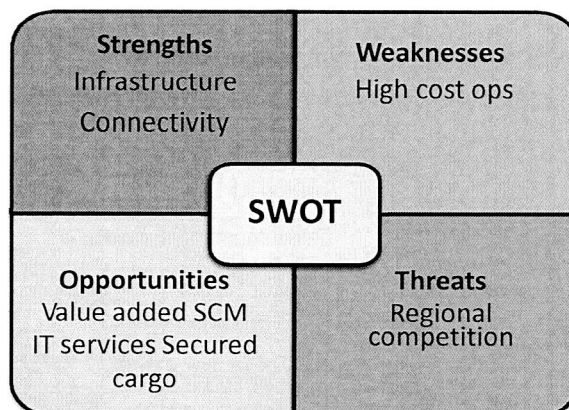
- 150,000 jobs



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SWOT

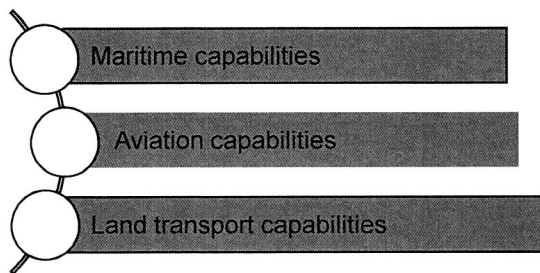
- S** – Infrastructure, Connectivity
- W** – High cost ops
- O** – Value added SCM, IT services, Secured cargo
- T** – Regional competition



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Vision

- To develop Singapore into a **leading** global **integrated** logistics hub, with **robust** maritime, aviation and land transport capabilities supporting the global economy.



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Physical and Virtual Hub

- The need to leverage on Singapore's hub capabilities and integrate with strong physical cum knowledge intensive SCM skills and technologies to build a strong physical virtual hub.

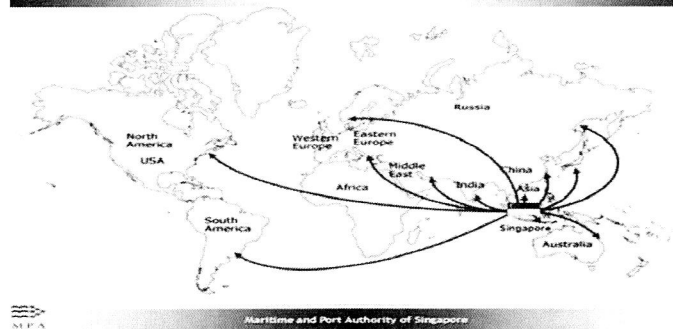


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Enhancing Physical Hub Capabilities

- Continue to build on our physical strengths by driving out the business impediments, both regulations and costs, that reduce our attractiveness as a physical hub port.

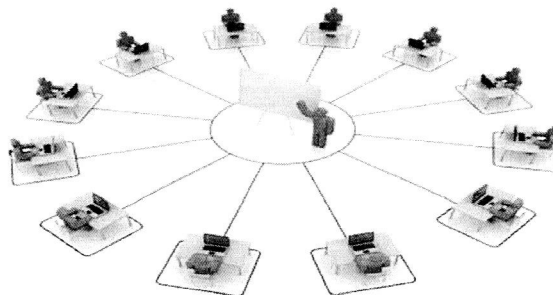
Global Connectivity



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Developing Virtual Hub Capabilities

- To be the logistics brain controlling the logistics limbs (planning & control functions) extending beyond Singapore to an extended hinterland i.e. the virtual hub.



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Developing Virtual Hub Capabilities

- a) London-Plus Development Framework:
- London:
 - Highly skilled & experienced logistics professionals
 - Plus:
 - Leverage on:
 - Port facilities
 - Ship registry
 - Ship repair
 - Logistics & IT
 - HR Capital

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Developing Virtual Hub Capabilities

b) IT for Logistics Nerve Centre

- » Key is to ensure that efficient physical flow of goods is complemented by adept information flows
- » Singapore as the preferred regional/ global IT Logistics Nerve Center
- » Main strategy is to develop an end-to-end service model as integrating framework



The Port Logistics Community Developing Virtual Hub Capabilities

c) SCM Nerve Centre

- » The development of knowledge-intensive, high value added activities such as sourcing and procurement, supply chain optimization, data hosting and reverse logistics.
- » Strong collaboration among the key drivers of SCM innovation viz. centres of competence, training institutions and the industry is vital.

The Port Logistics Community Developing Virtual Hub Capabilities

d) Secured Hub

- » With its advanced technological capabilities, strict security measures, position itself as the regional secured supply chain nerve center.

**TRACK &
TRACE**

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Developing Virtual Hub Capabilities

e) Multimodal Connectivity

- » Physical and IT infrastructure must be integrated to ensure a seamless flow of goods from one mode of transportation to another.
- » Allowing logistics operators to break bulk and consolidate within their own facilities to reduce cost and improve turnover time.

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Fiscal Recommendations

Offer a competitive tax regime to attract the mind and management and to encourage business to upgrade their capabilities.

The Port Logistics Community Fiscal Recommendations

- Champion Agency for the transport and logistics industry to be established.
- Responsibility of promoting and developing Singapore into a leading global integrated logistics hub.
- Collaborative and consensus-based policy making system and will spearhead and co-ordinate and integrated multi-organizational effort in collaboration with the private sector to promote and develop Singapore into a global integrated logistics hub.

Champion Agencies

Immigration & Checkpoints Authority of Singapore (ICA)

Singapore Customs

SPRING Singapore

Trade Associations

Container Depot and Logistics Association Singapore (CDAS)

Singapore Logistics Association (SLA)

Singapore Transport Association (STA)

Discussion 2

How can the Participant's port improve and achieve this organisational synergies and are there any takeaways from Singapore?

Question?