

**SPEECH BY MINISTER FOR COMMUNICATIONS AND INFORMATION
MRS JOSEPHINE TEO AT LAUNCH OF NCS REBRAND
(7 JULY 2021)**

Seizing Growth Opportunities in the Digital Economy

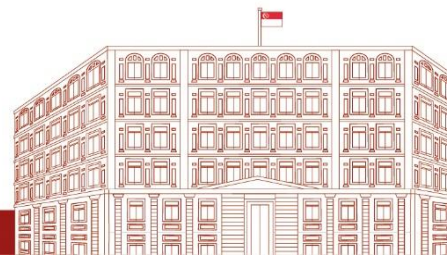
Your Excellency Mr Will Hodgman, Australian High Commissioner to Singapore
Mr Lee Theng Kiat, Chairman, Singtel
Mr Yuen Kuan Moon, Group CEO, Singtel
Mr Ng Kuo Pin, CEO, NCS
Distinguished Guests
Ladies and Gentlemen

Introduction

1. Good morning and thank you for inviting me.
2. Today marks the start of an exciting chapter for NCS, as you embark on new growth strategies to expand your service offerings in leading edge technologies, and to increase your footprint in Asia-Pacific. I wish you every success.

Our Infocomm Media Sector continues to demonstrate strong growth performance amidst the COVID-19 situation.

3. Your rallying call “Extraordinary starts here” is very much the same spirit that has defined us as a people. Deep within the national psyche, we’ve grown and carried with us the idea that Singapore succeeds not by doing what is easy, but what is exceptional. Therefore, even in a pandemic, besides dealing with the here and now, we challenge ourselves to emerge stronger.
 - a. In many ways, this is also the approach taken by the MCI-family. In the last 12 months, for example, MCI has learnt to pivot our public communications. The Gov.sg WhatsApp channel grew from 7,000 subscribers in January last year at the onset of the pandemic, to 1.2 million subscribers today. Some of our experiments also produced surprisingly pleasant results. Who would have expected Phua Chu Kang’s vaccine rap to go so far beyond Singapore, Batam and Johor to be talked about on the BBC and CNN?
4. IMDA too has continued to push the boundaries. Our plans for nationwide 5G standalone networks continued to advance even as the pandemic raged on. We established the SG Digital Office to equip less digitally savvy segments, such as our seniors and hawkers, with the skills and tools to participate meaningfully in our digital society. Next week, right here at MBS again, IMDA will host the inaugural Asia Tech x SG (ATxSG) series of events to bring together global thought leaders, policymakers, and experts to brainstorm the challenges and opportunities in our digital future.

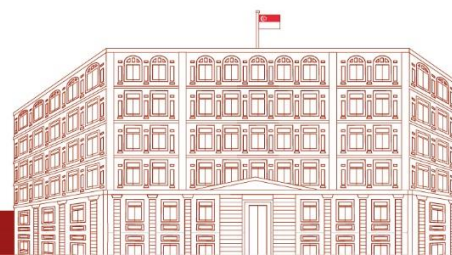


5. For Singapore, ATxSG builds on the gains made in our Infocomm Media Sector, which has been remarkably resilient. In the past 5 years, growth of the ICM sector in Singapore has consistently surpassed overall GDP growth. It is in fact one of the few sectors that bucked the trend in 2020. While the broader economy shrank by 5.4%, ICM grew by 4.8%.
6. Our workplaces and schools pivoted fast, remaining operational with the help of digital platforms. Singaporeans were kept connected; we could transact and keep up people-people exchanges. Online Services and IT Services in particular grew in response to the robust demand for digital products and solutions.
7. Early investments in digitalisation had made the switch less painful than it would otherwise have been. Digital transformation initiatives such as SMEs Go Digital provided business continuity support for enterprises to perform their operations remotely. Jobs and Skills programmes, such as IMDA's TechSkills Accelerator (TeSA), helped build the foundation for our workers to handle massive adaptation of work and business arrangements. Our networks supported the resultant surge in internet traffic during the nationwide telecommuting and home-based learning period. Our past investments in building a secure and resilient connectivity infrastructure proved to be essential.
8. As more sectors embark on digitalisation, the economy-wide demand for digital tech talent is set to increase significantly. The sector's growth also translates into attractive careers for Singaporeans. Last year alone, local employment in ICM grew by 8000 plus, a 5% increase. The local share of workforce remained steady over the past few years, about three in four. Of the future jobs expected to be created from EDB's committed investments in 2019 and 2020¹, some 40% or about 20,000, are expected to be digital roles across the economy. Just think about this: in the last two years, all the investments and commitments that EDB secured, and all the jobs that these investments are expected to create, about 40% (around 20,000) are digital roles. That's how significant this is. Collectively, these trends point to a picture of Singapore's digital future that is very much at the forefront of our economy, and that offers exciting opportunities for Singaporeans – both our people as well as our businesses - that are willing to take on these challenges, build up their own capabilities, and of course, to innovate.

Digital technologies will be a critical enabler for success in the future economy.

9. It therefore does not take a great leap of faith to postulate that the ICM sector will expand beyond its current 10% of our economy. It is very likely to be growing for the next couple of years and in the foreseeable future. The sector will be vital in building up Singapore's digital innovation capabilities, and creating sophisticated digital products and services that have the potential to reach global markets. It will also be a growth multiplier for the broader economy. Digital technologies can help firms become more productive and competitive – we saw this happen time

¹ Digital roles make up 49% of 32,814 total jobs expected to be created from EDB's committed investments in 2019, and 24% of 19,352 total jobs in 2020. <https://www.edb.gov.sg/content/dam/edb-en/about-edb/media-releases/news/edb-year-2020-in-review/EDB%20Year%202020%20In%20Review.pdf> (pp 23-26)



and time again; and it can position these companies to capture the opportunities that will come from pervasive digitalisation across the board.

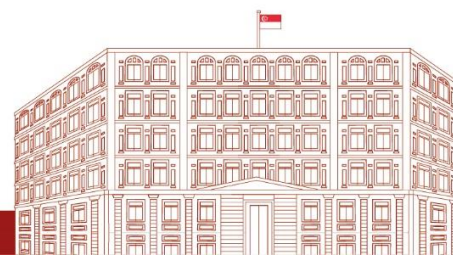
10. Well before the pandemic, our technology providers like NCS were already playing an important role in supporting the digital transformation efforts of businesses here. COVID-19 accelerated this process and compressed timelines for everyone. Although the learning curve was steep, integrating digital technologies into work processes have now become second nature for many firms. The most heartening are stories from businesses that surmounted seemingly impossible challenges. And by now, some have become “digital evangelists” to other firms, after experiencing the benefits of tech-enabled solutions to improve their customer experience and employee satisfaction.
11. And today, if you talk to the leaders of our business community, most of them have decided that there’s no turning back. Many are now adopting agile and scalable technologies like Cloud computing and everything-as-a-service (XaaS) models. And it’s not just in Singapore. Similar trends have been observed elsewhere. In the Asia-Pacific alone, spending on the public cloud alone has been growing in the high double-digit range², and annual total ICT spending is expected to exceed US\$1 trillion by 2024³ – that’s just three years away. That includes hardware, software, online, telecommunication and IT services. Think about it: US\$1 trillion in spending annually - that says lots of opportunities.

By reinventing themselves, technology providers like NCS are better equipped to seize new opportunities in the enterprise IT landscape, and support the digitalisation of local enterprises.

12. To fully capture these opportunities, our technology providers will also need to reinvent themselves. NCS’s plan is therefore welcome.
13. To better serve changing market needs, NCS formed a new service organisation, NCS NEXT, to create next-generation solutions in the Digital, Cloud, and Platform Space. I’m told that the division was started from scratch in late 2019, just before COVID hit. Despite the disruption of COVID, NCS Next has already grown your bench to 1,000 employees.
14. For Singapore-based companies, an often useful part of business transformation is forging new international partnerships. By tapping on global connections to exchange ideas, enterprises will also gain diverse insights to strengthen their services offerings. A good example is the NCS NEXT Innovation Triangle Ecosystem, consisting of Innovation Centres in Singapore, Shenzhen, and Melbourne, to tap on in-market partners and resources. Through this, NCS gets to work closely with overseas governments on the ideation and implementation of Smart City solutions.

² IDC (Mar 2021). Public Cloud Services Spending in Asia/Pacific to Reach US\$ 48.4 Billion by 2021. <https://www.idc.com/getdoc.jsp?containerId=prAP47519421>.

³ IDC (Apr 2021). Asia/Pacific 2021 ICT Spending to Grow by 4.9%. <https://www.idc.com/getdoc.jsp?containerId=prAP47602921>.



The Government will do our part to build a vibrant and inclusive digital economy.

15. On our part, the Government will continue to partner the industry to build a vibrant and inclusive globally-oriented digital economy. Let me share with you some of our key priorities. First, we will broaden and deepen digital capabilities in our enterprises to help them unlock new economic value. This includes grooming a new wave of high-performing companies with ambitions to become globally competitive digital leaders, through initiatives such as the Digital Leaders Programme. Second, we will redouble efforts to help more Singaporeans be active participants in our digital workforce. Third, we will continue to strengthen our digital infrastructure to ensure that they remain secure and trusted.
16. An important overlay to these efforts will be enhanced connectivity of Singapore's businesses with overseas players. We will do this through international partnerships.
17. For example, Singapore is working with key partners through the Digital Economy Agreements to expand a network of interoperable digital standards and systems. Such agreements will support local businesses in accessing overseas markets, and strengthen our firms' technology capabilities through international collaborations.
18. These partnerships should extend beyond governments, to include industry, research, think-tanks, and the whole of society. This is exactly what we aim to achieve through the ATxSG series of events to be held here next week, where IMDA will also announce its latest initiatives.

Conclusion

19. In conclusion, the digital future of Singapore holds much promise for our businesses and our people. Building on the resilience and growth of our ICM sector, IMDA, as well as many government agencies that are involved in this endeavour – GovTech, EDB, and other agencies with digitalisation programmes – will work with enterprises like NCS to strengthen our digital capabilities and nurture our digital workforce. We will grow our international partnerships and presence, always striving to keep Singapore extraordinary.
20. I wish NCS every success. Thank you.

