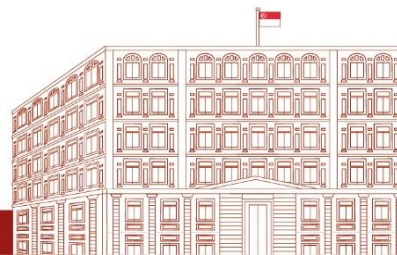


**SPEECH BY SENIOR MINISTER OF STATE DR JANIL PUTHUCHEARY
AT SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS (SIIA)
13TH ASEAN & ASIA FORUM (9 SEP)**

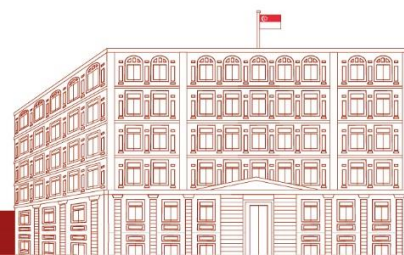
“ADVANCING DIGITALISATION IN ASEAN AND ASIA”

1. Distinguished Guests, Ambassadors, Ladies and Gentlemen, good morning. Thank you to the Singapore Institute of International Affairs for the kind invitation to speak. This Forum is a valuable platform to help businesses navigate the strategic and economic challenges in the region, and I would like to offer a few thoughts on digitalisation in ASEAN and Asia.
2. Think back to 2019 – to our pre-pandemic priorities. Our focus was on physical connectivity. Bigger ports, bigger airports. Businesses pursued hyper-efficient, just-in-time supply chains. Digital transformation was taking off, with companies putting in place incremental, multi-year digitalisation plans, but often in support of a physical connectivity paradigm.
3. Then came January 2020, when Singapore detected our first COVID-19 case. Fast forward to today – the discourse on supply chain efficiency has given way to supply chain resilience. Our multi-year plans have been compacted into the span of weeks. And today digitalisation is no longer about efficiency. It is seen as vital to economic recovery, and for some sectors, business survival.
4. A lot has changed. To give a sense of scale, 40 million people in South East Asia came online for the very first time in the past two years. That is seven times the population of Singapore. The increased levels of remote working and online shopping we have seen will persist after the pandemic. Let me share three suggestions on how we can think about opportunities in this new economy.
5. First, **it is important for us to refresh our perspectives**. 70% of the people in South East Asia are internet users. Half our population of 650 million are digital natives under the age of 30. To them, walking into a bank, queuing up to buy tickets, or even making a phone call are unfamiliar experiences. For these digital natives, the phrase “there’s an app for that”, is not an advertising tagline. It is a description of their fundamental reality.
6. We must ask if we are correctly positioned for these opportunities. A retailer in a mall seeing declining visitors would quickly relocate to where their customers are. Similarly, if your customers and partners are all moving into the digital space, are you moving with them? This refreshed perspective is important because businesses need to focus on where the opportunities are.
7. I recognise change is not easy, and some need support. Singapore has schemes in place to help businesses on their digital journey. For those looking to adopt digital tools, our SMEs Go Digital programme offers more than 300 tried and tested solutions, together with grant support to defray costs. More than 75,000 SMEs have already tapped on this programme to accelerate their digitalisation journey.
8. Among them, Edith Patisserie, a local bakery, tapped on digital ordering and delivery solutions to capture the home delivery market, enabling them to scale up their business even as the pandemic slowed footfall at their physical shop. Bikemart SG, a bicycle shop, also built online sales channels that helped them to not only ride out (pun intended) the circuit breaker, but achieve a 15% increase in revenue. Businesses who don’t know where to start can tap on IMDA’s range of support initiatives, from Industry Digital Plans that offer



step-by-step guidance, to providing expert consulting advice, and helping companies take their first steps with confidence.

9. These schemes are valuable, but it is also important to understand that digital transformation is not something that can be “bought”. You can buy a tool, but to really tap into the growing digital economy, companies must be prepared to invest in changes to their core business models and their processes. We must have the gumption to look past the challenges, see the opportunities, and boldly pivot to create further opportunities. The government looks forward to supporting those companies ready and willing to make this leap.
10. Secondly, **we must keep reinventing to stay competitive**. The digitalisation process brings the global market to our doorstep, but it also brings global competition. In a borderless world where consumers can buy from anywhere, if we are not the cheapest, then we must have a better product. This reinvention needs to take place across all levels – as a region, as a country, as a business, and as an individual.
11. Within South East Asia, we want to build a single digital community that is vibrant and attractive. The ASEAN Digital Masterplan 2025 describes eight outcomes from connected infrastructure to trusted digital services, and these are steps to reinvent our region into a leading digital economic bloc.
12. At the national level, countries must also continually reinvent. Singapore’s past investments have helped us attract 80% of the top 100 tech companies from East and West to set up a presence here. But we cannot afford to stop. Our next phase of investments in 5G, tech research, and up-to-date regulations must help Singapore strive to be one of the most digitally connected cities and among the best places to do business.
13. At the company level, it is no different. A business that has kept still for 10 years while the digital economy evolved around them – how many precious opportunities they would have missed out on.
14. And at the individual level, reinventing helps us remain relevant. In 2016, Singapore launched the TechSkills Accelerator to train manpower and help individuals upskill. We are partnering with leading tech companies like Google, Grab, and SEA Group to drive this effort. For instance, we recently launched the Skills Ignition SG programme together with Google to provide training for 3,000 local entry-level and mid-career jobseekers.
15. With a projected global tech workforce shortage of 4.3 million workers by 2030, talent will be a major differentiating factor for businesses. Companies who recognise the critical role their people play, and that invest in nurturing talent, would be better equipped to compete for opportunities in the digital economy.
16. Lastly, I want to touch on **the need for us to reinforce our partnerships**. In a digital world with porous boundaries, we have to recognise that economic prosperity happens only when there is a belief that the world is not zero sum. Singapore engages with ASEAN and other like-minded partners to build a rules-based digital collective, founded on neutral, interoperable, and standards-based systems.
17. Within our region, we have developed the ASEAN Data Management Framework and the Model Contractual Clauses for Cross Border Data Flows. These instruments help companies exchange data across borders, despite differences in data protection rules – providing clarity to the hundreds of thousands of SMEs doing business across the region. As the value of data grows with circulation and use, this free movement of data contributes to our shared prosperity.



18. ASEAN has also worked to secure areas of common interests to our members. For instance, the Computer Emergency Response Team Information Exchange Mechanism lets us alert each other to cybersecurity threats. This helps grow a safe and trusted regional network.
19. In the economic space, Singapore has signed Digital Economy Agreements with Chile, New Zealand, and Australia which set benchmarks for digital trade and the interoperability of systems. These agreements, together with Singapore's 25 Free Trade Agreements, allow businesses to strengthen their presence in growth markets and expand into new opportunity areas.
20. Ultimately, our willingness to build strong partnerships and cooperate in mutually beneficial areas will help us to build an open marketplace in the digital economy. We should strive for technology to *unite* us and not *divide* us.
21. I started by sharing the immense changes over the past two years. This pandemic will come to an end – like the Spanish Flu in 1918 and SARS in 2003. But unlike the pandemic, the pace of digitalisation will endure in the years to come.
22. I am optimistic that if we refresh our perspectives, reinvent ourselves, and reinforce our partnerships, this next chapter will see us emerge in the digital economy as a strong and prosperous ASEAN, part of a strong and prosperous Asia.
23. I wish you all a fruitful panel discussion. Thank you very much.

