

**Speech by Minister Josephine Teo at
Future Economy Conference & Exhibition on 24 March 2022**

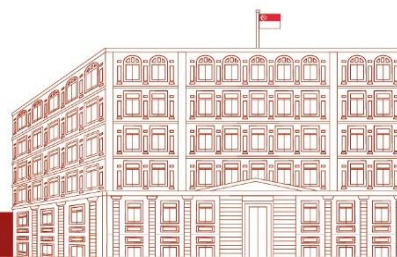
Growing Singapore's Digital Economy

Chairman of the Singapore Business Federation (SBF) Mr Lim Ming Yan
CEO Mr Lam Yi Young
Members of the SBF
Friends and colleagues

1. Pleased to join you at this inaugural Singapore Apex Business Summit. After two years of battling the pandemic, it is good to be able to meet again physically as well as to connect with friends online to refresh our understanding of the opportunities and challenges in our digital economy.
2. The backdrop that we operate against is familiar to you. In the last few months, we have seen new variants of COVID-19, the invasion of Ukraine, as well as the rise of digital security risks and scams. All of these create challenges for businesses – with disruptions to our supply chains and our ability to conduct business – and cost pressures have inevitably come to the fore.
3. Cyber risks – ranging from ransomware attacks to phishing scams – are particular concerns. They threaten the trust that must underpin efforts to move boldly ahead on digital initiatives. This is why at the Committee of Supply Debate a few weeks ago, I spoke about “Building a Vibrant and Secure Digital Future Together”.
4. The Government is committed to working closely with you to mitigate the challenges, so that we can fully harness the good that digitalisation can bring. This year’s National Business Survey, conducted by the SBF, showed how digital transformation efforts have helped firms to build resilience. Three out of five businesses reported increased productivity; with some firms even increasing their revenue despite the pandemic. Many more have also successfully used digital platforms to reach a wider and more diverse customer base, both in Singapore and abroad.
5. We are committed to helping our companies digitally transform and maximise new opportunities within the Digital Economy on three counts:
 - One, as we enter a new phase of recovery, we will ensure a vibrant environment where firms can thrive in the Digital Economy.
 - Two, we will sustain the growth of the Digital Economy through a robust talent pipeline.
 - Three, we will remain open and innovative, partnering with all of you to co-create a digital future for all.
6. Let me share more about our plans in each of those areas.

Creating a vibrant environment for companies

7. Over the years, we have laid the foundations for a thriving Digital Economy. Beginning with the first National IT Plan in 1986, we have made strong and sustained investments to connect people and businesses digitally.



8. Singapore has in place an advanced, secure and resilient digital infrastructure, which is critical to enable the Digital Economy. In telecommunications, we are among the world's first in rolling out 5G standalone networks.

9. We had set a target that by 2025, we will achieve nationwide outdoor 5G coverage. Based on my very recent discussions with our telcos, this target is very likely to be achieved ahead of time.

10. In any case, we are already setting our sights on the next bound, committing \$70 million into the Future Communications Research & Development Programme (FCP), to conduct cutting-edge communications and connectivity research, including 6G, standards of which have not been written, and therefore an open field for us to participate actively in to shape the future.

11. Riding on our investments in physical infrastructure, we have also developed a set of digital utilities – services that enable businesses and citizens to transact easily and safely across the economy. Some of these utilities, such as SingPass, PayNow and InvoiceNow, facilitate day-to-day transactions, creating significant network benefits across the nation.

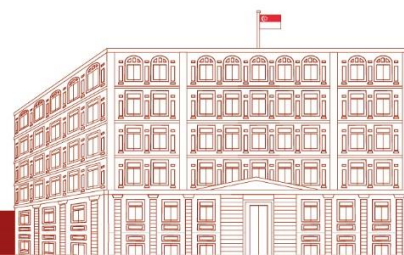
12. Others, like the Singapore Trade Data Exchange (SGTraDex), help particular sectors, such as maritime, tackle a fragmented business landscape through data sharing, which will drive efficiencies across our supply chain ecosystem.

13. Our support also extends to individual firms, especially Small and Medium Enterprises (SMEs) which form the vast majority of businesses in Singapore. Recognising that different sectors each have unique needs, in 2017, we launched the Industry Digital Plans to provide guidance on the digital tools and training that SMEs in each sector would need. In the same year, we also launched the SMEs Go Digital programme, to provide access to digital solutions at each stage of a firm's growth. Since then, more than 80,000 businesses have benefited from SMEs Go Digital, supported by 20 Industry Digital Plans.

14. Industry insights have been instructive in shaping Government support. For this, I would like to thank SBF for your strong partnership in engaging the industry when we developed the Better Data Driven Business (BDDB) programme.

15. The BDDB programme, as the name suggests, aims to help businesses make better use of data, safely and accountably. The goal in the future must be to be able to use artificial intelligence (AI) To be able to use artificial intelligence, if you do not have good data to work with, that is just a pipe dream. So within MCI and IMDA, we always say, data before AI. So investing in helping businesses to understand how to harvest data, how to make good use of them for the purposes of improving their business operations, reducing costs, growing market presence – this is the foundation for using AI in the future.

16. SMEs can now tap on 8 BDDB-compatible solutions to move their data into BDDB's business intelligence tool. We do the thinking, we do the organisation for SMEs, because we fully understand it is very difficult for SMEs to figure all these things out on their own. Making sure that the tools are not just robust, but are safe, secure, can be counted upon to help SMEs generate actionable insights that address their business needs.



17. I am happy to see that since the programme was implemented in September last year, some SBF members – including household names like Bee Cheng Hiang – have benefitted greatly in carrying out data-driven business practices.

18. It is also critical that firms stay protected against cyberattacks and minimise the harm to clients should data breaches occur. The SG Cyber Safe Programme equips the business community with the tools to raise awareness and encourage adoption of good cybersecurity practices.

19. At the recent Committee of Supply debates, we also announced that we will be introducing the new Cyber Trustmark, Cyber Essentials Mark, and Data Protection Essentials Programme. When you interact with members of the public, and customers, how do they know that you have put these measures in place? A mark tells them that you have gone through the process of getting certified, and inspires greater confidence. These initiatives will provide assurance to both businesses and customers that cybersecurity and data protection standards are adhered to, allowing us to foster greater trust in our digital economy. In a secure digital environment, firms are empowered to conduct their business safely and confidently.

Sustaining growth through a robust talent pipeline

20. Equally important for growth in the Digital Economy is ensuring that our firms have access to a robust pipeline of skilled digital talent. This underpins many of our efforts to create a vibrant environment for businesses.

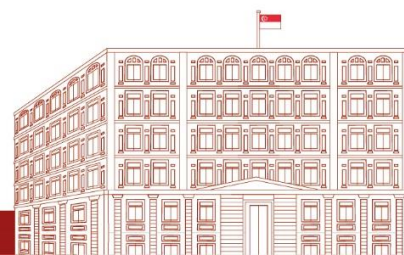
21. As the Digital Economy grows, it has created many good jobs for Singaporeans. Over the past few years, the number of tech professionals in Singapore grew by around 10,000 each year. However, the pace of digitalisation is fast and it is increasing. A report by McKinsey suggests that 87% of companies worldwide will soon face a skills gap – something that is already a reality for many firms here.

22. To match the pace of digitalisation, our priority is to nurture a strong pipeline of local tech talent, and to ensure that our existing tech workforce remains relevant and competitive. Your partnership – as leaders in your respective fields, and as hirers of tech talent across the economy – is crucial to the success of these efforts.

23. First, given your understanding of industry needs, you are essential to equipping our workforce with the relevant tech skills for the workplace. Very often, this involves partnering with our institutes of higher learning to ensure that our ICT curriculum is up to date.

24. As an example, we recently announced an upcoming Bachelor of Science with Honours programme in Applied Computing at the Singapore Institute of Technology (SIT), that will come with a specialisation in FinTech. IMDA and MAS had worked closely with financial institutions including DBS, Standard Chartered Bank, AIA and JP Morgan (Southeast Asia), and of course SIT, to ensure that the course would introduce the right technical skills and finance knowledge for FinTech roles. The course will see its first cohort of students this year. They will be trained not just in finance, but in software engineering, blockchain, and machine learning too.

25. Second, to support hirers of tech talent, we want both fresh graduates and mid-career workers to enter the tech ecosystem. This is particularly important for Polytechnic and ITE students, who account for more than half of our graduates from tech courses every year – 4,500 out of 7,500 students.



26. Our new TechSkills Accelerator (TeSA) for ITE and Polytechnics (TIP) Alliance, brings together companies which have committed to supporting these students with attractive career pathways – including internships, apprenticeships, and work-study programmes.

27. With the support of progressive employers and structured opportunities, many will be able to contribute in roles such as data engineers, database administrators, and application developers. We welcome more firms to join us in this effort.

28. The fierce competition for tech talent also means that Singapore must remain open to global talent. They bring expertise and skills that help sustain the growth of our Digital Economy – and create jobs and value for Singapore.

29. Businesses can continue to tap on channels like Tech@SG and Tech.Pass to bring in top-tier tech talent. Channel NewsAsia recently featured a notable Tech.Pass holder, Mr Edward Chiang who co-founded Arbo Works last July. In a few short months, the FinTech company grew rapidly and employed 16 more Singapore locals. We will continue to support firms like Arbo Works that contribute to our economy and tech ecosystem while creating opportunities for Singaporeans.

Co-creating our digital future

30. This brings me to my third and final point today: the importance of maintaining Singapore's open, inclusive, and innovation-driven stance for the global Digital Economy. Having open and interoperable digital architectures is crucial for any Singapore business to plug in to the rest of the world's opportunities.

31. For this reason, we have been pursuing Digital Economy Agreements (DEAs) with like-minded partners, which align digital rules and standards, and facilitate greater interoperability between digital systems. Singapore has signed DEAs with four countries, most recently the UK. We have also concluded a DEA with the Republic of Korea in December 2021.

32. For emerging areas such as cybersecurity and AI governance, we have contributed significantly to the conversation at international level, through platforms, to encourage greater transparency, accountability, and humane use of technology.

33. These efforts are founded on a recognition that the challenges and opportunities of the digital domain are complex, and global in nature. And the only means to resolve them, is if we do it together in partnership with others. This willingness to partner with and learn from others must define our approach to growing the Digital Economy in Singapore.

34. We are proud to count the SBF, as a trusted partner, in driving digital transformation for our economy. This is why IMDA renewed its Memorandum of Intent with SBF at the FECE in 2020, with a target of helping 2,500 businesses to accelerate their digital transformation.

35. We look forward to working with all of you to build a vibrant digital economy that is connected, secure and resilient. I wish everyone the best in their digital journey, and a very fruitful discussion today. Thank you.

