

SINGAPORE BUDGET 2018

Maritime industry gets S\$100m more to push for automated, digital future

By Tan Hwee Hwee
hweetan@sph.com.sg
@HweetanBT

Singapore

THE Maritime and Port Authority of Singapore (MPA) will pump another S\$100 million into the Maritime Cluster Fund (MCF) to help the industry test and embrace new technologies, and groom talent for a digital, automated maritime future.

Senior Minister of State for Transport Lam Pin Min said at the Committee of Supply debate for his ministry on Wednesday that the MCF is expected to support about 30 new projects and benefit some 5,000 people annually. The injection of funds by the MPA will lift the total investment in the MCF since 2007 to S\$285 million.

Dr Lam, who is also the Senior Minister of State for Health, added that the Maritime Transformation Map (MTP) programme to be rolled out over the next few months will co-fund, with matching investments from industry partners, the develop-

ment of technology with high potential for industry application.

Automation and digitalisation in particular, have been identified as key growth drivers for Maritime Singapore by enhancing connectivity and productivity and encouraging innovation.

Singapore saw strong throughput growth last year, despite tough headwinds and keener competition from neighbouring ports in Malaysia and the larger Asia. The volume of boxed cargoes handled here grew 8.9 per cent to 33.7 million TEUs (20-ft equivalent units) last year.

But MPA chief executive Andrew Tan said there is no time for complacency. Singapore needs to “continue to enhance its value proposition by strengthening its connectivity, building a vibrant innovation ecosystem, and developing a future-ready and skilled maritime workforce”.

Digitalisation has been transforming global transportation and supply chains, blurring the lines between the

shipping and logistics industries and forcing companies to rethink the way they do business – or risk being bypassed, said Dr Lam.

In the marine-fuel trade for instance, major shipping lines are now more inclined to deal directly with physical suppliers. Traders who used to act as middle-men on the supply chain now risk being bypassed.

The MTP aims to help the industry stay ahead of the pack by deepening Singapore’s maritime R&D capabilities in four focus areas:

- Being an intelligent world-class, next-generation port (NGP);
- Operating smart autonomous vessels and maritime operations;
- Managing strategic sea space and maritime traffic; and
- Ensuring effective maritime safety and security.

■ Continued on next page

➤ **More Singapore Budget 2018 reports, Page 2**

Maritime industry gets S\$100m more to push for automated, digital future

■ Continued from Page 1

From 2021, Singapore's NGP, now being developed in Tuas, will start operating in phases. PSA Singapore is testing the facility's automated terminal operation systems, including automated guided vehicles and yard and quay cranes, with an eye on deploying such systems.

The MPA, PSA and other government agencies will also experiment with concepts such as inter-modal logistics, and look into setting up a port and logistics cluster in Tuas to spur the development of more efficient supply-chain systems.

But to ensure companies and workers here benefit from the sector's transformation, concerted efforts must be directed at building the capabilities of local enterprises.

The MPA has identified technology enterprises as among the non-traditional players it hopes to groom, with the aim of expanding the range of maritime services available here.

Dr Lam said the MPA has already extended funding to local start-up XjeraLabs, which has been working with Jurong Port to develop proof-of-concept for a system that uses video analytics to track container vehicles at the port; the system will remove the need for manpower to run additional checks on cargo trucks entering or exiting Jurong Port.

To give more start-ups like XjeraLabs a helping hand, the MPA has teamed up with the National University of Singapore to jointly launch the Maritime Technology Acceleration Programme (MTAP). The MTAP aims to encourage maritime players to ramp up innovation, experiment with concepts and venture into new growth areas by working with technology start-ups.

The MPA is also setting up a one-stop data repository, known only as the SG-MDH, which will enable the development and test-bedding of digital apps and services for the maritime industry.

By the third quarter, the SG-MDH will make available public access to real-time port and ship-related data including vessels' arrival and departure times and their positions.

Beyond systems and technologies, the MPA recognises that the transformation of the sector needs to be backed up by re-skilling and re-tooling of the maritime workforce.

To this end, the MPA has lined up a programme – to debut by next year – to groom a pipeline of talent for leadership and management positions in the industry's digital future.

The MPA will co-fund 70 per cent of eligible expenses incurred by companies committed to training local talent through structured rotations and overseas attachments. It aims to partner up to 20 maritime companies with a strong focus on human capital under GTP over the next seven years.