

MARITIME SINGAPORE ECOSYSTEM: WHAT NEXT?

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Singapore's founding Prime Minister, Mr. Lee Kuan Yew, once said, "What I fear is complacency. When things always become better, people tend to want more from less work." While he was talking about complacency among the general populace, this applies as much to the whole country as well as the ecosystem.

Xinhua-Baltic Exchange has rated Singapore as the leading International Maritime Centre (IMC) of the world for the last 7 years. Maritime Singapore has not become nor should become complacent. It must continue to re-invigorate itself and adapt to the changing world around us.

Learning from the past and adapting to the "new normal"

When we look at London's rise into a leading maritime centre over the years, till it was overtaken by Singapore, it is closely linked to the colonial past of Great Britain.

While the Industrial Revolution provided the greatest boost to the industrial and manufacturing activities, it could only be sustained by supply and demand – supply of raw materials for the manufacturing activities and demand for the finished goods manufactured. The colonies provided both – a cheap and abundant supply of raw materials and natural resources and a ready market for finished goods. As colonization gained momentum, the industrial production helped the growth of ancillary services such as trade, shipping, finance and legal services. The British Pound was the “default” currency of trade well into 1960’s and this position was usurped by the US Dollar thereafter.

Post-colonization, we did see a decline of industrial and the ancillary services but very few tangible substitutes were initially available. Over the past 50 years, the industrial production has decisively moved into Asia, along with trade, shipping, finance and legal services. London remains an important centre but has lost its pre-eminence.

The key observation here is that there has been a decoupling of the various aspects of the ecosystem and Singapore’s rise has not been on back of huge industrial production, but on providing value-added services to the world. This is important as the ability of Singapore to adapt to changes is much greater, when the ecosystem is nimble and service focussed rather than being asset heavy and slow to change.

While COVID-19 has decidedly impacted Singapore’s economy, the fact that the global economy is adjusting to the “new normal” is sufficient cause for Singapore to return to providing value-added services, albeit in new forms and means. The Maritime Singapore ecosystem is no exception to this – it will continue to service the global trade but will need to constantly re-invent itself and think outside the box.

Individual companies are facing different challenges due to COVID-19 and related issues. They are all adapting to these challenges in their own ways. Work from home has become the norm and even where exceptions are allowed, most companies are working on a roster basis with only a few employees attending the office at any given time. For this system to succeed, the companies and their employees need to have access to the top of the rack infrastructure in terms of equipment and connectivity. Singapore is quite well equipped to provide same.

Another challenge with Work from home is loss of team camaraderie, due to absence of physical interaction within the entire team. One does not realise this, but the team members learn a lot from each other as they observe and interact with each other. This is missing now. Some companies have formed “mini-teams” which come together on scheduled days and manage a part of the activity. This hybrid model is here to stay for some time to come.

The actual dwindling and changing trade flows, ability to efficiently run the ships due to lack of adequate crew change opportunities resulting in a fatigued crew, and the physical impact of employees



and crew contracting COVID-19 are real challenges as well. Here the power of information technology, collaboration with government authorities and harnessing the predictive Artificial Intelligence are potential solutions and they will equip the companies with tools to blunt, if not prevent, the adverse impact of these challenges.

We have to keep in mind that the maritime industry is used to market cycles and has weathered past shocks such as the 2008 Financial Crisis and come out stronger from these cycles and shocks. Though currently imbibing a little more uncertainty, COVID-19 pandemic will hopefully be another “speed breaker”, surmounting which the industry will again pick up speed and recover.

New roads being built do not necessarily mean that old paths have to be destroyed

It is important that the strong foundation laid so far is not wasted and the measures that have proved a success are continued. The Maritime and Port Authority of Singapore (MPA) has been extremely successful in bringing the major maritime players into Singapore, some of them even moving their headquarters into Singapore. Enterprise Singapore¹, the government entity committed to enterprise development and development of Singapore as a global trading hub, has had the same success with trade companies. This makes Singapore totally unique, in that the maritime and trade companies are literally a stone’s throw from each other. This is a huge advantage and only valued when it is not around.

These efforts of attracting new companies to come in and current companies to expand their operations and activities must continue. For example, with a thriving digital and innovation ecosystem, more companies must be encouraged to set up or expand their digital operations in Singapore, taking advantage of this ecosystem. The linkages must be strengthened even further and aggressive

¹ Enterprise Singapore (ESG) is the government agency championing enterprise development. Its mission is to grow stronger Singapore enterprises by building capabilities and accessing global opportunities, thereby creating good jobs for Singaporeans. ESG also supports the growth of Singapore as a hub for global trading and startups.



canvassing and pitching must be done by ventures such as PIER71, a collaboration between MPA and NUS Enterprise on developing the first industry-wide acceleration programme for the port and maritime industries, to the maritime companies in Singapore, Asia and the World.

Further, the personnel at MPA will be able to efficiently highlight the relevant value propositions of the ecosystem if they understand how a shipping entity works and uses this vibrant ecosystem. Projects targeting this need are also currently underway to provide exactly this understanding.

You do not need to be miles ahead of competition but just a few steps

Maritime Singapore has been smart enough to undertake a few sustainable measures and invest for future. This has ensured that even with an ever-changing environment, we are still a few steps ahead. The world is levelling at a rapid pace and technology travels across the globe in a flash, taking away any first mover advantage.

Investments in talent is one of those investments for the future. With a growing reservoir of young maritime talent and fantastic skills upgrade programs for the current workforce, the companies will look

to expand in future, within Asia & beyond, using Singaporean talent and that could be a real “first mover advantage”.

Another linked aspect to remember is that, unlike all other professions like law and medicine, commercial shipping is one of the few professions which does not have mandatory entry qualifications and no continuous professional development at all. Maritime Singapore must try and equip the current and future commercial maritime professionals, working in Singapore, with some basic qualifications in commercial shipping and provide a certificate for such qualifications, which should command some positive value when such professionals apply for positions in Singapore.

The IMC 2030 Advisory Committee² was established by the MPA in 2016. In their report, the Committee, chaired by Mr Andreas Sohmen-Pao, Chairman of BW Group, and comprising 21 other global business leaders and experts from diverse sectors such as maritime, finance, commodities trading, logistics, finance and technology, highlighted the value of bodies such as Institute of Chartered Shipbrokers in terms of Maritime Education and Professional Qualifications. A possible tie-up could bring such a course into existence and thereafter it is the cumulative efforts of the community, which can practically implement such an effort through employment practices.

Why should I voice out my “non-traditional” views? Because I know they will be heard objectively and implemented diligently

As the ecosystem develops, ideas that would have previously seemed “radical” or “non-traditional” get accepted as “out of the box thinking”. The receptiveness and reaction to such ideas turns positive. Maritime Singapore has evolved to such a stage quite quickly. This ecosystem is primed to change the way the maritime industry operates and lead the way to such a change.

An “out of the box” idea could be to offer an all-inclusive “Maritime Singapore” package to companies who are either already in Singapore or planning to locate to or open an office in Singapore. This package could give the companies membership and access to all the various relevant Maritime Singapore bodies and organisations. Assume that a ship owning company sets up operations in Singapore and opt for this package, they will automatically get membership and access (subject to individual vetting procedures) to Singapore Shipping Association, Baltic Exchange, Singapore Chamber of Maritime Arbitration and all related bodies. Choosing this package would make it easy for the companies to move into the Maritime Ecosystem and MPA would be actively facilitating such a move.

Another idea could be to set up an interactive platform for the companies to access ALL the current digital solutions on offer in Maritime Singapore ecosystem (and even beyond) indicating which type

² The International Maritime Centre (IMC) 2030 Advisory Committee submitted the IMC 2030 Strategic Review report to the Singapore Government in 2017. The Committee’s vision is for Maritime Singapore to be the Global Maritime Hub for Connectivity, Innovation and Talent, and this is centred on strengthening existing clusters of maritime and related activities and creating new ones.

of shipping activity they are most suited for – chartering or operations or dispute resolution etc. By getting constant updates and developments, the interest in as well as the uptake of such digital solutions will increase. Currently there are lots of “exchanges” which collate the various accelerators, which are active in maritime but do not actually help categorize and update the status of the actual digital solutions on offer.

It takes a village....

As they say, “it takes a village to raise a child”. Maritime Singapore has succeeded so far and will continue its successful run only with complete participation from all the stakeholders and it must provide the tools to ensure the greatest participation from such stakeholders. As the global challenges such as COVID-19 have highlighted, we are much more connected globally than ever before and thus eventually the “village” must expand beyond the shores of Singapore, with Maritime Singapore and its ecosystem playing a key role in maritime developments across Asia and beyond.

What we must never be is complacent and what we must always be is competent.

Views expressed by the author may not necessarily be those of MPA.