

# **SPEECH BY MR HENG SWEE KEAT, MINISTER FOR FINANCE, AT THE OFFICIAL LAUNCH OF NTP, AT ORCHARD HOTEL SINGAPORE, ON 26 SEPTEMBER 2018 AT 10.30AM**

Distinguished guests, ladies and gentlemen,

1. Good morning. Since I announced the development of NTP in my Budget Speech in 2016, all of you here have been hard at work, and working together to co-create this NTP.

## **Introduction**

2. Trade has been at the centre of life in Singapore from our founding days, and remains the lifeblood of Singapore today. Over the years, we have added to our position as a natural node for the flow of people, ideas, services and goods, by innovating our trade facilitation processes.
  - a. In 1989, we launched Singapore's national single window, TradeNet, and it was a world's first. Today, according to the World Customs Organisation, about half of the world's customs authorities use a single window system. Our TradeNet system boasts a service delivery of processing 99% of permit applications within 10 minutes – this is one of the fastest rates in the world.
  - b. In 2007, we built upon this by launching TradeXchange, as part of an effort to house commercial trade services under one roof.
  - c. Still, we sensed that more could be done.

## **NTP – A Transformational Initiative**

3. Today, a single trade can involve over 25 parties, generating 30-40 documents, and requiring 60-70% of the information to be manually re-entered at least once.
  - a. This is not a new problem. Numerous digital solutions have sprung up around the world to address this. But, many of these function as either a purely regulatory or purely commercial platform.
  - b. If we can stitch the disparate standalone systems, or digital islands, together, and bridge the Government agencies and business community, the potential value to the economy is significant and transformational.

- c. But this is not an easy task, as there are multiple parties across different sectors – ranging from manufacturing to logistics, shipping to finance – and numerous regulatory and legal jurisdictions are involved.
4. NTP seeks to digitalise trade documentation and processes, and connect the different digital islands, to transform the trade landscape, in order to achieve three benefits:
  - a. Raise productivity;
  - b. Boost competitiveness; and,
  - c. Create new opportunities.

### Raise productivity

5. First, the NTP will raise productivity for traders by digitalising the paper trail.
  - a. The NTP is a one-stop trade platform that connects industry players digitally. As a Government-owned and operated platform, the NTP is trusted, open to all service providers and not-for-profit. Shippers can easily store physical documents in digital formats, streamline data and exchange the digital documents with partners, all within the same space and with peace of mind.
  - b. In addition, the NTP gives traders access to third-party service providers whose offerings include trade news, logistics planning and execution logistics, financing, customs declarations and payments reconciliation. Companies can re-use and share data from permit declaration with these services, speeding up the coordination process. This will allow companies to significantly speed up and streamline their business processes, which is critical in a trading relationship.

### Boost competitiveness

6. Second, the NTP will boost traders' competitiveness with trusted data, giving more accurate analysis.
  - a. Data and data integrity will be increasingly critical to companies' competitiveness. Poor quality data can result in poor decisions, causing missed opportunities, loss of revenue and even reputational damage. Good quality data can lead to better decision making, productivity and marketing, thereby boosting the competitiveness of firms.
  - b. Let me give you an example.
    - i. Today, it takes about 5 days to move a container by sea between Singapore and Shanghai.

- ii. Documents often lag cargo arrival.
- iii. Yet, without trusted data, documents are the only reliable option for many traders, their business partners, logistics companies and even their banks, when it comes to verifying that the trade has taken place or certain services have been rendered. Each stakeholder make decisions based on these documents.
- iv. Now, imagine NTP is able to transmit trusted and accurate data, from source, be it your shipping line, bank or trucker, to your business partners, according to your directions.
- v. Stakeholders who use this tool to plan better and cut wastage and lags, will be able to do their job better, get paid sooner, and be more competitive.

### Creating Opportunities

7. Third, the NTP will create new opportunities for both logistics and digital trade related service providers, by giving them access to the wider trading community.
  - a. The NTP is also creating growth opportunities for our local companies, in particular start-ups. I am glad to see Singapore start-ups like Versafleet, Hakovo and Capital Match among the Value-Added Service providers on the NTP, providing services such as fleet management, global ocean freight services and invoice financing. In fact, Singapore-based startups form almost one third of the current businesses who are offering trade-related services on the NTP alongside established players.
  - b. The NTP's digital platforms will also allow us to better match demand and supply in the trade supply chain, and discover new growth opportunities in the process.
    - i. For example, crowdsourcing platforms can introduce new players into previously unexplored markets and open up more opportunities. On NTP, several supply chain financing VAS providers are now able to match investors to companies seeking financing.
    - ii. For example, logistics service providers can list their excess capacity which would otherwise not be utilised. Trucking companies, carriers or other logistics services may have space or capacity which goes unutilised. With NTP, these pockets of availability can be brought to the attention of the trading community, increasing the likelihood of full utilisation of services. This creates a more efficient market which strengthens the industry as a whole.

### Co-creation, Innovation, & Early Adoption

8. I've spoken about how the NTP will transform our trade landscape by raising productivity, boosting competitiveness and creating new opportunities. We are able

to achieve this by incorporating 3 important elements in developing the NTP. They are:

- a. Co-creation;
- b. Innovation; and,
- c. Early Adoption.

9. One of the key success factors of NTP is co-creation. Government is also facilitating partnerships between commercial service providers to provide solutions that give traders better access and greater convenience. For example, we have worked with 9 leading trade finance banks and a value-added service provider to build a multi-bank trade finance application portal on NTP. This will give traders access to multiple banks with a one-time connection via NTP. All 9 banks will also be able to expand their access to the market to reach new clients.

10. NTP's blend of business-to-business (B2B) and business-to-government (B2G) services, and inclusion of third party service providers on its open platform are innovations. They will allow new business models and value creation to take place.

11. None of this would be possible without the active participation and hard work of our partners and early adopters.

- a. I would like to commend the working group members for your spirit of collaboration, even though some of you are competitors in business, in service to a common purpose that will benefit all players.
- b. Our 34 Value-Added Service providers also deserve praise for being early adopters of the NTP. Your participation has helped us enrich the NTP's offerings.
- c. With the continued collaboration of our stakeholders, I am confident that the NTP can be of good value and service to users.

### **Connecting with the world**

12. TradeNet was groundbreaking in its day for becoming the world's first National Single Window system. Even so, it was a B2G system, linking up traders with customs and other competent authorities in Singapore. With NTP, we are broadening the scope to not just include but integrate the B2B and B2G transactions, to nurture a thriving trading community in Singapore. Trade is cross-border and global, and I would like to see us take the next big step to make NTP a truly end-to-end platform for Singapore that is also connected globally. I would like

to see us connect with our major trading partners – in ASEAN, Asia and around the world – linking government agencies, customs authorities, and businesses across borders.

13. I'm glad we are indeed working towards this, and there is substantial work in progress.

- a. On the regional front, ASEAN members are working towards the ASEAN Economic Community, to achieve greater economic integration, and to expand intra-ASEAN and intra-Asia trade. Singapore, together with Indonesia, Malaysia, Thailand and Vietnam, are the first five to go "live" in Jan 2018 with the implementation of the ASEAN Single Window (ASW), a digital connection that allows the exchange of ASEAN Trade in Goods Agreement (ATIGA) certificate of origin form D. ASEAN Member States are also looking into extending the ASW to transmit more trade documents in the next stage.
- b. Singapore Customs is in discussion with China Customs to link up our single window systems to facilitate trade declarations and smoothen trade flow for businesses. China is Singapore's top trading partner with a trade value of \$117 billion. We hope this digital linkage will create value for our partners.
- c. We are exploring ideas with the Customs Administration of the Netherlands to use technology to achieve greater connectivity with Singapore via the NTP in trade regulatory processes.
- d. We are working with a Japanese consortium, led by MUFG Bank and NTT Data Corporation, on a platform to make cross border flow more secure, efficient and transparent.
- e. And there is an NTP workgroup developing a digital information exchange project to speed up the import and export of agri-related commodities (e.g. meat), by, for example, removing the need for traders to print hardcopy certificates.

14. These examples are just the start of what we aim to do in global connectivity. The team will be happy to hear your suggestions. I hope more partners will join us to together create a strong system, making the best use of technology, of real value to all our partners and the global community.

## **Conclusion**

15. This morning, I've shared our journey from TradeNet to NTP.

- a. NTP is a transformational platform, which will take us from a traditional national single window which gives traders a one-stop interface for all trade related regulatory transactions, to a one-stop interface that will enable them to interact with all business partners, stakeholders and regulators on trade related transactions. This will help companies raise productivity, boost competitiveness, and uncover new opportunities.
- b. In developing NTP, our Customs authority has taken the approach of co-creating and innovating with our partners, and seeking the support of our trading community. Your early adoption set the momentum. I thank all our partners for this.
- c. Going forward, we must work towards greater connectivity, especially with our trading partners around the world. Our vision is for this to be a truly global network, to enable the efficient flow of goods and services, linked to a secure flow of financing, facilitated by a swift exchange of data, so that all parties, including regulatory and Customs authorities, can work together to facilitate trade.
- d. The trading system is a complex network. Even as we make improvements, new challenges and new opportunities will arise. Given the spirit of collaboration and outreach we've seen, I am confident we can continue to work together to achieve even more.

16. Shortly, we will unveil what the letters "NTP" stand for. The team has put thought and heart into this name – they want it to reflect the importance and power of connecting ecosystems.

- a. We hope that NTP will connect and benefit traders and industry players in Singapore and beyond.
- b. We invite you to be part of the NTP – to use it, to champion it, to help us improve and expand on it in the days to come, towards a truly global and connected trade community.

17. Thank you.