

MEDIA RELEASE

ALLIANCE FOR ACTION PILOTS NEW DATA INFRASTRUCTURE TO INTERCONNECT SUPPLY CHAIN ECOSYSTEM

Work underway to create a digital utility for supply chain ecosystem to share data in a trusted, secure and inclusive way

Singapore 16 Nov 2020 – The Alliance for Action (AfA) on Supply Chain Digitalisation has brought together public and private sectors to pilot a common data infrastructure to benefit the supply chain ecosystem. This digital utility facilitates data sharing and enables businesses large and small to ‘plug and play’ into the infrastructure easily. As a start, the AfA will develop two solutions to strengthen trade finance and to help container flow node decongestion.

2. Globally, we are seeing a reconfiguration of trade flows and supply chains towards regionalisation both physically and digitally. COVID-19 has accelerated these shifts, as countries and companies re-evaluate their supply chains to balance efficiency and resilience. With disruptions caused by COVID-19, digital transformation has gained greater momentum as businesses seek to increase efficiency and productivity.

3. These fundamental shifts expose both vulnerabilities and opportunities for Singapore. For Singapore to remain relevant in the growing digital economy, it is laying a common foundational layer with digital utilities that enable businesses to move into the digital domain, build a stronger and more robust supply chain ecosystem for international trade flows, thereby advancing our position as a global supply chain and trading hub.

The Alliance for Action on Supply Chain Digitalisation

4. Recognising the need to act swiftly and decisively in these unprecedented times, the Emerging Stronger Taskforce (EST)¹ convened seven Singapore Together Alliances for Action² in June this year, to seize opportunities amidst a global crisis. The AfA on Supply Chain Digitalisation was formed to examine how ecosystem players can participate meaningfully in the digital economy, to co-create a supply chain future that is trusted, efficient and resilient.

¹ The Emerging Stronger Taskforce (EST) was formed under the Future Economy Council (FEC) to review how Singapore can stay economically resilient and build new sources of dynamism to emerge stronger from COVID-19.

² The seven AfAs formed are in the areas of Digitalising Built Environment, Robotics, Supply Chain Digitalisation, Sustainability, Edutech, Facilitating Smart Commerce, and Enabling Safe and Innovative Visitor Experiences.

5. The AfA is co-led by Mr Tan Chong Meng, Group CEO of PSA International and Co-Chair of the Emerging Stronger Taskforce, and Mr Tan Chin Hwee, CEO-Asia Pacific of Trafigura Group. Over the past three months, the AfA has brought together more than 50 supply chain players ranging from multinational corporations (MNCs) and large local enterprises (LLEs), to small and medium enterprises (SMEs), startups, and government agencies, to jointly identify pain points, opportunities and solutions across the end-to-end supply chain customer journey.

6. The industry engagements have surfaced significant inefficiencies in physical event, documentation and financial information flows across the value chain currently. These result in considerable cost and asset underutilisation that affect enterprises of all sizes, in many locations. Together with industry stakeholders and in consultation with government, the AfA has arrived at the need for a **common data infrastructure** to resolve critical pain points in the ecosystem. The Infocomm Media Development Authority (IMDA) and other government agencies will work with the AfA on a pilot to develop this common data infrastructure.

Common Data Infrastructure

7. A common data infrastructure will facilitate **trusted and secure data sharing** between industry players, to drive efficiency, productivity and resilience through information flows across the ecosystem. Development of the common data infrastructure will be guided by the principles of:

- (i) open, trusted and secure data sharing;
- (ii) scalability and interoperability with local and global data platforms; and
- (iii) timely accessibility to all players across the value chain

The common data infrastructure will augment existing data sharing systems and platforms by connecting the supply chain end-to-end, creating visibility and transparency, linking importers/exporters, shipping companies and financial institutions. It will provide both large and small companies with access to exchange data in an efficient, trusted and secured way.

8. As part of the pilot phase for the common data infrastructure, the AfA will be conducting trials with industry players for two use cases.

i. Strengthening trade finance and converging efficiencies:

Financial institutions (FIs) currently have limited visibility over the physical movement of goods in the supply chain. This reduces the ability of the trade finance industry to address demand from shippers. For sellers, digitally tracking the physical movement of their goods throughout the supply chain will improve visibility and traceability across the trade process, allowing them to make better decisions.

The common data infrastructure will improve process flow efficiency, where FIs will be able to provide and access data directly from trusted parties, in order to reconcile trade details with the physical movement of goods. This helps all players reduce dependency on physical documents, improve data flow

and builds greater trust across the trading and financial communities. It complements other initiatives such as TradeTrust to digitalise trade documents, and the Trade Finance Registry amongst the banks to mitigate against risk of duplicate financing.

ii. Container flow node decongestion:

Logistics players face frequent congestion at container flow nodes, such as depots and warehouses, due to limited end-to-end visibility of container flows. This results in long waiting times and therefore sub-optimal asset utilisation and additional cost. To address this challenge, through the common data infrastructure, major shipping lines, depot operators, warehouse operators and hauliers, can share (with consent) key operational and event data such as container bookings, time slot bookings, job management and other data to enhance end-to-end logistics operations visibility. This will improve planning and asset utilisation, efficiency and productivity, reinforcing Singapore's place as a logistics hub.

9. “A common data infrastructure is part of IMDA’s drive to put in place digital utilities as baseline infrastructure for the digital economy. Similar to their physical counterparts, digital utilities provide common standards and functionalities to enable data to flow and transactions to be made. Companies and platforms will also be able to build additional services and offerings on top of these open digital utilities. This brings about more value and enhances capability for all industry participants,” said Mr Lew Chuen Hong, Chief Executive, IMDA.

10. “COVID-19 has revealed both vulnerabilities and opportunities in the global supply chain ecosystem. It is Singapore’s ability to rally together multiple stakeholders to co-create and bring a common vision of supply chain end-to-end visibility to fruition, that will set us apart as a trusted global trade and logistics hub. The development of a common data infrastructure is our opportunity to enable large and small businesses to optimise their supply chain flows through Singapore, promote long-term sustainability as a key nodal hub in the global supply chain, and at the same time, support Singapore businesses in expanding their export markets,” said Mr Tan Chong Meng, Group CEO, PSA International.

11. “During this pilot we are working alongside Singapore banks to access data directly from reliable sources and parties to reconcile trade details with ease and potentially to detect and mitigate trade related fraud. Building a ‘digital twin’ of the physical movement of goods will improve visibility across the trade process, and help stakeholders reduce dependency on physical documents in the long term,” said Mr Tan Chin Hwee, CEO-Asia Pacific of Trafigura Group.



Related Resources:

Annex A – Quotes from Supply Chain Ecosystem

Annex B – Case Study of Industry Challenges

About Infocomm Media Development Authority (IMDA)

The Infocomm Media Development Authority (IMDA) leads Singapore's digital transformation with infocomm media. To do this, IMDA will develop a dynamic digital economy and a cohesive digital society, driven by an exceptional infocomm media (ICM) ecosystem – by developing talent, strengthening business capabilities, and enhancing Singapore's ICM infrastructure. IMDA also regulates the telecommunications and media sectors to safeguard consumer interests while fostering a pro-business environment and enhances Singapore's data protection regime through the Personal Data Protection Commission. For more news and information, visit www.imda.gov.sg or follow IMDA on Facebook IMDAsg and Twitter @IMDAsg.

About PSA International (PSA)

PSA International (PSA) is a leading port group and trusted partner to cargo stakeholders. With flagship operations in Singapore and Antwerp, PSA's global network encompasses over 50 locations in 26 countries around the world. The Group's portfolio comprises 60 deepsea, rail and inland terminals, as well as affiliated businesses in distriparks, warehouses and marine services. Drawing on the deep expertise and experience from a diverse global team, PSA actively collaborates with its customers and partners to deliver world-class port services alongside, develop innovative cargo solutions and co-create an Internet of Logistics. As the partner of choice in the global supply chain, PSA is "The World's Port of Call". Visit us at www.globalpsa.com

About Trafigura

Founded in 1993, Trafigura is one of the largest physical commodities trading groups in the world. Trafigura sources, stores, transports and delivers a range of raw materials (including oil and refined products and metals and minerals) to clients around the world. The trading



business is supported by industrial and financial assets, including a majority ownership of global zinc and lead producer Nyrstar which has mining, smelting and other operations located in Europe, Americas and Australia; a significant shareholding in global oil products storage and distribution company Puma Energy; global terminals, warehousing and logistics operator Impala Terminals; Trafigura's Mining Group; and Galena Asset Management.

The Company is owned by around 700 of its 8,000 employees who work in 80 offices in 41 countries around the world. Trafigura has achieved substantial growth over recent years, growing revenue from USD12 billion in 2003 to USD171.5 billion in 2019. The Group has been connecting its customers to the global economy for more than two decades, growing prosperity by advancing trade. Visit: <https://www.trafigura.com>

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Quotes from Supply Chain Ecosystem

“Covid-19 and changes in the global geopolitical scene continue to affect international trade patterns in unprecedented ways. Digitalisation is needed to pave the way for more sustainable and resilient supply chains that foster greater transparency and trust. This can only be achieved with close collaboration among all partners in the trade ecosystem to accept digital data as a trusted medium of exchange and communication. Thus, this makes it even more critical today for financial institutions and trading partners to work together in the development of a common data infrastructure to enhance efficiencies and remain competitive in the new normal. This in turn reinforces Singapore’s position as a progressive and forward-thinking digital trade hub and builds on our ambition to be Asia’s leading gateway for global trade flows.”

- *Tan Su Shan, Group Head of Institutional Banking, DBS*

“The pilot common data infrastructure seeks to help companies along the entire supply chain ecosystem – from logistics and warehouse companies, oil terminals, the shipping industry to manufacturers - operate more efficiently. This cooperation builds on Singapore’s strength in harnessing public-private sector partnership to deliver positive outcomes for Singapore as a business and logistics hub,”

- *Geraldine Chin, Director, ExxonMobil Asia Pacific Pte Ltd*

“Standard Chartered welcomes the opportunity to contribute our digital expertise to the Alliance for Action’s Supply Chain Digitalisation Taskforce and work alongside government agencies and key players in Singapore’s trade ecosystem to shape the future of trade and supply chain finance. Our extensive experience in using distributed ledger and other emerging technologies to digitise banking processes has enabled us to develop digital solutions that engineer faster, safer, as well as more efficient and transparent trade transactions for our clients. Establishing a common set of digital standards and guidelines around data sharing across trade platforms will be key to achieving enhanced interoperability, secured data flows, and a seamless e-invoicing experience for trade participants. We look forward to deepening our participation in this important initiative and together drive Singapore’s goal of enabling a seamless end-to-end digital supply chain journey.”

- *Patrick Lee, Chief Executive Officer, Standard Chartered Bank (Singapore) Limited*