

**Growing The Asian ICT Market Together--Address By Mr
David T E Lim, Acting Minister for Information,
Communications and The Arts**

By David T E Lim

HE Dr Surapong Suebwonglee
Distinguished guests
Ladies and gentlemen

Introduction

It gives me great pleasure to open today's seminar with HE Dr Surapong Suebwonglee. As usual, the warmth of Thai hospitality has been remarkable. May I, on behalf of my delegation, thank the Minister and all of you for your warm welcome.

Today's seminar by the Singapore-Thailand Chamber of Commerce reflects a strong and growing economic relationship between Thailand and Singapore. Our bilateral trade, for example, amounted to almost US\$12 billion in 2002. This was 6.2% more than the previous year, a faster rate than the GDP growth of Singapore and Thailand. Singapore is Thailand's 4th largest trading partner. A large part of this trade is made up of trade in ICT, that is infocomm technology-goods.

The substantial and growing trade between our two countries is a good indicator of the economic importance and potential of ASEAN. What we can achieve bilaterally is an example and a harbinger of what ASEAN can also do over time. The more we integrate our markets, the larger will be the economic opportunities that we create for our companies. And bigger and stronger our companies are, the more they will be able to succeed globally.

I am therefore glad to see that both Thai and Singaporean businessmen are present today to jointly explore new business opportunities in the ICT industry.

Reasons for Greater Thai-Singapore Collaboration

This is a good time for our companies to seek greater collaboration. Let me elaborate on three reasons why I believe this is so.

Strong Government to Government Ties

Firstly, there is excellent cooperation at the G-to-G level. Our ties are extensive and growing, and support for industry collaboration is strong. Over the years, various initiatives have drawn our two countries and governments closer together. In 1997, the Singapore Thailand Enhanced Partnership or STEP was formed. Amongst several goals, it set out to enhance economic relations and closer civil services ties. One year ago, our two prime ministers took this one step further. The Singapore Thailand Enhanced Economic Relationship or STEER was launched. We can expect this to lead to new initiatives to increase trade and investments.

In the area of ICT, for example, our civil service officers have exchanged notes

on our experiences in developing e-Commerce legislation and Public Key Infrastructure (PKI) for secure transactions.

We are now studying a number of initiatives that can be of practical benefit to industry.

One initiative is the establishment of a Mutual Recognition Agreement (MRA) for telecom equipment. Such an agreement will enable Thai telecom equipment that have been tested and certified in Thailand to be accepted in Singapore without further certification, and vice versa. This will save our businessmen money and time, and will boost trade in such ICT products. Consumers will also benefit, as lower costs and higher volumes will help to drive down prices.

The intent to have such MRAs amongst all ASEAN states was endorsed at the second meeting of ASEAN telecommunication ministers in Manila last year. An early completion of an MRA between Singapore and Thailand will therefore also facilitate the implementation of an ASEAN-wide MRA, and bring about even greater benefits to our businessmen.

A second initiative is to study how e-commerce can be enhanced. E-commerce is a proven technology and a growing trend in many countries. It provides both large and small businesses a new channel to grow their markets, by reaching directly to consumers.

But for e-commerce to grow, appropriate policies, systems and infrastructure must be put in place. One key need is a regional payment system to enable fast and low-cost settlement of retail payments made for e-purchases. This is a complex issue, but we can learn from the experience of others, such as the Euro Banking Association, how to deal with this.

The need to set up new systems is not confined to payments. For e-commerce and regional projects to succeed, we may also need to review other areas of policies so that we can deal effectively with new business concepts made possible by the emergence of new technologies. Such advances are rapidly creating new products and services that blur the line between the traditional sectors of broadcasting, telecommunications and IT.

Policy and regulatory frameworks must adapt just as quickly to keep pace with these changes. This is a third area where government to government exchanges can help to speed up the development of appropriate rules and structures that promote competition and market growth.

I hope that our businesses will take full advantage of such governmental initiatives and support to look for new businesses in Singapore and Thailand.

Good market opportunities

A second reason why this is a good time for businesses to explore collaborations is the market opportunities in our two countries.

Singapore and Thailand are both heavy users of ICT. This means that there are many opportunities for our businesses to learn from each other, and to extend business concepts from one market into the other.

The growth of Singapore's ICT market, for example, began back in 1980, when

our first national IT plan was launched. Prior to 1980. The government itself had only one computer, and one central department provided computer services for the entire government. That was the era of the mainframe computers. But technology was changing, and decentralized systems using mini-computers was emerging as a powerful alternative to the centralized approach.

In 1981, the Singapore government set up the National Computer Board or NCB. One of its roles was to set up an information systems department in every government ministry, so that we could develop new applications more quickly. Initially, the work was done in-house. But over the years, most of the work has now been out-sourced to the private sector.

At the same time, we also recognized that we needed to train more computer professionals. The NCB spearheaded this, and formulated a comprehensive manpower development programme to convert mid-career professionals from other vocations into IT specialists, and to launch new courses to turn out graduates in ICT.

Thirdly, the NCB also concurrently embarked on a nation-wide programme to encourage the use of computers, and to train people to use them. In this way, we both encouraged demand for more computerization, and prepared the necessary manpower to deal with the surge in demand. This combination of both supply-side capability building, and demand stimulation, enabled the ICT market to grow rapidly.

Today, the NCB has merged with the telecommunication authority to become an integrated agency, the Infocomm Development Authority of Singapore, or IDA. This new agency promotes and regulates the whole ICT sector.

Throughout our history of ICT development, progress was driven by the vision of using ICT to transform and benefit society. This shared vision made it possible to coordinate actions across the civil service, to build shared databases, integrated applications, and a national IT infrastructure, so that we could make full use of ICT to enhance national competitiveness.

Thailand has taken a similar approach, and shares a similar vision of deploying ICT across the government and economy. You have made rapid progress under your e-Government plan, your National ICT Masterplan and National Telecom Masterplan. Like Singapore, you too rely on your private sector companies to provide the impetus to bring about the realization of these plans.

This similar approach makes it easy for our companies to benefit from collaboration, because we share the same mental models of how ICT can be deployed.

In the software and solutions industry, the key to success is domain knowledge. This takes the form of both technical know-how and a keen understanding of the users' needs. Technical know-how encompasses aspects such as knowledge about key business processes, data structures, and how to code and configure solutions. User knowledge on the other hand covers other aspects such as organizational culture, local business practices, and the meaning and usage of data.

Singaporean companies with technical know-how will benefit from working with Thai partners that have user knowledge of the Thai marketplace, and vice versa. Working together, you can leverage your core strengths into new markets.

I am told that a number of joint projects are already underway. For example,

Singapore's electronic payment solutions provider, NETS, has partnered a Thai consortium to introduce the concept of "Digital Purse" in Thailand. This initiative will result in the distribution of stored value cash cards at all 7-Eleven stores in Bangkok. Thailand's CEO-Agenda Co Ltd is also partnering a Singaporean company, Ecquaria Limited, in the "Stamp Online" project to sell postage stamps and first day covers online.

When the dotcom bubble burst 2 years ago, some people said that the era of strong growth for the ICT market was over. I do not share that pessimism. As these examples show, there is still a lot of opportunity for growth. ICT is today a basic and essential capability and competitive tool for all industries. Whether it is government, hospitals, schools, airports or banks, ICT is a given necessity. And in all of these areas, more can be done to create greater value, and to improve productivity.

I hope therefore that the businesses here today will pool their collective capabilities to seek out new businesses, and start another wave of growth in the ICT industries.

Growing pan-ASEAN and pan-Asian companies

Such collaborations will expand your business, but even more importantly, it will bring you added resources, track record and market connections to compete in larger markets.

My third reason why this is a good time to collaborate is that the growing ASEAN and Asian markets today present an opportunity for us to build pan-ASEAN and pan-Asian ICT companies.

Two years ago, Singapore IT Federation (SITF), in response to Singapore PM Goh Chok Tong's call at the ASEAN Informal Summit in Nov 2000 to create an Asian IT Belt, proposed a "Connected Asia" initiative at the meeting of the ASOCIO – the Asian-Oceanian Computing Industry Organisation – in India. I was glad to learn that the Association of Thai Computer Industry (ATCI) supports this idea, and is working with the SITF to explore ways to implement this idea through events such as regional trade fairs, joint projects and shared databases of tenders and other business opportunities.

The Asian ICT market is a vast opportunity. For example, for the Asia-Pacific IT region alone, IDC Asia Pacific has forecast 11% growth this year, despite the uncertainty over global economic conditions. Indeed, many initiatives have been mooted to create bigger regional markets. PM Thaksin has initiated an Asia Cooperation Dialogue. PM Goh has suggested that ASEAN should move towards an ASEAN Economic Community. ASEAN is working towards FTAs with several countries. All of these initiatives will contribute towards bigger and more open markets.

"Connected Asia" builds on the same motivation behind these initiatives. The key idea is to build and benefit from an Asian ICT marketplace. We can do this by establishing more standards and common practices. This will lower costs for businesses and consumers, by increasing the scale of business opportunities. We can also increase the flow of capital and talents from one market by pooling resources,

creating cross certification schemes, and removing impediments to trade and investments. This will create a marketplace that is rich in deal flows and innovative ideas for new products and services.

Conclusion

Ladies and Gentlemen: the conditions are right for greater collaboration between Thai and Singaporean companies to tap business opportunities in our two countries, and leverage those opportunities into bigger success in the ASEAN and Asian marketplace. Singapore and Thailand share common views on how we can encourage growth in this industry. Our governments are working closely together to share experiences and compare notes. But in the end, it would be up to industry to seize the opportunities.

As PM Thaksin said to PM Goh at the 8th ASEAN Summit in Phnom Penh last November, "Singapore and Thailand can move faster and 'tango' together".

I hope, therefore, that this conference will spark off many collaborations that will not only enhance Thai-Singapore economic ties and ICT trade and investments, but will also help to build larger and stronger pan-ASEAN and pan-Asian companies. Thank you.

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