In the 20 years since the Maritime and Port Authority of Singapore (MPA) was established in February 1996, it has weathered many ups and downs with the maritime industry in Singapore, supporting the industry through various initiatives and programmes.

Over the years, concerted efforts by MPA, in partnership with the maritime industry, have helped to establish a multi-faceted and dynamic maritime ecosystem in Singapore that is resilient and adaptable to challenges. The country hosts over 5,000 maritime establishments offering a diversity of products and services, and is home to about 130 of the world’s top shipping companies. Employment levels in the maritime sector have also remained stable at around 170,000 jobs.

Singapore is also a regional hub for maritime law and arbitration, and the venue of choice for international maritime organisations and associations such as the Baltic Exchange, the Asian Shipowner’s Forum and the International Association of Independent Tanker Owners to set up their headquarters and representative offices.

In her speech at the Committee of Supply Debate 2016 in April, Josephine Teo, Senior Minister of State in the Prime Minister’s Office, the Ministry of Transport and the Ministry of Foreign Affairs, said that while the shipping industry has been sailing through rough waters, the medium-to long-term outlook is positive.

She noted how, despite the downturn, Singapore has clinched the top spot in the International Shipping Centre Development Index, which ranks the performance of major ports around the world, for two consecutive years.

In June, the Port of Singapore was also named the Best Seaport in Asia for the 28th time at the Asian Freight, Logistics and Supply Chain Awards, held in Shanghai, China.
GROWING FUTURE CAPABILITIES

Amid the tough conditions, MPA has lent a helping hand to the shipping industry. On top of enhancing the port dues concession to offshore support vessels in November last year, MPA has granted a 10 per cent concession on port dues to bulk carriers carrying out cargo works and staying not more than five days from April 15 this year. The concession will be available for one year. In January, MPA also announced an additional 10 per cent concession on port dues for container vessels calling at Singapore.

These concessions are on top of existing port dues concessions such as the Green Port Programme incentives and the 20 per cent concession first introduced in 1996. Taken together with the existing concessions, the full slate of concessions is expected to yield S$18 million in annual savings for shipping companies.

Singapore also continues to build long-term capacity in several different aspects. Through developing Pasir Panjang Terminal and the new Tuas Terminal, it continues to invest in building port capacity to meet the industry’s long-term needs. It is also investing in smart technology to boost productivity and transform current jobs into higher value-added jobs.

The use of smart technologies, such as the use of driverless vehicles to ferry container boxes around the Tuas Terminal, opens up new job opportunities in engineering and software development, while the deployment of a next-generation Vessel Traffic Management System at Tuas will require skilled data analysts and data scientists to predict congestion hotspots and avoid potential collisions.

To encourage research and development in the maritime cluster, a total of S$200 million has been set aside to support numerous research organisations and projects through MPA’s Maritime Innovation & Technology Fund.

PEOPLE DEVELOPMENT

Developing manpower capabilities for the maritime sector in Singapore remains a top priority. In total, MPA has set aside S$22 million for various manpower initiatives, which are expected to benefit some 5,000 Singaporeans.

Besides organising the inaugural Maritime Youth Festival later this year to promote the maritime sector among the young, the Singapore Maritime Foundation’s Maritime Singapore Connect Office is also intensifying its outreach efforts to link the industry with schools to promote internship and job opportunities. The office will also run an online portal that allows the public to access information on maritime careers and training opportunities.

MPA has introduced the Internship Reimbursement Scheme to help students gain relevant work experience and reintroduced the Graduates Attachment Programme to help university, polytechnic and Institute of Technical Education graduates gain industry experience in participating maritime companies. Under the new Maritime Career Conversion Scheme, MPA will help Singaporeans wanting to make a career switch into the maritime sector by subsidising training costs and providing wage support.

To ensure that the skills and knowledge of current employees remain relevant to the changing needs of the industry, MPA has also increased co-funding support for maritime companies for selected maritime training courses to encourage them to continue sending their local employees for training.

Said Andrew Tan, Chief Executive of MPA: “MPA will continue to commit resources to attract, develop and retain local talents in the maritime sector. The introduction of our various manpower schemes to provide support to maritime companies and a wide spectrum of our local talent pool reaffirms MPA’s commitment to developing a quality maritime workforce and ensuring that Singapore remains well-positioned when we emerge from the shipping downturn.”
RECOVERY ON THE HORIZON

Globally, the resilience of the maritime industry was also a key theme that emerged from the recently concluded Singapore Maritime Lecture – the anchor event of the annual Singapore Maritime Week. The event’s keynote speaker was Kristian Siem, who is Chairman of Siem Industries. The talk by the 44-year veteran of the oil service industry was followed by a lively discussion involving him, Teo Siong Seng, Managing Director of Pacific International Lines (PIL), and David Carbon, Managing Director of Economic and Currency Research for DBS Bank. The discussion was skilfully helmed by Singapore Maritime Foundation and BW Group Chairman Andreas Sohmen-Pao.

During the event, Siem said that the oil industry is going through a difficult period; after an extended period in which oil prices were seemingly on an unstoppable uptrend, the industry is now feeling the bite of falling oil prices. But he believes that the offshore oil service market is set to recover next year, or by 2018 at the latest. Lower development costs coupled with the need for operators to replenish oil reserves will drive this growth, he said, pointing out that the reserves’ replenishment ratios in 2015 were the lowest they have been since 2000.

“(The oil companies) will begin to look at the reality that they need to replenish reserves. They will see that the cost of field developments has come down in such a way that they can start developing economically. It’s only my guess; a shift in the thinking in the boardrooms will lead to more activity in 2018,” he added.

Despite the challenging conditions, Siem believes in the industry’s ability to face its difficulties. He said: “It is a great industry. We shall steer through this dark tunnel and find light at the end of it.”

CRISIS AND OPPORTUNITY

During the panel discussion, PIL’s Teo remained upbeat about the long-term prospects for the industry. He pointed to the Chinese phrase for “crisis” – weiji – composed of the words “danger” and “opportunity”, and raised the concept of weiji, in which crisis and opportunity are intertwined.

Teo noted that the industry will have to adapt to the new norm of slower economic growth, but he also pointed out: “Shipping and offshore marine are necessary parts of our livelihood. While there is a storm going on, there should be sunshine coming. The going will be tough, but there will still be opportunities in Asia, including Singapore. We can continue to attract the young into the industry, and we have a good chance of grooming winners.”

DBS’ Carbon also talked about the slowdown in terms of growth, saying: “You will have to get used to (the slower growth). Growth is slowing because incomes have gone up, and populations are growing slower as they age.”

On the bright side, he said that Asia is speeding up in some ways. “Even with slower growth, there is still a lot of dollar growth here,” he said.