

**Speech by Senior Minister of State for Communications and Information & National Development, Ms Sim Ann, at the Opening Ceremony of the Virtual ASEAN Responsible and Inclusive Business Forum on 10 December 2020**

Ms Yanti Triwadiantini, Chair, ASEAN CSR Network

Distinguished guests,  
Ladies and gentlemen,

1. Good morning to all of you. Let me first thank the ASEAN CSR Network for the kind invitation to speak today.

2. I would like to start by saying that 2020 has been an extraordinary year. To date, COVID-19 has registered more than 68 million cases worldwide. Many countries are contending with the second, third, or even fourth wave of the pandemic. Even as we see encouraging news in vaccine development, it will take some time before we successfully suppress COVID-19.

**Rethinking Our Strategies for the Digital Economy**

3. The pandemic has given digitalisation a strong push – through remote working, digital services, online retail, just to name a few. Consumers that have gone digital are likely to stay digital. The operating context has changed. It is therefore not a case of executing last year's business plan next year. Rather, our businesses must fundamentally rethink their strategy to succeed in this digital economy.

4. On the upside, we are in a region that is well-positioned to capture this rapid growth. Of the 650 million people in South East Asia, half are digital natives under the age of 30. They are raised in a world of ride-hailing, food-delivery, and online shopping apps. And they consume products and services digitally by default. The opportunities to grow with such a customer base are immense. I encourage businesses to look beyond the immediate challenges and explore the possibilities enabled by digital.

**Digital as a Tool to Drive Sustainability Outcomes**

5. Beyond driving economic growth and efficiency, digital has also created new ways for us to do good. For instance, in the area of environmental sustainability. Technology has enabled us to more accurately track and predict outcomes – which presents opportunities for businesses to manage their carbon footprint.

6. First, data-driven models can help reduce consumption. Google uses AI to optimise the energy required to cool their data centres, achieving a 40% reduction in the amount of energy used for cooling. This is significant when we consider that cooling takes up 37% of a typical data centre's energy bill. Beyond energy, AI can also be used to optimise the consumption of other scarce resources – like water used in industry and agriculture.

7. Secondly, digital solutions can help optimise distribution. A McKinsey report projected that 1.8 billion people are expected to join the global consumer class by 2025, a

75% increase over 2010. With this surge in consumption, digital technologies like AI and IoT can play a major role in aligning supply with demand using real-time data. This allows businesses to avoid overproduction and optimise supply chains, which in turn enable them to better meet sustainability goals.

8. To fully harness the power of digital towards our economic and environmental outcomes, countries must work together. Within ASEAN, cooperation to enable the free movement of data will be vital to secure our shared prosperity and build a better environment. Initiatives like cross-border data sharing will allow us to model not just our domestic ecosystem, but also the regional ecosystem. Collectively, we will be better placed to achieve our shared digital and sustainability ambitions.

### **Roles of Businesses in Building an Inclusive Digital Economy**

9. Besides these opportunities, I want to also spend some time to discuss the socioeconomic challenges arising from digitalisation.

10. Across the region, the rapid pace of going digital has the potential of introducing a new divide in our society – the digitally enabled and the digitally disadvantaged. This divide is often exacerbated along the fault lines of age, education, and economic status. For some in our communities, making the leap to digital is an unnerving prospect. Failing to address this can lead to the digitally disadvantaged becoming disenfranchised from society.

11. Governments and NGOs are working hard to tackle these issues. Earlier this year, Singapore set up the SG Digital Office or the SDO, to intensify our efforts to equip seniors, microenterprises, and the underprivileged with digital skills. The office has 1,000 full-time digital ambassadors to help these individuals take their first steps towards participating meaningfully in our digital economy. The government, together with the non-profit sector and social enterprises, is also investing to help less privileged students gain access to digital tools like laptops and broadband internet. Inclusivity efforts like these are critical to ensure we bring everyone along on the digital journey.

12. At a broader level, the pace of change has also highlighted the urgent need to upskill our workforce. The digital economy has created many jobs, with a study projecting that we will face a global tech workforce shortage of 4.3 million workers by 2030. But for many, there is a mismatch in their skills and the skills demanded by these new jobs. Left unchecked, this can broaden inequalities and lead to unrealised economic growth. For this reason, Singapore launched the tripartite TechSkills Accelerator programme in 2016 together with the unions and the industry to keep our workforce relevant in the digital era.

13. These cooperative programmes to invest in our people are even more vital today. Governments alone cannot move mountains. Businesses are uniquely placed to be the biggest changemakers to solve some of these challenges. For instance, within each enterprise, leaders must desire to invest in the reskilling of their employees. This is a win-win situation that allows employees to continue contributing meaningfully to the business even as we pivot to digital.

14. Businesses also know the communities they operate in intimately. Through Corporate Social Responsibility programmes, no matter how small, businesses can reach out to educate the digitally disadvantaged in their communities. These programmes are good for society and good for business. Each individual you reach will become a digital consumer, and also form part of the community's talent pool.

15. Businesses can also contribute to these social efforts through impact sourcing. Samasource, which is a company based in San Francisco, takes large data and AI projects from major clients. The company then breaks these projects into microwork – such as data entry, data validation, and annotation tasks – which are in turn distributed to developing regions, creating gainful digital employment for these communities.

16. In sum, our goal should be to achieve the triple bottom line of profit, people, and planet. This is essential to the long-term sustainability and economic prosperity of our region. COVID-19 has revealed how interconnected we are as a region, and how tightly society and businesses are intertwined. Hence, I would like to urge businesses to look at ways that they can invest in digital inclusivity for our communities, even as we seize new opportunities in the digital economy.

## **Conclusion**

17. So I started my speech by describing 2020 as an extraordinary year. And we have seen many disruptions in more ways than one. I think it is fitting that in these extraordinary times, we are coming together to look at new ways to build better businesses, a cleaner environment, and also a more inclusive society. The ASEAN CSR Network, through events like this, plays an important role in driving this discussion. I am confident that this forum will offer many interesting perspectives.

18. Let me wish everyone a fruitful session, and thank you.