Transcript of Speech by Senior Minister of State for Communications and Information Tan Kiat How at the Committee of Supply on 28 February 2023

Introduction

1. Mr Chairman, the Digital Economy has generated strong growth for Singapore. In particular, the Information and Communications (I&C) sector has grown by 13.4% and 8.6% in 2021 and 2022 respectively. Going digital is no longer a "good to have" for our firms and workforce. To stay ahead of competition and meet the needs of their customers, our firms must go digital or risk being left behind.

2. But we are doing so from a position of strength. 93% of our firms have adopted at least one digital technology. Firms have improved their overall digital maturity over the years.

3. However, given the uncertain economic outlook and near-term cost pressures, firms, especially our SMEs, may be tempted to press the "pause button" on their digitalisation plans.

4. I urge these firms to reconsider. Firms may find it difficult to catch up later.

5. In fact, I encourage them to press "fast forward" to deepen digital capabilities and sharpen their competitiveness during this period. The Government will support you wherever possible.

Equipping our businesses to seize opportunities in a digital future

6. Ms Jessica Tan, Ms Janet Ang, and Mr Sharael Taha asked how we are helping our businesses. We do so in two ways. First, putting in place an enabling digital ecosystem. Second, assisting our firms in staying cybersafe even as they use digital solutions more intensively.

7. Let me elaborate on the first prong. We are putting in place enablers at the national, sectoral and firm levels.

8. At the national level, we are scaling up the adoption of digital utilities like PayNow and InvoiceNow which are foundational services that support core business functions of our firms. Since its launch in 2019, 55,000 businesses have adopted InvoiceNow, which saves an average of $8 for each error-prone and time-consuming invoice replaced. We launched the InvoiceNow Transaction Bonus last November. Firms which have sent 10 or more e-

invoices using InvoiceNow will receive a cash grant of $200. I encourage more firms to make full use of this bonus.

9. At the sectoral level, we launched 20 Industry Digital Plans (IDPs) since 2017. 85% of SMEs told us they registered time savings and 75% of them reduced their dependence on manual labour. We are refreshing the IDPs. I launched the refreshed Food Services IDP in November last year. This year, we will refresh the Retail IDP and Security IDP, and launch the Legal sector IDP. I am glad to share that the refreshed IDPs contain an updated Digital Training Roadmap that will guide our SMEs to upskill their workers to allow them to make full use of the digital solutions that the companies adopt.

10. At the firm-level, we are helping SMEs with different levels of digital maturity, as noted by Mr Christopher de Souza. Since 2017, IMDA's SMEs Go Digital programme has supported more than 88,000 SMEs. Since the Chief Technology Officer-as-a-Service (CTO-as-a-Service) platform was launched last year, we have steadily expanded the platform as a single touchpoint for digitalisation. Today, CTO-as-a-Service provides SMEs with access to a wide range of pre-approved digital solutions, alongside IMDA's digital consultants and additional support by partners such as SGTech, as mentioned by MOS Low Yen Ling earlier. In total, more than 21,000 users have accessed CTO-as-a-Service to find appropriate resources to meet their needs. More than 900 firms have taken the next step to engage consultants to develop their digital roadmap. More than 9 in 10 expressed satisfaction with the services.

11. Let me speak on the second prong to keep our firms safe. Cyberthreats have increased and risks wiping out years of hard work in seconds. I am pleased to announce that we will help our SMEs to develop their cybersecurity health plans to safeguard against digital risks. This is the cybersecurity equivalent of staying healthy. Prevention is better than cure – Taking proactive steps to be "healthy" such as designing solutions to minimise risks of cyberthreats. Ensuring regular check-ups or monitoring across the firm's digital systems so that early actions can be taken. Through the CTO-as-a-Service platform, SMEs now can engage cybersecurity consultants as "Chief Information Security Officers" (CISOs). These CISOs will work with the SMEs to develop tailored cybersecurity health plans - based on the firm's risk profile and risk appetite. Eligible SMEs will receive up to 70% funding support.

12. Building on this foundation, MCI will develop a Digital Enterprise Blueprint to bring these efforts together in a comprehensive roadmap which will chart the next bound effort for our Digital Economy.

13. We will be consulting industry leaders, associations, companies, unions and other stakeholders across different sectors. Their continued support and partnership will be crucial.

14. Mr Chairman, let me speak in Mandarin. 在疫情期间，许多中小企业的老板都亲身体会到数码化的好处。在这数码转型的道路上，政府也一直与中小企业并肩同行，推出了中小企业数码化计划和摊贩数码化转型计划，助他们一臂之力。 但我最近听说，由于经济前景不明朗，成本不断上涨，一些老板想放慢数码转型的步伐。虽然我能理解老板们的考量，但我希望他们能三思。这是因为，数码化就如逆水行舟，不进则退。如今，全世界的企业正在快速数码化。只要我们稍微停下来，就会迅速被其他竞争者超越，甚至是取代。为了辅助中小企业，政府将更新产业数码化蓝图，以及推出全新的数码企业蓝图，同时通过网络安全保障计划，为这些企业的业务提供必要的保护。

Empowering Singaporeans through reskilling and upskilling to access good tech jobs

15. We are committed to helping Singaporeans access exciting opportunities in the Digital Economy.

16. Before I elaborate on our plans, let me address the points raised by Mr Sharael Taha on the recent tech layoffs.

17. As a major tech hub, Singapore has been impacted too. But we have fared much better than many parts of the world. Southeast Asia continues to be an important market for tech companies. These firms have long-term plans to scale up their presence here. Singapore has done well to capture this growth, anchoring these companies and their higher value tech development and corporate functions here in Singapore. These roles are often considered core to the companies' business and are more resilient to broad-based headcount rationalisation. For example, the average rate of re-entry into employment of retrenched residents for the I&C sector was higher than the overall economy. 7 in 10 of retrenched locals in the I&C sector were able to find another job within six months.

18. Indeed, the I&C sector is one of our fastest growing sectors in our economy. The sector's workforce has grown 36%, from 130,000 professionals in 2017 to around 177,000 in 2022. Our local workforce in particular has increased by 42% within these past five years. In the first three quarters of 2022, total employment in the sector grew by 13,700, with thousands of vacancies still available.

19. The increasing digitalisation across the economy has also contributed to healthy demand for our tech manpower. Locals account for more than 70% of overall tech jobs in Singapore, both in the tech sector as well as non-tech sectors. Today, locals in tech jobs earn 65% above the national median wage with good wage growth[1]. MOE's recent survey showed that IHL (Institute of Higher Learning) graduates from ICT courses have higher starting median pay compared to their peers. We believe the long-term prospects of tech manpower and tech workforce remain strong, and we will continue to support Singaporeans in accessing these opportunities.

20. The tech space is a fast-moving one and there are many competitors to Singapore's tech hub status. We need to help our tech workforce stay competitive and relevant for the needs of tomorrow.

21. I would like to speak on two aspects. First, how we are working closely with industry partners to identify jobs that may be disrupted or emerging new tech roles. Secondly, we are pushing for a mindset shift within the industry towards skills-based hiring and development, rather than being overly focused on academic qualifications.

22. On the first aspect. The I&C Jobs Transformation Map launched last year identifies the impact of emerging technological trends on the I&C workforce. Employers are guided to redesign jobs, and upskill or reskill their tech workforce, to access these emerging tech roles.

23. On our part, IMDA will appoint training partners to develop reskilling programmes for these areas. One example is 5G mobile technology. IMDA appointed NUS and Singapore Poly to set up the 5G Academy, together with telcos and other companies. Since 2020, the 5G Academy has trained around 10,000 professionals, exceeding the initial target of 5,000.

24. Mr Mohamed Najib is a good example. He is a product executive who joined Singtel in 2015. Through the 5G Academy, he was able to gain relevant 5G and cybersecurity skills, to future-proof his career. He now leverages his skills to enhance the security and performance of Singtel's products. We all need to shift our mindsets to support Singaporeans like Mr Najib to fully realise their potential. Tech employers still prefer university graduates. One study found that 38% of hirers expected applicants to have a bachelor's degree for an entry-level position. Firms are missing out on a good pool of capable tech talent at a time when there is a global shortage. Furthermore, success involves more than

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[1] Median gross monthly income from work (excluding employer CPF) of full-time employed residents

just academic qualifications, but also hard and soft skills like technical skills, attitude in the workplace, and ability to work in teams. This is also aligned with our efforts to strengthen the social compact. We want to give every Singaporean the best chance to succeed.

25. The TechSkills Accelerator for ITE and Polytechnics (TIP) Alliance brings together IHLs and industry partners to look beyond academic qualifications and focus on skills-based hiring. In just six months, leading employers have committed 500 good opportunities for our ITE and Polytechnic graduates. Mr Ihsan Nursaqif is one such beneficiary. He initially studied Information Technology at ITE and Cyber & Digital Security at Temasek Polytechnic. He is now doing a work-study degree in Applied Computing at the Singapore Institute of Technology. At every step, he is supported by his employer, NCS, as part of the Fusion programme. The TIP Alliance will continue to create pathways for others like Mr Ihsan, through internships, apprenticeships and other programmes.

26. Let me now turn to the question by Mr Leon Perera, who asked about greenwashing, which can take many forms, but most commonly refers to the act of making misleading claims that products are more environmentally sound than they are. This is fundamentally an issue of false and misleading claims by a firm on its products, for example how effective is a product, or how safe a product is. This is an area that the Government is concerned with as well. This is taken under the Consumer Protection (Fair Trading) Act (CPFTA), and the relevant authorities and ministries will study this.

27. Let me speak from MCI's perspective, since Mr Perera's cut was for MCI. We work very closely with the Advertising Standards Authority of Singapore (ASAS), which is an industry body that guides how advertising of products should be conducted through the Singapore Code of Advertising Practice (SCAP). For example, the Children's Code for Advertising Food and Beverage Products guides advertisers to avoid promoting unhealthy consumption habits or irresponsibly pressuring children to buy. So, the Code sets out how the advertising should be conducted, but false claims or misleading claims of a product will be dealt with under the Consumer Protection (Fair Trading) Act.

28. Let me now turn to the questions by Ms Janet Ang, Mr Leon Perera and Ms He Ting Ru who asked about Government advertising.

29. The Government is not unique in spending on advertising to promote awareness to the public. Many companies advertise to ensure that their brands reach their intended audiences. However, unlike private companies which can

choose their target segments for marketing, the Government has to ensure that our messages reach out to all Singaporeans. The Singapore public also expects the Government to do its utmost to reach them via the channels and languages which they are comfortable with, such as vernacular languages, including dialects. Many Singaporeans like our parents' and grandparents' generations do not speak English, but they are just as Singaporean as all of us. And we want to make sure that they fully benefit from all the government programmes and initiatives that we roll out.

30. But the Government does this prudently. We use established industry metrics including impressions, click-through rate, cost-per-click, and number of views for digital media advertising. For print, radio and Free-to-Air television advertising, surveys are conducted to measure metrics like message recall. Last year, the Government spent between $175 million and $200 million or around 0.2% of total Government expenditure on advertising. Government's advertising spend increased during COVID-19. This was necessary to keep the public informed on the pandemic crisis as it unfolded and the Government's responses. Members may recall the COVID-19 vaccination campaigns like "Get your shot, Steady Pom Pi Pi" featuring Phua Chu Kang and Pak Jiam Buay *(meaning "Have you gotten your shot?" in dialect)*, by our getai celebrities. We expect Government's spending on advertising to come down after COVID-19.

31. Respective Ministries are better placed to assess their advertising approach based on the outcomes that they seek to achieve. Ministries have to rigorously evaluate their advertising budgets and be accountable for their programmes. In response to Ms He Ting Ru's point, advertising is simply part of a broader programme and effort by the Ministry, and its outcomes should also be evaluated against whether those programmes and initiatives have met the needs or desired outcomes. That is how we chose to see the effectiveness of advertising campaigns, not just looking at specific advertising programmes. In October 2018, MCI introduced a Whole-of-Government demand aggregation contract for media buying for advertising. This enhances value for money for the Government as a whole. At the end of the day, Government's advertising spend is to ensure that all Singaporeans can make full use of the Government's many schemes and programmes.

32. Mr Perera referred to MND's print advertisement on accessible and affordable BTOs. Ms He Ting Ru also asked whether such ads are necessary, and are they evaluated for effectiveness. First, let me say that we appreciate that during this period, coming out of COVID-19, that Singaporeans are feeling anxious about the availability and affordability of BTOs. And I fully empathise with these Singaporeans. There is a reason why MND proactively puts out facts and

figures, including BTO launches, the median prices of BTO flats, so that all Singaporeans, especially young Singaporeans, know about the pipeline of BTO flats coming up, and make the best decision that they can based on available information. These ads show factually, for example, the median price of a 4-room BTO flat in a non-mature estate is around $347,000 before grants. This information helps our Singaporeans make the best decision that they can, and will reassure them that public housing is available and affordable. This is in the public interest. There is no point made in the MND infographic to get Singaporeans to feel good about the government. But it's the first time that I've been told that Singaporeans feel good after looking at our MND infographic, and I thank Mr Perera for feeling that way. I am sure my MND colleagues and HDB colleagues that are working very hard, truly appreciate it. So thank you very much.

33. Ministries use objective industry metrics to evaluate their campaigns. Additionally, MCI also requires ministries to evaluate the effectiveness of their campaigns. MCI does this for MCI-led advertisements, but MCI does not yet have a system to enable centralised tracking, and are exploring the best way to achieve it.

34. COVID-19 has taught us that public communications is crucial to maintaining high public trust in the Government. This makes a difference to Singaporeans and we take this public trust seriously. I would like to emphasise that government ministries' spending on advertising is guided by impartiality. Campaigns by government agencies offer a purpose of informing or educating the public. Government ministries are mindful that their advertising must not be towards a political end in Singapore, and we take this seriously.

Conclusion

35. Let me conclude. Mr Chairman, creating a bright digital future for Singapore is at the heart of MCI's work.

36. Minister Josephine spoke about building a more inclusive and safer digital space for all; SMS Janil covered the next bound of our digital infrastructure and research and innovation; I touched on empowering our businesses and workforce to seize opportunities in the growing Digital Economy.

37. These efforts help us build a digital Singapore – where opportunities are open to all; where everyone can access basic needs and lead fulfilling and dignified lives, a home that we and future generations can be proud of.

38. Together, I am confident that our efforts will enable Singaporeans to thrive in a digital future and take Singapore forward.

39. Thank you.

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