

**OPENING REMARKS BY SENIOR MINISTER OF STATE,
MINISTRY OF COMMUNICATIONS AND INFORMATION,
MR TAN KIAT HOW AT IMDAxMSFT LUNCHEON
(21 MAY 2024)**

Ms Lee Hui Li, MD, Microsoft Singapore

Mr Kiren Kumar, Dy CEO, IMDA

Ladies and Gentlemen

I'm very happy to be here to mark the launch of the AI Pinnacle programme with Microsoft. Singapore and Microsoft have a very long and deep partnership that spans many years. At the very start, before there was AI, we explored how our Word documents and Excel spreadsheets can be used more productively. I'm very happy to take the partnership to the next level with this programme.

Singapore has been using technology almost from the start. We started a national computerization programme very early on when computers were not that pervasively used. In those days, computers were very different from computers today. In fact, the phone that you have in your pocket right now has more computing power, more memory and more resources compared to the old computers that we used.

Singapore has a small domestic market, and we lack natural resources. The only thing that Singapore can do to make ourselves relevant is to innovate by overcoming many of these constraints. Technology is an important enabler for us to do that. And we've invested heavily in this area. I think we've seen very good outcomes over the years. In fact, our digital economy today is growing very well, contributing to about 70% of the GDP and outpacing the rest of the industry sectors.

And the best opportunities are still ahead of us. You've heard of AI, gen AI, and many other new technologies coming in, and the pace of change, the pace of innovation will only just accelerate. So, what do we do? Well, I believe that we must always continue to invest in the future. The best way to predict the future is to create it and to work hard for it. In Singapore's case, we invest in our core capabilities, which are our enterprises and our people.

Our small medium enterprises, as Hui Li mentioned, are the backbone of our economy. And we've been updating our plans to chart the way forward. We don't have all the answers, but perfect shouldn't be the enemy of good. The most important thing is to take that first step and refine our plans, work with partners, bring innovation to bear, trial and error, and figure out a way forward.

So last year, we launched our Digital Connectivity Blueprint (DCB) and refreshed our National AI Strategy (NAIS 2.0). At the end this month, which is next week, we will launch the Digital Enterprise Blueprint (DEB), which will take the digitalization of the economy to the next level. These are all building blocks to support our ecosystem partners and companies.

So let me just briefly talk about the DEB to give more context to the partnership with Microsoft today because this support is one part of the whole vision of the DEB. Under the DEB, there are four focus areas.

First, helping our enterprises to Be Smarter. We aim to use emerging technologies like AI and gen AI to raise our productivity, sharpen your competitiveness, and to get more market share of new products and services that will enable us to do so to be smarter.

The second is to Scale Faster. The downside of being an early adopter in technology is that over time, with many legacy systems in the enterprise ecosystem, you lose synergies and are often constrained by your digital infrastructure when trying to scale. So how are we helping our SMEs to adopt more interoperable solutions, especially for cloud native architectures working with hyper scalers, like Microsoft and others, to help companies seize opportunities quickly?

The third area is to Be Safer. Today, stats by the Cybersecurity Agency show that many of our enterprises, including small enterprises, have encountered cyber security incidents. Sometimes you may not be a target, but you might take collateral damage from ransomware, and many cases actually go unreported by the newspapers. As companies become more digital, it is crucial to prevent cyber attacks from crippling the whole system.

Lastly, we are looking at creating more jobs and opportunities for our tech professionals. We have about 210,000 tech professionals across the board in Singapore, and that's about 20,000 more than 5 years ago. And it's still not enough. Easily today, we have at least 10,000 vacancies. So how are we supporting our tech professionals to reskill and upskill so that they can continue to be relevant, especially to be more conversant in emerging technologies like Cloud, software engineering, AI?

Coming back to the AI partnership with Microsoft, it's really about working with technology partners like Microsoft to turbocharge our enterprises in their AI journey. And how do we do so?

First, for most companies, most SMEs, you don't need to know how to code and how to deploy code and how to use AI solutions. You just want to use apps without all the fuss, right? We are working very closely through our technology providers and many of you here today to empower your digital solutions with AI so that your existing clients can seamlessly tap on the capabilities without having to relearn a new set of tools. This is especially helpful as most companies don't have the luxury of a large IT department. Under our SMEs Go Digital programme, about 20% of our list of pre-approved digital solutions are already AI-enabled. We aim to have all of these pre-approved solutions be AI-enabled. Since the launch of SMEs Go Digital programme, about 90,000 SMEs have already benefited from this. Over the next two years, we expect to uplift the capability of more than 15,000 SMEs.

The second is working with partners like Microsoft – enterprises that are more digital mature. You have different data sources, different digital solutions, different unique needs, and you might span across different geographies and markets. Your solutions may require a bit more bespoke customised support. We will support more mature SMEs like Microsoft to develop your own solutions. Such companies have greater resources and capabilities to help to de-risk, to raise the chance of success and to scale quickly. I encourage companies who are thinking along these

lines to tap on the Gen AI for Digital Leaders Programme and avail yourselves to these resources. Once these solutions have been developed, IMDA has committed to provide funding support needed to scale up solutions. And we expect more than 200 companies to benefit from this more mature programme over the next two years.

I spoke about reskilling and upskilling our tech professionals, which is something that we are working very hard on. With industry partners like Microsoft, we aim to upskill and reskill about 18,000 of our tech professionals in the coming three years in emerging technologies like AI, software engineering, Cloud and mobility. This is important because our talent is our key resource to empower the next version of digital economy. So, if your own staff is keen, please tap on all the resources that government will be putting in place to support the reskilling and retraining of your tech team. We will be sharing more of these details at next week's launch.

All of you here are leaders in your own right, embracing digitalization to create your own future, across all industries – even the more traditional ones such as FnB. Experts are saying that “there is no such thing as sunset industry, only a sunset mindset”. I commend all of you and welcome all of you to tap on the various programmes that we're rolling out. You never know when you will be creating a new solution that will be so impactful that it will fly our flag high and make waves beyond Singapore. I look forward to working with all of you to create this future together.

Lastly, MCI will be doing a name change. In Singapore, we don't do a name change just for the sake of it – we also want to reflect the emphasis that we are already putting in place and will continue to focus on in the coming years. We will soon be known as MDDI, which stands for Ministry of Digital Development and Information. Hopefully, the next time I meet all of you, I would have started my project of having an AI-generated co-minister speak on my behalf.

Thank you everyone.