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**KEYNOTE ADDRESS BY MR PETER ONG, CHAIRMAN,
ENTERPRISE SINGAPORE, AT GLOBAL TRADE REVIEW ASIA 2023
ON 5 SEPTERMBER 2023**

1.   Good morning, ladies and gentlemen. It is my great pleasure to welcome all of you again to Singapore, at GTR Asia 2023.

2.   2023 started off well, buoyed by falling energy prices and strong consumer confidence. Despite the ongoing conflict in Ukraine, we were encouraged by the continued normalising of global trade and supply chains.

3.   The Singapore government has also played its part to help normalise supply chains by facilitating access to liquidity. In March this year, the Singapore government introduced "auto-approval" for the adoption of factoring for most public contracts. For such contracts, Government suppliers are no longer required to seek prior approval from their government clients in order to factor their invoices, if the pre-specified conditions are met. With this, we hope to see financiers stepping up to facilitate such financing.

4.   Meanwhile, technological progress, regulatory developments and joint efforts from both the public and private stakeholders continue to drive digitalisation across all corners of the global economy. The vision is to bring the full potential of digital trade and digital trade financing closer to reality. Let me share some of these efforts which we have been fortunate to have been a part of.

   a.   Firstly, in my speech last year, I had mentioned that a Future International Trade Alliance, or FIT Alliance in short, had been formed, comprising key stakeholders in global trade such as DCSA, BIMCO, FIATA, ICC and SWIFT. I am happy to report that the FIT Alliance has made significant progress in its efforts to promote standardisation in digitalising international trade, especially in the adoption of electronic Bills of Lading. We look forward to their announcement later.

b. Second, in June this year again, as a result of a joint initiative between the UK and Singapore, the world's first quantum-secured cross-border electronic Bill of Lading was delivered. This presents a verifiable, secured and legally recognisable solution for future digital trades. Singapore adopted the UNCITRAL Model Law on Electronic Transferable Records in 2021. With the UK adopting it in 2023, we foresee there will be an increase in digitalised trade transactions between our two countries.

5. Meanwhile, we have also seen trends which could further shape the landscape of global trade and trade financing.

6. Trend number one is the impetus for green transformation, with digitalisation as a key enabler. 2023 has seen global average temperatures soaring to record heights. The world is witnessing increasing numbers and intensity of natural disasters. According to the 2023 statistics from the US National Centers for Environmental Information, in the US alone, the average annual number of climate disasters has almost tripled from ahistorical average of 6.8 to 18 in recent years. For 2022, the Centre for Research on the Epidemiology of Disasters recorded 387 natural disasters and hazards worldwide, resulting in the loss of over 30,000 lives and affecting 185 million individuals. The need to expedite green transformation has become evenmore urgent.

7. Based on a report from the World Bank and Climate Disclosure Project in 2023, 157 companies in the world accounted for around 55% of total global emissions. For these companies, over 80% of their emissions were contributed by their supply chains. Therefore, any green transformation will require coordinated efforts across global supply chains. Strong digital infrastructures will be needed to monitor, authenticate and ensure transparency, allowing secured data exchanges.

8. One example is the Green and Sustainable Trade Finance pilot completed on SGTraDex in June this year. This was undertaken by a consortium of banks in Singapore, supported by our government agencies. For instance, Singapore banks

were able to authenticate green certification data of the project by using SGTraDex and therefore provide green trade financing to downstream subcontractors.

9.   To scale sustainability efforts at the global level, the World Bank launched the Climate Action Data Trust in Singapore, under its Climate Warehouse programme late last year. This links, aggregates and harmonises data from major carbon credit registries globally. This will enhance the transparency and reliability of the international carbon credit trade, which in turn will facilitate financing.

10.   In summary, for sustainability to become mainstream, digitalisation will have to be a critical enabler. The confluence of sustainability and digitalisation is expected to lead to further transformation in the global supply chain, moving us towards a more sustainable future.

11.   The second trend I see that could potentially revolutionise trade and trade financing is Artificial Intelligence, especially Generative AI. The emergence of Generative AI models, such as ChatGPT, has captured many people's imagination. Trade and trade financing is no exception.

12.   In particular, Generative AI could potentially address many key challenges faced by trade digitalisation today, such as:

a.   **Document Processing.** There is a huge legacy of paper-based trading, carrying unstructured data with different formats. It has been a challenge for traditional optical character recognition (OCR) solutions to recognise these legacy unstructured data in various paper trade documents and store them in useable digital formats. Generative AI models, in contrast, is able to identify the patterns and structures within these legacy unstructured data and create useable structured data. Wouldn't it be great if we could just take a picture of any paper trade document, in any language, and turn it instantaneously into a standardised, inter-operable digital trade document?

b. **Document Checking.** This is where the trained generative AI model will not only be able to understand the trade documents, but also be able to spot discrepancies and potential red flags. For example, imagine in the near future, Generative AI could take over the laborious legal vetting and compliance checks, and automatically alert us of any potential risk, such as sanction violations. This could massively increase efficiency and effectiveness, bringing the vision of digital trade to reality.

13.   Besides enabling trade digitalisation, Generative AI could also help trade financiers to efficiently conduct more complex and comprehensive analysis on borrowers, and potentially make "automated decisions", speeding up the process of securing trade finance and reducing costs for both lenders and borrowers.

Conclusion

14.   This year's GTR topics are very interesting and timely, and will further the discussions on digitisation and sustainability. I look forward to hearing from the speakers as well as the potential exchanges with all of you.

15.   Thank you very much, and I wish all of you a very fruitful conference.