

**Intergovernmental Group of Experts on
E-Commerce and the Digital Economy**
First session

4-6 October 2017
Geneva

Statement by

SINGAPORE

4 October, Session 1

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

**Singapore's Statement for the First Session of the United Nations Conference
on Trade and Development Intergovernmental Group of Experts on E-
commerce and the Digital Economy**
4 October 2017
Geneva, Switzerland

Mr Chairman

Mr Secretary-General, UNCTAD

Excellencies

Distinguished Delegates

Ladies and Gentlemen,

Singapore would like to first express our appreciation to the United Nations Conference on Trade and Development (UNCTAD) for the invitation to speak at the inaugural session of the Intergovernmental Group of Experts (IGE).

Succeeding in the digital economy is integral to our Smart Nation Vision

2 We are here today because we are all facing the same global phenomenon that is the digital economy. Disruption is the defining challenge to any economy today and is fundamentally changing how the world works. Drones and driverless cars are transforming supply chains and logistics while advances in artificial intelligence are reinventing the workforce. Data analytics and the Internet of Things (IoT) are revolutionizing business operations and speed to market. In Singapore, our ability to succeed in the digital economy is integral to our Smart Nation Vision; a vision to use technology to benefit our people and to improve their lives. It is also to ensure that Singapore stays relevant in a digital and technology driven world economy.

Connectivity as the key foundational layer

3 But before we can harness the potential of these exciting technologies, we need to look at the fundamentals. A key enabler of Singapore's digital vision is pervasive connectivity delivered through ICT infrastructure that is fast, reliable, secure and affordable. This is a key foundational layer that is vital to ensure the expansion of future digital technologies. As early as 2006, Singapore invested in a nationwide fibre-to-the home network, which offers one of the world's fastest broadband speeds at

affordable prices. Today, a 1Gbps fibre broadband plan costs as low as US\$28 per month.

4 The Infocomm Media Development Authority (IMDA) also recently kick-started industry consultations to seek feedback and ideas on spectrum requirements of 5G. We hope to seek industry's views on 5G spectrum requirements and regulatory provisions, and on how policies can move in tandem with technology and address the industry's needs. IMDA will also waive frequency fees for 5G trials to lower the regulatory barrier and to encourage industry trials in 5G technology.

5 We have also invested in a pervasive public WiFi - *Wireless@SG* - that offers free and fast Internet access in public locations all over the island. To realise a true Digital Economy, Singapore will need a future-ready infrastructure that spurs new services, supports positive disruptions and enables new business models. Hence we hope that by continually improving and building, we can strengthen our connectivity infrastructure to meet the current and future needs of our citizens and businesses.

The need for skilled manpower

6 As critical as connectivity infrastructure is, it is insufficient to bring about a digital economy, much less our Smart Nation Vision. Complementing infrastructure is the need for skilled manpower. As a small city state with no natural resources, human capital is our key asset. In Singapore, the challenge we face beyond the availability of jobs, is the quality of jobs and whether these can meet the aspirations of our people. As such, as we strive towards being a Digital Economy, we also encourage our people to acquire ICT expertise and skills through a programme called the TechSkills Accelerator (TeSA), designed to develop a skilled ICT workforce and enhance employability outcomes by supporting individuals in training and re-skilling themselves for new job opportunities in a digital economy.

ICT as a key driver of growth

7 To harness the growth of the Digital Economy, we need to build up our national capabilities in order to improve the quality of life for individuals and increase business productivity for enterprises. It is essential for us to continually reinvent, disrupt ourselves or we end up being irrelevant. Technology has always played an important role in transforming our economy, and especially ICT, which is a key driver of growth for Singapore given our limited resources. In February this year, the Committee on the Future Economy (CFE) released its report after a year of deliberations. This Committee, comprising 5 Cabinet Ministers and 25 members from the private sector, identified that Singapore needs to leverage on the Digital Economy and transform our industries, enterprises and people to be digital-ready. The CFE proposed seven strategies that if well implemented, will help Singapore's economy to grow an average of 2-3 percent per year.

8 Among the challenges identified was to help SMEs transform using digital technologies. The SMEs Go Digital Programme is an initiative that we hope to do more to help SMEs adopt digital practices. This programme supports small and medium enterprises in the use of digital technology to boost their productivity and build their digital capability. More importantly, we hope that SMEs can reinvent their business models. IMDA will introduce a set of digital solutions to help SMEs adopt technologies relevant to them. These pre-approved digital solutions are evaluated on criteria such as functionalities that meet SMEs requirements, ease of use and affordability. In addition, digital capabilities such as cybersecurity, data protection, data analytics, interoperability and compliance to standards will also be included as part of the evaluation criteria. By raising the standards of the such digital solutions, we aim to catalyze the development of digital platforms that provide SMEs the access to game changing technologies such as AI and data analytics.

Singapore's regulatory sandbox approach

9 Besides doing what is needed to transform the industry and the overall economy, we believe a key element in a digital economy is to have policies and regulatory frameworks that encourage innovation and positive disruption. Our regulations must strike the right balance between protecting the public interest and providing space for innovation. While we need to take into account incumbents who have to operate within existing regulatory guidelines, flexibility must be provided to allow new players with disruptive technologies and business models to flourish.

10 Regulatory sandbox is one such initiative that Singapore hopes to have the intended effect of spurring innovation. Under Singapore's regulatory sandboxing approach, promising innovations can be tested in the market and have a chance for wider adoption. Within the sandbox boundaries, the Government will relax those regulatory requirements that the companies cannot meet at the onset, or may be uncertain in meeting them due to the innovative use of technology. This will enable companies to jumpstart and learn from the experiment in a live environment with actual customers, and improve their products' solutions.

11 For example, the Monetary Authority of Singapore (MAS) has launched a regulatory sandbox that enables financial institutions and FinTech start-ups to experiment with innovative financial services in the market but within a well-defined space and duration. These innovations will contribute to Singapore's efforts in building a smart financial centre where technology is used widely to enhance value, increase efficiency, manage risks better, create new opportunities and improve the lives of Singaporeans. PolicyPal¹, a Singapore-based insurance tech startup, is one of the companies that has come on board to test their products through a partnership with insurance providers.

¹ Background on PolicyPal: An app which uses a dashboard to display existing insurance coverage payment and renewal dates. Consumers will be able to check outstanding insurance payment amounts, check policy expiry and payment dates through the platform. The app also uses Optical Character Recognition technology to digitalise existing insurance policies to analyse and suggest improvements on coverage. Consumers can also optimise policies and request for recommendation by speaking with the app's chatbot.

12 Another example of Singapore's regulatory sandbox approach is IMDA's plans to conduct Li-Fi (Light Fidelity) trials. Li-Fi is an innovative light-based communication technology that provides high-speed, bidirectional and networked optical wireless communication. This technology uses visible light to transmit data, in contrast to traditional forms of wireless communication such as Wi-Fi which uses radio frequency signals for data transmission. Although this technology is still in its nascent stage and commercial Li-Fi products are limited, this technology has the potential to provide a new layer of wireless connectivity over and above existing networks. In 2016, IMDA engaged a leading Li-Fi technology developer to set up a demonstration to introduce Li-Fi and showcase its associated benefits, applications and challenges. The showcase had attracted interest from several Singapore and overseas companies. By waiving all frequency fees for technical Li-Fi trials conducted in Singapore, IMDA aims to facilitate joint-industry Li-Fi trials in Singapore and encourage interested companies to explore the potential applications and benefits of Li-Fi technology.

Singapore's regulatory sandbox learning points

13 As we continue to learn from the sandbox experience and interact with players in the ecosystem to determine how the sandbox and its processes can be further improved, we have come across some useful takeaways in our experience. **First**, it will take a collaborative mindset to assess sandbox applications as each assessment requires cross-disciplinary inputs – from technology to regulatory and legal. **Second**, evaluation of a sandbox application has proven to be quite time-consuming, and the key trade-off is the speed-to-market. **Third**, a very dynamic approach is required to oversee such sandbox experiments. While it is important to pin down the scope of experimentation upfront, the applicants' business model can pivot quickly and we need to quickly adjust our risk assessments. Also, as the proposed business models are usually novel, from a first-mover standpoint, applicants are also expecting quick responses. Nevertheless, we have noted that applicants that are not familiar with regulatory requirements are often appreciative and receptive to the regulatory guidance and consultations in the sandbox process.

Ensuring no one is left behind

14 Singapore believes that while it is important to ensure the growth of the Digital Economy, we need to nurture an inclusive Digital Society where all citizens have access to technology, understand it and embrace it. By equipping the workforce with the right skills and investing for the future, we can increase the resiliency of the workforce and prepare our young for a digital economy.

Conclusion

15 Ladies and gentlemen, Singapore does not have all the answers and as a small city state, cannot claim to hold the model for other countries. But I hope that our perspective has been useful. For us to reap the full economic benefits, we need to work together to fully take advantage of the Digital Economy and achieve sustainable development.

Thank you.