

How Singapore can orchestrate global supply chains in a fractured world

By Goh Puay Guan

GEOPOLITICAL uncertainties, such as US President Donald Trump's just-announced sweeping new tariffs, are prompting companies to diversify their sourcing, manufacturing and logistics networks.

As a result, global supply chains are becoming increasingly dependent on alternative trade routes and multimodal transportation options.

In this context, the private member's motion by the Transport Government Parliamentary Committee, and the government's announcement on Jul 7 of an S\$800 million investment in transport infrastructure and connectivity, are timely.

Such investments will enable Singapore in anchoring high-value supply chain functions, while leveraging regional integration in Asean.

This not only strengthens the logistics ecosystem, but also enables Singapore's initiatives in becoming a trusted hub.

As global supply chains become more geographically dispersed, Singapore can strengthen its role as an orchestrator globally and regionally.

For example, PSA's port operations now span 45 countries across more than 180 locations, while air-cargo handler Sats operates in 27 countries and over 225 locations.

Improving connectivity to the Johor-Singapore Special Economic Zone and Indonesia's Batam-Bintan-Karimun region to ensure seamless cargo flow should also be a priority.

That means lower-cost activities may migrate out of the country, so it is important to ensure that value-added components, such as final assembly, certification, standards and quality control, flow back to the Republic.

With its upcoming chairmanship of Asean in 2027, Singapore can play a key role in strengthening regional connectivity and integration.

The Asean Digital Economy Framework Agreement for creating a single digital market is expected to be finalised at the end of 2026, boosting digital trade in e-commerce and payments among member countries.

As a pioneer in digital trade agreements, Singapore can assist with facilitating adoption and working out operational processes within Asean.

The adoption of artificial intelligence and advanced technologies in manufacturing and logistics further enhances Singapore's position as a key connectivity hub.

Automation can supplement and improve the productivity of its core workforce in the transport and maritime sectors, while mitigating the shortage of workers.

In a fragmented world, reacting quickly to rapidly changing regulations and macroeconomic events is critical.

By leveraging technologies such as supply chain control towers and digital twins – technologies that Singapore is investing in – businesses can have end-to-end visibility across their supply chains, enabling faster and more coordinated decision-making.

While supply chain control towers and digital twins help in mitigating any delays, there is still a need for physical buffer stocks.

Hence, it is important to continually upgrade Singapore's storage capabilities, while simultaneously building regional buffers, such as overflow storage facilities in neighbouring countries for less time-sensitive and critical goods.

Ultimately, a well-connected transport hub, supported by efficient infrastructure and seamless coordination, provides the foundation for the Republic to realise its vision of becoming a trusted global trade and supply chain hub.

By enabling the reliable and efficient movement of goods, services and information, it strengthens Singapore's competitiveness and resilience in an increasingly complex global operating environment.

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