

**Welcome Address by Mr Ivan Tan,
Director, Trade, Enterprise Singapore,
At the 6th Asia Pacific Precious Metals Conference (APPMC),
Parkroyal on Beach Road, Monday, 5 June 2023, 0900hrs**

Mr KL Yap, Chairman, Singapore Bullion Market Association

Distinguished Speakers, ladies and gentlemen,

Introduction

1. A very good morning. I am delighted to join you in person at this sixth edition of the Asia Pacific Precious Metals Conference (APPMC) organised by the Singapore Bullion Market Association (SBMA). The last time we were gathered here was in 2019 before the pandemic. I am very happy that we can once again gather here to discuss the trends affecting the precious metal sector and to reconnect with old friends and make new ones. In particular, I will like to extend a warm welcome to all who have travelled from overseas to be with us this morning.

2. SBMA has told me that 470 participants from 25 countries spanning Asia, Australia, Europe and Middle East are present today, up from 380 the previous edition. There are also 140 companies who are joining us for the first time. I am also happy to learn that SBMA has partnered several industry players such as Australia's ABC Bullion, Metals Focus and IGR to organise networking events for the community to forge new connections and enhance existing relationships. These events organised in conjunction with APPMC could help to bring the community closer together to seize new opportunities in the ever-changing trading landscape.

Emerging stronger from the pandemic, staying resilient in the ever-changing landscape

3. Despite the dampened global recovery and geopolitical uncertainty, Singapore's precious metals sector has remained resilient. According to SBMA's survey, the demand for gold, silver and platinum remained relatively stable between 2020 – 2022. Last year, the total value of non-monetary gold that were physically traded through Singapore grew by more than 30% compared to pre-COVID levels in 2019.

4. Metalor Singapore, the only London Bullion Market Association (LBMA) certified refinery in Singapore continued their operations unaffected by lockdowns and disruptions throughout the COVID-period. As a result, Metalor Singapore recorded over 150% increase in refined gold production in 2020 as compared to 2019. Working closely with Enterprise Singapore during the COVID pandemic, Metalor helped the industry to avert supply chain disruptions during this period. They were also in the position to capture new market opportunities from both local and overseas customers.

The way forward: establishing Singapore as Asia's precious metals hub

5. Wholesale trade is one of the main engines of Singapore's economy beside manufacturing and services. We remain committed to grow our trade. Under the Trade 2030 strategy which Minister of Trade and Industry Mr Gan Kim Yong announced in March last year, we set a target to increase Singapore's merchandise trade from S\$805 billion to S\$1 trillion and grow our offshore trade to US\$2 trillion by 2030. To meet these targets, we will be boosting our efforts to:

- a. deepen our trade to anchor activities beyond trading, and offer an infrastructure to enable global traders to develop new products, services, and capabilities from Singapore,

- b. widen trade to attract new trade flows such as EV metals and minerals (e.g. Cobalt and Lithium) and to diversify our trade with emerging regions e.g. Africa and Latin America and
- c. support our Singapore based enterprises to ride on new trends and opportunities such as sustainability and digitalisation to stay competitive.

6. Precious metals is an important part of our trade and with its high value could move the needle for our trade figures. So let me share further on our strategy to position Singapore as a precious metals hub in this region. I would like to mention three key areas which Singapore will work on to establish itself as Asia's precious metals hub which include 1) enhancing our infrastructure, 2) expanding the participant network, and 3) nurturing young talent.

7. With our strong reputation for efficiency, trust and stability, Singapore's vibrant ecosystem has been able to attract a large number of global and regional players comprising traders, banks, shipping and supporting services to set up their business to serve the regional markets. One example is MTS Gold, a leading gold trading company from Thailand, which set up their trading operations here in Singapore.

8. Besides attracting more new trading companies to Singapore, we are looking to capture more re-exports of precious metals and jewellery, which are among the top 5 high value products re-exported from Singapore. To do so, we would require investments in secure storage facilities in addition to the existing Free Port at Changi Airport, providing high security and fungible storage services for high-net-worth individuals, sovereign wealth funds and family offices.

9. We are proud to share that a local precious metals dealer, Silver Bullion will be completing a new secure storage project named "The Reserve" in the later part of this year. This new facility would add storage capacity to facilitate re-exports and trading activities of precious metals among traders. This is also timely with the

number of family offices nearly doubling to 700 from two years ago. Several Asian Central Banks including Singapore have also been actively building up their official gold reserves. It is therefore important that we have more state-of-the-art storage facilities as it would increase Singapore's attractiveness for gold reserve storage and other precious metals.

Enhancing our linkages with ASEAN to build an integrated Precious Metals market

10. Southeast Asia will be the world's fourth largest economy by 2030. It is crucial that our traders plug themselves into the region to ride on the rising demand for precious metals from rising affluence and industrial activities. SBMA has therefore been actively engaging various stakeholders to expand the regional network and business opportunities in important gold markets. Recent efforts include –

- a. Co-organising the Hanoi Market Forum with the Vietnam Gold Traders Association (VGTA), supported by the World Gold Council (WGC), where SBMA members had the opportunity to interact with Vietnam's key industry players including the State Bank of Vietnam, and take part in shaping the next phase of Vietnam's gold jewellery industry development;
- b. CEO Albert Cheng along with SBMA management committee members also took part in a series of meetings over three days in Indonesia with key stakeholders including the ministries and central bank to learn about their bullion market development roadmap. SBMA then facilitated the Indonesian counterparts' visit to Singapore earlier this year, where Enterprise Singapore also got to forge meaningful partnerships and share about Singapore's role as a gold trading hub;
- c. I understand the SBMA is also in the midst of organizing a half day forum with the Gem and Jewellery Institute of Thailand (GIT) alongside the Bangkok Jewellery Fair taking place in September this year.

Nurturing future-ready talent

11. Lastly, we need to invest in developing in new and to reskill the existing workforce in the trading ecosystem. To this end, Enterprise Singapore has been working closely with trading companies, tertiary institutes and relevant industry players to grow the professional talent pool in trade and digitalisation. For example, StoneX has undertaken a collaboration with Nanyang Technological University (NTU) and Singapore Management University (SMU), to run a 40-hour virtual educational course titled “StoneX School of Futures” with other industry specialists. This course is designed as an introduction to commodity trading for our students.

12. Another recent example supported by Enterprise Singapore is the collaboration between WGC and SBMA, to start a pilot programme under the WGC-SBMA Academy aimed at training young professionals from the bullion industry. This programme has attracted a diverse group of participants with different expertise from bullion banks, refineries, logistics, wholesale and retail dealers.

Conclusion

13. In closing, I would like to congratulate SBMA for putting together another successful APPMC. I am confident that all attendees will walk away with invaluable insights and fresh ideas from our panellists and industry experts.

14. Thank you and I wish all of you a productive conference and wonderful day ahead.