

**SPEECH BY MR KEITH TAN, CHIEF EXECUTIVE,
SINGAPORE TOURISM BOARD
AT THE STB-NATAS TRAVEL AGENT INDUSTRY FORUM ON
16 NOVEMBER 2018, 1410HRS AT MARINA BAY SANDS EXPO &
CONVENTION CENTRE, JASMINE BALLROOM**

Mr Steven Ler, President of National Association of Travel Agents Singapore (NATAS),

NATAS Executive Committee members

Ladies and Gentlemen,

1. Good afternoon and welcome to the 3rd STB-NATAS Travel Agent Industry Forum.

Background

2. The last two years have been busy years for many of us in this business. From January to September this year, inbound international visitor arrivals to Singapore grew 7.5% year-on-year to hit 14 million and I think we are quite on track to hit or achieve our targets for the rest of the year. For outbound traffic, we don't have the latest 2018 statistics yet but I noted that last year there were 9.9 million outbound departures from Singapore residents via air or sea, which is a 4.4% increase from the year before. So the industry is growing, business is growing, people are travelling. I think that's good for all of us.

3. Within the industry, we have over 1,200 licensed travel agents in Singapore. You are all important players in the tourism ecosystem, helping to connect us to the rest of the world. You provide over 10,000 meaningful jobs, and bring joy and adventure to Singaporeans and visitors. I'm glad to note there has been productivity gains in this industry and value-added per worker, which is our measure of productivity, has grown at an average of 9% a year from 2013-2016. This is a very impressive achievement so well done to all of you.

4. But we cannot rest on our laurels. The process of adapting to changes in the external environment is a never ending one. And indeed there are big opportunities and big challenges outside. We fully expect outbound travel to countries in the region to continue to grow quite strongly. The large and growing middle class in many of our neighbours is just starting to venture overseas for their holidays, many of whom are coming out for the first time and we want to be first in their minds as a preferred destination. So the question for us is clear: What must we do to capture our share of this growing market?

Supporting the Industry through Regulations and Roadmap

5. Over the years, STB has been working with you to understand your needs and to provide support. One very important area is capability development.

6. On this front, the Travel Agent Roadmap which was jointly launched by STB and NATAS in 2016 has seen very good traction. I am happy to share that the STB-led initiatives that were announced at last year's forum have been implemented and we are seeing positive results.

7. One example is the Business Transformation Through-Train Programme launched in March this year. This is a 6-month programme that guided participating travel agents through a process of coming up with ideas, and developing and implementing these ideas in order to stay relevant to their customers. The participants started with a Design Thinking Workshop to explore new ideas, went overseas to learn from industry experts and practitioners, and then fine-tuned their ideas for implementation. I'm very happy for the projects that are now being implemented and I look forward to sharing their outcomes next year.

8. In 2017, we launched the Tourism Innovation Challenge for Travel Agents to develop technology solutions curated specially for the travel agent industry. The solutions range from social listening and data analytics to chatbots and tour operations management. These are designed to help travel agents better understand and cater to consumer trends, improve productivity and provide better services to your customers. You've heard earlier in the video from Javiny from Quotient Travelplanner about how chatbots have relieved her staff from handling day to day queries, giving her staff more time to focus on serving her customers better instead, and increasing

overall productivity. This and other solutions can be seen at the Technology Showcase today and I hope you have the chance to spend some time looking at the solutions and talking to the providers.

9. To further expedite technology adoption, we launched the Productivity Solutions Grant for travel agents this September. What this does is that we identify and pre-qualify technology solutions meant for travel agents, and simplify the grant application process. It currently includes a travel agent-specific solution for booking and reservation, and also covers administrative solutions like human resource and accounting. With the Productivity Solutions Grant, we hope you will find it a lot easier to take your first step towards digitalisation.
10. In the two years since the launch of the Travel Agent Roadmap, STB is very heartened by the progress we have seen. Many travel agents have taken up the various initiatives, participated in our events and programmes, and applied for grant support to take their business to the next level. To date, 98 projects have received grant support from our Business Improvement Fund. These projects range from consultation work and technology adoption to business remodeling and internationalisation.
11. Together, these projects have had an immense impact on productivity and led to savings of more than 800 manhours per day. This means that for each day, the industry has freed up 100 people

to do higher value work, such as business development or analysing business trends and customer data to drive tour business. This also means higher value-added per worker and more fulfilling, more interesting work for your staff. To share an example with you, I was speaking with Charles from Pegasus Travel earlier. He shared with me that through BIF he had implemented an app called PegaServe, designed to allow their customers to easily plan and check their travel itinerary. Staff are then freed from mundane tasks like sending out reminders and trip confirmation emails and instead can spend more time planning marketing activities and supporting the company's expansion into the leisure market.

2019 Travel Agent Roadmap Initiatives

12. STB's engagement with you thus far has allowed us to have a keener sense of the challenges you face at a company level. We have heard your feedback and will bear your views in mind as we plan the next wave of Roadmap initiatives to support your businesses. The Business Transformation Through-Train Programme has been effective in helping travel agents re-think and redefine their business models. We will expand the programme by running two rounds of it in 2019. The programme will provide consultancy support, learning opportunities from subject matter experts and grant funding to help turn your ideas into reality.

13. On the manpower front, I am pleased to announce a new initiative that will be led by STB, the Travel Talent Transformation &

Management (T3) Programme. Through this programme, we will journey with travel agents to deep-dive into your HR issues and identify gaps that may be hindering you from growing your business. STB's grant funding will also be provided to support implementation of your good ideas.

14. To help the industry attract and retain talent, we will also be dedicating resources to think about how we can profile the travel agent industry better. Today many young Singaporeans and potential hires still see travel agents as straightforward, old-fashioned order-takers who may well be replaced by technology quite soon. It is important to show them that travel agents are so much more than that, as travel experts, crisis managers, trip curators and product developers. Job seekers will then see that skills such as digital marketing and data analytics are important skills needed in this industry, and that this is a viable, interesting, meaningful industry for them.

Announcement of the Tour Operators Alliance

15. In addition to seeing a more digitalised and progressive travel agent industry these two years, we are also starting to see a transformation in Singapore's tour landscape. Today, more passionate individuals are embarking on the development of walking tours, food tours and heritage tours that engage our visitors on a deeper level, by showcasing the authentic side of Singapore through our heritage, our passions and our people.

16. These tour operators may have started small but there are increasing take-ups of such tours by our visitors who seek a more bespoke, more authentic experience of Singapore. Since the launch of our destination brand, Passion Made Possible, in 2017, we are happy to have partnered some of these tour operators to brand their tours as Passion Tours. These tours are being featured at the Tours Showcase next door. Do spend some time to speak with these passionate individuals, who hail from diverse backgrounds like auditing, marketing, guiding, and find out how they make their tours and stories come alive for our visitors.

17. I am happy to announce that some of our tour operators have decided to come together to form a Tour Operators Alliance. They know that there is strength in collaborative efforts and have decided to come together to further their collective interests, shape and build their capabilities as a group, to share resources, and work with our inbound travel agents or ground handlers for partnerships and channel distribution. We believe this is a strategic move to help strengthen our tour operators, and we will work with them to finalise and implement their plans over the next few months.

Conclusion

18. Looking ahead, an increasingly digital landscape and growing consumer preferences for unique and personalised experiences will continue to change the way that you operate. How we respond

together as an industry will determine how well we thrive in the years ahead.

19. Together with NATAS, STB will continue to support the travel industry along this journey. We firmly believe that travel agents can be designers of travel experiences. There are challenges, but there are also rich and diverse opportunities. I encourage everyone here to keep an open mind and explore what you can do to transform your business. Be bold and take the next steps forward, one step at a time.

20. Before I pass the time to Steven, I would like to extend my appreciation to him and the NATAS Executive Committee. Your work is not easy. You need to constantly plan ahead for the collective interests of the industry. You need to find resources to turn plans into a reality and ensure they are sustainable. This work is made even tougher because you need to take time away from your own businesses to do this. What you do requires a lot of passion, tenacity and hard work. STB is proud and privileged to be partnering you and NATAS along this journey.

21. Thank you for being here today and I wish you a very fruitful Travel Agent Industry Forum.

