

Changi Airport to work with firms, startups to improve operations

Its 5-year innovation programme to zoom in on areas such as automation, data analytics

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CHANGI Airport is reaching out to companies and startups to develop technology solutions for the airport under a five-year innovation programme, zooming in on areas such as automation and data analytics.

The "Living Lab" programme, a tie-up between the Singapore Economic Development Board and Changi Airport Group, will see investments of up to S\$50 million over the next five years. The lab will also work with accelerators, universities and research institutes from Singapore and overseas.

Aside from automation, data analytics and the Internet of Things, other areas of focus will include non-intrusive security technologies

as well as smart infrastructure management.

For instance, the airport is already working with companies to conduct trials for a queue analytics system at its taxi stands. This will allow the airport to provide travellers with better information on ground transport options during peak periods as well as inform taxi drivers about anticipated demand for taxis at the airport. Data for the taxi trial is being collated over a six to 12-month period.

Another ongoing project involves prototype trials for autonomous cleaning robots to clean the floors in the airport terminals.

Meanwhile, it is exploring the use of automated guided vehicles to take passengers between terminals.

Speaking at a Memorandum of Understanding (MOU) signing on Thursday, chief executive officer of

airport operator CAG, Lee Seow Hiang, highlighted that factors such as an increasingly vibrant eco-system of startups as well as the availability of improved technology make it possible for the airport to up its game when it comes to innovation.

EDB's chairman, Beh Swan Gin, added: "This project is significant because it will provide valuable opportunities for companies from across different industries to co-develop and test innovative airport solutions in a real life operating environment."

To cope with growing passenger traffic, the airport will open Terminal 4 in the second half of this year, adding a capacity of 16 million annually to Changi's existing capacity of 66 million passengers. Against the backdrop of a tight labour market, T4 will offer self-service options as well as a centralised security screening to



operate more efficiently and with reduced dependence on manpower.

"(The Living Lab) is an initiative... to enhance the competitiveness of Singapore's air hub as an airport that's fast growing and also expanding in the next 10, 15 years," added CAG managing director (airport operations management) Jayson Goh. "Innovation is a key avenue to help us

build up new capabilities, enhance passenger experience, enhance efficiency as well as optimise infrastructure capacity, moving forward."

Changi Airport handled a record 55.4 million passengers in 2015. For the first 11 months of this year, passenger traffic grew 5.7 per cent to 53 million putting the airport on track to post year-on-year growth.

The airport is working with firms to conduct trials for a queue analytics system at its taxi stands. This will offer travellers better information on ground transport options and inform cab drivers about demand for taxis. PHOTO: ARIFFIN JAMARIST

GLP confirms preliminary talks on possible sale of the company

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GLOBAL Logistic Properties Limited (GLP) confirmed on Thursday that it is in preliminary discussions with various parties on a possible sale of the company.

But it emphasised that no definitive transaction has been entered into with any party, and there is no assurance that any transaction will materialise from the strategic review.

It had in December appointed JP-Morgan Chase & Co to help conduct a strategic review of options to improve shareholder value, following a request from its single largest shareholder GIC, Singapore's sovereign wealth fund.

GLP's disclosure was in response to a trading query from the Singapore Exchange (SGX) after its shares jumped by as much as 9.4 per cent, hitting the highest intraday level since July 2015.

A Bloomberg report on Thursday said that GLP has begun formally reaching out to potential bidders and have asked for first-round offers by early February in an information letter sent out to targeted bidders last month.

The modern logistics space provider is said to have attracted interest from suitors after announcing a strategic review in December.

DBS vice-president for group equity research Derek Tan said that GLP is probably able to command a price premium, simply due to its unique sheer scale – being the second largest logistics property owner and operator in the US after Prologis, and the largest in China, Japan and Brazil.

GLP owns and operates a US\$40 billion global portfolio of 53 million sq m of logistics space. For its funds platform, it has some US\$39 billion of assets under management, of which US\$26 billion has been invested.

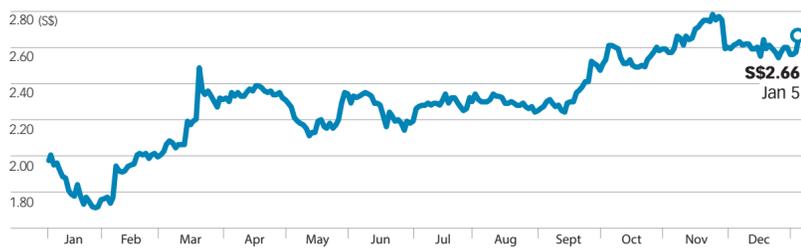
GIC, which manages Singapore's foreign reserves, holds a 36.9 per cent stake in GLP, while Hillhouse Capital Management owns 8.2 per cent, according to Bloomberg data.

There were earlier rumours that GLP had drawn interest from an investor group including China Investment Corp (CIC), Hopu Investment Management and Hillhouse.

CIC, the Chinese wealth fund that manages some US\$814 billion of assets, has previously partnered GLP for deals in Japan and Brazil. Hopu is a Beijing-based buyout firm founded by veteran dealmaker Fenglei Fang, who also owns a direct 1.59 per cent interest in GLP.

Key highlights

United Engineers – share performance over a year



Market cap	P/B	EV/EBITDA	Net debt/equity
S\$1.7 billion	0.87	16.99	23.79%

Some key iconic assets



UE BizHub City

- Mixed-use development at Clemenceau Avenue comprising office, serviced apartments, serviced offices and shopping podium
- 929-year leasehold from Jan 1, 1953
- Valued at S\$676.5m as at Dec 31, 2015



one-north

- Mixed-use development in Buona Vista comprising retail and hospitality
- 99-year less 1 day leasehold from Feb 2, 2005
- Valued at S\$122m for retail, S\$165m for hospitality



UE BizHub Tower

- Commercial building at Anson Road
- Freehold
- Valued at S\$423m as at Dec 31, 2015

Source: UEL

Govt urged to lead in fairer procurement

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THE labour movement has issued a call for the government to take the lead in improving procurement practices, in its bid to stamp out irresponsible outsourcing by businesses.

In particular, it suggests enhancing the Government Procurement Act so that it ensures that compensation for service lapses are reasonable.

The National Trades Union Congress (NTUC) said in a statement: "The outsourced sectors have long been plagued by low productivity and stagnating wages as a result of irresponsible outsourcing by businesses."

"Greater transparency in contractual obligations will in turn allow our workers to benefit from better jobs and better pay," it added.

In response, the Association of Small and Medium Enterprises (ASME) told *The Business Times* that SMEs are often at the losing end of such unfair contracts, and stressed

that their voices should be heard when thinking about how procurement practices can be improved.

For now, NTUC sees that the public sector can lead the way. It notes that the Finance Ministry already has in place a set of guidelines for the procurement of outsourced services by the government and related ministries. "But more can be done by the public sector in setting an example for the private sector to follow."

The government can thus consider enhancing the Government Procurement Act so that it will be guided by the Principle of Proportionality.

Currently, service buyers tend to determine how much liquidated damages for service lapses are, said NTUC, which are often overly onerous.

"A Principle of Proportionality will therefore ensure that liquidated damages clauses are used as a professional tool to reasonably compensate service buyers for non-compliance of service standards," the labour movement added.

The Act can also include other provisions that can address the issue of

one-sided contracts – a common practice today, it said.

These include: a fair clause for a contract validity period so that prices and price variations can be agreed upon, and a termination clause that allows for reasonable engagement by both parties to address any issues.

The labour movement also called for the government to start the conversation on how procurement practices can stick to these principles, and take the lead in their implementation.

Kurt Wee, president of ASME, highlighted that SMEs as service providers often face heavy liquidated damages and in turn, may have to impose similar ones on their sub-contractors or suppliers. "We've seen very lopsided contracts that are very unfairly onerous on SMEs."

As such, he stressed on the need for SMEs' voices to be heard before implementation of any changes. "Often, when a new ruling comes out, SMEs have no room to voice postponement. Ground sentiment is that any 'consultation' is not given an equivalent consideration," said Mr Wee.

S\$ continues to rise on accelerated US\$ profit-taking

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THE Singapore dollar stayed on the rebound against the US dollar on Thursday in line with other currencies, reaching S\$1.43 as dollar profit-taking gathers momentum.

At S\$1.43, the Singdollar is up 1.4 per cent from S\$1.45 on Tuesday, noted Philip Wee, DBS Bank senior currency strategist.

The dollar has been struggling since the waning days of 2016, and the profit-taking and correction is pretty much across the board, he said.

The dollar's index against a basket of six major currencies slipped to 102.20 after hitting a 14-year high of 103.82 on Tuesday, when a strong reading from a US manufacturing survey gave it a boost.

The Chinese yuan slipped a tad after it made its biggest daily gain in about a year in offshore trade on Wednesday, as the Chinese authorities took steps to shore up the currency.

The Thomson Reuters/Hong Kong Exchange index of the offshore yuan hit its highest level in almost six months, though the index for onshore yuan still stood within its ranges of the past few weeks.

The offshore yuan gained 1.3 per cent on Wednesday, hitting a one-month high of 6.8658 per US dollar. It last stood at 6.8883.

"The whole rally has been on Trump growth and interest rates and Fed hikes... the position has been pretty extended," said Mr Wee.

The US Federal Reserve raised interest rates last month and expectations are for three more hikes in 2017. The dollar and stock markets have rallied strongly since Donald Trump won the US presidential election on Nov 8 on reflation hopes but also on data which shows the US economy is growing nicely. Mr Trump takes office on Jan 20.

SGD rebound



Source: Bloomberg

While bullish on the dollar over the medium term, the market is worried that it has run up too much too quickly, said a DBS research report.

But the market is also seeing more numbers coming out which show that other economies aren't doing too badly, for example, Singapore's latest growth data, said Mr Wee.

On Tuesday, Singapore surprised with 1.8 per cent 2016 growth, surpassing even the government's own 1-1.5 per cent range estimate.

"There's a balancing effect right now, I would say the market is evaluating – it's not so one-sided, the rest of the world is tagging along," said Mr Wee.

The Singdollar has had a fantastic 24 hours, with the greenback falling against it from 1.4500 to 1.4320, said Jeffrey Halley, OANDA senior market analyst. "In the process, breaking support around 1.4430 and 1.4350. These now become resistance. Support is at 1.4320 and then 1.4270 and 1.4220," said Mr Halley.

Mr Wee said that the broad trend of further dollar strength hasn't changed. "The US optimism is high."

DBS forecasts four hikes by the Fed in 2017 and the Singdollar to fall to S\$1.48 by the fourth quarter of the year.

Falcon's ex-S'pore branch manager in the dock over 16 charges

Continued from Page 1

According to one charge faced by Sturzenegger, he allegedly instigated Falcon's compliance head in July 2015 to provide false information to a Monetary Authority of Singapore employee that Eric Tan Kim Loong was the beneficial owner of four accounts maintained at the bank when he in fact knew that the bank was dealing with Mr Low. Mr Tan has been described in previous court documents as a close associate of and proxy for many of Mr Low's financial arrangements.

Sturzenegger, who was already mentioned back in October last year by the MAS when it pulled Falcon's banking licence here for serious anti-money laundering lapses, also allegedly knew that Mr Low was using the email account erickimloong.tan@gmail.com to communicate and give instructions to the bank in relation to the four accounts.

Another offence was said to have taken place in September last year when he falsely informed an officer of the Commercial Affairs Department (CAD) that he had met Eric Tan on March 14, 2013 when he in fact

had met Mr Low. Similarly, he is also accused of giving false information to the CAD officer that he had met Mr Tan on February 2, 2012 and Mr Tan had called him three days later when he had actually dealt with Mr Low on these occasions.

According to another charge, the Swiss national also falsely informed the CAD officer in September last year that he did not know that Mr Tan was connected to Mr Low and was not aware that Mr Low knew about the transactions executed in Mr Tan's accounts at Falcon. It was alleged that he was aware Mr Low was "orchestrating the transactions" in those accounts.

Sturzenegger's actions were intended to cause the public servants to "omit to probe" into Mr Low's involvement in the bank accounts and the connections between the accused and Mr Low, according to the charge sheets.

He is out on S\$80,000 bail and is expected to plead guilty to some charges at the next session fixed for Jan 11 following an application made by his lawyer Tan Hee Joek in court on Thursday.

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