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| <b>Session Title :</b> Impact of Emerging Technologies on the Global Supply Chain  |
| <b>Date &amp; Time :</b> 4 April, 15:15pm – 16:05pm  |
| <b>Moderator :</b> Consul General Kurt Tong, U.S Consul General to Hong Kong & Macau   |
| <b>Speakers:</b> <b>Brian Davis</b> , Vice President, Airlines, Asia Pacific at Honeywell Aerospace<br><b>Jeffrey Nygaard</b> , Executive Vice President, Global Operations Seagate Technology |

**Introduction & Purpose:** The emergence of an array of technology (IoT, Cybersecurity, AI, and etc) calls for a discussion on how it is shaping the global supply chain in today's business world and the impact it has on businesses. In light of this, what risks and/or opportunities would be staring at U.S based companies operating in Asia?

**Summary of the session**

**Speaker: Brian Davis**

About 60% of the world's aircrafts are to be delivered to the APAC region in the next 20 years and this calls for an attractive and efficient supply chain process to be in place.

According to Brian, integrating the supply chain with technology may pose challenges when you have access to cheap labor, especially when trying to

justify to customers. It requires a thorough explanation of how customers may benefit from a specific technology that is used.

Converting supply chain to big data and intelligence is where it really shines. An example given by Brian in this instance is where engineers would be alerted on a specific faulty aircraft part as opposed to having to trouble shoot from scratch, which is both time consuming and costly. Hence, **the integration of supply chain and technology results in efficacy and a reduced cost of operations.**

**Speaker: Jeffrery Nygaard**

As an entity that manufactures storage devices, Seagate Technology processes about 700 million parts a week. As such, supply chain is a rather integral part of its operation.

Technology is clearly reshaping the supply chain process. According to Jeffrey, **with big data, we are at a time where we have to rethink how we do work, ensuring it adds value to the company in every step of the way.**

Moving forward, actionable data will be the core of innovation and that suggests businesses will equip itself with sufficient knowledge on various ways to make data actionable. Jeffery noted that all the hype about big data does not come without its cons. **With data being generated and stored, both within the company and externally, cyber security is equally an important part of any business** to ensure that all data is always sufficiently protected from falling into the wrong hands.

***Moderator: Perhaps we could expound more on the question of maintaining data integrity.***

**Speaker: Jeffrery Nygaard**

A big chunk of the data will be at both locations, locally and up on the cloud. However, moving forward, there will be a surge of data generated and stored locally due to business needs.

Isolating oneself from the external cloud as much as you can enhances cyber security but that comes with a cost of being less efficient and effective. It's all about being able to **strike the right balance between being efficient and having your data protected as much as you can.**

*Moderator: What are some of the thought processes behind the investment decisions, whether to invest in artificial or biological (human) intelligence?*

**Speaker: Brian Davis**

From an investment point of view, Honeywell continues to utilize a significant amount of labor to ensure data is accurate. Brian added that **Honeywell has about 90% accuracy rate when it comes to interpreting data. This would not be possible with merely machines and artificial intelligence having no human intervention.** As such, both, artificial and biological intelligence are equally valuable.

*Moderator: What should some of the governments in the region do or not do in order to facilitate the movement of cross border data to improve the supply chain?*

**Speaker: Jeffrery Nygaard**

Governments should interact a multilevel framework for the movement of data. **Working with private industries on educating the general public on data should be a priority as data is touted to change the way people are going to work.** With the growth of SME's requiring

cross border goods and services from countries outside of which they are operating, governments should allow free trade within an appropriate legal framework.

**Speaker: Brian Davis**

Some governments in the region put out rigid data regulations, hampering business growth. **Governments in the region should strive on having a more mature data protection that drives business toward their success.** There is significant gap that tends to slow down the whole momentum one can have from being able to convert data into something actionable. These gaps may vary from one country to another, depending on the immaturity of a country's specific data protection regulations.

**Takeaway from the session**

- Big data is rapidly paving its way through businesses and is expected to drastically change the way industries operate from within and externally.
- Businesses are advised not neglect its customer's data privacy by ensuring that they're on top of the cyber security game.
- Governments in the region should adopt a rather optimistic set of regulations related to data where it helps drive businesses towards success.
- Industries are advised to invest in training and learning of their people to ensure continuous growth and performance.

- There should be joint efforts by the government and private industries towards educating the general public regarding data, as it poised to shape the future of almost all businesses.