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Speech by Mr Thomas Chua
Immediate Past President and Nominated Member of Parliament
14 May 2018

Debate on President's Address

"Building a government-business collaborative relationship in a new era, based on mutual trust and learning, in order to achieve breakthroughs in transforming the economy"

1) Mr. Speaker, the focus of my speech today is: "Building a government-business collaborative relationship in a new era that is based on mutual trust and mutual learning, in order to achieve breakthroughs in transforming the economy"

Achieving Breakthroughs in the Economic Transformation and Upgrading of the Economy

2) In outlining the government policy objectives, the President issued the call that the fourth-generation leaders must boldly promote change and lead Singapore into the next development phase. The business community generally agree with this stance and expect our country's fourth-generation leaders to continue consolidating the new era's government-business collaborative relationship which is based on mutual trust and mutual learning, and pushing for economic transformation with dynamism and resolve.

3) In the past Singapore had succeeded many times in finding breakthroughs in economic transformation. Our first-generation founding leaders succeeded in creating Singapore's economic miracle when Singapore struggled for survival in adverse circumstances. Their farsightedness and precision in positioning Singapore while relying on the people's trust and support amid an extremely unfavourable environment, paid off. Ten years ago, that is, when the financial crisis erupted in 2008, the third-generation leaders and the businesses confronted it together. They rolled out employment subsidy programmes and encouraged upgrading of skill to help workers keep their rice bowl, taking Singapore on a quick bound after it bottomed out amid the global economic recession. All these were acknowledged by the people.

4) Today, Singapore is once again in an unpredictable international environment. Businesses expect the fourth-generation leaders to be both talented and virtuous, and be attentive to the lives of the people, while understanding the vagaries of recent industrial developments. They are expected to demonstrate courage and determination as leaders, while injecting new vitality into the economic transformation.

5) At the same time, the new era requires the creation of a new form of collaboration between the government and business, which will let enterprises have a greater rein in terms of initiatives in economic development. In the early years of nation-building, due to the special political and economic situations then and the constraints on domestic education, the government exercised full control on the direction of economic development. Today, the international market is open, information flows freely, and technology keeps renewing no end. With the spread of digital technologies such as big data analysis, it is easier for enterprises to muster resources while the trends of industries are more diversified. But the risks faced are even higher. In these times and circumstances, it is not easy for the government to understand deeply the actual situations of various industries.

Building a government-business partnership in a new era that is based on mutual trust and mutual learning

6) Therefore, to achieve a breakthrough in economic transformation not only requires courage and resolve from the fourth-generation leaders, but also the building of a new-era government-business collaboration that is based on mutual trust and mutual learning, which will help set free the energy of the enterprises with an inclusive mindset. For example, the industrial transformation maps promoted by the government, have already got a clear industry clustering strategy framework. Next, it is necessary for the trade associations and enterprises to be more involved and in control. Going forward, the responsibilities of the government are to clarify the directions and allow companies full play on a level playing field and promote mutual trust with enterprises in the transformation.

7) To this end, governments and businesses must strengthen their mutual interactions and deepen mutual understanding. To grasp the development opportunities amid rapid changes, the fourth-generation leaders must listen to the voices of the businesses, pay close attention to the developments of the industries, and broaden their visions so that they can formulate pro-business policies more accurately.

8) I remember that in the 1990s Singapore eliminated the garment processing industry while developing high value-added industries. Later, the garment industry continued to

develop in Hong Kong as its base, bringing about a fashion design hub and a related logistics supply chain that brought high returns. This was an opportunity we missed at the time.

9) Therefore, when a new generation of leaders is designing industrial policies and allocating resources for development, it must canvass opinions from a wide swathe in the business community, and particularly must understand the links between the old and new industries. For example, Singapore's import and export trade accounts for a very high proportion of our total economic output. In the future, we can continue to explore how to leverage these existing advantages in new circumstances. The government can keep in touch with companies through platforms such as trade association and chambers to adjust policies in line with the latest trends.

Continue to consolidate the tripartite co-operation between workers, businesses and the government

10) Mr. Speaker, when companies are creating values, they are also creating jobs. If the government wants people to live well, they must first let businesses do a good job. The tripartite co-operative model of workers, businesses and the government has always been an important foundation for Singapore to keep its competitive edge and overcome all difficulties in the past and in the future. To this end, I urge businesses to actively establish a new government-business relation. They should not just make good use of government assistance programmes to develop their businesses, but also understand more about economic policies and provide constructive suggestions to government agencies. Today, not only government leaders are passing on the baton, so are businesses. Besides, there are many young entrepreneurs who are making great achievements in emerging industries, such as in technology and Internet-related industries.

11) Whether businesses are willing to cooperate with government policies will affect the effectiveness of national economic policies. Especially in this day when the business cycle has been greatly shortened and companies have to look much further ahead. There is a good saying: "If you want to go fast, you go alone; if you want to go far, you go in a group." In the highly versatile market, a temporary success may be due to a single seizure of opportunity, but if you want sustainable development, businesses must build up real strengths. As Minister Chan Chung Seng has said, we must upgrade from "whole-of-government" co-operation to "whole-of-nation" framework, in line with the country's strategy to build long-term competitive strengths.

12) To sum up, I support the government's policy objectives and look forward to the fourth generation of leaders coming up with a new economic growth blueprint via the new-era government-business relationship based on mutual trust and mutual learning. Also, I look forward to the leaders grasping the dynamics of industries accurately and offering them effective help. Going forward, we are ready to build a better future for the country with the new leadership team.