

**MR THOMAS CHUA, IMMEDIATE PAST PRESIDENT OF SCCC,  
NOMINATED MEMBER OF PARLIAMENT  
AT PARLIAMENT SITTING ON 11 September 2017**

**JTC (Amendment) Bill  
(Mandarin Translated Speech in Parliament)**

*(In Mandarin):* Mr Speaker, after examining this Bill in detail, I support the JTC (Amendment) Bill.

The main purpose of this amendment is to transfer all the industrial units and industrial land leases currently managed by HDB, to JTC in the first quarter of next year. According to Clause 5, Section 38 of the Bill, after the transfer, all those HDB employees responsible for managing the industrial properties will be transferred to JTC. Moving forward, all existing industrial tenants will be able to liaise with the same group of officers, assuring the tenants of service continuity.

After consolidating all resources, JTC can be more effective in comprehensive planning for its industrial districts, and integrating the whole value chain. This is a very good initiative indeed. At this time, I would also like to highlight three areas of concerns from businesses, and hope that Minister and JTC could pay attention to them.

Firstly, will there be changes in the land use policy in the future? HDB comes under the Ministry of National Development (MND), and is mainly responsible for public housing projects and creating a quality living environment for Singaporeans. The industrial properties and space provided by HDB also create employment opportunities close to home for many HDB residents. The relationship between many tenants and HDB is “Neighbours first, landlords second”. JTC, however, is a statutory board under the Ministry of Trade and Industry (MTI), and is mainly responsible for developing industrial infrastructure facilities and promoting high value-added industry development to propel the sustainable growth of Singapore’s economy.

In the first quarter of next year, factories in the heartlands will still remain, but the landlord would have changed; officers are the same, but they would have a different boss. JTC’s land use is based on “economic benefits” and “economic value-add”. Tenants are concerned that under the management of the new landlord, could the longtime practice of “discussion and reach a compromise”, become negotiations purely based on “business considerations”? Everyone hopes that JTC could continue to be empathetic, offer a helping hand, and look after the eco-system of the heartlands. Before embarking on any major restructuring, we hope JTC could also carefully consider the indirect impact of the newly amended clauses, especially the impact on the livelihood of the employees of SMEs.

Secondly, after the transfer of factory space, will the rentals go up? JTC stated that “after the transfer of industrial properties, the lease terms of industrial tenants would remain unchanged”. However, after the lease terms are up, would JTC apply a different set of criteria to determine

rentals? Would the renewal of rentals treat the above-mentioned “economic benefits” and “economic value-add” as a priority?

Over the long term, demolishing and re-developing factories is an inevitable trend. Otherwise it would be very difficult to realise the overall objective of “integrated planning”. However, many neighbourhood hawker centres see their rental and food prices go up after renovation. Tenants are understandably worried that any renovation or redevelopment would cause rentals to soar. This would not only raise their overheads, but also increase the cost of living for the public.

Thirdly, how do “small fish” co-exist with “big fish”? All along, HDB’s industrial tenants have been SMEs, and are mostly family businesses in the traditional industries. On the other hand, many of JTC’s tenants are medium to large manufacturers and multi-national corporations.

I have brought up in Parliament many times that policies cannot adopt “the one-size-fits-all” approach. We hope that JTC could make relevant decisions based on the needs of different customer groups. While evaluating and planning for the allocation of industrial land and factory space, besides considerations such as the pace of industry growth and economic contributions, we do hope JTC could also consider the social functions of traditional industries. The ultimate value of these traditional industries lies in being able to exist well to serve the public at large. Hence, I do hope JTC would continue to set aside and provide smaller-size industrial units and space with more affordable rentals for the micro and small enterprises, to enable these family businesses and traditional industries to carry on their businesses from generation to generation. These enterprises are more willing to provide employment opportunities for older workers, which is a key factor in maintaining social stability.

Finally, I appeal to all existing industrial tenants of HDB to adopt a positive mindset to adjust to their new landlord, make good use of this opportunity to actively upgrade their business models, and operate traditional industries with a new mindset. We could breathe new life into traditional industries. New opportunities will arise when we incorporate digital technology into traditional businesses. At the same time, I also appeal to the government to provide substantive assistance to this group of tenants, helping small and micro enterprises to transform, so that in time to come, they could find a suitable space amongst JTC’s many industrial properties.