

ERC/PR/2015

EMBARGOED TILL DELIVERY – 致辞前禁止发表

PLEASE CHECK AGAINST DELIVERY – 以现场致辞内容为准

**MR THOMAS CHUA, PRESIDENT
OF THE SINGAPORE CHINESE CHAMBER OF COMMERCE & INDUSTRY
AT THE LEAD PARTNERS DINNER ON 2 JUNE 2015**

Collaboration among trade associations

Mr Lim Hng Kiang, Minister for Trade and Industry

Senior officials from SPRING, IE Singapore and JTC

Fellow leaders from the trade associations

Good evening!

First of all, I would like to thank SPRING for inviting me to speak at this year's LEAD Partners Dinner, which also coincides with the 10th Anniversary of the LEAD programme. I would like to thank the government for the support and commitment to the trade associations and chambers in our industry development work in the last 10 years.

The global economy, while recovering, is expected to see modest growth this year. Within Asia, growth will also be uneven. In Singapore, our economy is entering into its 5th year of restructuring with our SMEs continuing to face challenges related to manpower and rising costs. Against this background, our SMEs must quickly adapt and take action to transform themselves. If not, they will risk being phased out.

In today's environment, trade associations and chambers have an even more important role to play. During the current transformation process, there are limitations to what a single SME can do. For SMEs, they may have to collaborate with other SMEs to share resources. They may also need to collaborate with SMEs from other sectors. Trade associations can be important partners of government to help industries transform, improve sector-level productivity, and promote cross-sector collaboration. In fact, these are objectives behind

the formation of the Trade Association Hub that Chamber will take the lead to operationalise in 2017.

Please now allow me to elaborate my speech in details in Mandarin.

Minister Lim Hng Kiang,

Senior officials from government agencies and leaders of trade associations

Today, the topic I would like to share with everyone is “Leveraging on the strength of collaboration, Promoting Industry Growth”. In the 50 years since we achieved independence, the government has been striving hard at creating a pro-business environment. Based on the different stages of economic development, the government has adjusted its policies to achieve industrial upgrading. Eventually we have created a diversified business community made up of MNCs, government-linked companies and local SMEs. They continuously drive Singapore’s economic development and accomplish admirable results!

In tandem with advancements in technology, the global economic environment is gradually changing; new industries are emerging while other industries are on the decline. This is a challenge faced globally; Singapore is no exception. With the scarcity of land and shortage of manpower, some traditional industries in Singapore have taken a beating in recent years. Currently, government or businesses alike strongly believe that if we wish to achieve a breakthrough, enterprises have to embark on innovation and transform in order to improve productivity in the long run. This view is already accepted by the public at large. If this can be achieved, our traditional industries will have a chance to reverse their current situation. However, some things are easier said than done. In the past few years, the government, with the objective of improving productivity, has rolled out many generous assistance schemes for businesses. Some enterprises succeeded in using this opportunity to restructure, but many others, especially the SMEs, are still feeling their way around. Some companies have persevered in trying notwithstanding the lack of results, and their effort is

admirable. In this situation, we need to think through calmly. Improving productivity is a long-term process, but how can we shorten the learning curve for enterprises and find more success stories?

I can think of the analogy of the sheep leader and the shepherd dog. In the flock, the sheep leader has a wealth of experience, and the rest of the flock trusts it and follows it. The rest keep pace with the leader. In this period of economic restructuring, trade and industry associations are the leaders. The government's role is more like that of a shepherd dog, using the law, regulations and policies to shape the environment. If the flock runs too slowly, it will have to make it run faster; if they stray from the right direction, they need to be steered back; and it has the responsibility of not letting any sheep stray away from its flock. While Singapore has good shepherd dogs, what we urgently need now is a group of swift-footed and sturdy sheep leaders.

All the trade association leaders present today are sheep leaders. Some of these TAs are successful recipients of the LEAD Programme, and have grown stronger under government support and funding. As these TAs understand their respective industries very well, they can be more pro-active and apply their industry knowledge to help their members open up new business opportunities, change business models, and identify new markets. I often wonder why a flock of sheep needs to follow its leader. This is because the leader is capable and can think ahead. The flock which follows its lead can be led to pastures and have a future; this is the responsibility of the sheep leader. By the same token, trade associations and industry associations need to give their members the confidence to lead their industry towards transformation. Some trade associations representing traditional industries have done very well, including textile and garments, food manufacturing, F&B, hardware, and furniture. They have all banded together, using the unity of strength to adapt to change and drive the whole industry forward.

In the last two years, the Chamber has been holding regular lunch dialogues with its 153 trade associations, clustering them according to different industry sectors each time. On the one hand, the agenda is to discuss how to solve the challenges faced by each industry,

and on the other hand, it is to understand the government policies better and to discuss the growth of their industries. When the government implemented the SkillsFuture programme, everyone agreed that trade associations must participate pro-actively in order to secure a foothold in the nurturing of talent. Traditional industries can attract talent only if they can improve their image and capability. To achieve this, relying on one or two companies within an industry would not be possible. It requires collective effort.

Local trade associations face numerous challenges. For example, some trade associations have a dwindling membership and have no option but to close down or merge with other trade associations; some worry because they have no permanent premises to hold meetings and organise activities; some find it very difficult to recruit professional secretariat staff and can only hire retirees; some trade associations do have good ideas and sincerely wish to service their members, but have financial limitations.

Now, the Chamber's Trade Association Hub (TA Hub) has received the government's support and endorsement, we deeply appreciate the ongoing support of JTC Corporation. After the TA Hub concept was crystallised, we have held many discussions and site visits with JTC; along the way, as we met with certain constraints, JTC came forward with solutions to address them. The Chamber is now committed to develop the TA Hub. We have formed a special Task Force personally led by one of our Vice-Presidents. The members of this Task Force include the respective Chairmen of four committees - Trade Association & Membership Affairs, Property Management, Commerce & Industry Development and General Affairs. We have also recruited a full-time Project Director to assist in this project.

The Chamber's objective is to cluster the trade and industry associations under one roof, learn from one another's experiences, and stimulate innovative ideas. The TA Hub is not just an office space and activity venue, but could provide professional services and be a hub of activities. Based on the needs of the respective industries, trade associations could organise seminars and workshops, or bring in targeted training programmes beneficial to industry development, or even tap on shared resources to organise overseas networking activities with their international industry counterparts. With the excellent infrastructure

and facilities at the TA Hub, it would enhance the image of the trade associations organising their activities there.

We thank the government for supporting the Chamber's development of the TA Hub, to share resources for the benefit of the industries as a whole, and provide an even better impetus to drive the growth of each industry. At this juncture of economic restructuring, government policies have created a favourable external environment for the business community, but enterprises themselves need to make full use of this and be pro-active.

The government crafts relevant policies and trade associations drive innovation; coupled with Chamber's strengths in our organisational skills and coordinating ability, these three parties create a great synergy. They can tap on each other's complementary strengths to build a strong team. Together we can help Singapore enterprises to progress with the times, and continue to flourish under the new economic environment!

The 2nd of June is indeed a very memorable and meaningful day. Forty years ago, on June 2 1975, Jurong Town Hall was declared open by then Minister for Finance Mr Hon Sui Sen. This building was the headquarters of Jurong Town Corporation, and also witnessed the starting point, development and success of Singapore's industrialisation programme. Forty years later, we are creating a TA Hub in this very same building. Let us work together on this new journey to advance our industry development!

Thank you.