

English translation of Speech by NMP Thomas Chua, President of the Singapore Chinese Chamber of Commerce & Industry

Bankruptcy (Amendment) Bill

Madam Speaker, firstly I would like to declare that I am the President of the Singapore Chinese Chamber of Commerce & Industry. I support the Bankruptcy (Amendment) Bill, as the amendment will prescribe that a minimum period should elapse before a bankrupt is discharged; this would benefit those who have failed in their ventures to learn their lessons, and start over again.

Currently, Singapore's economy is undergoing a period of restructuring, and we do need more entrepreneurs who have ideas and creative thinking to develop economic avenues and new ways of doing business. We also need to groom more young entrepreneurs to be daring enough to venture, and not give up easily even when faced with obstacles. To be sure, the business battlefield is not going to be plain sailing. Even renowned entrepreneurs like Jim Rogers and Jack Ma have experienced failure, and not only once.

Does our society have the environment to nurture an entrepreneurial spirit? Recently, I participated in a seminar entitled "The role of parent education in preparing young people for employment" by the Chinese Development Assistance Council (CDAC); the results of one survey that were announced deserve further thought. A total of 550 parents of students participated in this survey, mainly to find out how parents could prepare their children for employment. Results showed that the capability parents valued most is to cultivate their children's specialised skills and knowledge learning capacity; parents felt that the least important is to cultivate the willingness to take risks among their children.

These results show that the tolerance level of the risk-taking spirit needs to be further strengthened in our society; a variety of reasons lead to parents making more emphasis on knowledge acquisition and skills. While this is certainly a good thing, the young people groomed under this mindset could turn out to be excellent civil servants, managers, and outstanding skilled workers and professionals, but are not likely to become successful entrepreneurs.

Starting a business entails taking risks. Let me cite a real example: Mr Tan, who was a restaurant owner, became bankrupt a few years ago. He was not used to working for others, and wanted to continue doing business. Hence, he used his wife's name to re-register a business and started to sell fish soup. As he learned from his previous experience, the business became better and better, and he opened another stall at a nearby hawker centre. Because he has already mastered the specialised skill of slicing fish, of late Mr Tan hopes to expand his business through opening a chain, but because he was still an undischarged bankrupt, he faced hindrances at every turn – he faced rejections in discussing projects, getting bank loans, and applying for government assistance schemes. He really hopes that the government could show more leniency towards bankrupts.

After the amendment to the Bankruptcy Bill, people who have failed in business could be discharged from bankruptcy within 5-7 years and given the chance to strive ahead to realise their dreams, which is what Mr Tan hopes to do. Given his ability, he has no problems settling the target contribution, but what is at stake is his reputation. If our society is unable to tolerate failure, and not accepting of wrong-doing, fears taking risks and dodges from it, parents are unwilling to let children take risks, or are not used to the idea of letting children take risks and responsibilities, then what Singapore lacks most would be the social environment to groom entrepreneurship. Without the nurturing soil, big trees can never grow.

Allow me to share the insights from Founding Prime Minister Lee Kuan Yew in his book on *The Grand Master's Insights on China, the United States, and the World*. Mr Lee felt that the spirit of innovation and entrepreneurship is even more important than technological ability. In an era of technological revolution, only talented entrepreneurs would be able to seize new opportunities, create new ideas, establish new enterprises, and make great strides forward. The ordinary businessmen only need to learn from others' experiences to lead fairly comfortable lives, but only those businessmen who possess the innovative and entrepreneurial spirit can reap rich rewards.

These statements show that our Founding Prime Minister values the importance of grooming the entrepreneurial spirit. However, from CDAC's survey results, parents certainly have neglected the importance of the entrepreneurial spirit. This gap makes us think hard about whether we should create a more conducive social environment for entrepreneurs. After all, failure is the mother of success. Though we can tolerate losers, we should not indulge losers. There is no conflict of interest between the government legislation of protecting creditors' interests and grooming the entrepreneurial spirit. Successful entrepreneurs have a responsibility to their shareholders, employees and customers, and are able to gain the trust of interested parties.

In the recently concluded SEA Games, Singapore made sports history by the number of medals won! However, as we followed the Games closely those few days, the sports we banked on for gold medals turned out to disappoint us, while those sports that were not on the radar suddenly produced many dark horses. In the future, the business environment can be expected to be very changeable and full of uncertainties, just as in the SEA Games. Past glories may be overtaken by others, while past failures could also be the foundation for a comeback. Amending the Bankruptcy Bill, specifying the minimum period to discharge a bankrupt, is like giving a new lease of life to those who have failed, giving them another platform to strive forward after they have learned their lessons the hard way. This is extremely good news for would-be entrepreneurs. I hope

this is a signal for the whole society to view the business cycle with greater magnanimity. Hence, I support the Bankruptcy (Amendment) Bill.

Note: *The Grand Master's Insights on China, the United States, and the World* was published in 2013. It is highly recommended by China's President Xi Jinping, and former US Secretary of State Henry Kissinger wrote the Foreword. It distills the insights and experiences of Founding Prime Minister Lee Kuan Yew's 40 years of ruling Singapore and his perspectives on the whole world. Every sentence of the book contains valuable nuggets of wisdom.

