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No Sunset Industry, Only Sunset Thinking

Madam Speaker, Members of Parliament, good afternoon! Firstly, let me declare that I am the President of the Singapore Chinese Chamber of Commerce & Industry. When delivering the Budget Statement, Minister Heng Swee Keat quoted one sentence that I was particularly struck by. This was: “There is no such thing as a sunset industry, only sunset thinking!” The two points I will be raising today are centred on this sentence.

Firstly, enterprises have to be mindful that there is no such thing as a sunset industry, only sunset thinking. In general, people tend to term sunset industries for those deemed to have no future and where profits are not easily forthcoming. As a matter of fact, those so-called sunset industries could thrive as long as they clearly understand market changes, discover changes and address them, and succeed in restructuring and upgrading their industries. In this regard, local food processing industry, furniture manufacturing industry and garment fashion industry are examples of success. What they share in common is that their industry leaders are united, have vision, courage and determination; they seek a way out amidst changes and have the gumption to try. Not only have they led their industries from the bleak winter into the spring, but they also managed to uplift the image of the entire industry, hence attracting young people to join the industry, bringing with them new ways of thinking and new ways of doing things.

Given the rapid changes in the current business environment, bottlenecks could occur in the development of any industry. Even those industries which are doing fairly well now may face new challenges five or ten years down the road. Traditional industries are mainly involved in the areas of clothing, food, accommodation and transportation; they will continue to have demand even when time evolves. We live in an era where Infocomm Technology is already a norm. However, some shops still operate like before by waiting around for customers to drop in, hence have little business; some industry players adapt to the change by using online sales

to expand their market reach, and do very well. Just as mindset influences thinking, thinking determines the solution. Whenever changes appear in the marketplace, enterprises need to embrace their customers' needs, make adjustments to their business model and undertake necessary transformation.

In the past few years, the government has provided many assistance schemes to support enterprise transformation and productivity improvement. However, it is essential for enterprises to be self-reliant. Hence, government assistance cannot be viewed in terms of whether it is sufficient but whether it is truly effective. The problem is, some industry players have no confidence in their own industries. This kind of mindset is in fact sunset thinking, which would sooner or later lead to their elimination.

Secondly, government officials need to be mindful that there is no sunset industry, only sunset thinking! Minister Heng Swee Keat announced that in order to support the Industry Transformation Programme, and strengthen the coordination among government agencies, the government will be setting up teams comprising the officials from EDB, SPRING Singapore, IE Singapore, A*Star and WDA, to develop road maps for each economic sector. This is a very good beginning.

I hope that when government officials gauge industry potential, they should not only measure the pace of growth and economic contributions but also consider the social functions as well. Even as we emphasise creating value-add, we should not ignore the value of their existence. Having been in business for many years, I am deeply aware that traditional industries that wish to innovate and achieve growth, will encounter countless bottlenecks. However, for these traditional industries, the value of their existence lies in being able to survive well, and service the society at large.

We should realise that industry development has its own rules and process. Transformations also take many different forms. Some gradually evolve, some involve major reforms while some undergo complete changes altogether. The role of government officials in economic transformation is to gather resources and promote industry development through policies. Therefore, I hope that government officials could understand the uniqueness of each industry, and be open-minded and inclusive in guiding industry transformation. They should not have preconceived notions on the industry potential. While some of these methods worked in the past, they may not necessarily be effective in the future.

As Minister Heng has said, industry transformation is a very long-term strategic plan, and the crux is how to implement this plan. In this regard, the collaboration among enterprises, as

well as the close partnership among enterprises, TACs and government agencies, is of great importance. I really hope to see that the government could obtain an in-depth understanding of industry development processes and needs, to avoid wrongly interpreting the situation and trends during the process of structural adjustments. To the officials, any small misinterpretation is just a concept, but to the enterprises it is tantamount to wasted time, manpower and resources, which may not be reversed.

In this year's Budget, the government has rolled out a \$4.5 billion Industry Transformation Programme to help enterprises. It has also affirmed the contributions of TACS. TACS have intimate knowledge of their specific industries, and moreover have industry leaders with deep experiences in restructuring. This would be able to help their member companies effectively.

Singapore's public services standards and efficiencies are world famous. In the past, Singaporeans have benefited from the 3P model, which is the close cooperation among the government (Public), citizens (People) and enterprises (Private). During this period of economic restructuring, we need to build up the PPT model, and fully optimise the strength and advantages of the government (Public), enterprises (Private) and trade associations (TAs), integrating all kinds of ideas, concepts, and methods. In this way, transformation and driving up productivity would not only be the objective of the government, but also the common target of the government, enterprises and trade associations. With this common goal, the effectiveness of the implementation process would be greatly improved.