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**SPEECH BY MINISTER OF MANPOWER MR GAN KIM YONG
SCCCI 13TH ANNUAL SMEs CONFERENCE
AT SUNTEC CONVENTION CENTRE, SUNTEC BALLROOM, LEVEL 2
12 MAY 2011, AT 9.30AM
“THE NEW BUSINESS AGENDA: WHAT REALLY MATTERS”**

Mr Teo Siong Seng, President of Singapore Chinese Chamber of Commerce & Industry

SCCCI Members and Distinguished Guests

Ladies and Gentlemen

Good Morning.

I am delighted to join you this morning for the SCCCI 13th Annual SMEs Conference. I applaud SCCCI's efforts in organising this annual event, which brings together industry experts, academics and business leaders in Singapore and the region to share insights, network and discuss issues and challenges facing our small- and medium-sized enterprises (SMEs).

Opportunities and Challenge for the Next Decade

2. The theme for this year's conference, 'The New Business Agenda: What Really Matters' is timely and relevant. While Singapore's economic outlook this year remains positive, with the economy on target to achieve a 4-6% annual growth, several global events continue to cast uncertainties on the world economy. Fortunately for us, economic growth in Asia remains strong. Developing Asia showed strong resilience through the 2009 global recession, underpinned by recovery and rapid expansion of the region's two emerging economic giants – China and India, which will remain the key drivers for regional and global growth.

3. China - the world's second largest economy and Singapore's second largest trading partner - is expected to grow 9%¹ this year, riding on the momentum of its strong rebound from the global financial crisis. In 2010, bilateral trade between Singapore and China reached S\$95.3 billion² - a 26% increase from 2009. Similarly, IMF expects India economy to grow 8.2% this year³. Nestled strategically within booming Asia, the continued rise of these Asian giants will further strengthen Singapore's strategic role and boost our trade and enterprise development.

¹ China's 2011 economic growth rate to hit 9% - World Bank

² Research & Statistics Unit, IE Singapore

³ IMF projects India's GDP growth at 8.2% in 2011 and 7.8% in 2012

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4 Growth itself however, presents a unique set of challenges. Controlling inflationary pressure is a major challenge that governments in many Asian economies are grappling with. Labour shortages, capacity constraints, along with rising commodity and food prices are threatening to push inflation beyond acceptable levels. We are not immune to these cost pressures but we must continue to do what is necessary to remain nimble, competitive and relevant so that we can stay ahead of global competition. At the same time, we have to moderate inflation and minimise its impact on our businesses and people.

5. This means we need to constantly review our businesses operations, innovate and further improve our business models. We must steer our economy towards productivity-driven growth, step up our efforts in innovation, improve the skills of our workforce and reduce our reliance on low-skilled foreign labour for more sustainable and inclusive growth. To achieve that, all of us - the Government, enterprises, business chambers, industry associations and workers - need to work together to move our industries up the economic value chain and press on with our efforts to upgrade the skills of our workforce. Only then can our companies remain competitive and profitable. Only then can we raise the standard of living for our people through better jobs and higher incomes.

Role of SMEs in Singapore's Economy

6. The need to constantly innovate and improve is particularly important for SMEs as they play a critical role in our economy. Today, SMEs in Singapore employ seven out of every 10 workers, contribute 60% of national GDP⁴ and generate about 49% of total value-add⁵. After the financial crisis, how should SMEs ride on this growth momentum to grow their business and accelerate their pace of internationalization? How can the workforce work smarter and more efficiently? How do local businesses deliver greater value-add to a global marketplace and strive to distinguish themselves? That is the agenda we should also think about today.

7. Productivity and innovation are vital to the survival and profitability of SMEs in sharpening their competitive advantage. We must recognize that productivity is a long term journey and we must never stop seeking better ways of doing things, re-examining our work processes for higher efficiency, creating a culture of innovation for higher value-added products and services as we continue to acquire new skills and disciplines.

8. So how can business chambers and industry associations like SCCC and ASME play a key role in this journey?

Efforts by SCCC to Facilitate Productivity and Innovation Drive

⁴ Source – SPRING's Performance Indicators (Website updated as at May 2011)

⁵ Source – Singapore Department of Statistics 2009.

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9. First, leverage on industry networks to deepen collaborations and stakeholder partnerships to help enterprises embark on the productivity journey. SCCCI, with its wide membership of 4,000 members and 138 trade association members, provides an extensive network and common industry-wide platforms for its members to tap on to gain productivity improvements. SMEs will find this useful because on their own, each will be constrained by their own limited know-how and resources.

10. Business chambers can partner other industry associations, both local and overseas, to learn from their experiences. I am heartened to learn that in May last year, SCCCI organised a focused "Innovation & Productivity Mission to Taiwan" for SMEs to study the productivity and innovation capabilities of Taiwan's high-tech industry and find out how we can strengthen our local workforce through strategic investment in technology and innovation.

11. As the adoption of technology is one way to improve productivity, the Technology Committee of the SCCCI will also be working with A*STAR on new innovations that can be rolled out for adoption by our SMEs and other local enterprises. I look forward to more innovation initiatives from this collaboration.

12. Similar efforts have been put forth by other business associations as well. For example, the Association of Singapore Marine Industries (ASMI) is promoting the use of a Manpower Optimisation and Tracking System among shipyards and contractors, which significantly reduces invoicing and billing time and allows real-time analysis of costing trends and manpower performances.

13. The Singapore Food Manufacturers' Association (SFMA) has also formed a Capability Building Committee to drive productivity initiatives for the food manufacturing industry. One of the initiatives is to develop a customised productivity indicator toolkit for the industry. Using the toolkit, companies will be able to identify key gaps in their operations and make productivity improvements in targeted areas. SFMA will also be holding productivity training workshops to equip companies with the skills and knowledge to implement such improvements.

14. The Singapore Manufacturers' Federation (SMA) on the other hand, has worked closely with the Singapore Workforce Development Agency (WDA) and Human Capital Singapore (HCS) to develop an umbrella productivity initiative called the Manufacturing Enterprise for Growth and Advancement (MEGA) Productivity Framework to help manufacturers, especially SMEs, jumpstart and sustain efforts in their productivity & innovation journey. MEGA is a suite of productivity programme to help companies identify productivity gaps, acquire knowledge and implement actionable plans to improve their productivity. MEGA which puts together the productivity initiatives of WDA, SMA and HCS into an integrated suite of programmes, was launched in November last year.

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15. I urge SCCCI to further explore potential collaborations with your members and external partners, so that our SMEs can reap the fruits of productivity gains from the closer partnership forged with one another.

Resources for Productivity Improvements

16. Second, business chambers can also assist its SME members to tap on the available resources to improve productivity. SCCCI can aggregate common needs and highlight to the relevant agencies where more assistance should be provided.

17. This year, SCCCI will be doubling their efforts in taking the productivity drive to its members. I understand SCCCI will continue to work with IRAS to conduct a series of clinical sessions on productivity to address industry specific issues and challenges. SCCCI will be inviting representatives from specific industry clusters to come together and brainstorm on ideas to implement productivity improvements within their industries.

18. Last year, SPRING rolled out several initiatives to help SMEs raise their productivity. These include the [Productivity@Work](#) portal⁶ and the Productivity Management Programme (PMP) which helps companies identify productivity issues and draw up an actionable improvement plan through workshops and clinics.

19. I strongly urge members to find out more and tap on the services offered by the EDC to improve the productivity of your company.

Maintain Training Efforts

20. Third, it is important that our workers possess the right skills so that we can attract good investments and create new jobs. Skills upgrading also help our workers become more productive through deepening and sharpening their skills sets.

21. As business activities move up the value chain, it is even more imperative for companies and workers to keep up with their training efforts to remain relevant. Beyond immediate business needs, companies that invest in capability development will reap the rewards of a higher skilled and more motivated workforce.

⁶ Productivity@Work, launched by SPRING Singapore, is a one-stop portal on productivity which can be accessed through the EnterpriseOne website (www.enterpriseone.gov.sg). It contains easy-to-understand productivity concepts, simple tools and other useful resources on productivity that businesses can tap on for self-help.

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22. Industry chambers can work closely with companies, business associations, and relevant Government agencies such as the WDA and training providers to identify training gaps and find innovative solutions to overcome any training constraints.

23. To achieve our national productivity growth target of 2 to 3% per year over the next decade, the Government has committed S\$5.5 billion for this purpose over the next five years. The Government will continue to provide support by creating a conducive training environment. For example, the recently announced Skills Training for Excellence Programme (STEP) aims to deepen and broaden PMETs' skills, update their industry knowledge, and develop a talent pool and leadership core for industries. We will also make diploma CET courses more 'compact' and modular to better cater to the training needs of working adults.

Conclusion

24. All of you – as Singapore SME leaders - have a key role to play in spurring Singapore's next phase of economic growth.

25. I would like to encourage SMEs to look forward, constantly re-examine and re-invent your operations, come onboard and participate actively in our national productivity journey, so that you will be ready to ride on the opportunities of a rising Asia in the coming decades. On this note, I wish all of you a fruitful conference.

Thank you.

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人力部长颜金勇先生

在新加坡中华总商会第十三届中小企业大会的致词

时间：2011年5月12日上午9时30分

地点：新加坡国际会议与展览中心二楼宴会厅

“成功关键：全新的商业作业程序”

新加坡中华总商会会长张松声先生

总商会会员

女士们、先生们：

大家早上好！

1. 我非常高兴，能够和大家一起出席新加坡中华总商会主办的“第十三届中小企业大会”。中华总商会筹办这个一年一度的活动是很有意义的，它提供一个平台让新加坡和本区域的各行业专才、学术界和企业领袖聚集一堂，共同分享自己的见解，扩展彼此的网络，同时一起来探讨我们中小企业所面对的问题和挑战。

未来十年的商机与挑战

2. 今年大会的主题是：‘成功关键：全新的商业作业程序’，是大家所关切的，也非常切合时宜。新加坡今年的经济展望是乐观的，预计今年的经济能够取得4%到6%的增长，不过全球仍有多项危机尚未解决，将给世界经济带来不确定的因素。所幸的是，亚洲的经济成长，

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依然保持强劲。处于发展阶段的亚洲，在历经了 2009 年的全球经济危机后，快速复苏，本区近年崛起的两大经济体—中国和印度，也走向复苏并迅速扩展。这两大经济体将是带动区域和全球成长的主力。

3. 中国 — 世界第二大经济体，也是新加坡第二大贸易伙伴国，从全球金融风暴中强劲回弹，借助这股动力，预计今年能够取得 9% 的增长。新加坡和中国 2010 年的双边贸易额达 9 百 53 亿新元 - 比 2009 年增加了 26%。根据国际货币基金组织的预算，印度今年也将取得 8.2% 的经济增长。亚洲经济的迅猛发展，加上两个亚洲巨国持续增长，将有助于新加坡进一步强化在国际上的战略角色，并推动我们贸易与企业的发展。

4. 然而，增长本身就会带来相关的独特挑战。通货膨胀是目前许多亚洲经济体政府所要面对的一大挑战。劳工短缺、产能限制、货物与食品价格日益高涨，把通货膨胀不断推向新高。我们无法完全避免这些成本压力所带来的影响，不过我们必须不懈努力，以便让自己能够保持灵活、有竞争力、与时俱进，这样，我们才可以超越他人，在世界竞争中屹立不倒。与此同时，我们必须竭尽所能，抑制通货膨胀，并减低它对我们企业和人民所产生的冲击。

5. 这意味着我们必须时时刻刻检讨我们的企业运作、创新和改进我们的商业模式。我们必须驾驭本身的经济，使它在生产力的驱动下稳健成长。我们必须致力于创新，提升我国员工的技能，同时降低对低

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技能外劳的依赖，以便能够取得持续、包容性的增长。要达到这个目标，我们举国上下 - 政府、企业、商会，工商团体，以及员工，都必须万众一心，携手共进，推动我们的企业迈向更高的价值链，并且不遗余力的提升我们劳动队伍的技能。只有这样，我们的企业才能够保持竞争力，并取得盈利。只有这样，我们才可能给人民提供更好的工作，更高的薪酬，提高他们的生活水平。

中小型企业在新加坡的经济所扮演的角色

6. 在我们的经济环节中，中小型企业扮演着关键的角色，因此必须不断的创新和改进。今天，新加坡 10 个工人当中，有 7 个是受中小型企业所聘用，而中小型企业对我国国内生产总值(GDP)的贡献达 60%，并且实现了 49%的总增值。金融危机过后，中小型企业应该如何趁着这股增长动力，拓展他们的业务，并且加快步伐，走向国际化？员工如何能更有效、更精明的工作？本地企业如何在世界市场上取得更高的增值，脱颖而出？这也是我们今天必须注重的一环。

7. 中小型企业要生存和取得盈利，关键就是通过提高生产力和创新增强竞争力优势。我们都知道提高生产力是一个长远的路程，我们必须努力不懈的寻求更佳的途径，不断检讨我们的工作程序，以提高工作效率，缔造一个创新的文化，同时也要不断学习新的技能和接受新的培训，以提供更高增值的产品和服务。

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8. 在这路程上，商会和工商团体，就如新加坡中华总商会和中小型企业公会，能扮演重要角色。

新加坡中华总商会致力于推动提高生产力和创新

9. 首先，通过企业网络，加强商业伙伴之间的协调和联系，协助企业登上提高生产力的征途。新加坡中华总商会拥有 4 千名会员和 138 个商团会员，构成了一个广大的联系网络，给会员提供工商界共用的平台，让他们从中分享改善生产力的心得。虽然中小型企业在各自己的知识和资源上有所局限，他们可在这个平台上获益不浅。

10. 工商团体也可以和其他海内外商会合作，互相分享经验。我非常赞赏中华总商会在去年 5 月份，组织了一个中小型企业“创新与提高生产力的台湾考察团”，研究台湾高科技企业提高生产力和创新的方法，从而通过策略性的投资，增强本地队伍的实力。

11. 使用科技是提高生产力的途径之一，中华总商会科技委员会也和新加坡科技局(A*STAR)合作，专门研究改革创新，让企业从中获益。我期盼这样的合作方式，能够带动更多的革新。

12. 其他商会也为同一个目标作出了努力。比如新加坡海事工业商会，正在推动船务和承包商实行人力效率追踪系统，使用这样的系统，大大的减少了处理发票和帐单所需要的时间，公司可以第一时间了解成本趋势及人力工作表现。

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13. 新加坡食品厂商联合会也成立了一个能力发展委员会，推动食品生产工业，开展提高生产力行动。其中一个行动是为该工业量身定做生产力指标软件。公司可以利用这个软件，鉴定出运作上尚待填补的空间，并及时纠正偏差，提高生产力。新加坡食品厂商联合会也为其会员公司主办多项生产力培训工作坊，提升这些公司的技能，同时提高他们对改良运作和提升生产力的认识。

14. 另一方面，新加坡制造商联合会联同新加坡劳动力发展局和新加坡人力资源中心，展开了一个名为“制造业增长与前进（MEGA）的生产力架构”，协助制造商，尤其是中小型企业，早日踏上提高生产力与创新路程，并且持续努力推动这个运作。MEGA 是一套生产力计划，协助公司鉴定可提高生产力的空间、掌握知识，以及实施可行计划，从而提高公司的生产力。新加坡劳动力发展局、新加坡制造商联合会，以及新加坡人力资源中心是在去年 11 月联合启动 MEGA，这是综合三方力量的配套计划。

15. 我在此呼吁新加坡中华总商会，积极与会员和合作伙伴探讨合作机制，进一步让本地中小型企业可以从中受惠，共享提高生产力的成果。

有关当局为提高生产力计划提供的资助

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16. 其次，商会也可以协助中小型企业，向有关当局申请有关生产力方面的资助。中华总商会可向中小型企业了解，收集他们的共同诉求，向有关当局汇报，协助他们取得更多的资助。

17. 今年，新加坡中华总商会将加倍努力，推动会员商家提高生产力。据我所知，总商会将继续与新加坡国内税务局联办一系列相关生产力的问诊项目，讨论各行业所面对的问题和挑战。总商会将邀请各行业群代表，共同针对企业实行提高生产力课题出谋献策，并提供意见。

18. 去年，标新局推出多项行动计划，协助中小型企业提高生产力。这包括启动专门网站‘生产力@任务’（Productivity@Work），推行‘生产力管理计划’，公司可以通过工作坊和咨询问诊项目，鉴定出面对的生产力问题，并拟定可付诸实施的改良计划。

19. 我特别呼吁会员们，积极寻找途径，并善用企业发展中心（EDC）提供的服务，致力提高公司的生产力。

持续培训员工

20. 第三，我们的员工掌握必要的技能是非常重要的，这样，我们可以吸引投资，给国人带来就业机会。提升技能，也有助于工友提高生产力。

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21. 工商团体可以和各公司、商会和各相关政府部门机构，如劳动力发展局和各培训机构，紧密合作，填补培训的需要缺口和创新方案，解决培训的局限。

22. 为了让我们全国的生产力达到 2 至 3% 的平均增长目标，政府已承诺在未来 5 年投入 55 亿新元。政府将持续通过各种辅助计划，创造一个优越的培训环境，如最近宣布的专业提升计划（STEP），这项计划旨在扩大深化专业人员、经理、执行人员及技师（PMETs），提升行业的知识水平，并为各行业培育人才领袖。我们也将把持续教育与培训课程（CET）办得更为有系统和严紧，更有效地满足成年工作人士在培训上的需求。

结语

23. 在座各位，大家都是新加坡中小型企业领导，对促进新加坡下一个阶段的经济发展，扮演着重要的角色。

24. 我要鼓励本地中小企业向前迈进，不断地重新审视和改造业务运作，并采取行动，积极加入全国性的提升生产力运动，从而为自己做好准备，在未来数十年里，能抓住亚洲崛起机遇。在此，我祝大家在大会上能取得丰硕的成果。

谢谢大家！