

**SICCI's 70th Annual General Meeting Dinner Reception, 13 April 2011**  
**Address by Mr Gan Kim Yong, Minister for Manpower, Singapore**

Mr R Narayanamohan, Chairman of the Singapore Indian Chamber of Commerce & Industry (SICCI)  
Board of Directors, Chief Executive Officer and Members of SICCI  
Distinguished Guests  
Ladies and Gentlemen

I am delighted to join you this evening for SICCI's 70th AGM dinner.

First, let me congratulate the Chamber for a successful AGM. I am confident SICCI will continue to help the Indian business community scale new heights with your commitment and dedication.

**Strategic Partner in Boosting Trade and Enterprise Development**

Notwithstanding the global downturn in 2009, India today remains one of Singapore's key trading partners. Total trade between both countries has risen to a record high of \$30 billion in 2010 – compared to \$22 billion the year before.

With the continued rise of Asia, and in particular India, the in-depth knowledge, understanding, partnerships and network in the region that SICCI has built up over the years will become even more valuable to your members, as you help them leverage on opportunities both overseas and at home.

**Pressing on for Productivity-Driven Growth**

Singapore's economic outlook this year remains positive, although several global events continue to cast uncertainties on the world economy. These include the unresolved European debt crisis, political unrest in the Middle East and the recent disasters in Japan.

While world events are beyond our control, Singapore must do what is necessary to remain competitive and stay ahead of our competition. This means changing the way we grow our economy and expand our businesses. No longer can we be reliant on low-skilled foreign labour to fuel our growth. Instead, we need to restructure our economy and businesses toward productivity-driven growth.

To achieve that, all of us – the Government, enterprises, business chambers, industry associations and workers – must work together to move our industries higher up the value chain, and upgrade the skills of our workforce. Only then can we raise the standard of living for our people through better jobs and higher incomes.

**Hand-in-Hand toward a more Productive and Inclusive Society**

We have heard a lot about productivity in recent months, but one important aspect we must recognise is that improving productivity is a long term journey. We must never stop seeking new ways of doing things, re-examining work processes for higher efficiency, creating a culture of innovation for higher value-added products and services and acquiring new skills and capabilities.

Business chambers such as SICCI have a key role to play in this journey. So how can you contribute to productivity improvements?

**Deepen Collaboration for Ground-Up Initiatives**

First, leverage on your networks and deepen collaboration with partners to break productivity. With some 800 members across a diverse range of activities and business fields, SICCI can tap on an extensive network to develop industry-wide strategies for productivity improvements. You can do that by examining common issues and consolidating inputs from partners across different parts of the value chain.

The recent setting up of a Productivity and Innovation Sub-Committee within SICCI is a step in the right direction. The Committee will help to explore possible synergy and collaboration with other organisations, and identify relevant productivity initiatives for implementation. SICCI can partner other industry associations to learn from their experiences and to subsequently develop customised solutions for your own members.

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 the time for invoicing and billing and allows real time analysis of costing trends and manpower performances; the Singapore Food Manufacturers' Association (SFMA) has also formed a Capability Building Committee to roll out productivity programmes and it intends to develop a customised productivity indicator toolkit for the food industry; and the Singapore Manufacturers' Federation (SMA) has developed an umbrella productivity programme called MEGA to help SMEs acquire knowledge and bridge productivity gaps.

I urge SICCI to explore potential collaborations together with your members, and reap the fruits of productivity gains from the closer partnership forged with one another.

Besides reaching out, I also urge members with good ideas to step forward and work with the Productivity and Innovation Sub-Committee on initiatives that can potentially benefit the entire business community.

Similarly, those in the same industry or sector can take the lead to form committees and brainstorm ideas with the workers, or adapt best practices from compatible organisations globally.

In short, we must keep exploring, keep sharing and keep improving. This is the right spirit that will help us to overcome the challenges in improving our productivity.

#### **Maximise Resources for Innovation and Automation**

Second, assist members - especially SMEs – to tap on the available resources to improve productivity. SICCI can aggregate common needs and highlight to the relevant agencies where more assistance should be provided.

I am heartened to hear that since the last quarter of 2010, the Enterprise Development Centre (EDC) at SICCI has been running the Productivity Management Programme (PMP) targeted at helping SMEs improve their productivity.

With PMP, SMEs can attend workshops and clinics to learn how they can identify productivity issues and draw up an improvement plan for implementation. The EDC will also help SMEs link-up with certified consultants to implement productivity projects, and assist them to tap on government schemes for productivity improvements.

This is exactly what Freshening Industries, a local manufacturer of wet towels and napkins, has undergone in 2011. Thanks to the recommendations received from Productivity Advisors from the programme which Freshening Industries implemented, it expects to achieve results – with an 8% increase in profit margin, 12% in stock accuracy and 15% in efficiency of their sales staff. The company relied on the IMPACT assessment offered under PMP to identify productivity gaps. These recommendations that Freshening implemented include a Customer Relationship Management (CRM) system, as well as identifying and tracking a set of indicators (for example, material wastage, stock accuracy) to measure productivity performance. Employees also benefit as they are rewarded with a cash bonus if they surpass the targets set.

As this example illustrates, SMEs can and should make use of all the available resources to stay ahead of the curve. I strongly urge members here who have not done so, to find out more and tap on the services offered by the EDC to improve the productivity of your company.

#### **Maintain Training Efforts**

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.

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

Chambers can work closely with companies, business associations and relevant government agencies such as the Singapore Workforce Development Agency and training providers to identify training gaps and find innovative solutions to overcome any constraints on training needs.

I applaud the efforts by the SICCI Institute of Business to conduct a series of professional development courses. These courses assist SMEs across all sectors to raise the professional standards of their staff and contribute to the overall efforts of raising productivity.

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 leadership core for industries. We will also make Polytechnic CET courses more 'compact' and modular to better cater to the training needs of working adults.

**Conclusion**

This evening SICCI will be giving out "Long Service Awards" to 66 members, some of whom have already been serving with SICCI for over 70 years. Congratulations to all the recipients. It is your commitment and dedication that has allowed SICCI to be at the forefront of business and investment for Singapore's Indian business community.

From a humble beginning in 1924 as the India Merchant Association (IMA), SICCI has indeed come a long way in the last 87 years in providing a conducive environment for your members to grow their businesses and flourish on a local and global scale. As we reflect on your past achievements, I would also urge you to look forward and constantly re-examine and re-invent yourself. This will ensure SICCI remains relevant to serving the needs of your members, and will always be ready to ride on the opportunities of a rising Asia in the coming decades.

On that note, please enjoy the dinner and the rest of the evening. Thank you.

oooOOOooo