

**SPEECH BY DR KOH POH KOON, MINISTER OF STATE FOR TRADE AND INDUSTRY
AT THE OFFICIAL OPENING OF SOO KEE GROUP'S HEADQUARTERS ON
TUESDAY, 26 JULY 2016, 11.20AM, AT CHANGI BUSINESS PARK**

Dato Sri Peter Lim, Founder & Soo Kee Group Chairman,

Mr Daniel Lim, CEO, Soo Kee Group

Mdm Mary Lim, COO, Soo Kee Group,

MOS Sam Tan and fellow MPs,

SPRING colleagues,

Distinguished guests,

Ladies and gentlemen,

Good morning.

1. I am very happy to join you here today. My heartiest congratulations on the opening of Soo Kee's new headquarters.

Importance of the Retail Sector

2. The retail sector is an integral part of the Singapore economic landscape. It contributes to the quality of life for Singaporeans, and adds to the vibrancy of our nation as an attractive place to live, work and play. The industry's value-added totalled \$5.3 billion in 2015, and contributed to 1.4% of total GDP. As part of the sector, the jewellery and timepieces sub-sector employs about 6% of the retail sector workforce, and generates \$560 million worth of value-added last year.

3. The retail sector is facing a challenging time as consumer sentiment has weakened due to the uncertain global economic outlook. *Nielsen's Global Survey of Consumer Confidence and Spending Intentions* showed that Singapore's consumer confidence index for the first quarter of the year fell further into pessimistic territory from 94 points in the previous quarter to 88 points. E-commerce has also disrupted the traditional model of the brick-and-mortar shop. The way people choose to shop now is changing, with many consumers increasingly preferring to shop online. As you tour the exhibits, you can see that Soo Kee has also ventured into this area in a big way. *PwC's Total Retail 2016 survey* found that 60 per cent of Singapore consumers perform an online shopping transaction at least once a month. And we believe this number is going to grow and become more significant. As entrepreneur Peter Lim likes to say, in business the customer is king and this is true for many businesses. Like other retailers, jewellery companies have to find ways to stay relevant to consumers in the face of competition from overseas brands, e-commerce players, and other substitute luxury goods.

Opportunities for Differentiation

4. Nonetheless, opportunities are available for local retailers to differentiate themselves and grow in the international marketplace. And Soo Kee Group is one such example. To do so, our retailers need to have strong brands, constantly innovate in order to satisfy the changing tastes of consumers, and create new product lines to keep themselves at the forefront of market trends.

5. A true blue entrepreneur like Peter Lim will tell you that in business, change is the only constant and I think Soo Kee Group has lived by this mantra. You see how they have

transformed their businesses and come up with innovative lines of products to cater to the different needs of the market. E-commerce disruption poses big challenges to businesses but it also creates opportunities. And this is how Peter has led the group to look for opportunities in times of challenges to create unique propositions for themselves and for their customers.

6. Digital platforms such as social media or apps have made it easier for retailers to showcase their brand to a global audience and reach potential customers around the world. Today, consumers help spread the word. They are your real ambassadors. Social media is a huge enabler. So while e-commerce may be a disruption, on the other hand, the adoption of social media presents new opportunities as well. Digital technologies now allow retailers to innovate and offer exciting customer experiences such as virtual try-on, interactive displays and augmented reality. These are emerging technologies that jewellers around the world are tapping on to bring the online experience closer to their customers. For example, the French label *Boucheron* allows consumers to virtually try on its luxury jewellery via smartphones, resulting in a 50 per cent increase in website traffic, while De Beers' "My Forevermark Fitting" microsite allows consumers to try on pendants and earrings virtually from the comfort of their homes via webcams. And as Peter said just now, the more you look at the product, the more you fall in love with it and be tempted to buy, probably buy bigger ones too.

7. Our local retailers can adopt such innovative applications as well, supported by government assistance schemes such as SPRING's Capability Development Grant (CDG). I am happy to note that Soo Kee has done so with the recent launch of its "Soo Kee E-store". The website has innovative features which allow the customization of diamond

jewellery and provide a 360-degree view of diamonds at up to 40 times magnification. So Soo Kee is a good example of how our retailers can tap into technology evolutions and current consumer behaviour to find a niche market for themselves. But all this must come with a willingness to invest in technology. By investing in technology, you create added value proposition for your customers and move up the value chain and differentiate yourself from your competitors.

Adapting Successfully to Changing Trends

8. To address resource constraints, I would also encourage our local retailers to learn from best practices and tap on technology to improve their productivity. For example, Soo Kee has adopted 3D-printing technology and laser engraving to construct models of key designs and to make prototypes, prior to making the actual piece in diamonds and gold. This allows customers who purchase customized jewellery online to receive the finished products within a shorter turnaround time.

9. Finally, I would like encourage our local retailers to set their sights abroad and explore opportunities to internationalise. The reality is that Singapore is a very small market so even if you dominate the Singapore market, you are dominating a market of only 5 million. And in our backyard is a much larger 620 million market in ASEAN which we must also tap into. Retailers can tap the Market Readiness Assistance (MRA) grant offered by IE Singapore, which provides funding for companies to take their first steps overseas. Alternatively, retailers can leverage on the Global Company Partnership (GCP), which

helps companies, regardless of size and turnover with customised solutions for internationalisation.

10. Soo Kee is an excellent example of a jeweller which has expanded beyond our domestic market. It now has a network of over 60 retail stores in Singapore and Malaysia, as well as offices in Hong Kong and Shenzhen. Recently, the Group signed a memorandum of understanding (MOU) to set up a joint venture to enter into the bullion business and distribute precious metals in Singapore, Malaysia and Indonesia and hopefully other markets in time to come. I hope to see more of our companies fly the Singapore flag high overseas like Soo Kee, to in source many of your capabilities and add value not only to the economy but to your business as well.

Conclusion

11. Once again, my congratulations to the Soo Kee Group for reaching such an important milestone. This is only the beginning of a greater future and we look forward to seeing greater success and to celebrate with you, this huge and successful Singapore brand name. Thank you very much.