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SPEECH BY MS LOW YEN LING, PARLIAMENTARY SECRETARY, MINISTRY OF TRADE AND INDUSTRY & MINISTRY OF EDUCATION, AT THE HUMAN CAPITAL (SINGAPORE) THOUGHT LEADERSHIP MASTERCLASS SERIES: “HELPING BUSINESSES THRIVE IN THE DIGITAL ECONOMY”, 30th MARCH 2017, 11.20AM AT MANDARIN ORCHARD HOTEL

Mr Richard Magnus, Chairman of HCS Management Board

Madam Ho Geok Choo, CEO of HCS

Distinguished guests

Ladies and gentlemen

1. I am delighted to be here with you this morning in a dialogue on how we can help our SMEs thrive in the digital economy.

2. I am very heartened to see many private sector organisations, like HCS, actively taking the lead to organise these sessions. Such events bring SME leaders together to address the changes of the economy and to discuss how these challenges can be tackled. This is also an excellent platform for SME leaders to get to know each other and learn from one another.

3. SMEs make up 99% of the enterprises in Singapore and contribute to nearly half of the GDP, while employing 70% of the workforce. They play a pivotal role in Singapore’s development, and continue to be an important pillar to take us forward. The Government is committed to putting in place policies and a conducive

environment to enable our SMEs to adapt and grow, especially in today's digital and global economy.

Developing Deep Capabilities for SMEs

4. To sustain Singapore's competitiveness and position our economy for the future, the Government convened the Committee on the Future Economy (CFE) last year. A key recommendation of the CFE is to develop deep capabilities in our enterprises and our people. Our enterprises, especially the SMEs, need to continually innovate and scale up in order to be nimble and able to adapt to global disruption. To meet the changing needs of the market, our people have to be on a learning track constantly so as to develop new, deep and relevant skills.

5. I have spoken with many SME leaders who understand the importance of developing strong innovative and digital capabilities, as well as the need to raise the skills of their employees. These are critical to staying competitive in today's world. They recognise that such capabilities can also lead to cost savings and productivity gains. However, SME leaders have also highlighted that they face practical challenges, such as competition for resources or the need for know-how to effectively implement digitalisation and training plans.

6. We recognise these factors and have put in place programmes to help SMEs build up their HR and talent development capabilities. For instance, the SkillsFuture SME Mentors Programme by SPRING matches mentors to SMEs seeking to enhance their capabilities. The SME Mentors work with SMEs to establish structured learning and development (L&D) systems to improve the efficacy of their staff training and

talent attraction. I urge you to explore how your company can take advantage of this assistance to boost your HR development.

Strengthening Digital Adoption for SMEs

7. On the digital front, the Government is making a concerted move to encourage SMEs to take their first steps towards digitalisation. The recent Budget has set aside \$80 million to build the digital capabilities of SMEs and strengthen their data and cybersecurity capacity.

8. Under the SMEs Go Digital programme, the Infocomm Media Development Authority (IMDA) will be working closely with SPRING Singapore's SME Centres to help SMEs build stronger digital capabilities. SMEs will get step-by-step advice on the kinds of technologies they can harness at each stage of their growth. They will be guided as to the digital technologies that can be deployed to improve their productivity. We hope more and more SMEs will take the chance to position themselves for the digital future. Industry Digital Plans will be developed for sectors such as retail, food services, wholesale trade, logistics, cleaning and security. If you are from one of these sectors, may I encourage you to pop by any of the SME Centres to find out how digital technologies can help you transform and grow your business.

9. Data analytics is another area of great potential for SMEs. By mining available information, you can discover new opportunities for your business and also make informed decisions for greater productivity. If you are new to this area, you may want

to look out for the HCS' new masterclass on *How Data Analytics Can Benefit SMEs*. The session will profile real-life case studies shared by panellists and subject experts.

Developing Human Capital Capabilities for Internationalisation

10. In an increasingly digitalised global economy, the boundaries of business have grown and become more complex. The gates are opened for SMEs to venture overseas and capture the global digital opportunities out there. Several of our SMEs have participated in overseas workshops by IE Singapore that exposed them to opportunities in the digital economy. For example, the International Business Fellowship Executive Programme on Leveraging E-Commerce Platforms organised by IE Singapore and the Singapore Chinese Chamber of Commerce and Industry (SCCCI) brought delegates to Shanghai and Beijing last year. They received first-hand insights on issues such as Internet-Plus policies, as well as the latest developments in mobile e-commerce and the sharing economy. As part of the programme, they also had the chance to network with executives from Chinese tech companies like Ctrip, Didi and Meituan.

11. To support our SMEs' expansion overseas, we are providing more opportunities for Singaporeans to gain overseas exposure, as well as learn how to manage and lead international teams effectively. The initiatives such as the SkillsFuture Study Award for International Business is designed for this purpose. Many of the award recipients are embarking on careers with global responsibilities. They are being equipped with the essential skill-sets needed to navigate overseas markets.

12. This award also covers programmes such as the Digital Economy Innovative Immersion Programme by the Nanyang Technological University and Nanyang Technopreneurship Centre. It includes a series of innovation discovery journeys to leading digital economies like the US and China. This will enable our companies to better seize opportunities in the digital economy. Since January 2016, more than 100 Singaporeans have been approved for this award.

13. We will not let up our drive for overseas expansion. I'm delighted to launch HCS and The Bosses Network's inaugural ASEAN Immersion Programme today. This programme is supported by IE Singapore under the SkillsFuture Study Award for International Business. Conducted in the form of overseas workshops, it is designed to equip Singapore-based companies, especially SME executives and managers, with practical knowledge and strategies to expand into ASEAN countries. The first learning journey takes place end next month in Cambodia and Indonesia.

14. The ASEAN region is a growing market that will have an increasingly important part to play in the global economy. By 2020, ASEAN will have a US\$3 trillion economy and a population of more than 600 million – thanks to larger foreign direct investment (FDI), a young and rising middle class, plentiful natural resources, and greater urbanisation. I would like to encourage SME leaders to consider sending your employees for such programmes, which will equip them with the necessary skills and arm your business with the “software” to navigate opportunities in ASEAN.

Importance of Lifelong Learning for SMEs

15. As we look beyond Singapore for growth, we are mindful that our plans for expansion are only as good as our capabilities and skills. Without the continual development of our people and knowledge, our aims can be threatened or be derailed. When we put people and lifelong learning at the heart of what we do, the potential to achieve is limitless.

16. We have among us today, an SME owner whose avid spirit of learning has led him to stay at the top of the curve. Mr Hoon Thing Leong started Kim San Leng, which is now one of the largest coffeeshop chains in Singapore. Despite his success, Mr Hoon is not resting on his laurels. He has spent four years learning and upgrading his knowledge, completing two HR WSQ Diploma programmes at HCS, and gaining an Advanced Professional Qualification in Global Business Leadership and International Relations from Georgetown University and HCS. Learning doesn't stop, regardless of age, success or life stage. You will hear more from Mr Hoon later, as he shares his insights as one of our panellists in today's dialogue.

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17. Last but not least, I would like to commend HCS for its contributions in the training and development of our SMEs. In the past eight years, it has awarded more than 26,000 Statement of Attainments (SOAs) and trained more than 2,500 SME leaders. Its efforts in nurturing HR professionals and people managers go to ensure SMEs continue making investments in people a core priority.

Conclusion

18. Let me conclude by urging everyone to join hands, hearts and minds to capture the opportunities of the digital economy. As we work together to seize this potential, let us not stop learning, but by exploring sharing and collaborating, we will scale new walls and heights to create a stronger future together. Thank you.

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