

**SPEECH BY MS SIM ANN, SENIOR MINISTER OF STATE, MINISTRY OF CULTURE, COMMUNITY AND YOUTH & MINISTRY OF TRADE AND INDUSTRY, AT THE MEMORANDUM OF UNDERSTANDING (MOU) SIGNING BETWEEN ITE/GROB/ICHI SEIKI ON THU, 13 APRIL, 1.30PM**

Ms Low Kah Gek [*“Low Kah Gek”*], Director and Chief Executive Officer of the Institute of Technical Education (ITE),

Dr. Ang Kiam Wee [*“Ang Kyam Wee”*], Principal of ITE College Central

Mr Low Ming Wah, Chairman of Singapore Precision Engineering & Technology Association (SPETA)

Mr Philip Kia [*“Kya”*], Managing Director of Ichi Seiki [*“Ee-chee Say-kee”*],

Distinguished guests,

Ladies and Gentlemen,

Good afternoon

**Introduction**

1. I am pleased to be here today to witness the Memorandum of Understanding (MOU) signing between ITE, GROB [*“Groeb”*] Group, and Ichi Seiki, to support the training and development of ITE staff and students in advanced manufacturing technologies.

**We will prepare our manufacturing sector for the technology shifts**

2. The manufacturing sector is an important pillar of Singapore’s economy, contributing around 20 per cent of our Gross Domestic Product (GDP) and 14 per cent of our total employment in 2016. This sector generates good jobs for Singaporeans, contributes significantly to productivity growth, and generates positive spillovers for the rest of the economy.

3. The Precision Engineering (PE) industry plays an important role as the backbone of our manufacturing sector. It supports other manufacturing industries ranging from electronics, aerospace, oil & gas, to medical technology. In 2016, the PE industry employed around 89,000 workers and accounted for 13% of our manufacturing value-add.

4. Technologies such as robotics, additive manufacturing and the Industrial Internet-of-Things are already changing the nature of manufacturing, with differing impact across various industries. Hence, we have adopted a tailored and sector-based approach under the Industry Transformation Maps (ITMs) to help our industries prepare for these technology shifts.

5. For example, a key thrust of the PE ITM is to help our companies adopt digital manufacturing. To this end, A\*STAR will be setting up two model factories at the Singapore Institute of Manufacturing Technology (SIMTech) and the Advanced Remanufacturing and Technology Centre (ARTC). These model factories provide SMEs with a learning environment where they can experience advanced manufacturing technologies first-hand. This will reduce the risks and uncertainties for SMEs to adopt new technologies to enable digital manufacturing.

### **Partnerships are an important enabler for industry transformation**

6. Partnerships are another key aspect of the ITMs, and an important enabler for industry transformation.

#### *Partnerships with TACs*

7. Trade Associations & Chambers (TACs) are our key partners. They understand the interests and needs of the industry. With their strong networks, they can also effectively reach out and support their members.

8. Under the Local Enterprise and Association Development (LEAD) programme, the Government supports TACs in industry capability building and internationalisation efforts. In Budget 2016, we introduced the LEAD+ programme to help our TACs build up their internal capabilities. To date, 8 TACs have been supported through LEAD+, including SPETA.

9. SPETA is a good example of how TACs can play a key role in driving industry transformation. SPETA has worked closely with SPRING to reach out to PE companies, and encourage them to participate in productivity and technology adoption schemes. SPETA also helps to connect PE companies with mentors that can advise them on strategy and operational excellence, as well as with overseas partners to find new business opportunities.

10. During the recent Committee of Supply debate, I also announced that we will increase the budget for the LEAD Programme to \$100 million. This will help more TACs to step forward and drive industry-wide projects that can benefit their members.

#### *Partnerships with Education Institutions*

11. Partnerships with education institutions are also important to prepare our students for the new job opportunities. For instance, ITE plays a critical role in providing vocational education for our students, and ensuring that their skillsets meet industry requirements. Students studying PE courses learn specific skills such as how to manufacture components, monitor precision machine operations and perform quality checks. ITE will be reviewing these courses and ensure that they align to our strategies under the PE ITM, including the focus on digital manufacturing.

12. Under the ITE Enhanced Internship Programme, students also undergo a six-month attachment at a PE company to deepen their skills. I am pleased to see that over 100 PE

companies have signed on to partner with ITE under this programme. Through close partnership between ITE and industry, many of our graduates have taken on good jobs in a wide range of manufacturing industries.

13. This MOU signing between ITE, GROB and Ichi Seiki is another example of how the industry can partner our education institutions to develop industry-relevant talent. Under the MOU, ITE staff and students will be provided training to learn how advanced machines are built and operated. Besides training at ITE, students and staff will also have the opportunity to be trained in GROB's headquarters in Germany, where they will learn how to apply digital technologies in manufacturing.

14. As the pace of technological advancements quickens, it is important that the industry and education institutions work even closer together to equip our students with the relevant skillsets and experience. We are committed to partner the industry and education institutions in this effort, and thereby ensure that our students are well prepared for the new job opportunities.

### **Concluding remarks**

15. In closing, I congratulate ITE, GROB and Ichi Seiki on this MOU signing, and wish you all the best in this partnership. Thank you.