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SPEECH BY GEORGE YEO, MINISTER FOR TRADE & INDUSTRY, AT THE DSI BUILDING OFFICIAL OPENING CEREMONY ON 28 FEB 2000 AT 10.00 AM

Distinguished guests
Ladies and Gentlemen

1   Good morning. I am delighted to join everyone here this morning for the official opening of the Data Storage Institute Building.

2   We have just crossed the Millennium. This is an exciting era – technology is advancing at an astonishing speed, the world is getting smaller and the Internet is forcing re-organisation in all sectors. The information intensity of human society is growing exponentially. This translates into huge data storage needs. DSI was created to service the growing data storage industry in Singapore.

3   Since its start-up as the Magnetics Technology Centre in 1992, and its

subsequent expansion into the Data Storage Institute in 1996, DSI's technology portfolio has grown by leaps and bounds. DSI is now doing work on cutting-edge technologies in several areas, including laser micro-processing, magnetic media, coding and signal processing.

Data Storage Cluster

4   DSI has grown and evolved in tandem with the growth of Singapore's data storage sector. From a $8.5 billion industry in 1992, this sector has grown to become a $19.4 billion industry in 1999 contributing 28% of overall electronics output value and 19% of value added Source of data: EDB. We now have a world-class hard disk drive cluster in Singapore represented by top companies like Seagate, Matsushita-Kotobuki/Quantum, Maxtor and IBM. Last year, Singapore exported 62 million drives. We have the largest concentration of facilities producing high-end drives in the world. The disk drive industry has in turn spawned a huge local supporting industry.

5   We will continue to build on our strengths in the data storage sector. We are investing in several critical area including technology, manpower capabilities, supply chain infrastructure and automation. By striving for excellence in these key areas, companies in Singapore will be able to stay competitive in the international marketplace despite relatively higher labour costs.

6   Quick adoption of new technology is a critical success factor in today's fast-paced ICT business. To survive, companies in Singapore must be responsive and flexible. This is especially true for the disk drive industry where product life cycle is becoming shorter and the pace of new technology introduction has accelerated.

7   To lay a strong foundation for a knowledge-based economy, EDB gives emphasis to the entire value chain of activities from R&D, product and process development, continuation engineering, software applications to manufacturing. This will enable companies here to shorten their time to market. For the data storage industry, EDB's strategy is to widen the portfolio of products and capabilities in Singapore beyond hard disk drives. These include optical systems and media, network storage and network solutions.

8   DSI will be launching a new initiative to support the tremendous growth potential of network storage. A new group will be formed to develop core capabilities in network storage technology for applications in all fields.

Encouraging R&D Partnership with Industry

9   NSTB supports a number of research centres and institutes which provide critical industry clusters in Singapore with technical support at a high level.

10   NSTB's strategic intent for DSI is to develop R&D capabilities in data storage technology and help develop new and better solutions for industry players. In addition, DSI plays a key role in building a pool of capable R&D talent for the industry to tap on.

11   Under the Match-Funding Scheme, as an incentive for our research institutes and research centres to partner locally-based companies in R&D projects, NSTB provides matching funds to them in addition to the cash contributions they receive from their R&D partners.

12   Over the years, DSI has forged many important partnerships with industry players. More than 40 local and overseas companies are members of the DSI Corporate Membership Scheme. Research consortiums, such as the DVD Digital Versatile Disc
3 Multi-level Decision Feedback Equalisation
 Rewritable Consortium and the MDFE Consortium, have been established to develop niche technologies and core competencies. These consortiums have worked well and some, like the MDFE consortium, have gained worldwide recognition.

13   To date, DSI has filed more than 20 patents. Each year, DSI develops on average more than 10 new products and processes.

14   DSI is signing R&D agreements with a number of companies today. I hope more companies will work with DSI to enhance the overall international competitiveness of our data storage industry.

Conclusion

15   The government will continue to equip our research institutes and centres with the resources that they need to support the various industry clusters. This new DSI building, for example, houses state-of-the-art facilities and equipment. It gives me great pleasure to open the DSI Building this morning. I wish DSI and all its partners success in your R&D work.