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Subject: (EMBARGOED) Speech by Mr Lim Swee Say, 29 April 2000, 12.30 pm

Singapore Government

MEDIA RELEASE

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SPEECH BY MR LIM SWEE SAY, MOS FOR TRADE & INDUSTRY AT SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY'S AGM LUNCH AT 12.30 PM ON 29 APRIL AT WESTIN STAMFORD BALLROOM

Mr D-D Gupta, Chairman SICCI, Ladies and Gentlemen

The world is changing, and changing fast. Technology is accelerating the pace of globalisation. At the same time, globalisation of markets and competition have led to even more rapid advances in technology.

The two forces of technology and globalisation, feeding on each other, will continue to change the way we compete for a living, and the way we live our lives, for some time to come.

In fact, the pace of change is so fast and the force of change is so strong that we call it a revolution, the e-Revolution.

We welcome this e-Revolution now taking place in the global economy because change leads to new opportunities. The faster the pace of change, the greater the opportunities. I guess this is why some people call the New Economy the *economy of abundance*.

After all, there is no shortage of new markets and venture capitals. There is also unlimited supply of creative and marketable ideas in this world.

Here in Singapore, we are embracing this e-Revolution pro-actively, and gearing ourselves up to play an enhanced role in the New Economy.

First, we are building *new capabilities in our economy*, from upstream technology development, to mid-stream innovation and down-stream commercialisation.

We have repositioned our existing economic strategies, and launched new ones where necessary. To illustrate, we now have in place programmes such as Industry 21, Info-Communication 21, Pro-Act 21, SME 21, Trade 21, Technopreneur 21, Manpower 21 and so on.

Second, we are introducing *keener competition* in our markets, from the recent complete liberalisation of the telecommunication market, to the progressive opening of financial market, and the impending opening up of public utilities market for power generation, water desalination, and natural gas supply.

We believe this will lead to faster pace of innovation, more competitive pricing, and better quality of service. In time to come, we will have service sectors that are as good as the best in the world here in Singapore, as we pursue the vision of a Knowledge Based Economy.

Third, we are pursuing *further trade liberalisation*, both in the physical world and the cyberspace.

Singapore is an active proponent for the development of e-ASEAN in our region. The core idea is to create a free trade area in the cyberspace to facilitate trade, investment and services relating to information communication products and services.

This will help ASEAN develop the capacity to tap the vast opportunities presented by the Internet revolution and maintain its relevance to the New

Economy.

We also take a pro-active stance on forging bilateral and regional trade agreements with our trading partners.

At the bilateral level, we hope to conclude an FTA with New Zealand as soon as possible. We have also initiated an FTA study with Japan and will soon start negotiations with Mexico.

At the regional level, ASEAN is also exploring a possible FTA with Australia and New Zealand.

Suitably designed, we believe such trade arrangements could help speed up the realisation of global free and open trade.

Our interest in bilateral and regional trade arrangements does not detract from our commitment to the multilateral trading system. We continue to play an active and constructive role in helping to shape the WTO agenda, and hope that a New Round would be launched soon.

In short, the Singapore Government has already re-orientated our national economic policies and strategies towards the New Economy.

We will continue to launch and pursue new policies and strategies in the coming months and years, because we recognise that the future is going to be very different from the past. So it is better that we embrace change to create our future, than to let change run over us and leave us by the way side.

The process of economic reform and repositioning is a long one. It will take time. What is important is that we have made a good start, a promising start. We will press on, and move as quickly as we can to stay ahead of the competition.

Our private sector is also on the move. We are seeing the emergence of new business ventures and economic activities in the New Economy.

There are many more innovative start-ups in Singapore now, compared to two years ago. The total pool of venture funds managed out of Singapore has now crossed the \$10 billion mark.

More and more school leavers are venturing out on their own, taking risk to

pursue their dreams. It is evident that our young Singaporeans are also responding and adapting to the emergence of the New Economy.

Our old economy is changing too. Just the other day, I attended a logistics exhibition organised by the Singapore Logistics Association.

Guess what, every booth I went, I saw PCs, and more PCs. It is a big change from the past when mechanisation and automated warehousing were the key words. We no longer see much of the MHE, which stands for mechanical handling equipment, or automated warehousing equipment at logistics exhibitions.

It is not that they have disappeared or have become irrelevant to the logistics. Rather, it is because info-communication products and services have become the new driving force behind the growth of the logistics industry, into what is now known as e-Logistics.

Logistics is not the only sector of the “old economy” that is transforming itself for the New Economy. All major sectors of the economy likewise have to go through the transformation process.

After all, the New Economy is not just about nurturing new growth sectors such as Internet and dot-com. More importantly, the New Economy is the next stage of growth for the old economy.

Old economy can either choose to embrace the New Economy to become e-Relevant, or risk becoming irrelevant in the New Economy. I think the choice is obvious.

So, old logistics must embrace new logistics to become e-logistics. Likewise, old media such as prints and broadcast must embrace Internet to become new media. And the list goes on.

Our labour movement is also moving fast in response to the challenge of the New Economy. The NTUC has launched a series of major initiatives to encourage workers to upgrade their skills so as to remain employable in the New Economy.

Every year, NTUC conducts skills certification courses for about 20,000 workers under various training schemes such as BEST, WISE, CREST, COS,

CBS and NTC.

NTUC is also one of the largest, if not the largest provider of training in IT and computer in Singapore, helping 25,000 workers to become IT literate every year.

On top of these, NTUC supports 25,000 workers annually to acquire new and higher skills qualification under the Skills Re-development Programme and the NTUC Education and Training Fund.

In all, the labour movement is reaching out to 70,000 workers every year through its efforts on life-long learning. This is equivalent to one in every four union members. The labour movement is indeed a major force, and a key partner in our national thrust towards the Knowledge Based Economy.

Business Associations such as the Singapore Indian Chamber of Commerce and Industry can play a major role to facilitate this transformation process.

Technology is moving fast. New business models and business concepts are mushrooming.

Yesterday, we talked about B2B, B2C, C2C and e-Commerce. Today, we are talking about E2E, M2M, and m-Commerce. I would not be surprised if tomorrow someone would come up with X2X and Z2Z.

In this fast moving and highly competitive world, we need to adapt and change, and move fast. Your Chamber can help to create greater awareness in the business community. You can pool resources and expertise to help member companies to upgrade, innovate and grow.

Working together under a strong tripartite partnership involving the concerted efforts of the government, business community and labour movement, I am confident that we will be able to embrace emerging technologies, innovate with new business concepts, empower our people at all levels, and succeed in becoming a KBE in the New Economy.

Thank you.