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Subject: Speech by Mr Lim Swee Say, 17 Jun 2000, 11.00am

Singapore Government

MEDIA RELEASE

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ADDRESS BY MR LIM SWEE SAY, MINISTER OF STATE FOR COMMUNICATIONS & INFORMATION TECHNOLOGY AND TRADE & INDUSTRY, AT THE LAUNCH OF CREATION STREET PORTAL ON 17 JUN 2000 AT 11AM AT THE PARAGON

1. Earlier this week, I was in Taipei to attend the World Congress on Information Technology. There is a consensus among the participants that with rapid advances in technology, we will soon be living in a world of “any-ware”. I.e. Any time, any place, using any device, to access any form of rich media and service via the Internet.

2. Indeed, in the world of New Economy and Information Society, we are limited by only our imagination and creativity, not technology. After all, technology is neutral. On the one hand, it presents tremendous opportunities for companies and economies that are able to embrace the technology to grow their businesses. On the other hand, it presents tremendous threats for those sitting on the wrong side of the digital divide.

3. Here in Singapore, we are going all out to embrace the technology to remain on the right side of the digital divide. Under the Info-com 21 plan now being implemented, we are taking full advantage of the technology to re-invent our private sector into a Knowledge Based Economy; our public sector into an e-Government; and our people sector into an information society. We are making good progress, and we will continue to press on.

4. This morning, I would like to touch on the vast potential of e-Commerce,

in particular, business-to-consumer (B2C) in Singapore and the Asia Pacific.

5. The experts reckon that e-Commerce in Asia Pacific will grow from US\$30 billion this year to US\$1 trillion by 2004. Of this value, business-to-business (B2B) transactions will account for 95%, with business-to-consumer (B2C) accounting for only the remaining 5%.

6. One may therefore conclude that the demand for B2C has limited potential, since B2B demand is 19 times that of B2C in terms of value. I feel otherwise. With Asian economies now returning to healthy growth, the penetration of Internet in Asia is taking off rapidly, not just in offices, but homes too. The number of retail consumers with access to the Internet in Asia is certain to multiply in the coming years. This will mean a faster growing market for B2C e-Commerce in the Asia Pacific.

7. Singapore has the potential to become a leading innovation hub for B2C e-Commerce in the Asia Pacific. We have in place world class national information infrastructure, good IT literacy, high penetration home PC and Internet access, well established electronic payment system, efficient distribution network and supportive legal framework. We should therefore aspire to be early adopters and innovators, to help set the pace of B2C e-Commerce in the region.

8. This is why I am very happy to join you this morning at the launch of Creation Street. It is a one-stop home and office improvement portal targeted at home and office improvement.

9. According to a report published in 1997 by the Building and Construction Authority and the Department of Statistics, there were some 2,600 establishments in the renovation industry. The renovation trade is highly fragmented, with more than 60 per cent owned by sole proprietors. Renovation contractors, on the whole, are still very much part of the old economy with an average labour productivity of \$23,800. This is low compared to the national average of over \$70,000.

10. If we include the building service trades like plumbing, air-conditioning, electrical works, security alarm installation and so on, there are another 3,200 small firms involved with the renovation industry. Hence, one challenge faced by consumers is the selection of company and contractor for their home or office renovation.

11. Hopefully, things will now change for the better. With innovative services such as Creation Street, consumers can look up for design ideas, cost estimates, on-line renovation loan facility, and even live chats offering expert advice on home improvement. They can also enjoy the peace of mind since contractors will be pre-qualified by the service providers. There is also a six-month service warranty.

12. The birth of Creation Street and such portals is good for the renovation trade. Interior designers, renovation contractors and material suppliers can interact and trade on-line, and receive notification of projects sent by customers on their mobile and WAP phones. It is in line with the objective of Construction 21 and SME 21 to help upgrade and improve the productivity of the industry and SMEs through IT-enabling solutions.

13. I congratulate Asia Pacific Creation Pte Ltd, Lum Chang Holdings Limited, Lycos Asia Pte Ltd, SilkRoute Holdings Pte Ltd and Latitude Web Pte Ltd for their collective efforts in the launch of Creation Street Portal to create an on-line community for the renovation industry. Your initiatives will help the renovation industry to reinvent itself for the New Economy, enhance consumer satisfaction in the information society, and strengthen Singapore's position as an innovation hub for e-Commerce in the Asia Pacific.

14. I would like to congratulate Creation Street Pte Ltd on the launch of CreationStreet.com today. I wish you great success in the exciting years ahead.

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