

**OPENING REMARKS BY DR KOH POH KOON, MINISTER OF STATE,  
MINISTRY OF TRADE AND INDUSTRY, AT THE SINGAPORE JEWELLERS  
ASSOCIATION 77<sup>TH</sup> ANNIVERSARY DINNER ON THURSDAY, 5 MAY 2016,  
7.30 PM AT THE HOLIDAY INN SINGAPORE ATRIUM**

Mr Ho Nai Chuen, President, Singapore Jewellers Association

Distinguished guests,

Ladies and gentlemen,

Good evening.

1. It is a pleasure to join you at the 77<sup>th</sup> Anniversary Dinner of the Singapore Jewellers Association (SJA). Tonight is also the inauguration ceremony for SJA's 49<sup>th</sup> Executive Committee. I wish the Committee every success in leading the Association to greater heights.

**Global and Regional Gold Jewellery Trends**

2. We are now in a period of slower growth compared to past decades. The jewellery industry, as with other sectors, faces both challenges and bright spots. According to the World Gold Council, global demand for gold jewellery fell by 3% overall in 2015, compared to the previous year. However, the second half of 2015 produced the strongest second half-year global demand for gold jewellery in 11 years. India continued to drive demand, recording a 5% annual growth and its highest level of demand since 2010. Even though demand has dropped in countries like China, Thailand and Malaysia, there are opportunities for Singapore jewellers in markets such as Vietnam and Indonesia, with the former seeing a 25% increase in annual demand in 2015 over 2014<sup>1</sup>.

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<sup>1</sup> *Gold Demand Trends - Full Year 2015*, World Gold Council, February 2016

3. The retail landscape in Singapore is also becoming increasingly challenging, with discerning consumers looking for unique and differentiated offerings. E-commerce and online shopping have also disrupted traditional brick-and-mortar shops, and retailers also face difficulties in hiring and retaining frontline staff to man their outlets.

### **Role of the Singapore Jewellers Association**

4. Against this backdrop, the Singapore Jewellers Association has worked hard to organise programmes and to enable its members to improve their capabilities and be well-positioned to exploit growth opportunities. For example, SJA co-organised an outreach event in December 2015 with A\*STAR to encourage jewellers to embark on technology adoption. The event was attended by over 40 jewellery companies. Some of the technologies highlighted at the event included Radio Frequency Identification (RFID), Augmented Reality, Virtual Try-ons and 3D-printing. Events like this enable SJA's members to be kept up-to-date on the latest technologies which can be adopted to improve business offerings and customer experience.
5. To provide customers with more assurance and improve the shopping experience, the SJA and the Consumers Association of Singapore (Case) launched the CaseTrust-SJA Accreditation scheme last year, with funding support from SPRING's LEAD programme. Under the scheme, accredited businesses must have clear refund policies, provide detailed cost breakdowns to customers and have knowledgeable sales staff. The first batch of 22 accredited firms, representing 136 outlets, received their certificates at the annual Singapore Jewellery and Gem Fair in October 2015.

## **Competing on Quality and Innovation**

6. Moving forward, the jewellery industry must continue to compete and differentiate itself on the basis of design, quality and innovation. Let me offer three suggestions on how this can be done.
7. Firstly, our jewellers can leverage technology to innovate, increase productivity and overcome manpower constraints. For instance, Ngee Soon Jewellery tapped on SPRING's Capability Development Grant to implement RFID in its two branches in Yishun and Woodlands. The use of RFID helped to reduce the manpower needed and time taken for stock-taking and inventory management compared to a manual stock take. Besides having improved accountability of the store's inventory, Ngee Soon also saw productivity gains and a 20 per cent increase in loyalty membership applications as its staff are now able to spend more time on customer engagement and sales.
8. To further encourage firms to transform themselves, the Government announced the Automation Support Package (ASP) during Budget. The package provides support for firms to scale up automation projects, and comprises 3 components: grant, tax incentive and loan support. Given the labour-intensive nature of jewellery-making, ASP can equip firms with the machines they need to automate the production process and reduce reliance on manpower.
9. Secondly, I would like to encourage firms to actively come on board SkillsFuture initiatives such as the SkillsFuture Study Awards, which is a \$5,000 award that supports deepening skills in related courses. Companies can recognise outstanding frontline employees by nominating them for the Study Awards for the Retail Sector, which covers courses such as digital marketing and supply chain management. Outstanding designers can be nominated for Study Awards for Design Sector, which will allow

them to hone their craft further and create more unique and sophisticated jewellery designs.

10. Finally, firms should set their sights on growing their businesses overseas. As mentioned earlier, regional markets such as Indonesia and Vietnam continue to have good growth prospects for the jewellery sector, despite the soft economic climate. Over the longer term, growth in ASEAN is expected to be robust, averaging 5.2%<sup>2</sup> in the medium term, and this is in part due to the growing middle class in the region. Firms can tap Government schemes such as IE Singapore's Market Readiness Assistance and the Global Company Partnership scheme for support for their internationalisation efforts. Under the International Marketing Activities Programme (iMAP), IE Singapore supported SJA for 4 trade shows in 2015 which saw a total of 73<sup>3</sup> companies taking part and generating sales of more than \$110 million.
11. In this year's Budget, we also announced that the double tax deduction scheme for internationalisation will be extended until end March 2020. This means that businesses seeking to expand overseas can continue to enjoy up to 200% tax deduction on expenses ranging from market expansion to manpower development.
12. By investing in design and production capabilities, leveraging technology and internationalising, Singapore jewellers will be better able to meet the needs of discerning customers and compete on the basis of quality and innovation.

## **Conclusion**

13. In conclusion, I would like to commend the SJA for your hard work in growing and strengthening your industry. I look forward to your

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<sup>2</sup> *Economic Outlook for Southeast Asia, China and India 2016*, Organization for Economic Co-operation and Development, 22 January 2016

<sup>3</sup> Non-unique

continued efforts to uplift and grow the jewellery industry in Singapore.

14. Congratulations on your 77<sup>th</sup> Anniversary. Thank you very much.

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