

**SPEECH BY DR KOH POH KOON, MINISTER OF STATE, MINISTRY OF TRADE AND
INDUSTRY & MINISTRY OF NATIONAL DEVELOPMENT, AT THE SINGAPORE
RETAILERS ASSOCIATION BALL ON WEDNESDAY, 21 SEPTEMBER 2016, 7.15PM
AT RAFFLES CITY CONVENTION CENTRE**

Mr R Dhinakaran, President, Singapore Retailers Association

SRA Council Members,

Ladies and Gentlemen,

1. A very good evening to all of you. I am delighted to join you at the Singapore Retailers Association (SRA) Ball 2016.

Importance of Retail Industry

2. Singapore prides itself for being a great shopping destination. From the streets of Orchard Road and Marina Bay to the heartland malls; from brick and mortar stores to e-retailers and shopping apps, the retail sector is very much a part of our everyday lives. The retail industry is an important economic sector. It employs about 3% of the total workforce and contributes almost 1.4% of our GDP¹, with operating receipts totalling \$35 billion. It is a sector that adds vibrancy to Singapore, making it an exciting place for Singaporeans to live, work and play. By the end of this year, we will see the launches of regional flagship stores of international brands such as Uniqlo, Apple, Michael Kors as well as Victoria's Secret on Orchard Road, bringing the rich mix of brands available in Singapore to a higher level.

Transforming the Retail Landscape

3. A coordinated effort by the Government and stakeholders is crucial to ensuring the continued competitiveness and growth of the retail industry. To support the transformation of the industry, the Government will dedicate substantial resources through the Retail Industry Transformation Map (ITM), which Minister S Iswaran launched last week at the Singapore Retail Industry Conference 2016.

4. The 2020 vision of the Retail ITM is for Singapore is to have a vibrant retail industry, comprising a mix of highly productive omni-channel retailers, local brand owners with global footprints, supported by a professional and skilled workforce. Strategies in four key areas were announced to bring about the desired transformation of the industry. They are: driving growth through innovation, improving productivity with technology, building a future-ready and productive retail workforce, and helping Singapore retail companies to internationalise.

5. Today, I would like to focus on 3 key areas of focus under these strategies: e-commerce, internationalisation, and building a future-ready workforce.

¹ Source: 2015 Industry figures from DOS.

E-commerce and Internationalisation

6. The e-commerce market is growing exponentially worldwide. ASEAN markets are expected to grow twice as fast. According to a report by Temasek and Google released in May 2016, the e-commerce market in Singapore alone is expected to be worth US\$5.4 billion (S\$7.46 billion) by 2025 and contribute to 6.7% of total retail sales.

7. Besides allowing SMEs to seek new market opportunities overseas, the building up of e-commerce capabilities can also allow retailers to aggregate demands of consumers of similar profiles or demands which would otherwise be fragmented by geographical boundaries. This means that providers of niche or bespoke goods and services are more likely to flourish. For example, Naiise (*Nice*), a local multi-label design retailer, has managed to reach markets like the UK and the US through their e-commerce platform. Given the considerable demand for their well-designed creative lifestyle products from these markets, they are looking to replicate their offline stores in the UK to give their customers there a better omni-channel shopping experience.

8. Technology advances now enable retailers to engage their customers online and make purchases increasingly convenient. Through platforms such as mobile apps and social media, companies can showcase their brands to a regional or global audience through digital marketing, and allow customers to “experience” their products online with virtual try-ons, interactive displays and augmented reality. Cashless payments and e-wallets are also gaining popularity amongst consumers. The launch of e-wallet solutions such as Apple Pay and Android Pay have helped to simplify online checkout processes and allowed customers to use a universal wallet for both online and offline shopping.

Building a Future-ready Retail Workforce

9. The development of a highly skilled, adaptable, and future-ready workforce is key to driving the next phase of growth of the retail sector.

10. As the lead agency for the retail ITM, SPRING Singapore has been working with agencies such as the Singapore Workforce Development Agency (WDA) and industry and training partners to equip our retail workforce with relevant skills. Masterclasses launched this year include a hands-on digital marketing masterclass to familiarise marketeers with social and digital strategy for e-commerce, and a branding masterclass to help brand owners harness the art of brand storytelling. The Singapore Productivity Centre-Boston Consulting Group (SPC-BCG) Retail Best Practices Masterclass was also launched to help retailers develop innovative and differentiated concepts, as well as adopt manpower-lean business models and solutions.

11. Support and buy-in from companies is particularly crucial in enabling employees to deepen their skills and in turn, contribute to growth of their enterprises. Beyond support from individual companies, backing from industry partners such as the SRA is also crucial. SRA actively promotes industry and manpower development, including offering scholarships such as the National Retail Scholarship (NRS).

12. The NRS is positioned as an apex award for the retail sector, to nurture the next generation of retail leaders and promote the overall need for capability development in the sector. Recipients of the scholarship are supported for a Masters in Retailing. An example

is Mr Chua Kim Leng Mervyn, 46, who received the scholarship last year. Mervyn has been working in the retail sector for 23 years. He first joined the sector as a part timer in a laundromat company, working his way up to help the company manage operations end to end. Then, 18 years ago, he joined M1 as an Assistant Store Manager. Today, Mervyn is the General Manager for Retail Ops for M1. He has a passion for serving customers and believes he can make a difference to the local retail industry through educating customers to treat frontline staff with respect. The Masters Programme will take Mervyn to greater heights in his career and equip him with the relevant knowledge to lead and inspire his team.

Recognising Retail Excellence through SRA Retail Awards

13. Besides investing in people, it is also important to improve processes, enhance service levels and develop creative store concepts. I would like to commend the SRA for organising the annual SRA Retail Awards since 2000 and for its efforts to raise standards and the profile of the retail industry by promoting innovation, creativity and retail excellence.

14. The awards attract the participation of the best of retail in Singapore. They set the bar for the retail industry and recognise the efforts put in by all businesses in keeping the retail sector vibrant. I would also like to congratulate all of tonight's winners in advance - your stories are a testament to what we can and must do to meet the challenges that lie ahead and stay ahead of the game.

Conclusion

15. In conclusion, I urge members of the retail industry to come together and work closely to tap the opportunities offered by e-commerce and growth in ASEAN, to stay competitive and grow. I hope that all of you will actively participate in industry transformation efforts under the ITM. The Government is committed to providing support to our companies in this effort, in collaboration with key partners such as the SRA.

16. I wish all of you an enjoyable evening ahead. Thank you.

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