

SPEECH BY DR KOH POH KOON, MINISTER OF STATE, MINISTRY OF TRADE AND INDUSTRY, AT THE SINGAPORE FURNITURE INDUSTRIES COUNCIL 35TH ANNIVERSARY DINNER AND 2016/2018 EXECUTIVE COMMITTEE INSTALLATION CEREMONY, ON FRIDAY, 11 NOVEMBER 2016, 7.30PM, AT THE MANDARIN ORCHARD HOTEL

Mr Ernie Koh, outgoing President, Singapore Furniture Industries Council (SFIC)

Mr/Ms [tbc], incoming President of SFIC

[Note: Incoming President will only be elected at the AGM on 11 Nov.]

Distinguished guests, ladies and gentlemen

Introduction

1. Good evening. Thank you for inviting me to celebrate SFIC's 35th anniversary tonight. I am glad to be here to share this happy occasion with you.
2. Let me start by congratulating SFIC for your 35 years of success, and for leading our furniture sector to greater heights year after year. The SFIC's strong vision, and your leadership within the furniture business community have been pivotal in transforming our furniture industry. The SFIC's flagship event, the International Furniture Fair Singapore (IFFS), has put us on the world map as an important player in the global furniture industry.
3. In addition, the SFIC has been a role model to our community of Trade Associations and Chambers (TACs), by demonstrating what our local enterprises can do when we are united. There is a Chinese saying “兄弟同心，其利断金”. (*Translation – “As long as brothers work together, all odds can be overcome.”*) SFIC truly exemplifies this spirit.

Building the Furniture Industry – Continuing the Growth Story

4. The furniture industry is one sector that has seen positive growth despite the challenging local and global environment. According to the latest BDO study commissioned by SFIC, the sector has achieved \$6.27 billion in sales as of last year, witnessing a robust growth of 7.7% from 2012 to 2015. This is no mean feat and demonstrates the competitiveness of our furniture companies.

5. This sector has a lot of potential ahead of it, both in terms of economic growth, and also in terms of creating good jobs for Singaporeans. First, the demand for well-designed and high-quality furniture is expected to increase over the long term, as the Asian middle class continues to grow. In a report by Morgan Stanley, this group of increasingly affluent, urbanized and sophisticated consumers is expected to account for an estimated 80% of the growth in global spending up till 2030.

6. Second, our furniture industry has developed tremendously in terms of capabilities and sophistication. Even though Singapore does not produce any raw materials used for the making of furniture, we have something even more valuable – our global networks of suppliers and distributors which we had built up over the years, our creativity and our technologies. The furniture sector today is capable of generating good jobs at all levels – from carpenters who make beautifully-crafted handmade furniture, to retailers who furnish the BTO flats of our newly-weds, to businesses executives who develop market strategies for ASEAN and China, to designers whose creations are exhibited side-by-side with the best in the world, and even to scientists who are introducing the latest technologies to the industry.

7. As PM Lee Hsien Loong had mentioned during the National Day Rally this year, technological disruption will be the defining challenge of our future economy. There will be challenges as well as opportunities. Whether we succeed or not will depend on how well we are prepared for these

changes. Many of our furniture businesses have already felt the impact of technological change. Indeed, technologies such as digital design, 3-D printing, e-commerce and now Augmented Reality and Virtual Reality (VR) have now become important to the furniture industry.

8. Recently, Commune became the first furniture retailer here to use VR and 3D-planning to reinvent furniture retailing. This is not just to bump up its “cool” appeal to the millennial consumers, but also to boost productivity and to save costs. Less space is needed to showcase its full range of products as consumers can view the products virtually at the store. With smaller outlets, less space and manpower will be required. This is a step in the right direction.
9. Examples like this tell us that our furniture industry is well prepared for the challenges and opportunities ahead, and will continue to remain competitive. With the strong foundations put in place over the years, our furniture industry is well-placed to enjoy good growth over the long term.

Partnership with Government agencies

10. Our agencies – IE Singapore, SPRING Singapore, JTC and DesignSingapore Council – are committed to partnering our industry and helping our companies become more competitive. This includes supporting our furniture companies to build capabilities, develop and grow their presence overseas. Many Singapore companies have benefited from such assistance and have even thrived, building up strong brands in the region and further afield. Our successful homegrown furniture brands include Commune, Scanteak, Star Living, Cellini, Nathan Yong Design, T.A.K., Sunray and Grandwork, just to name a few.
11. JTC is also working with the SFIC on the JTC Furniture Hub @ Sungei Kadut, which will co-locate trade, manufacturing, interior fit-out, design, distribution and material supplies within one location. This will offer furniture companies a seamless transition from land-based factories to high-rise

space. To cap it off, the SFIC will also be setting up a Furniture and Furnishings Experience Centre at the Furniture Hub, with support from SPRING's Local Enterprise and Association Development (LEAD) programme, to further supplement the growth of the furniture sector.

Future of our furniture industry

12. Moving forward, it is important that we continue to improve and not rest on our laurels. What then is the next step for our furniture sector? This is where SFIC's vision to strengthen Singapore's position as a furniture and design hub in the region will help to guide our future efforts.

13. I am heartened to note that SFIC has taken steps to formalise cooperation with overseas partners, in order to strengthen Singapore's role in the global furniture industry. The recent signing of the Memorandum of Understanding (MOU) with the Seoul Design Foundation (SDF) is a good example. This MOU will help to foster stronger collaboration between Singapore and South Korea in the field of design, where both countries will collaborate on design-related activities including the Seoul Design Week and SingaPlural – the anchor event for Singapore Design Week.

14. The next few years will be exciting times for SFIC and our furniture industry, as you continue to fly the Singapore flag higher and more prominently on the global stage.

Conclusion

15. Let me conclude by congratulating SFIC and the outgoing President Mr Ernie Koh for a job well done over the years. Your contributions have been crucial to the growth of our local furniture industry.

16. To the incoming President of SFIC, let me wish you all the best for the years ahead. I look forward to keeping up the strong partnerships between SFIC and our government

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agencies. I am confident that under your leadership, SFIC and the furniture industry will continue to grow from strength to strength.

17. Thank you.

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