

**REMARKS BY DR TAN WU MENG,
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FOR TRADE & INDUSTRY AND FOREIGN AFFAIRS
AT THE ASIA POLICY FORUM: TRANSFORMATION CHANGE AND HEALTH CHECKS
FOR SINGAPORE SMALL AND MEDIUM ENTERPRISES,
ON 9 JULY 2018, 1.45 PM,
AT OEI TIONG HAM BUILDING, LEE KUAN YEW SCHOOL OF PUBLIC POLICY,
NATIONAL UNIVERSITY OF SINGAPORE**

Chief Minister Nara Chandrababu Naidu,

Dean Danny Quah,

Distinguished guests,

Ladies and gentlemen,

1 Good afternoon. It is my pleasure to join you at the Asia Policy Forum today. Small and Medium Enterprises (SMEs) forms an integral part of Singapore's economy and I am very glad that the Singapore Business Federation (SBF), the Singapore Manufacturing Federation (SMF) and the Asia Competitiveness Institute (ACI) have come together to organise this forum that focuses on SMEs.

"Transformation Change and Health Checks for Singapore Small and Medium Enterprises"

2 The theme today on "Transformation Change and Health Checks for Singapore Small and Medium Enterprises" is very apt and critical for the next stage of Singapore's development in promoting inclusive growth. SMEs, both around the world and especially in Singapore, have been identified as a channel for generating nimble and inclusive growth with large scale sustained creation of employment. SMEs also play an important role in spurring innovations and that is going to be very key to positioning SMEs for the economy of the future.

Productivity Tracking and Efficiency Monitoring (PTEM) index

3 Despite its importance of the SMEs sector, SMEs face several challenges such as high capital costs and difficulty in attracting skilled labour. These challenges need to be addressed in a systematic manner in order to achieve sustained growth among the SMEs.

4 With the objective of understanding SMEs in a more comprehensive manner so as to develop targeted solutions to support them, ACI teamed up with then-SPRING and now known as Enterprise Singapore, to develop the Productivity Tracking and Efficiency Monitoring (PTEM) index. It is a quantitative assessment of factors affecting productivity and efficiency of SMEs. I believe you have heard about the PTEM index findings from the earlier presentation this morning and I hope it has provided helpful insights on ways to strengthen enterprise capabilities. This research project is part of ACI's Enterprise Future Initiative (EFI), launched last year with the aim of partnering Trade Associations and Chambers (TACs) to strengthen our enterprises.

Andhra Pradesh

5 Improving the capabilities of our SMEs go hand-in-hand with helping them to internationalise and seize opportunities beyond Singapore. In this regard, I'm particularly pleased that with us here today is Andhra Pradesh Chief Minister Chandrababu Naidu, who leads one of the fastest growing states in India and with whose government we have a partnership to develop the new state's new capital city, Amaravati. I look forward to hearing from Chief Minister Naidu about the investment opportunities that are being created by the rapid economic development of Andhra Pradesh.

MOU Signing and Donation Ceremony

6 I am also happy to note that today's forum will see the signing of the third Memorandum of Understanding (MOU) between ACI and the government of Andhra Pradesh. This MOU will

extend the current scope of research between the two parties into areas such as economic competitiveness index, ease-of doing business index, as well as enhancing public policy efficiency and governance. In addition, I am glad to note that the government of Andhra Pradesh is making a donation to the Lee Kuan Yew School of Public Policy at the National University of Singapore and it gives me great pleasure to witness the donation ceremony later.

Conclusion

7 In closing, I would like to thank SBF, SMF and ACI for organising this forum and I wish all of you a fruitful afternoon ahead. Thank you very much.

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