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SPEECH BY DR RICHARD HU, MINISTER FOR FINANCE,
AT THE OPENING OF SINGAPORE INFORMATICS '92
AT EXPO GATEWAY, WORLD TRADE CENTRE
ON THURSDAY, 15 OCTOBER 1992 AT 10.00 AM

IT DEVELOPMENT IN THE NEXT LAP

Good morning. It is a pleasure to be here at the opening of Singapore Informatics '92. This is the seventh successive year that this event is being held. Credit must go to the Singapore Federation of the Computer Industry and various supporting organisations, namely, the National Computer Board, the Singapore Computer Society, Singapore Telecom and Microcomputer Trade Association Singapore for sustaining the momentum.

Our efforts to computerise on a national scale started a decade ago. We have come a long way since. The World Competitiveness Report of 1992 ranked Singapore third after Japan and Sweden in terms of strategic exploitation of information technology. It also ranked Singapore second after Japan in terms of computer literacy among employees. Our Civil Service Computerisation Programme is also highly regarded internationally.

In 1982, only 13 per cent of companies in Singapore with more than 10 employees were using computers. In 1989 the figure rose to 68 per cent. The latest survey on IT usage in Singapore by the National Computer Board in April this year showed that today, 84 per cent of companies with more than 10 employees are using computers. Equally important, the survey showed that this high level of computerisation is spread across all industries.

The progress over the last decade has been not just quantitative, but also qualitative. One way to view this qualitative progress is through what I call the 3Cs. In the early 80's, we began with COMPUTERISATION, the first C. The focus was on automating the processes of capturing, processing,

updating and retrieving large quantities of information to increase organisational efficiency. Computers were mainly standalone machines. Over this period, we installed computers in each government department under the massive Civil Service Computerisation Programme (CSCP). We also intensified the training of computer manpower.

By the mid 80's, we had added another C, or **COMMUNICATIONS**. By then, the distinction between computer technology and communications technology was starting to blur. This resulted in the creation of a new buzz word, Information Technology or IT. Thus the National Plan IT was launched in 1986 to help Singapore reposition its economy for enhanced international competitiveness. New opportunities and benefits were realised by connecting computers in networks both within and across organisations. A good example is TradeNet. TradeNet links thousands of companies and about 20 government agencies to reduce the documentation and time required for import and export approvals from more than half a day to less than 15 minutes.

We are now entering the age of the third C, that is, **CONTENT**. The incredibly rapid developments in computer and communications technologies have meant that today's IT systems need no longer be just handling information in the traditional form of numbers and text. IT systems can now process and move multi-media content, that is, any combination of data, text, pictures, sound, graphics and video. This opens the door to endless new possibilities such as multi-media learning, electronic museums, home movies on demand and personalised newspapers, just to name a few.

My purpose in talking about the 3Cs is not just to give a historical or intellectual perspective to the development of computerisation. Information technology is today a competitive necessity. In many industries, companies must use IT to remain in business. But remaining in business is not good enough. They need to excel to keep pace with global competitors. This is where IT can become a powerful competitive tool. Dynamic companies can create competitive advantage by exploiting the 3Cs

of IT innovatively to support their business strategies. I should add that on the national front, exploiting the full potential of the 3Cs is a part of our vision of turning Singapore into an Intelligent Island by the year 2000.

The numbers show that there is ample scope for using IT as a competitive tool. Only 12 per cent of computerised firms today actually use IT in all primary business activities. By this, I mean activities like inbound logistics, operations, outbound logistics, marketing, sales and service. The proportion of computerised firms that have electronic linkages with their suppliers, distributors, customers and government agencies is only 39 per cent.

Part of the problem is perception. Many small companies still believe that only big companies can achieve business excellence through extensive and innovative application of IT. This is simply not true. Small companies can achieve equally spectacular results.

Take Yap Chwee Hock Transport Pte Ltd as an example. It started out as a small transport company. Today it has expanded into the total logistics management business, including warehousing and distribution. Information Technology is used not only in its internal business activities but also in linking up with customers' systems. It can now compete with larger logistics management companies because it has successfully exploited IT.

Another example is Ken-Air, a local travel and tour company. Ken-Air uses IT for strategic advantage. It has integrated and streamlined the company's manual business operations. More importantly, its IT network has enabled it to conduct business globally and create new products in new markets.

Both these companies have been given recognition in the 1992 National IT Awards. Whilst on the subject of IT Awards, may I digress for a moment to congratulate DBS Bank and the Ministry of Defence who are the winners of the Private and Public Sector

Awards respectively. Other organisations in Singapore can look to them as role models to learn how real payoffs can be realised from IT investments.

Investing in Information Technology is not a matter of merely buying the necessary hardware and software. This is because managing IT in all its dimensions has become increasingly complex and demanding. Companies will need a new breed of managers who can manage the rapidly changing technology and harness it to full advantage.

In this regard I am pleased to announce that the Nanyang Technological University (NTU) will be offering a Masters in Business Administration (MBA) degree in the Management of IT from July 1993. Initially, it will be a part-time programme which will take two to three years to complete. The course curriculum has been designed with help from Massachusetts Institute of Technology's (MIT) Sloan School of Management and other renowned IT management programmes.

How well we do in the Next Lap depends not least on how well we can as a nation master the 3Cs of IT. If we succeed, we will not only be more competitive internationally, but will also be able to lead fuller and richer lives. We will be able to cut down on routine and mundane chores. There will be fewer trips, less queuing, less cash handling, less form-filling and less waiting at counters for chores like renewing licences, submitting statutory returns, paying bills and even buying daily groceries. This will leave us more time for more interesting pursuits.

Information Technology will also be able to offer more choices for us to spend this extra time. We can learn new skills or acquire new knowledge through stimulating lifelike multimedia learning programmes at a pace, time and place suited to us. For leisure, we will be able to electronically browse through famous art galleries and museums, or choose from hundreds of movies for immediate viewing on home TV. For leisure outside the house, IT will provide multi-media listings of events in the world of arts, sports and entertainment. As for those who feel they are being

bombarded with too much information, IT promises to filter out the unwanted materials, for example, by providing personalised newspapers and magazines. The possibilities for quality of life improvement through IT are endless.

I understand that some of these possibilities are being exhibited here. I hope you will take the time to visit the Exhibition for a glimpse into the future. To all our overseas guests, I hope you will also take some time to enjoy Singapore.

On that note it is my pleasure to declare Informatics '92 open.

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