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Subject: (Embargoed) Speech by Mr Lim Swee Say, 27 Mar 2000, 10.30am

Singapore Government

PRESS RELEASE

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**SPEECH BY MINISTER OF STATE (TRADE & INDUSTRY) AND
(COMMUNICATIONS & INFORMATION TECHNOLOGY) MR LIM
SWEE SAY AT THE OFFICIAL OPENING OF JTC'S
TECHNOPRENEUR CENTRE ON MONDAY, 27 MARCH 2000, AT
10.30 AM AT 20 AYER RAJAH CRESCENT**

Good morning, ladies and gentlemen.

1 It gives me great pleasure to be here this morning for the official opening of JTC's first Technopreneur Centre.

2 We are repositioning our economy towards becoming a Knowledge Based Economy (KBE). To succeed, we will have to continue to strengthen our capabilities in value adding, and at the same time build new capabilities in value creation. The nurturing of a vibrant technopreneurship spirit is a key focus for Singapore. It is going to be a long-term process requiring the concerted efforts of the three “P” sectors – Public, Private and People sectors. On the part of the Public sector, to help ignite the entrepreneurial fire, the government is putting in place various schemes to support the growth of technopreneurial talent in Singapore. These include proposed enhancement of the current ESOP (Employee Stock Option Scheme) tax treatment, the US\$1billion Technopreneurship Investment Fund and Business Angel Fund to co-invest in promising start-up companies and venture funds, and strengthening of our intellectual property infrastructure.

More Technopreneur Centres in the pipeline

3 Besides creating a more conducive “soft” environment, we are stepping up our efforts to provide new and better “hard” facilities to meet the needs of entrepreneurs as well. I am happy to see that JTC is playing a proactive role here. NSTB and JTC are working together on the development of the Buona Vista Science Hub – the future hotbed for technopreneurs. Such a major undertaking will take a few years to bear fruits. Meanwhile, JTC has set up this Technopreneur Centre within its new generation industrial building to create the much needed space for our start-up companies. All the 29 incubator units in this centre have been so popular with technopreneurs that they have been taken up within two weeks of its launch. This has prompted JTC to add another 30 incubator units on the 8th storey of this building. JTC

is also planning to build more technopreneur centres in other parts of Singapore. Areas being considered for these new centres include Bukit Merah, Jurong East and Changi. These developments will create a total of 16,000 square metres of fully-fitted incubator space to meet the growing demand of technopreneurs in Singapore.

4 JTC will fit out the technopreneur centres to standards as good, if not better than the one here at Ayer Rajah. They will come with fully-fitted air-conditioned units so that start-up companies can move in and start work with great ease and convenience. Shared facilities like meeting rooms, product display areas and staff lounges will also be provided. JTC will also collaborate with incubation management companies to operate the technopreneur centres. These incubation management companies will facilitate strategic business and venture capitalist partnerships and provide the necessary business centre, legal and financial services to support the growth of technopreneurs.

5 Here at this centre, we have a group of young start-up companies which is involved in a wide range of IT and software development, and product development work. They include R&D work on environmental biotechnology, medical system, financial software, 3-D CAD/CAM engineering services and smart card systems development, among others. JTC strives to provide a warm and cosy environment in this centre for our technopreneurs to work and congregate. At the same time, they can explore collaboration with research and tertiary institutions that are located at the nearby Singapore Science Park and National University of Singapore. Such synergistic projects will speed up the pace of technology development and

innovation deployment in our KBE, and benefit both our innovative start-ups and research and tertiary institutions.

Promoting knowledge-based industries

6 The KBE is characterised by speed and creativity. JTC will face new challenges in the KBE. There will be increasing emphasis on human capital, intellectual properties, innovation and technology, as compared to traditional production related assets such as plant and machinery and building and civil works. There will be blurring of boundaries between manufacturing and services.

7 JTC will have to ensure that its policies and strategies remain relevant in the KBE. I am pleased that JTC is currently conducting a comprehensive review of various policies relating to land use, zoning, pricing, cluster linkages, permitted industrial activities and criteria for allocation of land and facilities. Some of its policies will be revised to cover knowledge-based activities such as R&D, software development, e-business, and server farms.

For a start, JTC will soon introduce an alternative criterion to recognise investments in human capital and intellectual property in the allocation and lease renewal of land and land-based factories. At the same time, the building and civil works investment criteria will be relaxed from a quantitative indicator (ie \$750 per sq metre of building space for normal sites) to one that is qualitative in nature (ie of an acceptable “look and feel”).

8 In a KBE, we expect an explosive growth in new companies providing e-business solutions and services. More and more businesses will transform

their brick-and-mortar business to “click-and-mortar” business as they embrace the Internet revolution. This will lead to increased demand for broadband facilities and services by companies. To meet this growing demand, JTC will work with service providers to wire up all technopreneur centres and new high-rise industrial buildings to provide broadband services “on tap”. These include broadband Internet, web-hosting and application service providers. Companies in this Technopreneur Centre will be able to “turn on the tap” for such services as early as May. JTC will also provide such services in existing buildings where there is demand.

9 JTC, NSTB, EDB, IDA and various government agencies involved in Technopreneurship 21 will continue to innovate and come up with creative approaches to meet the growing needs of technopreneurs in the KBE. All of us, the Public, Private and People sectors, must play our parts to embrace the New Economy and new mindset towards value creation. Working in partnership, I am confident that we will be able to develop Singapore into a vibrant and innovative technopreneurial hub in the Asia Pacific, so as to sustain the robustness and vitality of our economy in the new global economic landscape.

10 I am happy to declare JTC’s Technopreneur Centre open.