

gy19990304a

To:

cc: (bcc: NHB NASReg/NHB/SINGOV)

Subject: (Embargoed) Speech by BG George Yeo, 4 Mar 1999, 9.30 am

Singapore Government

PRESS RELEASE

Media Division, Ministry of Information and the Arts, #36-00 PSA Building, 460 Alexandra Road, Singapore 119963. Tel: 3757794/5

=====

EMBARGO INSTRUCTIONS

The attached press release/speech is EMBARGOED UNTIL AFTER DELIVERY.

Please check against delivery.

For assistance call 3757795

=====

SPRINTER 3.0, Singapore's Press Releases on the Internet, is located at:

<http://www.gov.sg/sprinter/>

=====

SPEECH BY GEORGE YEO, SECOND MINISTER FOR TRADE AND INDUSTRY AND MINISTER FOR INFORMATION & THE ARTS, AT THE OPENING CEREMONY OF THE INTERNATIONAL FURNITURE FAIR SINGAPORE 99/ 16TH ASEAN FURNITURE SHOW ON 4 MARCH 1999 AT 9.30AM AT SINGAPORE EXPO

## National Archives of Singapore

I am delighted to be here today for the opening of the International Furniture Fair Singapore 1999 and the 16th ASEAN Furniture Show. Over the years, the Fair has grown both in size and quality. It is now one of the largest and most prestigious international furniture trade events in the Asia-Pacific. It is also the first event to be held in this splendid Singapore Expo, the newest and largest exhibition centre in the region.

2 Singapore's total trade in furniture fell 21% in 1998 to S\$777 million. This sharp decline has put pressure on our furniture companies to look at new markets and new activities. They must also cut cost and become more flexible.

3 Companies locate their manufacturing facilities where they can maximise their returns on investments. In the face of relatively higher cost in Singapore, many Singapore furniture companies have moved their low-end manufacturing operations to other countries where the cost of production is lower and raw material is readily available. Their Singapore operations then concentrate on higher value-added and more profitable activities like product design, product development, quality control, marketing and distribution.

4 To add value in a very competitive marketplace, our furniture companies must be strong in three areas – creativity, competence and connections.

#### Creativity

5 In January this year, I visited Silicon Valley and New York City, both of which are home to an incredible number of exceptionally talented and creative individuals. They are also home to many multinational companies despite the high cost of doing business there. Many companies find it worthwhile to locate in these places to tap the creative energies in international finance, marketing, high tech and the arts.

6 There are many ways to look at furniture. In some ways, furniture has changed little because the human anatomy has not changed. But furniture also reflects culture and lifestyles, which means it changes all the time across time, space and climate. As lifestyles in Singapore become more sophisticated, we become a good urban environment for the development of new concepts in international furniture design. Our particular strengths are our cosmopolitan Asian way of life and our sense of the tropics.

7 As we enter the 21st century, the greatest value added will be in knowledge and innovation. It is knowledge and lifestyle which will differentiate us from other urban environments. For the furniture industry, we must not only identify what is trendy, we must also begin to set new trends in the industry. Thus, the key to the long-term prosperity of the furniture industry in Singapore is to make it another creative industry.

#### Competence

8 However, creativity alone is not enough. We also need high competence. To implement good ideas, we must have the best skills and technology. As in any industry, the furniture industry can only do well if we have individuals who are professionally trained to world class standards.

9 We no longer compete on a local or even regional basis. With globalization, we have to compete worldwide. Therefore, we need good training and retraining facilities for those who work in the industry.

10 We have also to keep up with changing lifestyles. As our customers become more discerning and sophisticated, they will make greater demands on product quality and service levels. Our best customers are those which insist on quality and service. Cost will still be important. When we can outsource more cheaply outside Singapore, we must. All this means high competence in product designs, product development, manufacturing, marketing, distribution and service.

#### Connections

11 I now come to the third crucial factor for success - connections. The Singapore Furniture Industries Council has done an excellent job in building up the International Furniture Fair Singapore into one of the most successful home-grown fairs in Singapore. It provides a good opportunity for our local businessmen to strike deals and forge alliances with overseas exhibitors and participants. These connections strengthen our marketing and distribution networks, and help us to upgrade our merchandising capabilities. This annual event not only contributes to the growth of the furniture industry, it also reinforces Singapore's position as a venue for international trade fairs and exhibitions, as a venue to network and make

connections.

Singapore Expo

12 The strong growth of such trade events led to the construction of the Singapore Expo. Asia is down for the moment, but it will recover. In due course, the strong demand for exhibition spaces will resume its pre-crisis growth path. Built to meet the growing needs of the region, the Singapore Expo, with its 60,000 square meters of contiguous exhibition space, will complement the current stock of exhibition spaces in the Singapore International Convention & Exhibition Centre and the World Trade Centre. Together, Singapore now offers more than 100,000 square metres of quality exhibition space. Such a critical mass will enhance significantly the reputation and capabilities of Singapore as an International Exhibition City. This is not only good for the exhibition industry, it will also help the development of other industries and services, like the furniture business.

13 I wish all exhibitors and participants a most successful Furniture Fair and Show, and my heartiest congratulations to the organisers for an outstanding job.

National Archives of Singapore