

Singapore Government **PRESS RELEASE**

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**SPEECH BY MR BEINARD CHEN, MINISTER OF STATE FOR DEFENCE
AT THE PLANT OPENING OF EB COMMUNICATIONS (S) PTE LTD
ON TUESDAY, 4 NOVEMBER 1980 AT 3.00 PM**

An advanced communications infrastructure is essential for the successful implementation of national development programmes. Communications facilitates education, industrialisation, commerce and the exploitation of natural resources. Developing countries in South East Asia have very substantial national development programmes. It is therefore not surprising that this region is a large market for communications equipment of all types. In 1976, the market size was estimated to be US\$850 million. In 1982, it is expected to exceed US\$2.5 billion. The market will be much larger if we include the People's Republic of China, who is rapidly expanding and modernising her communications infrastructure.

The presence of Elektrisk Bureau in Singapore attests to the vast potential market for communications equipment in the Far East and is a strong vote of confidence in Singapore as a manufacturing and technological base to successfully address this highly competitive market. Singapore presently produces telephone handsets, radio telephones and PABX equipment. EB Communications which manufactures field telephones and sophisticated microwave links in Singapore is thus a welcome addition to our communications equipment industry. This plant exemplifies the type of technology-intensive and high value-added industrial electronics manufacturing operations which the Singapore Government is encouraging. EB Communications' operation is all the more significant as the company is marketing directly from Singapore into the Far East region and is also carrying out research and development of microwave links. Singapore engineers who were trained in the

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parent company's development laboratories in Norway are involved in this R&D work. Other multi-national companies with manufacturing operations in Singapore should follow the example of Elektrisk Bureau.

The Government is pleased to note that a good start has been made by companies to carry out R&D in Singapore. Besides Elektrisk Bureau, others such as Hewlett Packard, Philips, Thomson-Brandt, Nestle and General Electric as well as general local companies have set up research and development operations in Singapore for the following reasons:-

1. To achieve maximum cost savings by developing products using lower cost electronic components manufactured locally and in the region.
2. To be able to respond more quickly to technological changes and to have the means to incorporate new technologies into the design of products manufactured locally.
3. To be able to design and develop products most suited to the needs of the Far East markets.
4. To save on costs of technical manpower, and more important, to employ the technical talents in the good supporting industries that are available in Singapore.

The Government has taken several active measures to promote R&D activity in Singapore. Apart from tax incentives like double deduction for R&D expenses, investment allowance and accelerated depreciation for R&D equipment, steps have been taken to improve the infrastructural support. These include the rapid expansion of the engineering faculty of the National University of Singapore and allocation of more funds to its research programmes; government assistance to expand and upgrade the services of the Singapore Institute of Standards and Industrial Research, the Applied Research Corporation and the National Productivity Board; development of a Science and Technology Park near Kent Ridge; and the setting up of research information/data bases. The government is also prepared to grant additional years of tax holiday for desirable

manufacturing projects, which propose to set up R&D operations in Singapore. Furthermore, if a manufacturing company wishes to train R&D engineers and scientists, it can apply to the Skills Development Fund for grants. The stage is therefore well set for us to venture boldly and confidently into the higher technology industries. We are particularly pleased that EB Communications has decided to join us in this challenging but rewarding task of transforming Singapore into a skilled and knowledge services centre.

I am confident that Elektrisk Bureau, with its well conceived manufacturing and marketing strategy as well as superior product technology, will have a very successful operation in Singapore which in turn will enhance the overall success of the company worldwide. It is now my pleasure to declare EB Communications (S) Pte Ltd officially open and to wish it every success in its operations.

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