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**SPEECH BY MR YEO CHEOW TONG,
MINISTER FOR TRADE AND INDUSTRY,
AT THE OPENING OF GES' NEW BUILDING
AT 28 MARSILING LANE
ON WEDNESDAY, 5 JUNE 1996 AT 10.00 AM**

I am very happy to join you this morning for the official opening of GES Singapore Pte Ltd's new factory building.

Since its more humble beginnings as a seller of electronic kits and components in 1975, GES has, in its own quiet way, built up strong capabilities throughout the entire business value chain. GES is today involved in the design, manufacture and distribution of personal computers, computer peripherals and point-of-sales terminals. It is perhaps best known for its "Datamini" brand of personal computers (PCs), which have gained recognition locally and in the region for high quality and good service.

The GES group has grown to 14 companies with an annual revenue exceeding S\$390 million in Singapore and the region, employing more than 600 people. Today's event marks yet another milestone in the development and growth of GES.

The Asia Pacific information technology (IT) market is expanding rapidly, boosted by the region's strong economic growth, rising income and traditional emphasis on education. Technology-based companies, like GES, are well-placed to take advantage of our proximity and excellent regional market knowledge to tap these growing markets.

But while the IT market has vast potential, it is at the same time, a highly dynamic and competitive one. To succeed in the fast-changing global market, companies must be able to keep abreast of market requirements, and be able to satisfy demands for better and more sophisticated products. Take the PC as an example. It has evolved into a consumer product today. Product life cycle is now measured in months, as competing companies rush out more powerful, faster machines, packed with more and more features and capabilities.

To be viable market players, companies in the IT and electronics industry will therefore need to have excellent product development and research and development (R&D) capabilities. Traditionally, most multi-national corporations (MNCs) have kept their research and development R&D facilities in their own home countries. But increasingly, they are locating them overseas as well, to support their global marketing and manufacturing activities. This allows them to customise their products to meet regional or even country consumer tastes and preferences.

Singapore companies cannot expect to be insulated from such global competition. To remain competitive and viable, they will also need to build up their own product development and R&D capabilities. They can also leverage on the capabilities and resources residing in our national research institutes and

centres, like the Information Technology Institute, Institute of System Science, and Institute of Micro-Electronics.

I am happy to note that GES is certainly on the right track. It has set up a 58-member product development team to design new products. These include multimedia function motherboards, Point-Of-Sale terminals, PCMCIA cards and DSP-based telephony solutions. These products are not only sold under the GES brand name but also to third party customers. The development of such Original Design Manufacturer (ODM) capability and business will further boost GES' growth.

The GES story is indeed an inspiring one. It not only shows very vividly that the entrepreneurial spirit is very much alive, but also that there are ample opportunities for those with the capability and who are prepared to put in the necessary efforts. I would encourage other entrepreneurs and our new generation of "technopreneurs" to emulate the founders of GES. I can assure them they will not be venturing into the market alone. The government will support them through the numerous financial assistance programmes and tax incentives that are already in place.

These assistance programmes reflect the Government's commitment to develop a critical mass of Singapore enterprises capable of not only supporting MNCs operating in Singapore, but also becoming our own home-grown MNCs, with their own branded products.

On this note, I congratulate the management and staff of GES Singapore Pte Ltd on the opening of your new building and wish you every success in the future. It now gives me great pleasure to declare GES's new building open.