

**SPEECH BY MINISTER OF STATE FOR TRADE & INDUSTRY, MR TEO SER
LUCK AT THE SINGAPORE MANUFACTURING FEDERATION AUTOMATION
TECHNOLOGY INDUSTRY CONFERENCE 2013, WEDNESDAY, 31 JULY 2013,
9:45AM AT SWISSOTEL THE STAMFORD**

Mr George Huang, President, Singapore Manufacturing Federation (SMF),
Distinguished guests,
Ladies and Gentlemen,
Good Morning.

1. I am delighted to join all of you at the inaugural Automation Technology Industry Conference organised by the Singapore Manufacturing Federation (SMF).

Leveraging Technologies for Productivity

2. The manufacturing sector in Singapore has shown steady growth. We started out with mainly cottage industries when we first gained independence in 1965. In the 1970s and 1980s, there was a concerted effort to attract foreign direct investment as we gradually industrialised our economy. In the 1990s and after the turn of the millennium, our manufacturing sector moved into higher value-added activities to support Singapore's transformation into a knowledge-based economy.

3. The manufacturing sector remains an important part of our economy, accounting for 20% of our GDP. Over the last 10 years, manufacturing productivity growth has surpassed that of all other sectors. This is the result of our companies embracing innovation and technology in their businesses. Factories have become more efficient with computer-aided technologies, process automation, vision-capable robotic systems and highly skilled workers.

4. The future of our manufacturing sector will depend on our enterprises continuing to move up the value chain, through improving productivity, leveraging innovation and technological advances to grow regionally and globally. Automation, process optimisation, supply chain management and an integrated strategy for growth and internationalisation are key to sustainable competitive advantage. It is therefore extremely timely that the SMF has organised this inaugural conference on automation technology to provide information sharing and exchange on the next generation of technologies which could transform manufacturing processes.

Making an Impact through Technology

5. I am highly encouraged that a number of our companies have developed pioneering technologies and applications which are making an impact. For example, Advantech Co. Singapore Pte Ltd, a company providing installation, integration and servicing of computer peripherals, has pioneered solutions which embody the vision of an 'Internet of Things' (IOT) to drive the creation of a smart planet for the future.

6. By leveraging smart technologies, Advantech is working towards its vision of a ubiquitous network which can connect anyone, anything, anytime, anyhow, and anywhere. The company offers a variety of IOT device solutions to ride on the wave of increasing IOT adoption; such as connecting real time data from field sites with a

backend network for seamless access to data for monitoring and control purposes. This is highly relevant to the manufacturing sector; where a centralised system to gather market data can increase interconnectivity and collaboration among industry players.

7. Advantech's solutions extend well beyond the commercial realm. In an era where increasing global emphasis is placed on environmental concerns and climate change, IOT can also be used to tackle such challenges.

8. Another local company, M Metal Pte Ltd, tapped on the Productivity and Innovation Credit (PIC) Scheme to bring in robotic arms to support their business processes. The PIC scheme was introduced in Budget 2010 and was enhanced in Budgets 2011, 2012 and 2013. The PIC scheme provides tax deductions or payouts to support businesses investing in a broad range of activities along the innovation value chain to improve innovation and productivity. The robotic arm has helped M Metal to increase its productivity and enhance the safety of its workers.

Government remains committed to help companies improve productivity through technology adoption

9. The Government has been supporting SMEs such as Advantech and M Metal through a suite of assistance schemes which span financing, productivity and capability upgrading, technology and innovation, and overseas market access. In particular, SPRING, in collaboration with partners such as IDA and WDA, has many broad-based programmes and schemes to help SMEs raise their productivity and harness technology and innovation. These include the Innovation and Capability Voucher (ICV), Capability Development Grant (CDG), iSPRINT and iSTART. Besides assistance schemes which SMEs can apply for directly, government agencies work closely with Trade Associations, which have been instrumental in initiating programmes to enhance the capabilities and facilitate growth of their members.

10. The SMF has played a key role in supporting the development of the manufacturing sector. SMF offers a myriad of activities ranging from trade fairs and missions to training courses, many of which are funded by the government. This year, in partnership with SPRING, the Enterprise Development Centre @ SMF has been transformed into a one-stop SME Centre @ SMF to assist Singapore enterprises to develop essential business competencies and adopt best practices throughout their operations so that they can be competitive and successful both domestically and in the global markets.

Conclusion

11. I am delighted that the SMF is continuing its leadership role, through the inaugural conference organized by the SMF Automation and Technology Group today. The conference will lead to greater awareness amongst industry players of the potential for technology to transform and revolutionise your businesses.

12. On this note, I wish everyone a productive and enjoyable time at this conference.

13. Thank you.