

OPENING ADDRESS BY MRS JOSEPHINE TEO, MINISTER, PRIME MINISTER'S OFFICE, AND SECOND MINISTER FOR MANPOWER & HOME AFFAIRS, AT THE ITE INDUSTRY PARTNERSHIP FORUM 2017, 4 OCTOBER 2017 AT 11 AM THE HALL, TAY ENG SOON CONVENTION CENTRE, ITE HEADQUARTERS

Ms Low Khah Gek, CEO, ITE,

Distinguished Guests from Industry and Trade Associations,

Ladies and Gentlemen,

Introduction

- 1 Thank you for inviting me to join you at the ITE Industry Partnership Forum 2017.
- 2 My speech may well turn out to be the least interesting of all the things you get to hear and see at this Forum.
- 3 Besides the presentation on ITE's manpower development plans and sharings by an industry partner, there's also a showcase of innovative projects.
- 4 I want to make just three points so you can get on to these very interesting parts of the programme.
- 5 My first point is that even though we will maintain a healthy working population in Singapore, our manpower challenges remain.
- 6 Singapore's resident old-age support ratio, which measures the number of residents aged between 20 and 64 to each resident aged 65 and above is currently 5.1. As with many countries with aging populations, the ratio will likely decline over time.
- 7 To sustain a healthy working population, we provide strong support to Singaporeans who have children, and we maintain a calibrated pace of immigration. We help more seniors to remain active in the workforce for as long as they wish. We have also supplemented the local workforce with foreigners on time-limited work passes.
- 8 Even then, workforce growth will slow and businesses should plan to operate in an environment of tight manpower.
- 9 My second point today is that the drive to raise productivity and promote innovation is necessary and making more visible progress.
- 10 This is shown by the contribution of productivity to Singapore's GDP growth last year. Our GDP growth of 2% was a combination of 1% workforce growth and 1% productivity growth. Before 2016, GDP growth was mainly contributed by manpower growth, 4% GDP growth (from 2011 to 2014) due to 4% manpower growth, 2% GDP growth (in 2015) due to 2% manpower growth.

- 11 Our productivity gains did not happen by chance. With the help of government support programmes, many companies have changed their processes to be more productive and manpower lean so they can better compete and thrive. Their workers have upskilled and taken on new jobs with better prospects and pay.
- 12 Even SMEs, who are generally considered to have more difficulties, have shown that they too can come on board. Let me share an example from the Lean Enterprise Development (LED) Scheme.
- 13 People Bee Hoon Factory Pte Ltd, which produces the well-known Chilli Brand vermicelli had a problem. The traditional way was tedious and labour intensive; workers had to manually dry the bee hoon and fold it into bundles before they were packed for distribution. The process is repetitive and involved a lot of carrying of heavy loads, something which majority of their workers will find hard to do since they are above 50 years old and not getting younger.
- 14 The company approached a few vendors to help automate the bee hoon folding process but were unsuccessful until they met ITE. Although the production bottleneck was broken, they still had to win over the workers who worried that the machine would replace them.
- 15 People Bee Hoon reassured the workers that this automation would not only preserve their jobs, but also improve their working conditions. How? Workers were re-trained and moved to the packing department where they can work in a more comfortable environment.
- 16 The company improved productivity by at least 50%. As a result, the company is able to take on larger orders with faster order fulfilment. Their workers have new skills and are more likely to finish their work on time.
- 17 Since its launch in 2015, LEDS has helped about 5,000 companies like People Bee Hoon make progress in their productivity drive. I'm also very encouraged that the projects are spread across different sectors of the economy including food services, construction, retail, logistics and manufacturing.
- 18 Many of their projects are also showing how technology can help to make jobs easier, safer and smarter for workers of all ages. I will be sharing more at a LEDS Symposium next month.
- 19 My third and final point today is that the productivity improvement efforts have been greatly helped by partners like ITE. There is a long list of companies that have benefited from the work of your engineers and technicians. The collaboration has produced better understanding of their problems to identifying the possible solutions, proof-of concept, ironing out implementation issues and training people.

- 20 The Ministry of Manpower fully appreciates the team at ITE for being part of the effort to help our businesses transform and our workers adapt. For the companies who have yet to discover what ITE can do for you, it's time to take action.
- 21 I hope Forum participants will take advantage of the opportunity to know how ITE can help you become more ready to be part of our Future Economy.
- 22 Thank you once again to ITE for organising the Forum.