



2985 Jalan Bukit Merah Singapore 159 457

Tel: 6826 3000 Fax: 6826 3004

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To the News Editor

Please attribute all comments and citations to Mr Douglas Foo, President of the Singapore Manufacturing Federation.

SINGAPORE MANUFACTURING FEDERATION ON BUDGET STATEMENT 2021

16 February 2021

Mr. Douglas Foo, President of the Singapore Manufacturing Federation (SMF), on behalf of the manufacturing community in Singapore, applauds the measures for Singapore to emerge stronger, as announced earlier today in the Singapore Budget Statement 2021.

The SMF is heartened that the Government has again reiterated the importance of manufacturing and its commitment to assist our local manufacturing community to continue growing.

A New Manufacturing

1. The SMF, through our continuous engagement with our members, recognises that the Covid-19 pandemic has changed the global manufacturing landscape. Global supply chains have changed and accordingly, our manufacturers must relook their business models to identify critical nodes of these new global supply chains in which they can play a part and stay relevant.

2. As connected manufacturing evolves from being a desire to a necessity, Singapore manufacturers must innovate, look to explore partnerships in the region and actively build on regional platforms, such as the Southeast Asia Manufacturing Alliance, with alacrity. Such platforms allow our companies to connect with various supply chains in the region. In this regard, the SMF is thankful that the Government has announced support in the following main areas to accelerate a manufacturing renaissance:
 - a. Digitalisation and implementation of technology;
 - b. Re-training and upskilling of workers; and,
 - c. Sustainability.

Digitalisation and Implementation

3. The SMF strongly supports the Government's intention to allocate more resources towards helping our businesses digitalise and implement advance technologies. Such processes will place our manufacturers in a better position to seize opportunities when the global economy recovers.
4. We will continue to work with our partners in the government sectors, such as the Infocomm Media Development Authority (IMDA) and Workforce Singapore (WSG), as well as those in the private sector to make available digital solutions for adoption.
5. Specifically, we will work with other trade associations and chambers, as well as Enterprise Singapore, to identify and customise digital solutions for our manufacturers through our Manufacturing Alliance Transformation Office.
6. The value of Intellectual Property ("IP") in this manufacturing renaissance is indeed increasingly becoming an important concept in the business models of our manufacturers. We are therefore grateful that the

government has listened to the SMF's feedback and alluded to greater support for our businesses in this aspect. The SMF looks forward to continue collaborating closely with the Intellectual Property Office of Singapore to bring IP related services to our members.

Retraining and Up-skilling of Workers

7. While there is concern over the reduction of the Dependency Ratio Ceiling (DRC) for foreign labour in manufacturing, this has not come as a complete surprise given the DRC cuts in other sectors previously. The SMF understands that there is a need to build a strong Singaporean core which is sustainable for our manufacturing future.
8. The SMF, on behalf of its members, requests for a flexible, progressive and careful implementation of the reduction. In this regard, the SMF will continue to engage with the relevant authorities to provide feedback from its members.
9. In relation to retraining and upskilling of workers, the adoption of digital solutions by more companies will invariably increase the need for job re-design. The SMF will continue to actively contribute its expertise through professional conversion programmes and internships administered by the

SMF's Centre for Corporate Learning. Hence, the Budget measures announced earlier today by DPM Heng Swee Keat are very much welcomed by the manufacturing community.

10. The SMF is glad to learn that the Jobs Growth Incentive will be further extended. SMF members have provided feedback that they are appreciative of this measure as it allows for manufacturers to strengthen its core of local employees with continued government support during these challenging times.

Sustainability

11. The SMF, as an active advocate for good environment practises will continue to work with organisations such as the National Environment Agency, SIMTech's Sustainability and Emerging Application Centre, as well as our institutes of higher learning to promote environmentally friendly practices, the use of sustainable packaging and waste reduction.
12. In addition, the SMF has over the last few years aligned itself to, and, taken guidance from, the aspiration of the United Nations Sustainable Development Goals ("UNSDG"). This Budget Statement is timely as it re-

emphasises the manufacturing community of the importance of environmental awareness.

13. We will also continue to encourage our members to actively abide by Environmental, Social and Governance principles so as to promote growth of the manufacturing community in tandem with reducing carbon footprint. Using our natural resources responsibly, green financing and the issuance of green bonds – all of these would indeed open new opportunities for our businesses to explore.

Conclusion

14. In conclusion, the SMF is of the opinion that the Emerging Stronger Together Budget Statement is one that is carefully calibrated to continue assistance in areas where intervention is most required, while at the same time, being forward looking to ready our businesses to seize opportunities in the new frontiers of the global economy.
 15. The SMF stands as a steadfast partner in nation building and is ready to play an even more active role in championing manufacturing.
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About Singapore Manufacturing Federation (SMF)

Established since 1932, the Singapore Manufacturing Federation (SMF) represents the interest of the manufacturing community in Singapore, driving its competitiveness and sustainable growth through serving industry-specific needs. Supported by 10 industry groups and its Associated Services, the SMF enhances the competitiveness of the manufacturing community by encouraging capacity development and capability building, innovation and productivity. The SMF provides opportunities for companies to collaborate, network and to grow and expand both locally and internationally. Current membership stands at about 4,000 corporate members, consisting of SMEs, MNCs and Affiliate Members. For more information, please visit www.smfederation.org.sg.

For media enquiries, please contact:

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| Nicholas Ngoh (Mr) Director, Corporate and Council Affairs Singapore Manufacturing Federation (SMF) Tel : 6826 3013 HP : 8700 1188 E-mail : nicholas.ngoh@smfederation.org.sg | Jane Lee (Ms) Corporate and Council Affairs Singapore Manufacturing Federation (SMF) Tel : 6826 3014 HP : 9623 4035 E-mail : jane.lee@smfederation.org.sg |
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