



Speeches



SPEECH BY MR S ISWARAN, SENIOR MINISTER OF STATE FOR TRADE AND INDUSTRY AND EDUCATION, AT THE SPIRIT OF ENTERPRISE AWARDS CEREMONY, 17 NOVEMBER 2009, 7:20 PM AT THE INTERCONTINENTAL HOTEL



Embargoed till after delivery. Please check against delivery.

Mr Michael Ma, President of the SOE (Spirit of Enterprise)

SOE Board,

Recipients of the SOE Award,

Ladies and gentlemen

Good evening

Introduction

1 It is my pleasure to be here at the Spirit of Enterprise Awards ceremony. Events that celebrate the entrepreneurial spirit are important as Singapore seeks to develop a vibrant entrepreneurial culture as part of our strategy for further economic growth.

Contribution of SMEs to Singapore

2 SMEs have been the bedrock of Singapore's economic success, growing more than two-fold since the 1980s. Today, Singapore is home to more than 160 thousand SMEs, making up about 99 per cent of the total number of enterprises in Singapore. SMEs now contribute nearly half of Singapore's GDP and employ more than 60 per cent of the labour population. Innate in all our successful SMEs is a strong entrepreneurial spirit and it is this spirit that plays a key role in enhancing our country's competitiveness and fostering a climate of innovation, efficiency, and agility in our economy.

SMEs in the post recession

3 This same entrepreneurial spirit is even more crucial in these current economic conditions. It is in such times that determined entrepreneurs will look beyond the immediate challenges and seek new opportunities worth venturing out for. And even as tentative signs that the global economy is starting to recover emerges, the outlook for SMEs looks promising. According to a recent Economist Intelligence Unit survey[1], 70 per cent of SMEs expect to see more demand for their products and services, while 54 per cent expect revenue growth by 2011. Confidence seems to be returning and investors are becoming more optimistic.

Building the Business Environment in Singapore

4 Many SMEs are sanguine about growth potential in the year ahead. But the financial crisis may have dented their ability to expand into new markets. Some SMEs may need help in order to restart investing and expanding once again. The Government continues to help by building a pro-business environment. Our efforts have also been widely recognised. In September this year, the World Bank ranked us, for the fourth consecutive year, as the easiest place to do business.

5 The government has also introduced many assistance programmes for entrepreneurs to strengthen their

businesses. For example, we have put in place initiatives such as the first-mover framework which offers an advantage to entrepreneurs who have novel ideas for the use of public resources. Another initiative is SPRING SEEDS Capital that offers a co-investment platform with private investors for promising start-ups. There is also the Early Stage Venture Funding Scheme that seeds dollar-matching funds with selected venture capital firms to invest in Singapore-based early-stage technology start-ups. Already, smaller companies and start-ups here enjoy the world's lowest effective tax rates. We also have a strong legal system enforcing property rights, IP and contract laws that serve to minimise risk exposure of our SMEs.

6 We would also like to see SMEs venture abroad and grow their businesses. We have therefore declared that all income earned overseas and brought back to Singapore up to 21 January 2010, will not be taxable.

SMEs – pivotal role in sustaining entrepreneurship in Singapore

7 The onus, however, of starting a successful enterprise still resides ultimately with the entrepreneur who must seize the opportunities that present themselves and meet the market's needs in a unique way. I would venture to say that in times such as these, SMEs might even have an advantage over bigger corporations. At the recent APEC SME Summit, Chinese entrepreneur Jack Ma who founded the Alibaba group summed it up quite well when he said that "in the 21st century, small is beautiful because it is not about how much equipment you have, it is about how quickly you can change yourself to meet the market".

8 We have some good examples among our home-grown entrepreneurs - Sakae Sushi, YaKun and Charles & Keith are household names that have done us proud overseas. We need many more like them as we strive to build a strong culture of entrepreneurship in our country. Today's award ceremony shows that we have a rich pipeline of such entrepreneurial talents and this bodes well for Singapore.

9 Associations like the SOE are also pivotal in encouraging and sustaining the spirit of enterprise in Singapore. Established in 2003 by an enterprising group themselves, I commend their efforts in honouring successful SMEs here in Singapore and in helping to foster the spirit of entrepreneurship.

Conclusion

10 I would like to conclude by extending my warmest congratulations to the 30 honourees and 87 nominees on their achievements. My very best wishes to all of you in your business endeavours. I look forward to hearing stories of your exploits and successes in the near future which will certainly serve to inspire the next generation of Singaporean entrepreneurs. Thank You.

[1] A report from the Economist Intelligence Unit. Sponsored by ACCA (Association of Chartered Certified Accountants), the Certified General Accountants Association of Canada and CPA Australia. Please note that the survey is set within a global context, with 3 per cent of the respondents located in Singapore.

Contacts

| | |
|--------------|-------------------------------|
| Name | Ms Guenevere Cordeiro |
| Tel | 63327478 |
| Other | 98150362 |
| Email | guenevere_cordeiro@mti.gov.sg |