

ECONOMIC TRANSFORMATION

## Key industries to be grouped into 6 clusters as economy begins next phase of transformation

Clustering them is aimed at maximising opportunities for collaboration among them, says the minister

Reports by Chia Yan Min  
chlaym@sph.com.sg  
@ChiaYanMinBT

Singapore

THE next phase of Singapore's economic transformation will involve deepening the linkages between complementary industries by grouping them into clusters, said Finance Minister Heng Swee Keat.

The aim is to position Singapore as a key node for technology, innovation and enterprise in Asia and around the world.

This follows the government's roll-out of 23 sector-specific road maps for transforming key industries; these Industry Transformation Maps (ITMs) cover 80 per cent of the Singapore economy.

These sectors will now be grouped into six clusters to maximise opportunities for collaboration among them, Mr Heng told reporters at a briefing on Wednesday.

The six clusters – each helmed by a minister and at least one private sector or union representative – will unveil plans in the coming months to promote innovation, deepen capabilities and encourage partnerships in the sectors under their purview.

The six clusters are manufacturing, built environment, trade and connectivity, essential domestic services, modern services, and lifestyle.

Taking an integrated approach to industry transformation will help bring diverse capabilities together, Mr Heng said.

For example, in the lifestyle cluster, there is scope to explore how firms in hotel services and food services can work together to bring major events and conferences to Singapore, as well as improve experiences for tourists.

Citing hawker centres as an example, he added: "In a hawker centre, stalls sell different foods and are competing, but at the same time, they are cooperating – people know that hawker centres will always have a great variety of good food."

"This is what I hope Singapore companies can also do. Everyone is good at something, and together, we can build a reputation as the best 'hawker centre' in town."

The aim of this next phase of Singapore's economic transformation is to cement the Republic's position as a "global Asia node of technology, innovation and enterprise", said the minister.

This means making innovation pervasive, building deep capabilities in companies and among workers, as well as developing strong partner-

ships both within Singapore and around the world.

Mr Heng said the pace of transformation has been uneven across sectors, but more companies now understand the urgent need to become more productive.

Some of the factors spurring firms to change include the restructuring efforts in the economies of Singapore's major trading partners, the rise of disruptive technologies, as well as the challenges accompanying Singapore's ageing population.

The global economy is in better shape than when the ITMs were launched, Mr Heng noted.

Singapore's economy has also picked up over the past two years and productivity has risen.

"(Some of this growth) shows that some of our efforts are paying off... We must make full use of this upswing to make all the changes that are necessary," he added.

CIMB Private Bank economist Song Seng Wun said it is still early days for the ITMs and it remains to be seen how much of an impact they will have.

"The economy experienced a cyclical upturn over the last two years, so it is harder to tell whether restructuring efforts have borne fruit."

"The real test will come when the economic cycle matures. That is when the effectiveness of these policies will be more apparent."



"In a hawker centre, stalls sell different foods and are competing, but at the same time, they are cooperating – people know that hawker centres will always have a great variety of good food. This is what I hope Singapore companies can also do. Everyone is good at something, and together, we can build a reputation as the best 'hawker centre' in town."

Mr Heng

BT PHOTOS: YEN MENG JIN

## The six clusters mapping the way forward

KEY industries under the Industry Transformation Map (ITM) programme will be grouped into six clusters as Singapore's economy begins its next phase of transformation, Finance Minister Heng Swee Keat said on Wednesday.

The clusters are:

■ **Manufacturing** (co-chaired by Senior Minister of State for Trade and Industry and

for National Development Koh Poh Koon; Amos Leong, president and chief executive of precision-engineering firm Univac; and Ang Kay Chai, senior vice-president and general manager of GlobalFoundries Singapore).

■ **Built environment** (co-chaired by

Desmond Lee and Lim Ming Yan, president and group chief executive officer of CapitaLand).

■ **Trade and connectivity** (co-chaired by Senior Minister of State for Trade and Industry and for National Development Koh Poh Koon and Wolfgang Baier, chief executive of regional beauty product

distributor, the Luxasia Group).

■ **Essential domestic services** (co-chaired by Senior Minister of State for Communications and Information and for Health Chee Hong Tat and National Trades Union Congress president Mary Liew).

■ **Modern services** (co-chaired by Senior Minister of State for Finance and for Law In-

dranee Rajah and Teo Lay Lim, Accenture's senior managing director, Asean and country managing director).

■ **Lifestyle** (co-chaired by Senior Minister of State for Trade and Industry Sim Ann and Vincent Tan, managing director of Select Group and president of the Restaurant Association of Singapore).

Source: The Business Times © Singapore Press Holdings Limited. Permission required for reproduction.