

Mr Teo Ser Luck, Minister of State for Trade and Industry and Advisor, SMEC

Mr Tony Chew, Chairman SBF

SMEC Sub-committee Chairmen

Ladies and gentlemen

Good morning

Introduction

1. Welcome to this morning's press conference. It gives me great pleasure to present to you the SME Committee's Recommendations for Budget 2014 which we submitted to government on 30 December 2013.

2. These recommendations have been put together following in-depth engagement with SMEs on the ground, discussions with Trade Associations and Chambers (TACs), and several consultations with government agencies throughout the whole of last year. We used results of the various surveys extensively, such as those tracking SME sentiments, SME capabilities development, their feedback on Budget 2013 measures, as well as the findings from the latest SBF's National Business Survey, which are being revealed as part of today's Press Conference.

3. This is the third year in which SMEC is submitting its Budget recommendations. Last year, if you recall, we focused on issues facing SMEs – rising cost of doing business, manpower and productivity, financing, internationalisation and support for innovation.

Targeted Approach for Challenging Transition Period

4. SMEC appreciates the Government for the special attention given to SMEs in Budget 2013 and shares the Government's objective for productivity-led and quality-led growth. However this is a difficult transition period for SMEs as many grapple for survival with persistent rising business costs, and tight manpower and resource constraints. At the same time, the global economy is recovering and regional growth expanding. Our SMEs have to seize these growth opportunities. There is urgency to prepare them so that they do not miss out on these opportunities while regional competitors are also fast catching up.

5. Hence in this year's Budget recommendations, SMEC is proposing Government to take a more targeted approach, with the key focus to help SMEs revitalise their appetite for growth and expansion through innovation, internationalisation and access to financing. We recommend the Government to review regulations and encourage the development of a thriving ecosystem of innovation and financing in the private sector.

Measures to help Struggling SMEs

6. SMEC also proposes that the Government introduce measures to help SMEs struggling to survive through concessions of manpower costs and productivity investments. We recommend that Government take more proactive measures to help these SMEs mitigate rising business costs, improve access to working capital and their cash flow position, thereby sustaining their day-to-day operations.

7. Another group of SMEs that need help are in sectors that have reported severe impact from drastic tightening of manpower policies. These are the Construction, Retail and F&B services sectors. With inputs from the respective trade associations – the Singapore Contractors Association or SCAL, Singapore Retailers Association or SRA, and the Restaurants Association of Singapore or RAS – we urge the Government to alleviate the stresses on these sectors and help them adopt more efficient and effective management of their existing foreign manpower.

Growth and Developmental Approach

8. The SMEC has taken a growth and developmental approach in this year's Budget recommendations. In all we have some 25 recommendations which we hope Government will consider favourably.

9. Before we proceed, could I invite SMEC Advisor, MOS Teo Ser Luck, to say a few words. Minister please.

[About Singapore Business Federation \(SBF\)](#)

As the apex business chamber, the Singapore Business Federation (SBF) champions the interests of the business community in Singapore, in trade, investment and industrial relations. Nationally, SBF acts as the bridge between the government and businesses in Singapore to create a conducive business environment. Internationally, SBF represents the business community in bilateral, regional and multilateral fora for the purpose of trade expansion and business networking. For more information, please visit our website: www.sbf.org.sg