

**OPENING REMARKS BY MR CHAN CHUN SING,
MINISTER FOR TRADE AND INDUSTRY
AT PRESS CONFERENCE DURING VISIT TO BECTON DICKINSON
ON 26 AUGUST 2020, 11.55AM**

Good morning, members of the media.

2 Two weeks ago, I talked about the urgent need for Singapore to try to adapt to a COVID-19 world, and not wait for COVID-19 to blow over. And indeed, we are going to help our industries and workers to seize opportunities now. I also spoke about the three categories of companies and how we are going to help them in a very targeted way.

3 The Group A companies are those with very good growth prospects, notwithstanding the COVID-19 situation. Last week, we showed some of these companies. Today, we will be talking about another set of established companies with very good prospects in the biomedical, and also the ICT sector.

4 Subsequently, we will share more with you on how we are helping the Group B companies, those who are waiting for their demand to be restored. We are going to help them preserve their capabilities, while consolidating their capacity. We will also share more in subsequent weeks how we're going to help the Group C companies who are going to need to pivot to new growth markets, and how we can help our workers pivot to new markets and adopt new skills.

5 So let me start with the biomedical sector in general. Today in Singapore, we have more than 30 leading global companies in the biomedical sector and biopharmaceutical sector. Examples include Becton Dickinson (BD), Thermo Fisher, Edwards Life Sciences, GSK, Roche Novartis, and many others.

6 Despite the COVID-19 situation, the manufacturing sector grew by about 3.5% Year-on-Year (YoY) in the first half of 2020. It was very much supported by the biomedical manufacturing and precision engineering clusters. Interestingly, notwithstanding the quarterly fluctuations, the biomedical manufacturing cluster expanded 27% YoY, just in the first half of 2020. Although we know that there is some volatility in these numbers, the long-term trend for the biomedical sector is positive.

7 We are also very buoyant about the prospect in this sector. Why is that so? Because within Asia alone, the demand for biomedical products will continue to remain strong, because of the growing middle-income population who demand not just high quality products, but products with trusted standards, from trusted sources. And this is one area where Singapore can play a critical role. Over the next three to five years, we expect investments in this sector to create more than 1,300 jobs.

8 For BD, we are very encouraged by the new investments and products that they have lined up. Currently, they are working on the manufacturing of a rapid COVID-19 test kit that has been coordinated and overseen by the BD team in Singapore. A rapid test kit is especially critical for our economic recovery, and the reopening of our airports and aviation sector. We hope to be able to see the rapid testing scaled up in a manner that will allow us to reopen our airports to travellers safely.

9 BD will also be investing in a new manufacturing facility to produce blood culture media product, which will be used in the hospitals globally and in Singapore. We are

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also very happy to announce that BD will also be expanding its manufacturing to other product lines, as well as its Greater Asia HQ in Singapore. Taken together, all these new investments will amount to close to US\$130 million and will create more than 300 new jobs in the next few years for our people and opportunities for our businesses as well.

10 This gives you a sense of the kind of opportunities in this sector for our workers and our SMEs. Today, BD employs about 1,400 workers, of which more than 60% of them are Singaporeans and Permanent Residents (PRs). The proportion of Singaporeans and PRs in the PMET jobs within BD is actually closer to 80%. These are good paying jobs and interesting and challenging jobs for Singaporeans. And I see a steady stream of pipeline of local talent being groomed by PD.

11 Last year when I visited BD, I shared with you the story of Hashim. Mr Hashim Baba is still here today. Hashim started working at BD 31 years ago, just as the BD plant was coming up. Since then, Hashim has taken on many upgrading courses and been appointed to the role of a plant manager in the company. Next, we have Mr Michael Mok, who is the Vice President of Operations for Greater Asia. He oversees nine of BD's manufacturing facilities in Asia. The President of BD Asia, Mr James Lim, is another example. They have come through the ranks of BD and there is a conscious effort in BD to groom the local talent pipeline. You may be surprised but Michael, James and Hashim come from very diverse backgrounds, not necessarily having an educational background related to the biomedical sector. In fact, many interesting job opportunities require many interesting and diverse skill sets for these kinds of jobs.

12 Minister Iswaran will also share with you some of the things that are happening right now – the interface between the biomedical and ICT sectors. That is how we can create new competitive advantages for ourselves.

13 Besides the emphasis on the training of Singaporean workers, the other great benefit of the operations for companies such as BD bring along, is the ecosystem that they create for our SMEs. For example, BD has partnered a Singapore company called Omni Mold, which started off as a plastic injection mould company. Now, they are working with BD to develop the next generation of BD products, including the rapid COVID-19 test kits that we talked about.

14 With the support and partnership of BD, Omni Mold has now developed new capabilities over the years to support the other parts of the growing medical and pharmaceutical sector in Singapore.

15 Now, let me just touch a bit on how we intend to anchor key sectors by biomedical and ICT sectors in Singapore to create new opportunities for businesses, and also new and better jobs for Singaporeans.

16 We are very clear that in Singapore, we do not compete on the basis of the cost of land or the cost of labour. We also do not compete with other people based on the size of our domestic market. Instead, we compete on the following factors which have become even more important due to the COVID situation.

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- i. First, we need to have consistent and coherent long-term policies that provide predictability to investors;
- ii. Second, the ability for us to have a consistent and facilitative export posture. In the 1970s oil crisis, or the 2020 mask shortage in the world, I think we have proven ourselves and demonstrated to the world that Singapore adopts a proactive forward leaning posture, and we will enable all the enterprises here to keep their promises to the rest of the global supply chain. We will not nationalise any of this, for our own purposes, neither will we impose export restrictions for our own benefit but to the detriment of the global supply chain;
- iii. The third factor that will put us in good stead for many of these high value-add jobs will be our superior connectivity, not just the air and sea freight connectivity, but also increasingly data security and data connectivity, which allows us to create new products and services that service the global markets, beyond Singapore;
- iv. Fourth, intellectual property protection is also another increasingly important part, with these high value products. The fact that we have a robust and healthy intellectual property protection system in Singapore and Intellectual Property arbitration system in Singapore is a great source of help and confidence for many of the multinationals to put their investments here;
- v. Fifth, quality assurance and trusted standards. It's not just about price. It's about Standards and Quality Assurance; and
- vi. Sixth, is our skilled workforce, and how we continuously upgrade our workforce and you will have some very good examples from BD today.

17 I would also like to emphasise the importance of our R&D network. Today, the biopharma or ICT companies in Singapore do not work in isolation. They work closely with our Institutes of Higher Learning, our research labs, and that gives us a competitive advantage.

18 Last but not least, we have access to a global network of talents that allows us to entrench our position as a key node in Singapore.

Thank you.