

**SPEECH BY DR TAN WU MENG,
SENIOR PARLIAMENTARY SECRETARY FOR TRADE AND INDUSTRY,
DURING THE COMMITTEE OF SUPPLY DEBATE UNDER HEAD V
(MINISTRY OF TRADE AND INDUSTRY)
ON MONDAY, 4 MARCH 2019**

INTRODUCTION

1. Mr Chairman, for broad-based economic success, the Government cannot do it alone. Our Trade Associations and Chambers (TACs) are crucial partners on this journey.

PARTNERING OUR TACS TO TRANSFORM OUR ECONOMY

2. TACs are a store of social capital - institutional memory, industry networks, access to overseas markets. TACs help the Government to better understand the needs of our business community.

3. To **Mr Liang Eng Hwa** and **Mr Douglas Foo's** queries, we support our TACs to broaden the reach of our Industry Transformation Maps and drive industry projects through the Local Enterprise and Association Development (LEAD) Programme. Since its launch in 2005, the LEAD programme has supported more than 50 TACs in spearheading projects involving close to 52,000 companies.

- a. Last year, the Association of Small and Medium Enterprises launched the SME Cloud Exchange Network Software (SMECEN) with LEAD support. This is a cloud-based platform for companies to perform Accounting and Human Resource functions. SMEs adopting SMECEN can reduce the average man-hours per job by up to 80%, which will allow their workers to take on higher-value work, higher-value functions.
- b. In 2017, LEAD was expanded to support a larger base of TACs. The maximum funding level was also increased from 70% to 90% of qualifying costs for high-impact projects involving multiple TACs.

4. I encourage our TACs to play an even stronger role. Enterprise Singapore (ESG) will develop 5-year roadmaps with TACs, to help our TACs adopt a longer-term strategy to drive industry transformation.

- a. For example, ESG is developing a roadmap with the Singapore Business Federation to help our local businesses access overseas markets. We will support TACs to implement the roadmaps through the LEAD programme. This includes seconding our public officers to selected TACs, to allow our officers to better understand our businesses' concerns, as we work together as one Team Singapore.

CREATING A CONDUCTIVE ENVIRONMENT FOR BUSINESSES TO THRIVE

5. SMS Chee spoke about developing our enterprises. For this, we need a pro-business environment. As Minister for Finance said during the Budget Debate, the Government must be prepared to experiment and take calculated risks. This applies to our regulations, which **Mr Baey Yam Keng** and **Mr Lee Yi Shyan** touched on.

6. First, we must create an environment where new business ideas can take flight. One way is through regulatory sandboxes, where companies can learn quickly, iterate quickly. This has enabled new business concepts like dining in a “Floating Donut” in Marina Bay.

- a. When the idea was first raised, agencies had public safety and pollution concerns. But with the sandbox in place, the company was allowed to test their business concept for six months, with necessary safeguards.

7. Second, we want to streamline regulations, to reduce costs, cut paperwork, free up resources. This is a progressive economic policy move because it is the smaller businesses who have fewer resources to navigate regulations.

8. Third, we will make it easier for businesses to apply for licences. Starting with the food services sector, we will pilot a one-stop portal, to help automate the application process and cut down processing time as far as possible.

- a. For example, the portal will automatically recommend a course of action for land use approvals. This will save companies the hassle of going to different agencies’ websites to find out the approved land use of a particular place.

9. To Mr Lee Yi Shyan’s query, the Pro-Enterprise Panel (PEP) and agencies have together developed best practices on licensing approaches. They have also reviewed and streamlined more than 1,000 regulations since PEP’s formation in 2000, based on ground feedback and international reports on the ease of doing business in Singapore.

- a. For example, the requirement to affix company stamps on government forms has been removed. We agree with companies’ feedback that this was outdated, unnecessary, cumbersome and time-consuming.

10. However, the suggestion of imposing a “sunset clause” on regulations may be too prescriptive. Agencies too, need flexibility. What is more important is a mindset where agencies are continuously alive to the idea of rules review and transformation. A living culture of asking “why do we have this rule?”, “is the rule still needed?”, “is there a better way of doing things?” - because governance is not always about adding more rules. Sometimes we subtract, we simplify. Sometimes we need to tidy up to spark innovation, sometimes we need to tidy up to spark joy.

EMPOWERING OUR CONSUMERS WITH MORE CHOICES

11. Besides supporting our enterprises, we want well-functioning markets that help consumers benefit from more choices and competitive prices. Under the Open Electricity Market (OEM), households and small businesses now have more choices. At the same time, we will ensure that consumers' interests are protected.

- a. I would like to assure **Mr Pritam Singh** that retailers in the OEM are thoroughly vetted and have to satisfy a stringent set of requirements before being allowed to serve OEM consumers. For example, retailers have to consistently hedge at least 50% of their wholesale electricity price risk. Retailers must also safeguard all security deposits collected from household consumers and return them to these household consumers should a retailer exit the market.
- b. The Energy Market Authority also has safeguards in place to prevent retailers from unilaterally terminating contracts, unless the retailer is exiting the market or if a consumer has breached the contract terms. Retailers who wish to exit the market are expected to find other retailers to take on those consumers at the same terms and conditions. If the retailer cannot find a replacement or if the consumer rejects the proposed transfer, the supply of electricity to the consumer will not be disrupted as the consumer will be transferred to SP Group.

12. Mr Mr Pritam Singh asked about the retailer who had been selling electricity to the Aljunied-Hougang Town Council (AHTC). Red Dot Power was predominantly retailing to businesses. It was not involved in the full OEM launch and we understand that Red Dot Power's exit was due to cashflow issues.

13. I hear **Mr Saktiandi Supaat's** and **Mr Teo Ser Luck's** feedback on instalment plans. In my own constituency duties, I have seen similar situations with my residents, and in my previous role as a backbencher, I have filed Parliamentary Questions on related topics as well, so I hear their concerns.

- a. Today, most consumer credit providers, such as moneylenders and financial institutions, are already regulated. Such providers have to adhere to rules, including borrowing limits. While retailers offering in-house credit sales agreements are not specifically regulated today, they still are subject to general laws, like the Sale of Goods Act and Consumer Protection (Fair Trading) Act.
- b. I agree that there should be adequate information disclosure by retailers so that consumers can make informed decisions. Enticement of consumers to over-leverage credit should not be allowed. The Government is working with stakeholders to review industry practices and the appropriate regulatory response. MoneySENSE, the national financial education program, also provides consumers with tips on what they should look out for when taking loans and instalments.

14. On **Mr Lim Biow Chuan's** suggestion, the Government has to balance between consumers' interests and a pro-enterprise environment.

- a. A broad-based cooling off period may potentially be subjected to abuse and introduce uncertainty to businesses. There are also challenges, some quite complex, in defining the arena of "beauty and slimming" services.
- b. CASE and the Competition and Consumer Commission of Singapore (CCCS) have conducted outreach activities to educate consumers on what our consumers should watch out for before committing to purchases. On Mr Lim's suggestion for MAS to take reference from the Hong Kong Monetary Authority's approach to chargeback policies, MAS will study this. The Association of Banks Singapore (ABS) has also developed frequently asked questions (FAQs) on chargeback, and MAS will continue to work with stakeholders to educate consumers on their rights and obligations when making purchases using credit cards.

15. Sir, generally speaking, if you are a consumer, do read the terms and conditions carefully. If you are not sure, don't be afraid to ask. Is the business reputable? What kind of financial commitment is there in the contract? Think about buying from CaseTrust businesses which offer a cooling off period. Let me reassure this house that CCCS will not hesitate to take action against retailers who persist in unfair practices.

16. Chairman, in Mandarin please.

17. 我们也希望消费者能更容易获取资讯, 货比三家, 为自己省钱、省时又省力。

- a. 贸工部正同新加坡消费者协会开发一个“众包”应用程序, 让消费者比较各种杂货和熟食的价格。通过这个平台, 消费者可以分享价格信息, 集思广益, 让广大的民众受惠。那些时间有限、对市价不熟悉、缺少购买相关产品经验的群体, 将会是最大的受益者。至于没有智能手机的年长者, 他们还是可以通过使用这个应用程序的亲人或邻居朋友打听优惠消息, 从中受惠。

TRANSLATION (PARAGRAPH 17)

17. We also want consumers to more easily access information and compare options, and save money, save time and save effort.

- a. MTI is working with CASE to develop a crowdsourcing app for consumers to compare prices for groceries and cooked food. Through this app, consumers are able to share price information which benefits the wider community. Those with less time, less awareness of market prices, and less purchasing experience, will benefit the most. Seniors without smartphones can still benefit, through hearing of good bargains from neighbours who use the app.

CONCLUSION

18. In English, Sir. In conclusion, economic transformation is a collective effort. It takes all of us – Government, businesses, TACs, and our workers – our brothers and sisters in the labour movement. It takes all of us, working together to transform our economy to succeed.

19. So let's continue working together to create good jobs, better opportunities, and a bright future for Singapore and all our fellow Singaporeans. Thank you.