

## **GOH Speech by MOS Low Yen Ling at the Opening of Castlery's Flagship Store Opening and Launch of the Retail ITM 2025, 07 Oct 2022**

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Mr Declan Ee, President and Co-Founder, Castlery,

Mr Fred Ji, CEO and Co-Founder, Castlery,

Distinguished Guests,

Ladies and Gentlemen,

### **Introduction**

1. Good afternoon. It is my pleasure to join you today at the opening of Castlery's flagship store. I am proud to see our very own homegrown furniture brand occupy this sprawling 24,000-square-foot space in the heart of Orchard Road, along with other popular and global brands.

2. Starting as a digital furniture store targeted at young Singapore urban millennials in 2013, Castlery has grown beyond Singapore. Its global ambition has taken it to Australia and the U.S (United States). The company successfully leveraged upon its strong start here and expanded its innovative and strategic business model to markets where the trusted Singapore brand is appreciated. Today, its international orders account for more than 80 per cent of its revenue, compared to 30 per cent before the pandemic.

3. Castlery encapsulates the kind of global ambition and sprightly innovation that we hope to see across our retail sector. We're excited to see its footprints span across 54 metropolitan areas in the US, Australia and Singapore. The Government is committed to supporting homegrown companies like Castlery to become giants in their right, as they continue to innovate and transform to become globally recognised Singapore brands.

4. Our retail sector has made good progress since the first Retail Industry Transformation Map (ITM) was launched in 2016. Focusing on innovation and the adoption of new technologies, the roadmap sought to raise productivity in the face of a highly competitive marketplace due to globalisation and e-commerce. We're glad many companies have taken heed of the need to transform to stay relevant. In 2021, 9 in 10 retail small and medium enterprises (SMEs) have adopted at least one digital solution.

5. In the last two years, our retailers have shown tremendous resilience and determination to overcome the disruptions and challenges of the pandemic. Despite

the strong headwinds, the retail sector has seen considerable growth. This year's total retail sales up to August 2022, excluding motor vehicles, reached \$26.7 billion. This is an increase of more than 15% compared to the same period last year.

6. I would like to thank the President of the Restaurant Association of Singapore and Group Managing Director of Commonwealth Capital Group, Mr Andrew Kwan, for his contributions to leading the transformation efforts of the retail sector as co-chair of the Future Economy Council (FEC) Lifestyle Cluster.

7. It is with great pleasure today that I announce the launch of the new Retail ITM 2025. This refreshed roadmap will arm the sector with what it needs to meet the accelerated changes brought about by Covid-19. It spells out 4 key strategies which aims to create a vibrant and globally-competitive retail ecosystem that excites Singaporeans and global consumers.

### **Building global Singapore brands and supporting internationalisation**

8. First, we will nurture and build global Singapore brands and support their internationalisation efforts. With the reopening of borders, it is timely to rev up outward expansion to capture new opportunities and widen revenue streams. We encourage Singapore companies to explore and venture into new markets. For those that are already overseas, we will continue to help them diversify and expand their markets.

- a. For instance, companies can tap on the expertise and mentorship provided through Enterprise Singapore's Scale-up SG programme to climb the international ladder. Castlery did just that. With Singapore as its base, the furniture brand ventured into Australia in 2017 and entered the U.S market through e-commerce in 2019. Within two years in the U.S, Castlery's revenue increased six-fold. The majority of Castlery's revenue now comes from its overseas markets. The company had benefitted from the guidance and advice of consultants on how to sharpen its growth plans under the Scale-up SG programme.
- b. Secretlab is another name you may be familiar with. The Singapore company now produces one million chairs a year for its customers in over 50 countries. North America and the E.U (European Union) form their largest markets. Secretlab tapped on the network and support of EnterpriseSG, which has satellite offices worldwide, for advice and help to connect with business partners. Secretlab also sought the agency's assistance to better understand the market needs and regulations of markets such as the Philippines and Japan. The company applied for Market Readiness Assistance Grant successfully, which gave it a vital leg-up with overseas promotion, business development and market set-up expenses.

9. In addition to supporting overseas business development, the Government is committed to growing our homegrown labels into globally recognised names.

- a. Launched at the end of 2020, Made with Passion (MWP) is a national initiative showcasing and celebrating local lifestyle brands and their passion. The MWP brand mark recognises the hard work and passion behind the brands and their pursuit of excellence. Today, we have over 110 MWP brands.
- b. Just this year, a group of MWP brands participated in a showcase in Jakarta as part of the SingapoReimagine campaign led by the Singapore Tourism Board to showcase our local brands.
- c. We will continue to create opportunities to strengthen the brand equity and growth of our Singapore brands locally and overseas.

### **Catalysing new experiential concepts and innovations to meet ever-changing consumer demand**

10. Second, the refreshed ITM aims to catalyse new experiential concepts and innovations in the sector. Consumer preferences and demands are ever-changing so quickly. Trends like social commerce and live-selling, wellness and sustainability-related products and services are part of the evolving retail scene. Retailers that are nimble and quick to adapt their business models and products to meet customers' demands will stay ahead of the game. For example, by reviewing their in-store experiences, they can differentiate themselves from competitors and cater to new consumer preferences.

11. A highlight of Castlery's flagship store here is the specially curated Partnership Space. This innovative concept brings complementary local businesses to provide new and meaningful experiences for their customers.

- a. Castlery's first partnership is with Bynd Artisan, which specialises in personalised experiential gifting. Bynd Artisan will showcase its newly launched eco-conscious brand reBynd, which features products made from recycled, upcycled and renewable raw materials.
- b. This partnership allows Bynd Artisan and Castlery to leverage each other's brands and reach out to a complementary market. It shows how retailers can work together to expand their offerings and enrich the customer experience. Customers can look forward to exciting collaborations across the retail and lifestyle sectors in future partnerships.

12. Other retailers have embarked on creative cross-industry collaborations. For instance, Charles & Keith partnered with Singapore Airlines to upcycle retired aircraft parts such as leather seats into unique, sustainable limited-edition bags. This is a creative way for retailers to achieve their sustainability goals and also cater to the increasingly conscious consumer.

### **Strengthening Singapore's position as a vibrant lifestyle hub for global brands and collaboration**

13. Third, we will position Singapore as the place where global retail brands want to be. We will create a conducive environment for these global brands to form fruitful collaborations with our local companies.

- a. For example, UNIQLO was set up in Singapore in 2008 through a joint venture with local distributor Wing Tai Retail. From its first global flagship store in Orchard Central, it has now expanded to 27 stores island-wide. UNIQLO also partners with local designers, content creators and homegrown brands such as Beauty in The Pot and The Woke Salary Man to create interesting, personalised products.

14. Global brands add vibrancy to our retail scene and are potential partners for Singapore retailers to expand their offerings.

- a. In recent years, EnterpriseSG has catalysed several design licensing collaborations between global brands and local retailers. For example, lifestyle brand Klash released a Mickey Mouse Leather Laptop Case, womenswear e-retailer SaturdayClub created a special Winnie the Pooh Picnic T-Shirt, and homeware superstore Sheldon Global's HOUZE produced limited-edition Disney storage boxes.
- b. In another example, Australian retailer Cotton On and popular local snack brand IRVINS launched products featuring IRVINS' cute duck mascot. Such partnerships help both brands widen their outreach and appeal to a bigger pool of consumers.
- c. These exclusive merchandise as a result of partnerships enhance the unique offerings of our local brands and increase brand awareness.

### **Stepping up job transformation and creating quality roles for locals**

15. Fourth, we will step up job transformation and create quality roles for locals.

16. Manpower disruptions brought about by the volatile global environment have made it vital for us to build a strong, resilient workforce core. By strengthening local hires and improving productivity through business transformation, companies can better safeguard against unpredictable manpower disruptions.

17. The Government will work with retail enterprises to develop and upskill our local talent so that they will be more prepared to take on emerging quality roles. The growth and shift towards online purchasing have led to the need for new job roles, such as digital marketers, brand managers and product designers.

18. This has led department store BHG to not only transform its stores but also to upskill its employees in digital skills. They learnt to use cashless payment services and cashback apps to better serve their customers.

19. Besides skills upgrading, the recently launched Progressive Wage Model (PWM) for the retail sector will improve the wages of workers. With a clearly defined structured wage and skill progression, the PWM maps out a clear career pathway for wages to rise along with training and improvements in productivity and standards.

20. I encourage our retail companies to support our workers' continued training and development so that our workforce can have meaningful careers in this sector.

## **Conclusion**

21. I urge our companies to gear up and seize the opportunities that ITM 2025 will bring. The retail sector plays an important role in our economy. We will do our utmost to create a vibrant lifestyle scene for Singaporeans and global consumers.

22. To Declan and his team, congratulations on the opening of your flagship store! You have achieved this significant milestone through grit, resilience and continual innovation.

23. Your successful journey is an inspiration to us all.

24. We look forward to seeing many more of our Singapore retail brands shine on the world stage. Thank you.