

[« Return to article](#)[Print this](#)

The Straits Times

www.straitstimes.com

Published on Mar 31, 2014

Stop rent hikes from killing small firms

I SYMPATHISE with Mr Fredrik Cheng's situation and that of other small and medium-sized enterprises (SMEs), which are fighting a tough battle ("Coping with high industrial rents"; last Tuesday).

Although SMEs employ 70 per cent of our workforce, they have not been protected in their own backyard against soaring rentals, a tight labour market and higher wage costs.

My heart goes out to those workers who will lose their jobs if our SMEs begin shutting down or move overseas.

The frequent rental increases escalate SMEs' business costs.

Many SMEs even complained that they work for property owners. Some simply give up to protest against such unfair business practices.

How long can SMEs withstand the onslaught of rising business costs before they surrender?

Just as Lavender Food Square's impending closure is a sign of the end for more hawker centres, could it be that SMEs in the manufacturing sector are being phased out of their home turf?

If nothing is done to halt this current unhealthy trend, Singapore's business landscape will eventually be dominated by large conglomerates.

To help SMEs remain in Singapore, the Government should consider schemes - similar to the Pioneer Generation Package - to tide SMEs over during this difficult period of intense restructuring.

Paul Chan Poh Hoi

Copyright © 2014 Singapore Press Holdings. All rights reserved.