

Updated: 9th September 2008, 1417 hrs

Electronics still a driving force for Singapore economy: S Iswaran

By Yasmine Yahya

Singapore's electronics sector remains a driving force in the Republic's economy, contributing an output worth 73 billion dollars, and employing 90 thousand workers.

Senior Minister of State for Trade and Industry S Iswaran revealed these figures today, adding that the electronics cluster is still the bedrock of the manufacturing sector here.

Mr Iswaran said the continued growth and competitiveness of the electronics sector was important to Singapore's economy.

He acknowledged that the local electronics industry is facing a slowdown, led by weak consumer demand in the US.

But he said the prospects for electronics manufacturing services providers in Singapore remain sanguine, as long as they diversify their activities and offer high value-add services.

"When you look at companies like Venture for example, what they do is when they talk to their customers, they don't just say "you want this component, I'll make this component for you." They come up with a total solution. Then they can migrate it to lower-cost centres they have for mass production. So that front end, where there's a lot of emphasis on design, technology development and doing the initial production, these are all very high value-add activities. This is where we can focus a lot of our efforts."

Looking ahead, Mr Iswaran said Singapore's electronic sector exports will likely perk up once consumer confidence is restored in the global economy, especially in the US, and if new killer applications are invented.

He added Singapore wants to secure more capital-intensive projects like multi-billion dollar wafer fabrication plants and breakthrough projects.

These include projects such as Rolls-Royce's first Asian plant in Singapore, to manufacture engines for large commercial aircrafts.

Mr Iswaran was speaking at the opening ceremony of the GlobalTronics 2008 exhibition, which is expected to attract some 3,000 international visitors here over the next four days.

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