

# APPENDIX

**THE INDIAN CHAMBER OF COMMERCE,  
SINGAPORE.**

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**Speech delivered by The Hon'ble Mr. R. Jumabhoy, J.P., M.C.H.,  
Member of the Advisory Council, Municipal Commissioner,  
Chairman of the Indian Chamber of Commerce,  
Singapore, at the Sixth Annual General  
Meeting of the Chamber, held on  
Saturday, the 10th May, 1947.**

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Gentlemen,

I have very great pleasure in welcoming you to the Sixth Annual General Meeting of the Chamber and formally presenting to you the Report of the Committee and the Audited Statement of Accounts of the Chamber for the year ended 31st December, 1946, which have been printed and circulated to you in compliance with the Article of Association No. 55 of our Chamber, and with your permission I shall take them as read. I shall be pleased to answer queries, if any.

The accounts for the past year's working show a surplus of \$28,958.35 as against \$814.80 in the preceding year.

**Subscription and Membership.**

The subscription during the year remained at \$36/-. From 1.1.1947 to 30.4.1947 the strength of the Chamber is increased by 64 and I am glad that the commercial community is realising more and more what the united voice of a body can achieve.

**Commercial Library.**

Our Library still possesses everything that an average businessman requires but as most of the reference books are old, orders have been placed for the latest publications and I hope they will soon be added to the present collection. Addition of more books is essential to make the Library more up-to-date.

#### **Chamber's Origin.**

This may be said to be the 21st Annual Meeting as the Chamber takes its origin from the Indian Merchants' Association established on 21.11.1924 and I had the privilege and pleasure of presiding at the First Annual General Meeting of 15.9.1935. This was a red letter day in the history of your commercial body. Mr. G. Uttamram and late Mr. Jamnadas Purshotam assisted me to secure more membership. Not only I am happy but also proud to preside again at this meeting. The welfare of the Chamber and its members has been always nearest to my heart.

#### **Importance of CHAMBER.**

The members of this Chamber transact over 90% of export and import trade to and from India and this Chamber is the only All Indian Commercial Organisation registered under the Companies Act in this country. The members of our Chamber have also branches in many parts of Malaya and thus, virtually, our Chamber is the mouth-piece of the Indian Commercial Community. The membership consists of Indian merchants without distinction of caste or creed. The prestige of the Chamber means the prestige of the Indian Commercial Community. No single person or sectional body, however rich and influential, will achieve as much as the united voice of merchants through their Chamber. We can congratulate ourselves on the very substantial progress made by the Chamber in all directions during the year under review and on its growth in strength and influence.

#### **Federation of Indian Chambers of Commerce and Industry.**

Our Chamber is an associate member of this powerful all Indian Commercial Organisation which enfolds the leading Indian commercial institutions as well as overseas Indian Commercial bodies. We receive from them commercial reports and informations from time to time which are available in our Commercial Library. I attended an annual meeting of this Federation in March, 1942.

#### **Shipping.**

Though twenty months have passed since reoccupation, still the shipping space provided for Indian ports is very inadequate and complaints of hardships have been very often received by the Chamber. The matter has been taken up from time to time with the shipping companies for different ports. The Shipping Companies who tie us

down to their Conferences should realise their responsibilities and provide us with sufficient space for the ports to which they hold monopoly. In case they do not have sufficient boats they should take in such lines as are willing to operate and place their ships at the disposal of the Conference and shippers. While they themselves are unable or unwilling to provide us with the space required by us, we feel that it is grossly unfair on their part to stand in the way of our securing shipping space through non-Conference lines.

I hope that like the Indian Banking and Insurance Companies, some Shipping Companies of India would operate this side also. The British Shipping Companies which complained during the slump years 1930-34 that they were not sufficiently patronised should, in their own interest, endeavour to meet the requirements of merchants so that such conditions do not recur.

#### Rebates.

The shipping Companies should abolish the rebate system and if they wish to retain it at all they should have a minimum time for repayment of the rebates. The rebates lock up the merchants' capital for a considerable period and the advantage of the turn over of such money is lost. We do feel that we are helpless in this matter. The Government should intervene in the interest of the general trade.

#### Trade Statistics.

The import and export business has been slack owing to shortage of steamers and existing restrictions and it is hoped that the situation will improve considerably in the near future.

The total exports and imports of 1939, 1940 and 1946 to and from India were :—

Exports:	Imports :
1939 Value \$26,442,447/-	1939 Value \$18,170,813/-
1940 „ \$26,888,166/-	1940 „ \$28,804,289/-
1946 „ \$28,399,014/-	1946 „ \$27,452,022/-

In 1946, values of commodities have been 2 to 6 times higher than in the previous years and, therefore, figures in terms of values cannot be a determining factor.

Full statistics of imports and exports to and from India for each item of trade separately were not available.

#### **Imports of Textiles.**

There is a regular flow now of textiles from Hong Kong, America, Italy, United Kingdom and India. Prices have come down considerably and are bound to go down still further as soon as more supplies come in. The popular imports of textiles during the year have been printed materials of different qualities and designs, grey and bleached cotton goods, etc. Relief supplies were distributed in considerable quantities. With the arrival of goods from Japan the textile market will be affected, and the price of textiles is bound to go down further.

#### **Imports (General).**

There has been a regular flow of spices and other goods allowed by Government through APs. This system should now be abolished and whatever the exporting countries can export should be allowed to be imported into this country for local consumption as well as for re-export. I do not understand why Ghee and Vegetable Oil from India are forbidden whilst Australian Ghee is allowed to be imported freely. So far Grains have been imported mostly by the Government under relief supplies. All those items should immediately be decontrolled as such controls are quite unnecessary at the present time. There has been an influx of tinned stuffs from Australia and also from the Military sales by the disposal branch with the result that traders have lost heavily. New merchants should take care not to overstock as supplies will be steadily coming in and prices are bound to come down to normal levels.

#### **Export.**

Owing to shortage of shipping exporters have to suffer a great deal and I have dealt with this question under 'Shipping'. I hope as time goes on things will come to normal. The prices of the export goods have been fluctuating greatly, whilst supplies have been very irregular. We have also been handicapped by an unfair export policy which affects exports to India and I have already taken up this question openly in a speech delivered at the Joint Tea Party given by this Chamber in honour of H. E. the Governor-General and H. E. the Governor of Singapore at the Victoria Memorial Hall on Wednesday, the 26th February, 1947.

Certain goods are allowed for exports to certain countries but are banned for export to India. In the case of Tin a virtual monopoly has been given to a British concern for export. In other countries, even if exports are limited to certain quantities, the regular established exporters are given their share to export that quantity to the respective places, but here the Government has been partial. Thus the capital of merchants having this commodity has been locked up since the occupation period and their appeals to Government have fallen on deaf ears. The Copra and cocoanut oil and some other commodities can be exported to other countries, but not to Indian and such discrimination should cease forthwith.

#### **Re-export.**

It is admitted that when once the goods are imported into a merchant's godown, the origin of the country is lost. Existing restrictions on re-exports should be done away with if the needs of this country are satisfied. I may inform you that re-export of textiles and other commodities in a limited quantity has been allowed to certain places and if a trader cannot find buyers either here or in the Union the Government will be willing to give assistance for re-export. Such applications should be submitted to the Imports and Exports Office.

The re-export trade is also allowed even of copra and cocoanut oil if the goods are imported for re-export from outside the Peninsula.

Government should enforce their regulations of lighterage charges fixed by them Importers are helpless when the shipping companies who employ their own contracted lighters charge what they like as per bills put up by their contractors.

#### **Trend of Trade.**

The prices of goods have been very fluctuating, but the supplies are now coming and the prices are going down. It will be to your advantage, especially the new merchants, to be watchful as prices will find their normal level on arrival of supplies in the near future. We hope that with the Java settlement normal trade with that country will be restored.

#### **Trade with Japan.**

The Indian merchants who had even branches in Japan are anxious to establish contact at the earliest possible opportunity, if allowed by the Government. Steps are being taken in this connection.

### **Government Policy.**

It is a misfortune that this small country has been divided and Singapore is separated from the rest of the Peninsula with the result that the merchants suffer as no uniform policy is followed by the two Governments. I give you a concrete example, i.e., Sago seeds were exported from Penang from time to time whilst this was prohibited in Singapore. After a long time export ban on Sago seeds was removed from Singapore and Penang lifted ban after a considerable period. Not only this but the heavy cost of administration of so many Governments in such a small country will be borne ultimately by the public, that is by merchants through taxation.

### **Controls.**

It is high time that Government should do away with whatever controls which are in force now and that free trading should be resumed in all commodities. If the Government has to act within the orbit of the international control, then they may do so by giving fair treatment to all merchants alike and not giving special rights to a few of their own choice.

### **Moratorium.**

The lifting of the Moratorium is much overdue and it is high time that the Government took immediate action. The mercantile community is undergoing hardship owing to restrictions placed under the Moratorium Proclamation. It is over twenty months since the reoccupation and the merchants are still in the dark about it.

### **War Risk Goods Insurance and Damages Due to War.**

It is very strange that Government should not settle immediately the straight claims which fall definitely under the category of War Risk Insurance. The money is locked up causing hardship to merchants. The Chamber regrets very much the action of the Government for not inviting our representative on the Board in spite of vast Indian Trade.

The Government also should take immediate steps to settle the various other claims due to war.

### **Income Tax.**

We hear rumours that income tax will be imposed sooner or later. Though income tax is the fairest of all taxes, still other avenues must be explored for raising revenue and avoid the imposition of income

tax, which the public will oppose tooth and nail. The cost of living is still two or three times higher and rehabilitation has not yet finished and the imposition of such a tax, if cannot be avoided at all, should only come when normal times are restored and the normal trade has resumed.

#### **Bribery and Corruption.**

Bribery and corruption still prevail to a great extent. This may be a legacy left by the Japanese, but when one looks into the salaries and the high cost of living one is forced to think that many must have succumbed to these illegal acts to make ends meet. I am glad that a Commission is sitting now to revise the scales of salaries. In any case the Government should take strong measures to eradicate such evil practices.

#### **Government Bodies.**

I am pleased to report that on various bodies formed by the Government the Chamber is asked to send its representatives and the Chamber has given all the possible co-operation and help in the interest of the public. The Chamber should have a representative on Singapore Harbour Board and on such other Bodies where sister-Communities are represented. I cannot understand why this Chamber has been denied its right of voicing Indian commercial view in the Legislative Council, when such right is given to the Chinese and European Chambers. It seems the Government has been misguided as there was not a single representative of the Indian race on the McKerron Committee signatories who made recommendations. I do not know why Government should be unjust to deny the legitimate right of such a body like ours who has co-operated in the past and is giving co-operation and is the only full fledged representative Indian Commercial body. Let me substantiate this with facts and figures :—

- (a) This Chamber in fact has been in existence for the last 21 years as it takes its origin from the Indian Merchants' Association. This means that the Chamber is sufficiently long standing.
- (b) This Chamber's members transact over 90% of the import and export trade between Malaya and India.

- (c) The Chamber is open to all Indian Merchants, small or big, without distinction of caste or creed, and has such membership.
- (d) There is no other Chamber existing in this city which has the membership of all Indian sections.
- (e) I welcome the existence of sectional chambers or associations to safeguard their particular interests. But, to represent all Indians this is the only body that has a proper claim. In case it is not given, the Government should have eleven provincial and various sectional bodies of Indians to represent them which means dividing the community.
- (f) Government should understand that in times of need, only a united body could help best.

#### **Status of Indians and Their Rights.**

Indians and Chinese form the majority of the total population of Singapore and Malaya and yet the accredited representatives or their bodies have not been consulted in forming the constitution which is undemocratic. I am not speaking here in the political sense but in business sense as we merchants have established here for many decades having our interest here and we are to suffer ultimately in case proper rights are not given to us. The Committees appointed here as well as in the Union consisted of nominated persons who did not represent the public.

#### **University.**

Your Chamber has submitted a Memorandum for the early establishment of a University in this country.

#### **Labour.**

It is very unfortunate that many of our labour brethren died in the so-called Siam-Burma Railway during the Japanese occupation. I am sure the Government of India will take up the matter of compensation claims of the relatives of those who died in this project and for which the British Government is to receive quite a considerable sum. Rightly this sum should go to the dependants of those who died or are suffering due to incurable diseases.

There is a shortage of labour no doubt, and the cost of labour has gone up tremendously. The problem of cost of labour can properly be solved if supplies are plentiful. Even then it is possible that there is bound to be a shortage of labour in this Peninsula for plantations and mines but the employers should look more to the indigenous population than outside help and if outside help is necessary, then they should first offer proper wages and facilities for quarters, education, other social amenities and political status.

#### **India's Trade.**

This country was mainly supplied by Japan with manufactured goods. Japan is now ousted from the world markets and India being the nearest country should avail itself of this golden opportunity to capture the market for distribution of their manufactured goods.

#### **Trade Commissioner.**

This Chamber has made repeated requests to the Government of India to appoint a Trade Commissioner to Malaya. It is regrettable that no steps have been taken by the Government of India and it is difficult to understand why such an important centre like Singapore is neglected by the India Government.

#### **Indian Institutions.**

We are very happy to have Indian Banks, Indian Insurance Companies and I think there is still enough scope for the new comers. I do emphasize and impress on you that it is high time that the Indian Shipping concern also takes an interest in these waters. Japan as a maritime nation has ceased to exist. Any Indian Company should not lose time but should put their ships in operation this side, considering the trade with India and shortage of tonnage offered by the existing companies.

#### **Safety First Week.**

The Chairman of the Safety First Week Campaign has asked for the co-operation of the members of this Chamber. This campaign is being organised under Government auspices from May 12th to 17th. Members wishing to exhibit posters may give their names to the Chamber and the Secretary will help you in getting posters.

### **Business Names Registration.**

The Ordinance has come into force again and the merchants should follow the Ordinance and register accordingly during the given period. Separate notices have been issued by the Chamber to all its members.

### **Sunday Holiday.**

Sunday holiday is regularly observed by Indian merchants and I hope that in the interest of our employees it will continue to be observed without Government legislation.

### **Passages.**

There is still difficulty in getting passages, especially deck passages to India. Steps are being taken to ease the position.

### **Beggars.**

Government should immediately re-enforce the legislation forbidding begging in public as there is danger of spreading diseases. Public co-operation is necessary and charitable persons could give donations to institutions like the Ramakrishna Mission, the Muslim Missionary Society and the Salvation Army. It is no use encouraging beggars as many are or are becoming professionals and they are a nuisance during business hours. Charity should be practised by all but it should be rightly used.

### **Tea Party.**

The Chamber entertained Pandit Jawaharlal Nehru, now Vice-Chairman of the Indian Interim Government, at a Tea Party on 19th March, 1946. A purse of \$15,000 was presented to him on this occasion. Panditji donated this sum for Indian Relief Work.

The Chamber also entertained H. E. the Governor-General, Mr. Malcolm MacDonald and Mrs. MacDonald and H. E. the Governor of Singapore, Sir Franklin C. Gimson, K.C.M.G. and Lady Gimson at a Tea-Party at the Victoria Memorial Hall on Wednesday, the 26th February, 1947.

### **Federation of Chambers.**

This Chamber has taken the initiative to have a federation of the existing Indian Chambers in this Peninsula. A meeting will be held in the near future. Invitations have been sent to the following :—

The Indian Chamber of Commerce, Selangor.

The Indian Chamber of Commerce, Penang.

The Indian Chamber of Commerce, Malacca.

The Indian Chamber of Commerce, Ipoh.

The Indian Chamber of Commerce, Seremban.

As our Chamber is the premier body, our duty is to take the initiative in such matters.

### **Responsibilities.**

India is on the verge of attaining freedom. I am sure our own internal troubles in India will soon settle down and that with the freedom gained we have to assume certain responsibilities and should discharge them honourably. We should do everything possible to uphold our good name.

### **Building.**

From time to time the scheme has been postponed owing to various unavoidable circumstances. The Building Fund now stands at \$25,590. The amount required is \$125,000 which is quite small considering the strength of our members and it is high time that steps are taken to have a building of our own with an up-to-date commercial library, an Exhibition Room and other departments necessary for the Chamber. You have got to look at the sister communities, Chinese and European and it is time that we realise our own duties as with the prestige of the Chamber the prestige of the mercantile community automatically increases.

**Quorum.**

It has not been found possible during the year to reduce the quorum of the General Meeting. I think the quorum fixed is fair for our organisation, as general meetings are few in a year and the presence of the majority of members to transact business will be in the interest of our Chamber. My earnest appeal to the members is that if such meetings are held they all must turn up in time.\* They should realise that their Committee is working for them all the year round and meetings are called only when necessary.

**Thanks.**

I feel it my duty to thank you all including my colleagues on the Committee and various Sub-Committees for the whole-hearted assistance and co-operation which I have always received from them and without which it would have been impossible for me to discharge my onerous duties as President of your Chamber. I also take this opportunity of acknowledging publicly the services which have been faithfully and efficiently rendered by Mr. J. M. Dorai Raj, your Secretary and the Staff under him which have undoubtedly contributed to the smooth and successful working of this Chamber.

Gentlemen, I now propose that the Annual Report of the Committee and the Statement of Accounts for the year ended 31st December, 1946, be approved and accepted.

## **THE INDIAN CHAMBER OF COMMERCE SINGAPORE.**

**ADDRESS BY MR. G. RAMACHANDRAN, PRESIDENT OF THE  
INDIAN CHAMBER OF COMMERCE, SINGAPORE.**

Gentlemen,

I have great pleasure in welcoming you all to this, the 26th Annual General Meeting of the Chamber, and to thank you for your attendance.

Since electing me to this high office, the intervening period of one year has been a source of such experience and satisfaction to me personally. This is because I had the unstinted co-operation of the Management Committee in all the activities of the Chamber during the year, for which I am indeed most grateful. I am therefore in the happy position of expressing to you, on behalf of the Committee and myself, that during the whole year, the Chamber was able to devote all its time to constructive efforts in the discharge of its normal and abnormal functions. Furthermore, the Chamber was also able to fulfil its obligations and responsibilities for the advancement of Singapore's economy, in which we are jointly associated with all the other Chambers of Commerce and the Government.

At the outset I wish to state that the Report & Accounts for 1966 have been in your hands for the prescribed period of time, and under the Agenda before you, they will be dealt with in the usual manner.

Gentlemen, the year 1966 was declared as the "year of survival" by the Government. It was not a signal of despondency, but a challenge for greater efforts by the people in all fields of Singapore's economic activities. The mercantile community rallied to the survival call with all its enthusiasm, skill and experience, and helped to close the year with an ever-growing economic prosperity, and a loadful of optimism to succeed even better in 1967. Singapore's exports during the year increased by 13.3% and imports increased by 6.3%.

In addition, Indonesian Confrontation came to an end, and it was followed by several official and non-official Trade Missions to and from Djakarta in which our Chamber took an active part in co-operation with Government and the Joint Standing Committee of the Chambers of Commerce. I accompanied one of these Trade Missions to Djakarta and was able to appreciate on the spot the wealth of goodwill and friendship which exists there for their trading counterparts in Singapore. For over half a century, Indonesia has been our major trading partner, which enabled both countries to continue a very brisk import and export trade between one another. Today, the situation has changed because the economic needs and the trading policy of Indonesia and Singapore require adjustment to new conditions in order to restore volume of trade to the pre-confrontation level. Our Government is

doing all it can to restore the trading relationship as soon as possible on a basis of complete equality and mutual benefit.

It was for this reason that our Government agreed to approve the extension of Singapore's private commercial credit to private traders in Indonesia for the supply and export of goods from Singapore to Indonesia. A total amount of \$150 million was approved to be utilised for this purpose. Although only a small proportion of this private commercial credit had so far been utilised, it nevertheless proves that Singapore is prepared to extend its co-operation to the limit of its capacity even before diplomatic ties have been resumed by both countries.

Since attaining complete independence in August 1965, the first Trade Mission sent abroad was to Africa, and we had two representatives to participate in it; one was Mr. Abdul Kader Tyebally of Bombay Trading Co., Ltd. and the other our Secretary Mr. A. K. Isaac. The prospects of doing business in Africa were published in a booklet form and issued to all members and I believe it has helped some of you to commence new business or improve on existing business in the African market.

The year under review has been eventful in the sense that for the first time in Singapore's history, we had the privilege and opportunity to meet trade representatives from Russia, Bulgaria, Poland, Cambodia, Hungary and Roumania, in addition to long-established friends from other countries. This new relationship in trade proved that with the non-alignment policy of our Government, we are ready to do business with any country in the world regardless of its political ideology. In consequence, it brought great satisfaction to the merchant community to note that trade agreements were exchanged with many new countries. The Chamber participated in some 15 entertainment functions, mostly organised by the Joint Standing Committee, in honour of foreign dignitaries and trade missions.

The official visit of H.E. the Vice-President (now President) of India, Dr. Zakir Husain to Singapore in October was a notable event. The Chamber organised a banquet befitting the occasion, at which Government Ministers, and Diplomatic Corps were present.

There were two other matters of importance which were dealt with during the year. The first refers to the Constitutional Commission of 1966, to which, in consultation with all members, we submitted a Memorandum relating to the safeguards for minorities. The second Memorandum was presented to Government embodying the views of the Chamber on the Draft Companies Bill of 1966. In both cases, all members were supplied with copies of the Memoranda.

The devaluation of the Indian currency on 6th June 1966 had its temporary effect on the general trade between Singapore and India, and there were a few isolated cases where our members were affected adversely. In this case, as members are aware, we made immediate

personal representation to the High Commission for India in Singapore and followed it up with a memorandum, a copy of which was sent to all members.

Gentlemen, I should now like to refer to the forthcoming currency split between Singapore and Malaysia when the present arrangements expire on 12th June 1967.

People on both sides of the Causeway have been having business interests and close contacts with one another over the years, based on the common dollar. However, we must now look ahead. The law provides that our Singapore dollar will be backed 100% by foreign exchange reserves and it will be automatically and fully convertible in every respect. Nothing can upset this solid status of the Singapore currency. That our currency will be strong at all times is also reflected in the official reserves of the Government. Up to September 1966 these reserves have increased to \$1,038 million, with external debts limited to only \$61.75 million.

Since its foundation, Singapore has proved, year by year, that with human skill, organisation and resourcefulness, we can make as much progress, if not more, than those endowed with natural resources. In less than two years of Independence, Singapore has been able to forge ahead to increase her industrial output, increase her external trade, and to consolidate and strengthen her financial position.

We who are citizens of Singapore have reason to be proud of our achievements during this short space of about 2 years, which has enabled our people to deposit more in banks. In fact at the end of September 1966 deposits of customers in our banks totalled \$1,337.2 million, showing an increase of \$172.9 million over the same period in 1965. The total investment of the 165 pioneer industries, of which 107 were already in production, had grown to more than \$300 million, an increase of \$45 million over the previous year. This is most remarkable and encouraging in the "year of survival".

Finally, Gentlemen, I would like to say once again how deeply grateful the Management Committee and I are to you for the kindness and co-operation extended to us during our period of office.

Thanking you once again.

# **Small & Medium Enterprises (SME) in Singapore – Problems and Assistance Required**

*Submitted by*

*Singapore Indian Chamber of Commerce to the Economic Committee*

## **NATURE OF SINGAPORE'S SME**

ACCORDING to the Singapore Yearbook of Labour Statistics (1980), there were 69,374 business establishments in Singapore of which 67,414 (i.e. 97.17%) employed less than 50 workers. Of those employing less than 50 workers, 69.13% had between 1-4 workers and 16.38% had between 5-9 workers.

A study done for the Asian Productivity Organisation by Mr Tan Thiam Soon of the National University of Singapore in 1984 shows that more than 74% of Singapore's workers in the commerce sector were employed by small and medium enterprises while 45% of the employees in the service sector worked in small and medium enterprises (manufacturing sector less than 100 employees; commerce and service sectors less than 50 employees). The study also shows that the small and medium enterprises in the commerce sector has the highest proportion (61.8%) of contribution in terms of value added.

## **COMPARISON OF GOVERNMENTAL ASSISTANCE TO SMEs IN JAPAN, TAIWAN AND KOREA**

### **Japan**

Japan appears to have an elaborate governmental assistance and management guidance system. Strong financial assistance is provided directly to the small and medium enterprises through the government's financial institutions and governmental agencies. An infrastructure of guidance system to support and promote small businesses also exists in Japan where assistance and services are provided free to small and medium enterprises. Guidance services easily available on request aims at not only keeping the enterprise afloat, but also improving its management and productivity and upgrading its technology.

As the Japanese government views small businesses as the backbone of national economy, legislations are enacted to protect the small businesses and policies are laid down to rationalize their management. There are departments concerned with the assistance, guidance and promotion of small and medium enterprises.

### **Taiwan**

The Republic of China's (Taiwan) small business policy is patterned to a lesser extent after the Japanese model. The major area of assistance is financial rather than management.

Some of the measures adopted by the Taiwan government are as follows:-

1. Small Business Integrated Assistance Fund (created in 1982) with donations from 7 financial institutions supervised by the Taiwan Provincial Government. It created the centre to bring integrated assistance to selected strategic and promising industries. It also processes complaints lodged by loan applicants about difficulties in obtaining

loans from banks, makes further diagnoses and helps them secure financial and management assistance.

2. 1981 policy to help small and medium enterprises:

Exporters, having obtained required export papers, may apply for financial aid from banks without having to go through their usual procedures and producing collaterals required by them.

They can apply for short terms loans on the strength of any of 5 papers:-

- (a) D/A or D/P
- (b) an irrevocable L/C issued by a foreign bank
- (c) a foreign purchase order or contract
- (d) an order or purchase contract from a domestic exporter
- (e) a cooperative export contract or an agreement to do custom processing on products for exports.

The loan amount will be 90% of value of L/C or under 80% of the selling price estimated by the applicant.

3. No 1982 Plan for Alleviating Year-end and Lunar New Year Financing Difficulties:-

At a time of continued recession, short term measures introduced jointly by Ministry of Finance, Ministry of Economic Affairs and the Central Bank enabled most smaller firms to tide over their difficulties.

These temporary measures embraced steps taken in finance, custom duties and power bills. Emergency loans were made, loans rescheduled, power bills reduced, and instalments on duties deferred for 3 months.

4. February 1983 Plan for Strengthening Financial & Management Assistance to Small and Medium Businesses:

**To bring** financial aid to those small and medium businesses that are insufficiently funded, technologically backward, poorly equipped, and incompetently managed.

**By** financing services extended by Medium Business Bank of Taiwan, credit guarantees by Small & Medium Business Credit Guarantee Fund, diagnostic and assistance services provided by the Small Business Integrated Assistance Centre and more loans made by commercial banks.

## Korea

In Korea, too, there are certain laws related to small businesses:

1. SMALL BUSINESS BASIC ACT (DECEMBER, 1966)

This is sometimes called the "fundamental law" as far as the small business is concerned, as other laws, regulations, orders and policies relating to the small business are emanated directly or indirectly from this law. This law defines the scope of the small business and emphasizes the importance of the small business for the balanced development of the national economy and makes it mandatory for the government to research and formulate policies in order to improve international competitiveness, systematization with the large business, financial assistance, managerial and technical guidance, etc.

2. THE CREDIT GUARANTEE FUND ACT (DECEMBER, 1974)

It created the fund which extends credits guarantees for liabilities of those small business lacking sufficient collateral security to obtain bank loans.

3. **THE SMALL BUSINESS SYSTEMATIZATION PROMOTION ACT (DECEMBER, 1975)**  
It aims to protect the interests of the small business as sub-contractor from large-scale enterprises. It mandates, for example, that the government prevents a delay in payment by a large-scale firm to its sub-contracted small-scale enterprise.
4. It aims to procure goods by the government, local autonomous body, public organization and government-run agency by giving more opportunities for small and medium industries to secure orders from the above agencies.

## **PROBLEMS OF SMEs IN SINGAPORE AND SPECIFIC AREAS OF NEED**

### **1. Finance**

SMEs have limited financial resources and lack of capital is a major problem. As they are usually too small or too new, loans are difficult to obtain. They usually are unable to make proper proposals and provide necessary information. Moreover, when business is slack, cash flow problems arise sometimes arising from non-payment by larger enterprises.

Bankers seem unwilling to take the high risks in financing small businesses and there seems to be a need for incentives to banks to finance SMEs. Ways must be found for SMEs to have more access to finance as the problem is not that of scarcity of finance.

### **2. Management**

Most entrepreneurs of small businesses ventured into the business world without basic knowledge of business management or accounting. Most of these businesses are still traditionally managed and there appears to be a lack of modern managerial competence. While in most cases, these small businesses are run by the owners, their expertise is expected to cover more than one function in running the business. They usually have inadequate accounting systems and cannot afford professionals to manage various aspects of their business. This creates a situation where they become indispensable and every activity of the business hinges on them. In the experience of this Chamber, many thriving small businesses have been forced to close down because of succession problems arising from these factors.

There appears to be a need to set up a unit within the National Productivity Board to look into the problems faced specifically by small businesses and build curriculum suited to the needs of small businesses. Additionally, these units can work with chambers of commerce and employer groups to perform consultant roles specifically in training needs analysis, modernisation of small businesses and in-house programmes for small businesses or a group of small businesses operating within the same sector.

Ways must be found to develop Management Improvement Specialists (as exists in Japan in the Small Business Sector) in employer groups, chambers of commerce and bodies like NPB which can help small businesses in conducting relevant seminars, guidance in book-keeping, accounting and finance and even in counselling.

New ways must be found for curriculum building for small businesses. The general professional function of the small business manager can be analysed to build curriculum for different skill areas. The analysis can also help to indicate what they currently do as opposed to what they ought to do.

NPB has already started out along this line with their People-Centred Management Programmes which look into various operational or organizational roles. However, this

approach while suitable for larger organisations (and NPB must be commended for developing these specific programmes), do not necessarily cover the needs of the small businesses.

The Institute of the Japan Small Business Corporation conducts various programmes for small and medium enterprises. It is interesting to note that this takes place at various levels. The training for personnel in charge of providing guidance to small and medium enterprises (including Trade Associations and Chambers of Commerce) covers the public sector organisations'/departments' officers as well as personnel of small and medium enterprises guidance organizations.

More specifically, courses offered to small and medium enterprises are:

- (a) course offered to administrative managers of small and medium enterprises (provide basic, applied practical knowledge in modern administrative management)
- (b) course for successors to the present management of small and medium enterprises (to develop management ability required for future management tasks)
- (c) courses on specific themes (for modern management tasks in response to changes affecting small businesses)
- (d) course for small and medium enterprises intending to engage in overseas investment
- (e) course for small and medium enterprise engaged in structural upgrading projects.

While we have been adept at adapting Japanese productivity, management and marketing methods, SME management training is an area that appears to have been overlooked.

### **3. Lack of Policy related to small business**

The assistance and guidance given in Singapore is minimal compared to that given in Japan. Small business policy such as in the case of Japan, Taiwan and Korea does not exist. Small businesses' importance is equated only with their support of the large enterprises. Thus, the main effort and priority have been given to the large enterprises. In recognizing the importance of small enterprises, the main emphasis is still on supporting manufacturing industries.

While Singapore is undergoing a basic structural change and moving towards modern technology, most of the local small enterprises are still operating with the traditional methods and resisting changes.

Looking at the experience of Japan, Taiwan and Korea, there appears to be a need for an official small business policy in Singapore as part of our government's overall development strategy. While such a policy can provide direction and strategy for the promotion and development of small businesses and guidelines for small business assistance, programmes, will also assist in the formulation of appropriate measures of assistance to the small businesses. The aim of the policy should not be to protect small businesses but to encourage and support them in their growth.

### **RECOMMENDATION**

It is time that a body is set up in Singapore to look into the needs of SMEs and help the local businesses. Essentially it should comprise a core group of consultants from the Economic Development Board (to assist in finance and planning), the Trade Development Board (to assist in export related activities) and the National Productivity Board (to assist in

training and development needs of SMEs in Singapore). This body could also help to formulate appropriate policies for SMEs' development and growth in Singapore.

Some of the areas to be considered could include:

1. greater access to government contract/procurement
2. the protection of SMEs from delayed payments and other unfair practices by larger enterprises
3. greater access to the international market
4. special programmes for training and development of entrepreneurs and employees of SMEs
5. financial, technical and management guidance for SMEs
6. financial, assistance through direct government loans, credit guarantee and credit insurance.

Singapore Indian Chamber of Commerce  
August 1985

**Speech by**  
**MR NG KIAT CHONG**  
**Executive Director of National Productivity Board**

At the  
SINGAPORE INDIAN CHAMBER OF COMMERCE  
ON 29 NOVEMBER 1985

Ladies and Gentlement

I am indeed honoured to be invited to give the opening address for this seminar "Effective Functional Management in Small Businesses". I am certain you will not disagree with me that in this competitive economic environment one certain way of being effective is to be productive. This is particularly true for the small businesses. There are not fixed definitions of what size of companies would be considered small businesses. Assuming we define establishments employing less than 100 workers as small businesses, then in Singapore there are more than 50,000 of them.

Could the performance of small businesses be improved through the attainment of better functional management? A recent speech by BG (Res) Lee, made at the NPB's Seminar on Management Productivity in Small and Medium Enterprises, brought up some glaring data which pointed to low productivity and thus low profitability of small-businesses. The crucial question seemed to be whether we could better equip the managers of small businesses with the managerial skills necessary for achieving better performances. Feedback gained through the recently conducted NPB's Management Assistance Program – a special course specifically designed for managers in small businesses – showed that there is a lack of awareness by managers of functional managerial skills. They found the short course to be very useful, in that, it enabled them to have a broad understanding of the functional skills which they could acquire to improve their performance as managers. The question is : Is the mastery of functional skills alone, sufficient for success?

If I could depart from the usual approaches of looking at the various managerial functions in terms of marketing, finance, personnel etc., but look at it from these four types of framework: structural frame, human resource frame, political frame and symbolic frame. As you will see within the structural frame alone falls all the key functional areas of management. What I am referring to is not just functional perspectives of management but something much more inclusive. Managers need to build on the other frames as well : human resource, as in terms of better communication skills; political, eg. leadership styles; symbolic, eg. corporate culture. Betterment in functional skills alone will not suffice. Besides the acquisition of functional skills, there is a need therefore to integrate them within an overall framework.

The particular circumstances affecting small businesses will mean that some element of the skills needed for a small business manager to perform well should be distinguishable from the general types of managerial skills. It would be that certain types of functional skills may well be applicable solely to management in large organisations; for example, sophisticated financial modelling systems. Conversely, there must be an identifiable set of skills that a manager operating in the small business environment needs to master in order to outperform the competition in the market place. This will mean that management courses could be

tailored with such a focus in mind. It is not just a matter of the range of functional skills required but also the emphasis and depth in respect of each functional area. From the response we had with our Management Assistance Program, we found that managers in small business enterprises wanted to have a broader but less in-dept coverage of functional management areas.

I must emphasise that small businesses can only survive if they could find for themselves that niche in an economy where being small is better than being big or where big businesses do not find it worthwhile or economical to perform their services. For instance, small businesses could cater better to tailor-made needs or where personalised services are demanded.

Although it is now common knowledge – ie the need to automate, upgrade technology – small businesses seem to choose to remain oblivious to the call. Comparing the capital assets per worker for establishments with 1-9 workers it is \$13,000; whereas for those with 100 and more workers, the corresponding figure is \$31,000. Not surprisingly, value-added per worker, comparing both categories of companies, the latter attained twice the former's level of productivity. It could well be that the big business output are meant to be exportables, whereas for local small businesses they are local consumables. If local managers of these small businesses do not leap out of this home-based orientation, they may well zone themselves into a zero-sum situation where one gains at the expense of another. One way out is for the manager to align themselves whilst retaining independent status with MNCs in a loose-firm relationship. The exact link-up will depend on the trade-offs. Certainly, the manager with well-honed functional skills will stand a better chance of a securing a higher return-on-investment business combination.

Conglomerating of diversified small businesses in specific commercial situations may result in a plus-sum for all involved. A recent article in Straits Times pointed to the strategic advantage gained by Japanese companies in their ability to offer a turn-key package deal in their business dealings with mainland China. Is this not something within the capabilities of the average small business manager a combined bid rather than a fragmented effort. Managers should seriously consider exploiting to the fullest this 'conglomerate-for-plus-sum' strategy. Realising the advantages are not even a half-step towards getting the problem solved. Initiatives are required. If all managers prefer to adopt a sit-back and see attitude, then the accumulation of missed opportunities will certainly show in poorer performances. The attributing factor to a dearth of such combinations could well be due to a lack of formal training in broad management functional areas. A lack of willingness to seek and sacrifice for common interests and a "not invented here" or do-my-way mentality only serve to further aggravate the problem. There is, of course, no easy solution.

To put in a nutshell, I suggest the following actions by managers of small businesses:

- a) Master by all means the functional skills of management-both in terms of the range and depth;
- b) Link-up with MNCs so as to avoid being caught in a zero-sum situation; and
- c) Develop and apply the conglomerate-for-plus-sum strategy.

NPB exists not only for honing-up functional managerial skills. It also serves as an institution to build up a feeling of commonality, for instance through alumni activities among practitioners and NPB-trained managers. Presently, we have chapters or informal circles of Production Managers and HRD Practitioners. If managers of small businesses are interested in forming such informal circles, NPB will be pleased to assist.

Already, the Singapore Indian Chamber of Commerce (SICC) has approached the NPB to conduct a training needs survey and analysis. Based on the findings of this survey, a training course for the small businesses could be developed. Let me assure the SICC once again that NPB is prepared to invest in the training needs survey and analysis, despite the risk that the SDF might not support the training course thus developed. However, the SICC must help NPB to lower this risk by assisting in the marketing of the course. Also, SICC must be prepared to involve the other chamber of commerce and trade associations.

On the subject of training for small businesses, let me inform SICC members that NPB has in fact started a Management Assistance Programme (MAP). This 30-hour training programme is specially designed for small businessmen like you. Its main purpose is to expose you to a repertoire of effective functional management skills that will be very useful to you in managing your resources prudently. There will be two coming runs for this programme, January and March 1986. I would strongly urge you all to take advantage of this training opportunity which is specially priced at \$150 per participant or a very low fee of \$5 per hour.

MR NG KIAT CHONG  
Executive Director

**Speech by**  
**MR G. RAMACHANDHRAN**  
**President Singapore Indian Chamber of Commerce**

At the  
CHAMBER'S 60th ANNIVERSARY DINNER  
ON 3 DECEMBER 1985

Honourable Minister, Mr Lee Yock Suan  
Mrs Lee Yock Suan  
Your Excellencies  
Ladies and Gentlemen

TODAY we celebrate the 60th Anniversary of the Singapore Indian Chamber of Commerce and I am indeed privileged, as President of the Chamber, in this auspicious year, to take this opportunity to touch briefly on some aspects of our Chamber.

The Singapore Indian Chamber of Commerce, as the name indicates, exists to promote firstly, the interests of Singapore and secondly, the interests of the Chambers' members. While most of our member firms are of ethnic Indian origin, I am proud to say that we also have member firms of non-Indian ethnic origin.

Our multi-racial heritage extends to all levels of society including the business sector. Indians have had links with Singapore since time immemorial. Indian influence and trade were evident in Singapore and this region for several centuries. The Chamber is a permanent testimony of Indian involvement and commitment to the economy of Singapore.

Although we are known as snake-charmers, peanut vendors, the hole-in-the wall shop-owners, it is perhaps true to say that Indian businessmen were among the first established multi-national trading houses in the history of the region. Though largely family oriented and operated, they spread themselves slowly and successfully in a network around the world and pioneered and developed international trading. There are many such families and firms who have more than a Century's trackrecord.

I shall not single out any here, as there are too many to name. The Sindhis, the Gujuratis and the Punjabis have outstandingly successful in this regard. Their contribution to international economic prosperity and business development has not been recognized and highlighted, and I take this historic event to do so. Most of them have had Singapore anchors, if not roots, and to a large extent, helped in the development of Singapore as an international trading centre.

Our members introduced textiles from Japan, Korea, Taiwan and Hong Kong to this region and Europe. They have now developed markets for electronic goods and machinery in remote corners of the world. They now trade in anything from pepper to steel bars and chemicals. Starting from scratch, they have built-up multi-million dollar business in scrap metal and wastepaper – you could say multi million dollar international “Karang-Guni” or “Rang and Bone” business.

The Singapore Indian businessman is the traditional, resourceful yet conservative professional trader. This is his heritage.

He is simple in his lifestyle, maintains a low profile, knows his subject and trades with the knowledge of product and people he deals with. He seldom presumes or makes mistakes. He deals with known situations and people, largely on established markets, relationships and trust. He, by and large, at least survives, and succeeds more often.

Our four hundred and fifty members are a classic mix of the big and the small from all types of business. Thanks to them the Chamber has grown in strength and substance. We believe in the unity of purpose and we have succeeded in remaining the happy Indian family in our Chamber despite the diversity in ethnic Indian origin.

The Committee of the Chamber records its deepfelt appreciation to the members and will continue to encourage them to be themselves and to develop further their individuality, entrepreneurship and internationalism, since these are the keys to their success and to that of Singapore. Our role has been to look after interests, and provide advise and assistance. While some moaned at our being displaced by urban development, the facilities of our new office premises, have taken us forward in modernising the nature of service we provide and we can be grateful for that.

The Singapore Indian Chamber of Commerce has always stood for private and free enterprise as the corner stones for Singapore's economic well-being and we are very pleased to see the Government policies now fully moving in this direction. We must be competition and free flow of ideas, expertise, energies, and above all, entrepreneurial spirit in order to be efficient and prosperous. Only the deserving can and should succeed and only in this way can the nation progress.

The establishment of the economic committee consisting of public and private sectors for economic development under Bring General Lee, is timely and most welcomed. Many other schemes introduced by the Government to help the private sector especially small businesses, with corrective policies in the wake of recession are commendable.

The Government is doing its part and it is for us to put these to work and when we have some problem, where Government assistance can help, our members must continuously bring to us their difficulties and suggestions so that we can provide the feedback to the government.

The private sector has worked well collectively through the Singapore Federation of Chambers of Commerce and Industry and even extended into meaningful cooperation in developing business in the region.

Singapore is going through a bad patch now but we will, as we have done before, namely, after the Japanese Occupation, after Confrontation, after Separation from Malaysia, after the British pullout, come out wiser and better for it.

Ladies and Gentlemen, In December 1924, one Mr Bhujangilal Mehta, initiated and process that led to the formation of the Singapore Indian Merchants' Association. This was the significant start to an identity for the Indian business community of Singapore. The Indian Merchants' Association started with 30 members, incorporated itself as the Indian Chamber of Commerce in 1937 and today has a membership of 450. We have grown from strength to strength. However, one sad note still remains and I would like to quote from the Annual General Meeting speeches of past Presidents, G Maganlal and R Jumabhoy in 1939 & 1940.

"A number of Indian merchants have still to join this Chamber and we should endeavour by all means of persuasion to get them to join us . . .

The strength of our Association depends on two things – numbers and unity.

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It is high time that we realise that in unity we have strength and that this Chamber belongs to every Indian merchant, no matter what or how small his trade be.

Increase in membership is very essential as more the number, greater the strength. We ought to have small traders also . . .”

I urge our members to examine ways and means for our Chamber to grow in new directions, so that we may truly represent the entire cross-section of Indian business in Singapore.

Honourable Minister, Mr Lee Yock Suan  
Mrs Lee Yock Suan  
Your Excellencies  
Ladies and Gentlemen

I thank you once again for gracing this occasion and joining with us in celebrating this happy occasion.

G RAMACHANDRAN  
President

## **ROLL OF HONOUR**

On this occasion, I would like to pay special tribute to those who have contributed in a large way to the success of our Chamber.

1. Mr R Jumabhoy, who has served as President of both the Indian Merchants' Association and the Indian Chamber of Commerce, Singapore, for a number of years.
2. Mr D D Sachdev, Past President
3. Mr J M Jumabhoy, Past President
4. Mr D T Assomull who is not here today because of ill-health
5. Committee members who have served more than two decades:
  - (a) Mr B H Melwani – currently Vice-President
  - (b) Mr Kantilal J Shah – currently Chairman, Exports Section

## 25th Anniversary Celebration 1990

### INDIAN CULTURAL PROGRAMME

AN OFFICIAL EVENT

10 TIMEZONE CENTRAL

Thursday, April 12, 1990

# A passage to India

By HASEENAH  
KOYAKUTTY

INDIAN crafts are conventional trades and the tools used by the craftsmen are primitive. But the end products are contemporary if not *avant garde*.

That was my impression when I attended the Crafts of India exhibition and sale at the atrium of Scotts Shopping Centre.

Held in conjunction with the India Cultural Month, the exhibition displayed a plethora of India reminiscent of the splendour of the Taj Mahal and highlighted the rich culture of India, both past and present.

Mr Satinder S Sarna, the president of Jasmine Export, which deals with handicrafts in New Delhi, is the person responsible for bringing in items such as papier-mache products, jewellery, vases, cushion covers, authentic paintings, traditional *shalwaarkamessz* (punjabi suits), bags and the like.

He said: "In the past, Indian art was art for art's sake. Then, art evolved into a strong cultural force and eventually became part of our life-style. Craftsmen take their traditional skills and relate them to present day usage. For instance, miniature paintings taken from 16th century originals from the Moghul School museum are translated on hand-painted display boxes. Art has

become functional and practical."

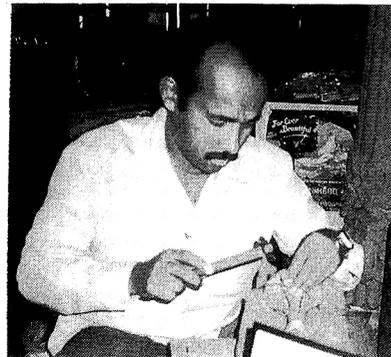
Eight people have been flown in from India for the exhibition. Among them are artisans who will demonstrate the intricate art of Bidri making and hand-painting on silk.

Added Mr Sarna: "These trades are not commonplace, even in India. Certain trades are exclusive to certain states."

#### Miniature works



Mr Poonaram paints miniatures on ivory, paper and silk



The art of *bidri* is demonstrated by Mr Quadri

Mr Poonaram, 43, from Rajasthan, paints on ivory, paper and silk and produces miniature paintings that depict the romance of Krishna. He paints on the blank side of archaic manuscript paper with *urdu* calligraphy. These are taken from old poetry books. Each painting tells a story. The change in season in the back ground shows the painters precision in detail.

“Some are also fashioned after the fabled Imperial courts. The paintings are a living culture, a legacy,” said Mr Sarna.

Hand-woven silk *saree* cushion covers and *papier-mache* items are popular.

*Papier-mache* originated from Kashmir. The designers draw their inspiration from their surroundings and their day-to-day experiences. duck feathers and cat's fur.

The tedious and painstaking art of the *bidri* is something to look out for.

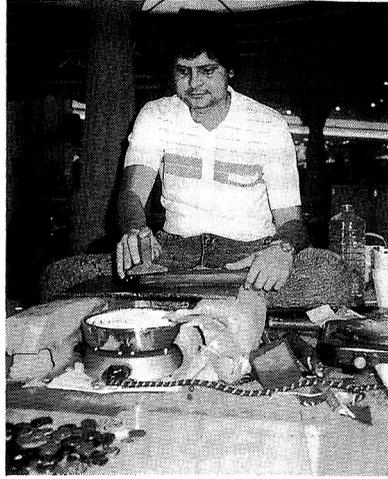
*Bidri* is the inlay of pure silver on a gun metal base. The deep black acts as a contrast to the glittering shine of silver on the vases and jewellery boxes.

### Minimal tools

Mr Shah Rasheed Ahmed Quadri, 35, carries with him only a hammer and a small box of various types of chisels but he manages to produce masterpieces.

The lacquer bangle-maker, Mr Gulam Mohammed, 31, is also equipped with minimal tools.

The basics needed are several wooden rods, a heater, a pair of tongs, a metal plate, a cutter and an iron rod. And within a short span of five minutes, he is able to produce a bangle with a contemporary mix of colours.

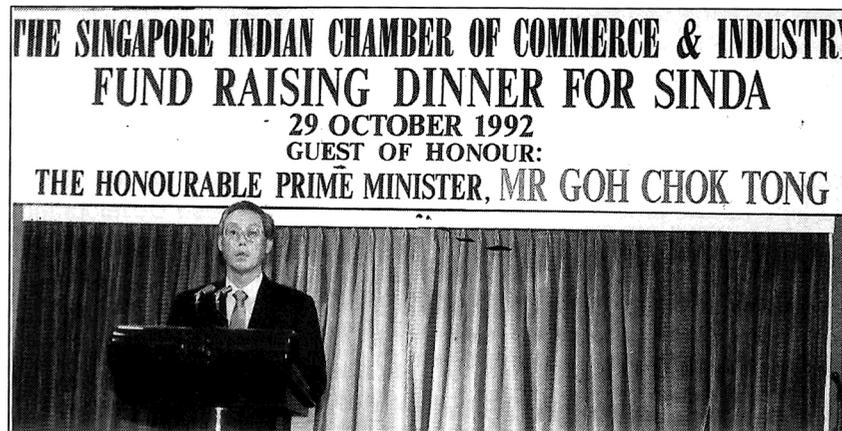


Mr Mohammed adds the final touches to a lacquer bangle.

The Indian exhibition, sponsored by the Singapore Indian Chamber of Commerce, is definitely worth a trip.

The exhibition, from 11 am to 9 pm, ends in Sundays.





*Speech by Prime Minister at the SINDA Dinner.*

**Speech by Prime Minister Mr Goh Chok Tong,  
At the Chamber's Fund Raising Dinner for SINDA  
At Mandarin Ballroom, Mandarin Hotel  
On Thursday, 29 October 1992.**

In June last year, the Action Committee on Indian Education published its report: "At The Crossroads". The document brought into the open the problem of educational under-performance within the Indian community. It stirred the community to do something about it. Singapore Indian Development Association (SINDA) was formed to spearhead action to improve the performance of Indian under-achievers.

I commend SINDA for its clear objectives and the Indian community for its broad-based support of SINDA. I was told that nearly 1,000 volunteers have signed up to help in the various SINDA programmes. I also commend the Singapore Indian Chamber of Commerce & Industry for organising tonight's dinner to raise funds for SINDA.

Helping a community's under-achievers to level up is a noble task, a challenge which is like running a marathon without a finishing line. As you make progress, there is yet another stage to conquer. There is no end to the effort because there should be no upper limit to a community's achievements. You want to keep on going further and further.

It will take time to produce results. To get academically poor students to do better, to reduce the number of such students in each cohort of Indian students, to solve social and economic problems of poorer Indians, is an arduous task. You will need strength, stamina and determination to succeed.

MENDAKI has shown that with sustained effort, it can make a difference to the achievements of the Malay community. I have no doubt that SINDA will make a similar impact on the Indian community over time.

MENDAKI'S achievement has confirmed our conclusion that community-based self-help is the most promising way to uplift the under-achievers in each community. Each community has problems and priorities specific to itself. Its priorities are likely to be different from those of a national organisation to help all under-achievers. The priorities of a national body may end up being perceived to be dictated by the needs of the Chinese under-achievers because of their sheer number. Our Malays and Indians will wonder such a body will have time for the problems they face. CDAC (The Chinese Development Assistance Council), estimates the number of the Chinese under-achievers which it should help to be 350,000. This is one and three quarters the size of our entire Indian population and more than three quarters the size of our Malay population. I do not think the problems of the Chinese under-achievers coincide exactly with those of the Malay or Indian under-achievers. If the priorities of a national body are set by the needs of the 350,000 Chinese under-achievers, I do not think Malay and Indian Singaporeans will feel that their problems are adequately attended to.

I believe that the Malay community feels that the solutions to its problems must come primarily from efforts within its community. I believe the Indian and the Chinese communities feel likewise for their own problems. What is my evidence? It is the spontaneous, enthusiastic and broad-based support from the Malays, Indians, Chinese, and now the Eurasians, for their respective self-help organisations.

These self-help organisations are better placed to identify and tackle community-specific issues. They are more effective than a general body since they can better mobilise financial and manpower resources from within the community.

Tonight, you have come together to generously give your support to SINDA. Fund-raising is never an easy task. I have noted your generous support. But in addition to funds, you should also volunteer your time and provide the leadership.

The willingness of successful and respected members of the community to come forward to lead, to serve as role models, is critical to the success of SINDA.

Communities elsewhere which lack successful members, or whose successful members do not come out to help the less successful have great difficulty making progress. Where successful individuals have cut their links with their brethren, and turned their backs on the community which nurtured them in order to move up in society, the result is even worse. They demoralise the rest of the group.

Fortunately for Singapore, this has not been so. Grassroots leaders, professionals and businessmen have come forward to serve in MENDAKI, SINDA, CDAC, and other social organisations. They devote enormous amounts of time and energy to their task, rallying support, organising activities and raising funds, well beyond the call of duty. They provide the role models, encouragement and motivation for the less able. We want to increase the number of such people and expand the layer of talent at the top, for each community. The more able people there are in each community, the more resources it has to help its under-achievers. So while focussing on the under-achievers in each community, we will at the same time strive to enlarge the talent pool in that community. This will be our two-pronged strategy to raise the performance of each community.

Singapore has always been open to talent abroad, because we recognise that talent is crucial in maintaining our prosperity and securing our future. We welcome talent of all races, so long as they can be integrated into our multi-racial society.

Talent flows across international borders easily. We have lost some of our talent to other countries. We have to make up for them, in particular, for the minority communities.

We are making a special effort to bring in talent to strengthen the minority communities. It does not matter if the first generation of immigrants are not fully integrated into our society because the next generation will grow up as Singaporeans. In parallel with the Hong Kong migration programme, we are pursuing efforts to bring in Malay talent from the region, and Indian talent from all over the world, including America and Europe.

It is not necessary for everyone who comes to study or work in Singapore to plan to sink roots here permanently. At any one time, there are some 30,000 foreigners working in Singapore on Employment Passes. Most work here for some years, before returning to their home countries or moving on elsewhere. While they are here, they contribute to our economy. If some of them later decide to stay on after experiencing life in Singapore and take up Permanent Residence or eventually citizenship, we are happy.

One area where foreign talent can contribute to our economy is in our regionalisation efforts. While our companies have the capital and the expertise, they do not have enough skilled manpower to go overseas on a large scale. If they can source for skilled manpower from abroad and incorporate them into their organisations, they can multiply their capabilities several fold and undertake more major infrastructural or development projects in the region.

Recently, I met Prime Minister Narasimha Rao of India at the Non-Aligned Movement Meeting in Jakarta. I raised the subject of Singapore bringing in skilled and talented Indians to work in Singapore or for Singapore companies abroad.

PM Rao responded positively. He said that top Indian talents were all over the world and it was not a problem for them to go to Singapore. In fact, he felt they should be encouraged to come to Singapore as it was nearer to India. He added that he would tell his graduating students to look at Singapore as a first preference. He liked my idea of Singapore companies using Indian talent to support their regional projects. He said that India could complement Singapore when we invest in the region.

I was very encouraged by PM Rao's support for my suggestion. We will send a team to India to look out for graduates from good Indian universities and institutes of technology. The Government is also working out a scheme to enable companies which have major ventures in the region, or which are planning to move into the region, to recruit some of the talent they need from India. This will help more companies to venture abroad without worrying about the lack of manpower. India is one of the countries in the region we should consider investing in. The Singapore Indian Chamber of Commerce & Industry can build this bridge to India.

Indian Singaporeans have done well for themselves and for the country. The challenge is to consolidate and sustain their achievements in the years ahead. To succeed, we will enlarge the pool of talented Indians and help the Indian under-achievers to level up. This way, the Indian community as a whole will climb a few more rungs of prosperity. I regard the progress and achievements of the Indian community as Singapore's success. For this is multi-racial Singapore. Whether you are a Malay, Indian, Chinese or Eurasian, we are all Singaporeans.

## Speech by Chairman Mr Murli K Chanrai at the Chamber's Fund Raising Dinner for SINDA on 29 October 1992, Mandarin Hotel, Singapore

*Your Excellency,*

*Prime Minister, Mr Goh Chok Tong*

*Mrs Goh Chok Tong*

*Your Excellencies*

*Ladies And Gentlemen*

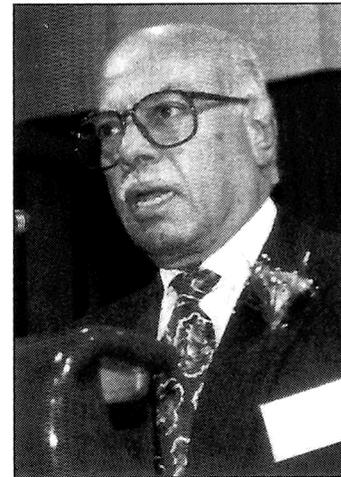
I would like to take this opportunity to warmly welcome you to this Dinner and to thank His Excellency, the Prime Minister, Mr Goh Chok Tong for kindly consenting to grace this occasion as guest of honour and Mrs Goh Chok Tong for her presence. I would also like to thank Professor Jayakumar, Minister for Law and Home Affairs, Honourable Members of Parliament, Your Excellencies the distinguished members of the diplomatic corps.

Most of you are aware that the Chamber has been very closely involved with the formation of SINDA and its work programmes. Recognizing the need for our community to continue to contribute to the nation, our Chamber financed the pioneering work of the Action Committee on Indian Education chaired by Mr J Y M Pillay and the subsequent publication of the report. This report marked a watershed in terms of analysing the educational and social problems of the Indian community and coming up with proposals to deal with them.

There has been much debate about the various ethnic based community self help organisations and programmes. However, the modern history of Singapore is about each community giving of their best and working together in the development of the nation. I am proud to say that Indians have up to now been well represented in all major sectors of Singapore's economic life and this includes professional, managerial, public service, trading and industrial roles. In business, we have more than our fair share of international traders and large businesses and this Chamber's members are testimony to that fact. We are fortunate that we live in a country with a competent and efficient government that provides equal opportunity to all its citizens.

SINDA has the responsibility to promote the education of Indian Singaporeans by raising their educational level to national standards. As the most prominent of the Singapore Indian organizations that cuts across ethnic groupings, religions and ethnic languages and cultures, we are aware of our enormous responsibility in this huge undertaking. We therefore consider it our duty to lead in supporting this undertaking because we strongly feel that it addresses the most important problems facing our community today. SINDA is also taking on a social role in enlisting the better-off members to help those less fortunate by providing welfare relief to support the educational and social well-being of such less fortunate members in our community.

The members of our Chamber have rallied to the call and made commitments to



*Speech by Mr. Murli K Chanrai  
at the SINDA Fund Raising  
Dinner*

donate generously towards this worthy cause. We hope to raise over \$2 million within a period of 5 years to the SINDA endowment fund. This fund raising dinner is part of our ongoing efforts and we assure SINDA and all concerned of our continued support in this national cause.

It is appropriate in my privileged position as Chairman of the Chamber, that I take a few moments of your time to touch briefly on some aspects of our Chamber.

The Singapore Indian Chamber of Commerce & Industry, as the name indicates, exists to promote firstly, the interests of Singapore, and secondly, the interests of the Chamber's members. While most of our member firms are of ethnic Indian origin, I am proud to say that we also have member firms of non-Indian ethnic origin.

Our multi-racial heritage extends to all levels of society including the business sector. Indians have had links with Singapore since time immemorial. Indian influence and trade were evident in this region for several centuries before the western powers came to this part of the world. The chamber is a permanent testimony of Indian involvement and commitment to the economy of modern Singapore.

Indian businesses, though largely family oriented and operated, spread themselves slowly and successfully in a network around the world and pioneered and developed international trading. There are many such families and firms who have a track record of more than half a century. Most of them have had Singapore anchors, if not roots, and to a large extent helped in the development of Singapore as an international trading centre.

Our nearly five hundred members are a classic mix of the big and the small from all types of business. Thanks to them, the Chamber has grown in strength and substance and we have succeeded in remaining the happy Indian family in our Chamber despite the diversity in ethnic Indian origin.

The Singapore Indian Chamber of Commerce & Industry has always stood for private and free enterprise as the cornerstone for Singapore's economic well-being. We are very pleased to note that Government policies have always promoted these values. We must be competitive and the free flow of ideas, expertise, energies, and above all, entrepreneurial spirit must be cultivated in order to be efficient and prosperous. The milieu must be such that the deserving can succeed. In this way can the nation progress. The Government is doing its part and it is for us to put their plans to work. We are proud to play our part in this area of building and supporting our nation.

We have recently amended our Articles of Association to broaden our membership base to include the growing ranks of professional and added the word "Industry" to our name. This enlarged identity and our modernisation process has created the need for a new logo symbolic of our dynamism, our role in Singapore and the aspirations of our members. Our organisation is one whose members have Trading, Manufacturing and Service interests in almost every corner of the globe and the organisation itself is internationally oriented. Our new logo has the globe with two interlocking arrows in red that form "S" for Singapore. We are indeed honoured and privileged that His Excellency The Prime Minister, Mr Goh Chok Tong has kindly consented to unveil our new logo later this evening.

I take this opportunity to thank again The Honourable Prime Minister, The Minister for Law and Home Affairs, Members of Parliament, and the Diplomatic Community for their presence, all guests, members of the Chamber, the members of the Board and the hard working Dinner Sub-committee for their valuable support and all of you for gracing this occasion tonight.

Thank You.

**SPEECH BY CHAIRMAN, MR M K CHANRAI AT THE CHAMBER'S  
FIFTY-FIFTH ANNUAL GENERAL MEETING HELD AT THE  
REGAL BALLROOM, IMPERIAL HOTEL, SINGAPORE  
ON 27TH APRIL 1996.**

Ladies and Gentlemen

On behalf of the Board of Directors, it is my great pleasure to welcome you to the 55th Annual General Meeting of our chamber. It is customary for the Chairman to say something about the economy, so allow me to briefly outline some salient points.

The Singapore economy grew by 8.9 per cent in 1995 following two years of double-digit growth, while the world economy grew by 3.7 per cent. Strong regional growth and a favourable global electronics cycle boosted the economy.

All the key sectors performed well. The manufacturing, and transport and communications sectors were the main contributors to growth. In 1995 total trade increased by 15 per cent in volume and 13 per cent to \$344 billion in value terms. Exports increased by 14 per cent to \$168 billion while re-exports grew by 17 per cent to \$69 billion. Domestic exports increased by 11 per cent. The main items of export in 1995 were data processing machines, electronic valves, petroleum products refined, and other electronic devices. Malaysia retained its position as the top major export market for Singapore, followed in the ranking by United States, Hong Kong and Japan. Imports increased by 13 per cent to \$176 million. The main items of import were electronic valves, parts for office & data processing machines, petroleum crude, and other electronic items. Japan was once again the top major import market with Malaysia, United States and Thailand following the order.

The economy encountered cost pressure as productivity growth has been lower than wage growth. Productivity increased by 3.7 per cent in 1995. Real wage growth although higher than productivity growth at 4.1 per cent, has been lower compared to 4.9 per cent in 1994. The manufacturing sector remained as the highest productivity growth setter in 1995, at 6.8 per cent although the rate of growth has declined. The only sector to record an increase in productivity growth is commerce, from 5.4 per cent to 6.1 per cent.

Although sentiments about Europe and the US have been slightly less optimistic recently, positive outlook remains for the world economy. However, a lower regional growth is expected. In 1996, the Singapore economy is likely to see a slower growth. The Ministry of Trade and Industry expects a growth ranging from 7 to 8 per cent.

Optimistic business conditions are foreseen in the first half of 1996 by industrialists. Establishments in commerce and services (except retailers and those in real estate services) are still optimistic.

Against this scenario, the chamber's members have to tap the various government incentives for regionalisation and SMEs' support in order to ensure that this year is a good year for us.

Since 1992, I have been honoured to lead the chamber with your support. I would like to take this opportunity to outline some significant events that had taken place during the four years.

#### **SINDA**

The chamber continued to be closely involved with SINDA and its work programmes. Recognizing the need for our community to continue to contribute to the nation and to promote the education of Indian Singaporeans by raising their education level to national standards, our Chamber had financed the pioneering work of the Action Committee on Indian Education chaired by Mr J Y M Pillay and the subsequent publication of its report. Our Executive Director, Mr George Abraham, had served on this committee. The report had analysed the educational and social problems of the Indian community, coming up with proposals to deal with them. SINDA was thus formed. As a follow-up, our chamber organised a Fund Raising Dinner for SINDA on 29 October 1992. The funds raised from the dinner formed part of our Chamber's pledge of \$2 million towards the SINDA Endowment Fund. Our Chamber managed to raise a total sum of S\$216,690 from the Dinner. Past Chairman, Mr T R Mulani was actively involved as Chairman of SINDA's fund raising committee and I wish to thank him for his continued support.

## **CULTURE**

The Ministry of Community Development(MCD) with the help of a group of Indian culture experts had produced a video documentary entitled "Customs and celebrations - an Indian Way of Life." This was to promote inter-ethnic understanding and cross cultural appreciation amongst Singaporeans. Together with the National Community Organisations Council (NCOC) and our Chamber, MCD launched the documentary on 22 November 1992 at the NPB Auditorium. Our chamber donated part of the expenses for the launch of the documentary.

The chamber also co-sponsored an evening of Indian poetry, music and dance as part of the Singapore Festival of Arts program in 1994. Chamber members and representatives of the diplomatic community who attended were appreciative of the performance.

## **PARAMESWARA HOLDINGS LTD**

The Chamber's Board of Directors at their meeting in February 1993, took an important decision to form a Steering committee with the Mr S H Hassanbhai as Chairman, to explore the possibility of forming an Investment Company with a view of spearheading a strategic business thrust into India. A holding company, Parameswara Holdings Ltd, named after a legendary ruler of Singapore was therefore formed on 26 May 1993 under the Companies Act, Cap 50 with its registered office at the Chamber. Member of Parliament and former Cabinet Minister, Mr S Dhanabalan has been the Chairman from March 1994 and I have the privilege to serve as the Chamber's representative on the Board of PHL as the Deputy Chairman of PHL. Our Executive Director, Mr George Abraham serves as Company Secretary and the chamber secretariat provides administrative support for which the chamber is paid. I wish to thank Mr Shabbir Hassanbhai for his continued support in assisting the Secretariat in their duties.

## **FUND-RAISING FOR VICTIMS OF EARTHQUAKE**

Our Chamber organised a fund-raising campaign for the victims of the earthquake tragedy which struck Maharashtra on 30 September 1993. The Chamber mobilised support and donated a sum of \$81,936 received from members and the public towards this cause and it was handed over to the Indian High Commissioner in Singapore.

## **INA MONUMENT**

To commemorate the 50th Anniversary of the Japanese surrender, the Ministry of Information and the Arts (MITA) marked 11 historically significant sites including the INA monument (INA) at the Esplanade. Our chamber undertook the sponsorship of \$50,000 cost of the commemoration plaque for the INA monument. The chamber also organised the official marking ceremony for the site of the INA Monument at the Esplanade on 15 July 1995 with Mr S Dhanabalan, Member for Parliament and former Cabinet Minister as the Guest-of-Honour. We are pleased to place on record our grateful thanks for the attendance by many past INA volunteers from Singapore and many parts of the world. A special thank you to Haji Mohammed Siraj the former Hon General Secretary of the Indian Youth League for helping us in our research on INA and its members and for his presence at the function.

## **NEW CHAMBER LOGO**

Over the years, the business interests of our members have increased in keeping with the expansion of their markets. In keeping with the changing business environment, we embarked on a plan for a new design for our chamber's logo. This was officially launched by our Prime Minister Mr Goh Chok Tong at the SINDA Dinner in 1992. It depicts our global interests in a stylised movement incorporating Singapore on a globe and I wish to thank Mr George Abraham our Executive Director for designing it.

## **GLOBAL INDIAN ENTREPRENEURS' CONFERENCE'96**

Let me first mention in brief, the position of the overseas Chinese. Ethnic Chinese throughout Southeast Asia, Hong Kong, Macau and Taiwan who number nearly 50 million have come to wield tremendous

economic power. By end of 1994, outside investors had invested US\$491 billion into some 206,000 joint ventures and wholly owned companies in mainland China. 70% of this inflow was from Hongkong, Taiwan and Macau with quite a large portion of the remainder coming from overseas Chinese in the ASEAN Countries. They have not only financed China's economic rise, but also introduced international standards of management and manufacturing.

In comparison, there are nearly 15 million overseas Indians. In the countries that they are in, they are also to be found, like you ladies and gentlemen, among the elite - wealthy and influential yet maintaining a low profile. In the Asia-Pacific region, Indians are economically, the second most important ethnic grouping after the Chinese. Many of the overseas Indians are now combining local resources with international expertise for developing, producing and marketing products. In 92/93 NRIs invested about US\$61 million in India, but by 94/95, it jumped to US\$442 million. While this was about 34 per cent of total foreign investments into India, it is still a far cry from the volume of investments by overseas Chinese into China.

Against this background, our chamber SICCI has planned the **GLOBAL INDIAN ENTREPRENEURS CONFERENCE 1996**. The theme for the conference is "India - The Uncaged Tiger" and the objectives are to enable Indian businessmen, the Indian diaspora, and businessmen from the region, to form partnerships to benefit from the vast economic opportunities arising from the opening of India to the world.

The ambitious and far-sighted reforms launched by the Indian Government hold out the promise of a rapid expansion of the Indian economy, accompanied by growing links between Indian and global businessmen. Those links would express themselves in investment growth; expanded trade in goods, services, and intellectual-property rights, as well as in the two-way flow of talented and highly-skilled people.

The Conference will therefore draw together key principals guiding the process of liberalisation of the Indian economy, Indian businessmen from around the world, and others with an interest in India. It seeks to forge strategic business partnerships between India and the rest of the world, through interaction among leading Indian business personalities, the Indian diaspora, regional businessmen, and leaders of the MNCs interested in tapping India's potential.

The keynote address, intended to set the stage for the Conference, will be delivered by DPM BG Lee Hsien Loong. It will be followed by two plenary/panel sessions, and a dinner talk. On the second day, there will also be two plenary/panel sessions, followed by a garden reception hosted by President Ong Teng Cheong and a closing dinner with Prime Minister Goh Chok Tong as Guest-of-Honour.

The distinguished speakers invited include an Indian Central Government Minister, a leading opposition figure from India, distinguished scholars, leading businessmen, leading members of the Indian diaspora, and Singaporean establishment (Economic Development Board, Trade Development Board, Singapore Tourist Promotion Board).

This will indeed be a premier event, the first of its kind that brings together such high-level speakers and participants from the Indian Diaspora.

## **STRATEGIC AUDIT OF OUR CHAMBER**

There is some unfinished business which I wish to hand over to the incoming committee. This is the "Guidelines for a Strategic Audit of SICCI" prepared by our Executive Director, Mr George Abraham. In the introduction to the detailed questionnaire, he has stated that "Strategy can be defined as the institution's response to environmental opportunities, challenges and threats, consistent with its competence and resources" and a strategic plan reflects those choices and indicates ways and means of realising them.

I would recommend that the incoming committee take time off and go away to a place where they can spend a day or two to brainstorm and consider a strategic plan that would chart new directions for our chamber in the changing economic environment both local and global.

I would like to conclude, by thanking my Board of Directors, and members for their cooperation in the past years and earnestly hope they will continue to support the incoming Chairman and members of the Board in the coming years.

Thank you.

**Keynote Address by  
Brigadier-General (NS) Lee Hsien Loong, Deputy Prime Minister**

**INTEGRATING THE INDIAN ECONOMY INTO THE  
WORLD: A SINGAPORE PERSPECTIVE**

INTRODUCTION

1. This conference brings together Indian entrepreneurs from around the world, to network, and exchange views on opportunities in the region, especially but not only in India.
2. I am particularly happy to welcome Finance Minister Chidambaram, who is here as the Special Representative of Prime Minister Deve Gowda. Despite the many urgent matters facing the new Indian Government, Mr Chidambaram has found the time to come to address this conference. It is convincing testimony to the importance the new Indian Government places on its economic policies to attract investments from abroad, including NRI investments.
3. Economic reforms are freeing India from the rigidities of a planned economy, and enabling it to fulfil its true potential. The liberalisation and deregulation measures have created unprecedented opportunities, both in India and abroad. Indian entrepreneurs from around the world, with ties both to India and to the countries they live in, are a natural fit to participate in and benefit from India's transformation.
4. Singapore too looks forward to a more dynamic, outward-looking Indian economy, one contributing to regional prosperity and offering opportunities for trade and investment. I am not an authority on the Indian economy, much less in any position to prescribe what the Indian Government should or should not do. Instead I speak as one who wishes India every success in its reforms, and hopes that Singapore will contribute to and participate in this transformation.

THE TREND TO MARKET ECONOMIES

5. India embarked on nationhood and independence determined not to be dominated by foreign powers. After the long and bitter colonial experience, nationalist considerations took priority. The public policy agenda swung towards achieving self-reliance and social justice. There was deep mistrust of free market forces, which could lead to the creation of large private corporations dominating the economy and profiting at the expense of the national interest. Foreign investors, particularly multi-national corporations, were seen as the proxies of foreign powers, bringing neo-colonial exploitation and impoverishment, not economic development and prosperity.
6. The economic management model was therefore characterised by strong state intervention. In Pandit Nehru's memorable phrase, the state was to control the "commanding heights of the economy". Key industries were nationalised - coal and steel, power generation and distribution, banking and insurance, railways, airlines and telecommunications. An elaborate industrial licensing scheme was set up to allocate scarce productive resources through state planning. By bypassing market forces, the state sought to achieve orderly development free from the vagaries of the marketplace. A premium was placed on import substitution and the promotion of domestic industries.
7. At the time, this economic model was not unusual. It was a conventional approach to development post World War II. Many newly-independent countries shared these attitudes, which were influenced by Fabian socialism. Even Singapore accepted the belief in import substitution and self-reliance.

8. But this model was so ill-suited to Singapore's circumstances that we had to abandon it quickly. When we separated from Malaysia in 1965, we lost the security of a hinterland. Instead of a common market including the whole of Malaysia, we were left with our tiny domestic market. We had to turn to less orthodox ways to promote economic development. So we opened ourselves up to foreign direct investment, and sought growth through export promotion instead of import substitution. We actively courted MNCs to set up operations here. The MNCs brought capital, know-how, products and international markets. Without the MNCs we could not have plugged into the wider global economy, and would never have taken off.
9. The other NIEs also followed similar paths. Hong Kong, the smallest, was most similar to Singapore, and had the most open market. Korea and Taiwan had more import restrictions and government intervention, but they too harnessed market forces, and aggressively pursued outward-looking, export-oriented growth strategies.
10. By around 1980, it was clear this strategy had worked. The NIEs had demonstrated high, sustained growth in GDP and per-capita income. In half a generation they had pulled well ahead of other developing countries.
11. The successes of the relatively small and resource-poor NIEs are not by themselves of overwhelming significance to India. The NIEs are not of the same scale or complexity as India. But the NIEs are now no longer the only ones taking this path to growth. The other ASEAN countries - particularly Indonesia, Malaysia and Thailand, have also followed pro-investment, export-led growth strategies with success. Vietnam, ASEAN's newest member, having seen its centrally-planned economy lag way behind its free market neighbours, it belatedly trying mightily to convert to a more market-oriented system, and to attract foreign investments. The entire region is booming, full of confidence and opportunities.
12. Most significant of all, China is opening up its economy, and taking off. China is the country most comparable in size and complexity to India. Both started off in the 1950s with centrally-planned economies. Both eventually reformed and liberalised their economies, China starting in 1979 with Deng Xiaoping's Four Modernisations, and India in 1991.
13. In 1980, China set up the first Special Economic Zones as test-beds for economic reforms. The results were spectacular. The prosperity spread inland and led to bolder reforms. Exchange controls were freed up and taxes were reformed. More sectors were converted from a state planning framework to a socialist market economy. The result has been an enormous surge of growth that is transforming the whole of East Asia. By 1994, China was the world's 11<sup>th</sup> largest exporter, up from 29<sup>th</sup> position in 1980. China is now the biggest destination for foreign investments in the world. Much of this foreign investment is in consumer goods industries, and consumer goods are an important component of China's exports.

#### REFORMS IN INDIA

14. India started its economic reforms later. In 1991, the Indian economy faced balance of payments problems, high fiscal deficits and rising debt. By June 1991, foreign exchange reserves were down to only two weeks of imports. International confidence deteriorated.
15. Prime Minister Narasimha Rao's Government took the courageous decision to change. Finance Minister Manmohan Singh had a solid understanding of economics, a clear strategic grasp of what needed changing, and a shrewd tactical sense of how far and how fast to go, given the political circumstances. Mr Manmohan Singh had a key colleague in Mr Chidambaram, who was then Commerce Minister and a strong and consistent supporter of the reforms.
16. Beginning in July 1991, Mr Rao and his Government progressively implemented fundamental changes. It abolished licensing requirements in most industries, introduced limited rupee convertibility, reduced import tariffs, reformed the tax system, and liberalised investment rules.

17. These changes are far from complete, but they have already started to show results. After the initial belt-tightening to rein in the fiscal deficit, economic growth picked up from 0.5% in 1991 to more than 6% p.a. in 1994 and 1995. Industrial production has also increased after stagnating in 1991-1992. The fiscal deficit has been reduced<sup>1</sup>. Annual job creation has doubled<sup>2</sup>. Foreign currency reserves are up sharply. Inflation is down. Foreign investment has picked up<sup>3</sup>. Companies like IBM and Coca Cola are once again doing business in India.
18. However, India's economic reforms are not yet as broad-based and deeply rooted as China's. China started its economic reform process a decade earlier than India, and has a good headstart. It will take time for reforms in India to take root, and for broad segments of the population to benefit visibly from the changes, and understand that they have a significant stake in the reforms continuing.
19. Also because of India's parliamentary system and large, diverse polity, Indian governments must proceed cautiously in implementing essential changes which are painful in the short run. But over the longer term, India's framework of rule of law can be an important asset. China is trying hard to put in place a more transparent and modern legal structure and process, but will not find this easy.
20. Investors base their decisions largely on their perception of a country's political stability, and whether government policies will remain consistent over the longer term. They prefer not to hold their breath each time general elections take place. India now has a coalition government, comprising parties with different political philosophies and policy priorities. Investors are bound to study closely how this will affect prospects for continued reforms. They will wait for the political dynamics to play out, to see whether the coalition has the political will and support to press on with necessary but difficult reforms.
21. Only time can answer such questions. But not all investors will be prepared to wait too long. For example, one Indian newspaper reported that Volkswagen had frozen plans for major investments in auto-manufacturing in India because of "political instability" to concentrate on the Chinese car market.<sup>4</sup> Many countries are competing strongly against one another to attract a limited pool of foreign direct investment. Delays will mean missed opportunities. It is therefore important for India to press on consistently with an economic programme which will convince investors and yield a steady inflow of investments.
22. Potential investors will also be influenced by highly publicised cases, like the Enron and Kentucky Fried Chicken projects. They have seen how these commercial projects became caught up in domestic politics. They will also have read of political pressures to restrict foreign investments in some low priority economic sectors.
23. It is natural for each country to identify and seek out the types of foreign investment that it especially wants. But in practice it is not easy to target economic policy so precisely. Investors will assess the overall investment climate of the country. They will try to foresee whether they will be welcome beyond the first few years, so whether the mood may change during the lifetime of their projects. They will commit their investments in the country which makes the most economic sense. And they will choose projects which are commercially viable, whether these happen to be making computer chips or potato chips.

Government guidance which accords with economic realities is the best approach for creating jobs and wealth.

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<sup>1</sup> from 8.1% of GDP in 1991 to 5.9% of GDP in 1995/96.

<sup>2</sup> from 3 million in 1991-1992 to 7.2 million in 1994-1995.

<sup>3</sup> The total value of FDI proposals approved in the 5 years since liberalisation began has exceeded all the projects approved in the previous two decades.

<sup>4</sup> The Economic Times, India, 8 June 1996, p.1

## PROSPECTS FOR REFORMS

24. To an outside observer, there are promising signs that India's reforms will continue. Firstly, support for them is no longer confined to the Congress Party. Before the elections, there was considerable concern that if Congress lost, reforms would slow down or stall. But now both the interim BJP government, and the new Government of Prime Minister Deve Gowda, have affirmed their commitment to continued economic reform, and to attracting foreign investments. Mr Gowda's choice of Mr Chidambaram for the key post of Finance Minister lends credibility to this commitment. The Congress Party, now in opposition, continues to support economic reforms both as a matter of principle and as a condition for its support of the new Government.
25. Secondly, many states have recognised the benefits of deregulation and adopted the reform mindset. The devolution of investment approval authority to the states has simplified administrative procedures, cut down red tape involving the more remote central authorities, and considerably accelerated project start-ups, a crucial factor to investors. It has given investments some local protection from the uncertainties of national politics. If this trend towards devolution continues, the business environments in the more reform-minded states will improve further.
26. The states are led by different political parties of diverse persuasions, but they compete actively against one another for foreign investments. Chief Ministers have been going on overseas roadshows to catch the attention of international investors. Singapore has received business delegations from Karnataka, Kerala, Bihar, Maharashtra and Madhya Pradesh, all led by Chief Ministers.
27. Even West Bengal, with a long history of Marxist governments, has been marketing itself as an attractive foreign investment location, and has become one of India's most investor-friendly states. A state minister remarked that "if capitalism alone is introduced as a subject in schools, [Mr Jyoti Basu, the Chief Minister] could easily head the faculty".<sup>5</sup> A senior member of the ruling Communist Party explained that "We are not changing the face of socialism. We are just redefining the role of socialists for the benefit of the masses".<sup>6</sup>
28. Thirdly, as Chief Minister of Karnataka state, Prime Minister Gowda has shown that he is indeed a supporter of economic reforms. I cite a specific instance. Mr Gowda was in the opposition in Karnataka state when Singapore signed a memorandum of understanding to develop the Bangalore Information Technology (IT) Park. The project ran into some difficulties. But the state government was very cautious about overcoming these difficulties, because state elections were around the corner.
29. In December 1994 the incumbent Congress state government lost the election, and Mr Gowda became the new Chief Minister. Within two weeks, Mr Gowda had settled the outstanding difficulties and approved the IT Park project proposal. It so happened that Prime Minister Goh Chok Tong was then in Calcutta, attending the Confederation of Indian Industry's centenary celebrations. Mr Gowda flew to Calcutta, to reassure PM Goh personally that he had approved the IT project, and would support it. Unfortunately, this episode has received far less publicity than Enron and KFC, but it is an important demonstration of Prime Minister Gowda's personal convictions.
30. Fourthly, I believe that the Indian business community understands the importance of continuing with the reforms, and will support them. I visited India in 1992, soon after the reforms started. I met many businessmen from companies which had grown with and relied upon the existing status quo, with its protected markets and restricted competition. They knew what reforms would mean for them: painful adjustments and fiercer competition. Yet all of them were

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<sup>5</sup> Arindam Nag, "India's Veteran Communist Could Defy Stereotype". Reuters News Service, 13 May 96.

<sup>6</sup> Arindam Nag, "India Communist Bastion Turns to Reforms". Reuters News Service, 1 May 96.

convinced that the status quo was unsustainable, that reform and liberalisation were the only way to go, and that there was no alternative. This confident, realistic attitude will be a plus factor, as the Indian Government pushes on with reforms.

31. I therefore conclude that political difficulties may delay, but will not reverse, the process of reforms. There may be immediate uncertainties, delays, and tactical changes of course. But eventually after 4-5 years whichever party is in government will come to the conclusion that economic liberalisation is the only way forward, and should be able to muster a consensus to support it.

#### SINGAPORE AS A PARTNER

32. Singapore has a vested interest in India's economic success. A thriving India will contribute to regional prosperity, and offer Singapore an additional significant source of growth. It will help us to diversify our interests and broaden our linkages with regional markets. An Asia with both China and India doing well will be a more stable environment than one where only one of the two thrives, particularly for a multi-racial society like Singapore.
33. In the last few years, as the region has boomed, Singaporeans have gone overseas into the region to do business in large numbers. While China has been a major lure, we have not neglected our immediate neighbours. Malaysia and Indonesia receive the largest amounts of Singapore's overseas investments. We also have projects in Vietnam and Myanmar. In India, we see many potentially attractive possibilities, as reforms continue and the economy opens up. The IT Park in Bangalore which I mentioned earlier is just one example.
34. We have turned our ethnic diversity to advantage. Chinese Singaporeans have a natural edge operating in China, Indian Singaporeans in India, and Malay Singaporeans in South-East Asia. However, it is not only Chinese Singaporeans who go to China, or Indian Singaporeans to India. For example, Thakral Holdings has business both in China and India. The Sembawang group, a major government linked company, has many projects in both countries. This way we spread our risks, and share in regional growth wherever it occurs.
35. The omni-directional, although still discriminating, approach is far better for our multi-racial society than a narrow focus on China, despite China's economic importance to the region. The more we pursue opportunities elsewhere in the region, the more clearly both our own people and our neighbours will see us for what we really are: a multi-racial society rooted in several Asian cultures, and not just a predominantly Chinese society in the middle of non-Chinese South-East Asia.
36. The opportunities in India include not only investments from Singapore into India, but also outbound activities of Indian companies doing business in the region. Because of the previous emphasis on self-sufficiency and import substitution, India's external trade has been disproportionately small compared to its GDP. Even now, India's foreign trade is much less than Singapore's.
37. As India opens up, Indian companies will naturally want to expand their overseas activities. The larger Indian companies, like the Tata and Reliance groups, have the capacity to extend their reach far beyond India, and in time develop into Indian MNCs.
38. Singapore can make itself useful to such companies. It can provide them with a regional base for outward investments, a launching pad into the region. These companies may find it convenient to service their regional clients from Singapore. In the same way, many western MNCs have established regional headquarters in Singapore, covering the Asia-Pacific from Singapore instead of from San Francisco, London or Frankfurt.
39. Singapore companies may also make useful partners for Indian companies to jointly invest in projects in third countries which the Singapore companies are familiar with. Because we are so small ourselves, we have had no choice but to venture offshore, and do business with the rest

of the world. For example, Singapore is developing industrial parks in China, Vietnam, and Indonesia. We would be happy to welcome Indian firms with interests in these countries to become investors and tenants of these parks.

#### LEVERAGING ON THE INDIAN DIASPORA

40. China, Taiwan and Vietnam all benefit enormously from their networks of overseas Chinese and Vietnamese. The Indian diaspora is a similarly valuable asset to India. The Indian Government has estimated that there are about 15 million NRIs, with US\$40-60 billion worth of assets<sup>7</sup>. Singapore hopes to collaborate not only with Indian companies based in India, but also with the Indian diaspora.
41. The NRI network stretches all over the world, from Hong Kong to London to New York. NRIs from many of these countries are here for this conference. These overseas Indian communities have done extremely well for themselves, especially in the English-speaking countries. Overseas Indians have risen up the socio-economic ladder to occupy senior positions in commerce, finance and industry. They include computer wizards in Silicon Valley<sup>8</sup>, financial wizards on Wall Street, scientists in top universities, and successful entrepreneurs who have risen through hard work and ability in a predominantly Western environment.
42. Taken together, the NRI network has the potential to be a powerful economic force. The overseas Indian communities provide India with a valuable network of links with the rest of the world. There is a natural fund of goodwill which India should draw on. At the same time, NRIs afford India a sizeable foothold into the Western developed economies with the help of insiders rather than having to start from scratch. NRIs can provide managerial expertise, specialist skills and entrepreneurial know-how.
43. However, NRIs have not played as large a role in India's development as they potentially can. They only contributed one-tenth of India's FDI in the decade before 1991, when reforms started. The share has increased since then, but it is still small compared to investments by overseas Chinese into China. Between 1983 and 1994, overseas Chinese poured almost US\$ 70 billion in China, two-thirds of China's total FDI.<sup>9</sup> No doubt overseas Chinese outnumber NRIs 3 to 1, but the potential for NRIs to raise their investments in India is large, once they see that they are welcome, and that they can contribute to and benefit from the changes underway.
44. Singapore, with our multi-racial society, infrastructure and know-how, can play a small part to catalyse this process. We provide a congenial place for NRIs to do business in India and in the dynamic Asia-Pacific region. In our efforts to encourage foreign talent to come to Singapore, we often meet NRIs who are happy to relocate from the West to work in Singapore. Firstly it is nearer to India, and secondly it is an Asian society in which to make their homes and bring up their children. Some NRIs have already done so, and we hope that over time many more will come.

#### CONCLUSION

45. After being largely detached from the world economy for the last 40 years, India has started liberalising and reforming its economy. This will create many opportunities for indigenous Indian businessmen and overseas investors. This conference of Indian entrepreneurs seeks to promote closer links among Indian entrepreneurs, both in India and overseas. I hope participants will use the opportunity to bring yourselves up to date with developments in the Indian economy, to network, and hopefully, to initiate fruitful partnerships.

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7. Puri Singh, "Liberalisation of the Foreign Direct Investment Regime in India". Paper presented at OECD/DNME Investment Workshop, March 1996, p.2

8. It is said that the IC industry in the US is called the IC industry because so many Indians and Chinese work in it.

9. John Elliot, "India and China – Asia's New Giants", Rajiv Gandhi Institute for Contemporary Studies, 1995.

**Speech By Dr Tidu Maini**  
**Managing Director, GEC-Marconi S31**  
**United Kingdom**

In June 1895, the UK Government decided to bring Indians to East Africa not as free immigrants but as indentured servants. A bill was passed in Parliament to proceed with plans to build a railway with indentured Indian labour from the coast in Kenya at Mombasa to the deep interior culminating at Lake Victoria. Between 1895 and 1903 approximately 30,000 Indians were imported. After 8 years when the railway was built, 16,000 Indians were repatriated, 3,000 died of malaria, dysentery and a further 7,000 went back to India with severe illness.

In December 1898, the entire construction was stopped by the cunning and voracious man eating lions at Tsavo – 160 miles from Mombasa. About 28 Indians and scores of Africans were eaten by the lions. Fortunately, a Lt Col Patterson killed both the man eating lions and for many years one of the trophies was the prize show piece in our home.

The blood, sweat and tears of the coolies opened up East Africa thereby creating a golden colonial era – which no doubt you saw in such Hollywood epics as Out of Africa. Unfortunately the participation by the Indians was mainly limited to providing a cheap and convenient service to the British. As a result, there was no “stake holding” in the infrastructure or in the political machinery (as in South Africa by the whites). This resulted in the Indians having little or no bargaining power during the colonial era or post independence.

What I would like to do now is very briefly tell you about the Software Industry – another pioneering story – where if the Indians do not take a “stake” on a “global basis” the same mistake will be made as in East Africa.

The world-wide Information Technology Industry is today approximately half a trillion dollars - per year. The software industry alone in the US is 50 billion dollars while the total including hardware is about 200 billion dollars. If one now adds telecommunications (which has a lot of IT) you can double the numbers. The US software industry between 1987 to 1994 grew by 117% compared to 17% for the remainder of the economy. As a share of GDP these numbers may not appear large but they have profound impact on manufacturing, telecommunications, aerospace and defence industries. The value added is incalculable.

Within the IT market, the hardware part is growing at a phenomenal pace spurred by the breakthrough in the microprocessor technology. Here the technology is totally dominated by the United States with Japan and Korea following closely behind. The software market is growing rapidly in areas such as package (Microsoft, Oracle) and Systems Integration (which provides the customer with total solutions). The majors in Systems Integration such as EDS and Andersen Consultancy have annual revenues of anything between 3-12 billion dollars.

Growth rates and demands are such the industry is choking mainly due to (a) insufficient number of high quality programmers (b) dedicated and disciplined labour and (c) high salaries.

India and China have a solution – both countries have large number of highly motivated mathematicians and physicists.

Given the size of the market place, its phenomenal growth rate and long term impact on the world economy – what do we see in India? Clearly a large throughput of graduates. They are either emigrating to the US or Europe or working for the “Offshore - Software Factories” The “O.S.F.” are being set up by US and companies such as AT&T with the Birlas who are producing software for AT&T in the US and hoping to support the AT&T equipment sales for the two cellular licences in Maharashtra & Gujarat. Motorola, HP etc have already started “O.S.F’s” and are expanding them - it is estimated that India will have an IT industry of something approximately 1-2 billion dollars by the

year 2000 – this surely given the huge resources and potential is small compared to a market in excess of a Trillion dollars. Local companies such as Tata, HCL, Infotech while highly successful are dwarfed by global players such as EDS, Oracle and Microsoft.

How can we change things? I believe what is needed is a concerted action from the Indians Government, the Indian Diaspora, the Financial Community and the Indian IT industry to create truly global companies. Indian IT companies need to not only merge or acquire locally, they need to create truly global companies by merging with similar companies in Singapore, Thailand, Malaysia. They need the financial community to back them through public offerings or private placement to help buy up companies in the US and Europe. Venture and Capital funds targeted to IT in India and the Asia Pacific Region are needed to act a catalyst. In the US for example, one fund Magellan holds IT stock in excess of \$50 billion. It is only in this way by creating global companies and controlling our destiny can we avoid being exploited by major US and European companies and repeating the history of our ancestors which took them to Africa, the Caribbean and the Far East.

## Seminar on Investment Opportunities in Sri Lanka, 6 October 1998



▲ Chairman, SICCI Mr D.D Gupta giving the welcome address



▲ L to R: Hon. C.V. Goneratne, Minister of Industrial Development, Mr Thilan Wijesinghe, Chairman/Director-General of Sri Lanka and Mr George Abraham

Participants at the Seminar ▼



▲ Launching of SICCI publication  
"Doing Business with Sri Lanka"

At the Air Lanka special promotion:  
Hon Minister of Industrial Development, Sri Lanka (center) with Mr Wasantha Senanayake, Minister (Commercial) (1<sup>st</sup> from left), Vice-Chairman Mr N. B. Doshi (3<sup>rd</sup> from left), Hon Treasurer Mrs Jaya Mohideen (4th from left), H. E. Mr Nirmal Wijayaratne, Sri Lanka High Commissioner, Director Mr N. S. Nayak (8<sup>th</sup> from left) and Executive Director, Mr George Abraham (9<sup>th</sup> from left) ▼

L to R: H. E. Mr Tan Kah Hoe, Singapore High Commissioner to Sri Lanka; Hon. Min. of Industrial Devt. Sri Lanka, Mr C.V. Goneratne, SICCI Executive Director Mr George Abraham, SICCI Chairman Mr D. D. Gupta, Mr Thilan Wijesinghe, Chairman Sri Lanka Board of Investment; H. E. Nirmal Wijayaratne, Sri Lanka High Commissioner



## Trade Delegation to India & Third Meeting of India-Singapore Joint Business Council, Chennai, India 6-9 September 1998



▲ Mr R. Ravindran, Member of Parliament addressing the Third Meeting of India-Singapore Joint Business Council ▼

Panelists: (L to R)

Mr M. Rajaram Co-Chairman/ India-Singapore JBC)  
Mr V. Chidambaram Co-Chairman India-Singapore JBC), Mr Derrick Goh (ASME President), Mr R Ravindran (Member of Parliament) and Mr. Deepak Banker, Past President FICCI. ▼



Participants of the Third Meeting of India-Singapore Joint Business Council ▼



▲ Members of trade delegation to Chennai

L to R (Standing)

Mr R. Jayapal, Mr S. Ravi Kumar, Mr Hew Tze Yee, Mr Yap Kim Lee, Mr Loh Suan Len, Mr R. Kalaichelvan, (SICCI Director) Mr S. E. M. Abdul Aleem, Mr P. S. Thiagarajan, Mr Ali Ijas, Mr Rajoo Gunasekaran

L to R (Sitting)

Mr Lam Choo Phui, Mr G. Ramachandran (Past President SICCI), Vice-Chairman Mr M. Rajaram, Mr R. Ravindran Member of Parliament, Singapore, Mr Derrick Goh (ASME, President), Mr Cellappan Pandi Rajan and Executive Director Mr George Abraham

MOU signing ceremony between the Government of Tamil Nadu and SICCI in the presence of the Honourable Chief Minister of Tamil Nadu Mr M. Karunanidhi and Mr R. Ravindran, Member of Parliament, Singapore ▼



## APICCI INAUGURAL MEETING

### **SPEECH BY BG GEORGE YEO MINISTER FOR TRADE AND INDUSTRY AT THE OPENING OF THE ASIA-PACIFIC INDIAN CHAMBER OF COMMERCE & INDUSTRY INAUGURATION MEETING ON 20 NOV 99 AT 9.50 AM**

I am delighted to join all of you here this morning for the inauguration meeting of the Asia-Pacific Indian Chamber of Commerce and Industry (APICCI). The establishment of APICCI will enhance networking among members of the various Indian communities in the Asia-Pacific.

I would also like to extend my congratulations and good wishes to the Singapore Indian Chamber of Commerce and Industry on its 75th anniversary.

#### Indian Business Community in the Asia-Pacific

Indian traders have plied the trade routes of the civilized world from the earliest times. Under the British Raj, Indian communities migrated to all four corners of the empire. In recent decades, the number of Indians living abroad jumped from about 5 million in the 1960's to more than 10 million in the early 1990's.

In many of the countries they have settled, ethnic Indians play a significant role in the economy, often in business. For example, Indians made significant contributions to the economic development of Singapore from its founding in 1819 by Raffles of the East India Company. In fact, until 1867 Singapore was governed from Calcutta which is why till today, among some Chinese in Singapore, all North Indians are called Bengalis. The British brought over many Indian Tamils, Sri Lankan Tamils and Malayalees as clerks, supervisors and workers for the port, railroad and other public works. Different groups of Indian entrepreneurs arrived on their own, performing important commercial functions. One early group consisted of South Indian Chettiar and Tamil Muslim who were traders, money changers and shopkeepers. Another comprised mainly Sindhi, Gujarati and Sikh cloth merchants. Others were involved in textiles, jewellery and spices. In the past, the Indians in Singapore were most conspicuous as wholesalers, retailers and money lenders. Today, entrepreneurs like the Thakral Group and Mohammed Mustafa have built upon their traditional strengths and expanded into new areas like real estate, warehousing and electronic commerce.

The story of Indian communities in other Asia-Pacific countries is broadly similar. Malaysia has the largest concentration of people of Indian origin outside the Sub-continent. Like in Singapore, Malaysian Indians are strong in the retail and wholesale trade. They also play a prominent role in the plantations sector.

The modern Indian presence in Indonesia dates back to the 19th century. The British encouraged Indian entrepreneurs to open shops in the Australian colony. On their way there, many found Indonesia more attractive. Today, they are an important business community in Indonesia. Indian entrepreneurs like the Texmaco Group also own large companies producing textiles, garments, engineering equipment and other industrial products for the world market.

In Thailand, Myanmar and Indo-China, Indian cultural influence goes back more than two thousand years. In Thailand, the Sikh community is the largest group. They started as textile merchants but are today in property, finance, insurance and the hotel business. Many were badly hit by the financial crisis but most have bounced back.

In Hong Kong, there is a thriving Sindhi community which remains influential despite the territory's return to China. Although not widely known, there are also vigorous Indian communities engaged in business in Japan and Korea.

Migration across the Pacific in the last 30 years has created very successful Indian communities in the US and Canada. In the US, one million ethnic Indians contribute to the dynamism of the US economy from Wall Street to Silicon Valley. Because of their high education, the Indians in the US are probably the most successful ethnic community in terms of average income.

### Ethnic-Based Networks

Ethnic-based networks are useful in business. Because of high trust, such networks lower the barriers to entry for new members, reduce business risks and provide a certain amount of group insurance. Network intelligence also enables members to arbitrage across national borders and markets with different local characteristics.

Such networks have enabled Indians to occupy strong international positions in traditional areas like textiles, diamonds and spices, both in retail and wholesale. In the knowledge-based economy of the 21st century, these networks will be even more important. In the IT business, where product cycles are very short, these networks can increase speed and reduce cost. According to Vinod Khosla, a co-founder of Sun Microsystems and now a partner at the venture capital firm Kleiner, ethnic networks can play a useful role. The members feel more at ease talking to each other, testing out their ideas and recommending people they know.

Take the example of Silicon Valley. The Indian community there has woven a fabric of professional, economic and social connections that facilitate the absorption of immigrants, job search, information exchange, finance and access to managerial know-how. Many successful Indian entrepreneurs rely on such ethnic resources while at the same time operating in the mainstream economy. Between 1980 and 1984, Indians were responsible for 3 percent of Silicon Valley start-ups. From 1994 to 1998, this figure shot up to 9 percent. A bright young graduate from India going to the US is able to plug immediately into a reliable network of relatives and friends. A recent study showed that, in 1998, almost one-quarter of Silicon Valley companies were run by ethnic Indians and Chinese. The rapid development of the IT industry in India itself will strengthen the Indian IT network in the world.

For overseas Indians, the key is to be able to integrate fully into the wider host community while maintaining a strong internal network. Diaspora Indian communities all over the world succeed not by being inward-looking but by actively making contributions to the larger communities they live in. They are able to make a clear distinction between their political and cultural identities. In fact, it is crucial for overseas Indian communities to distance themselves from the political conflicts of South Asia.

Indian business communities are web-like in their interconnections. They were hyper linked long before there was the Internet. I have always been fascinated by the way my Sindhi friends source their brides and grooms internationally. They do global searches.

If Indian business communities operate like the Internet, APICCI represents a web cluster for Indian entrepreneurs across the Asia Pacific. By working together, the ten Indian Chambers of Commerce and Industry from Malaysia, Indonesia, Hong Kong, Thailand, Korea, Myanmar, India, USA, Japan and Singapore will establish a wider and more effective business network for its members. We in Singapore are honoured that the Chamber here will be hosting the secretariat.

I wish you a successful first meeting in Singapore.

## 75TH ANNIVERSARY CELEBRATIONS

### **SPEECH BY MR D D GUPTA, CHAIRMAN, SICCI AT THE SICCI 75TH ANNIVERSARY CELEBRATION GALA DINNER, SINGAPORE 20 NOV 1999**

His Excellency, Mr S R Nathan, President of the Republic of Singapore and Mrs Nathan, Excellencies, Distinguished Guests, Delegates from the Indian Chambers of Commerce in the region, Ladies and Gentlemen.

I would like to thank His Excellency Mr S R Nathan, President of the Republic of Singapore and Mrs Nathan for kindly consenting to grace this auspicious occasion to celebrate 75 years of our service to the Singapore business community.

On a historic occasion such as this, I would request you to bear with me as I give a short report on our progress over the last 75 years. The genealogy of SICCI begins in 1924 when "The Indian Merchants Association" was founded with 30 members. In 1935, it became "The Indian Chamber of Commerce" and today the Chamber has over 500 members and is one of the five founding members of the Singapore Federation of Chambers of Commerce and Industry (SFCCI).

The Report of the Commission appointed by the Governor of the Straits Settlements from 1933 to 1934 to enquire into a report on the Trade of the Colony of Singapore has interviews with officials and members of the Indian Merchants' Association. According to our records, the appointment of a Trade Commission was due to the shipping monopolies and this Association single-handedly fought the Bombay Conference by breaking away from them and chartering ships.

The period between 1935-1945 was characterised by constant readjustment to local politics. The chamber continued to function even during the Japanese occupation. In 1949, the chamber announced its acquisition of No 41 Market Street for its premises and attained recognition during this period by gaining 1 seat in the legislative assembly.

This was followed by places on an increasing number of other public bodies like the Advisory Commission, the Import and Export Advisory Panel, the court dealing with trade disputes, Food and Price Control Advisory Board, Singapore Education Sub committee, Improvement Trust House Allocation Committee and the Board of Governors of the Singapore Polytechnic.

In 1961, the chamber acquired 55 Robinson Road as the new Chamber premises. For the first time the AGM was held in the Chambers' own premises in 1963. Optimism was reflected in the international contacts that the chamber was making. The chamber's increasing recognition and its members' stature as traders was indicated by visits by trade missions from India, Pakistan, Iraq, Italy, Japan, the UK, the US, Afghanistan, the United Arab Republic, Burma, Sarawak and Australia.

Local recognition also increased with the chamber's seat in various important public bodies like Trade Advisory Council, the joint standing committee of chambers of commerce, the tariff advisory committee and the economic consultative committee. As these were government bodies, references to such committees always indicated a sense of the chamber having a say in economic matters.

The Singapore Federation of Chambers of Commerce and Industry (SFCCI) was formed in 1979 and SICCI was a founding member. The SFCCI was perceived as signaling the emergence of close cooperation between Government and the private sector in matters concerning Singapore's economy. The Chamber's involvement with the ASEAN Chambers of Commerce and Industry, during this period promised the possibility of better economic consideration and co-operation at the regional level. Till today, SICCI continues to play an active role in regional economic affairs through the ASEAN-CCI.

1979 was also the year when the Chamber's property was acquired and it was only in 1985 that the Chamber bought its present premises in a high rise building.

The Chamber had set out to operate purely as a commercial body right from the start to prove its credibility as a commercial organisation to the relevant authorities. However, it had also been performing important social roles whenever the needs arose.

For example, the Chamber provided secretariat facilities to the Action Committee on Indian Education (ACIE) set up in 1990 with the aim of improving the educational level of Indian children in Singapore and donated funds towards the printing of the ACIE report, "At the Crossroad". The chamber's contributions helped pave way for the establishment of the self-help group, the Singapore Indian Development Association, SINDA which the Chamber continues to support with fund raising.

The Chamber was also involved in calls for long overdue attention to the local Small and Medium Enterprises (SMEs). The Singapore Indian Chamber of Commerce was instrumental in defining the problem when it first alerted national attention to the long neglected SME sector with its 1985 paper submitted to the Economic Committee, entitled "Small & Medium Enterprises (SME) in Singapore - Problems and Assistance Required". The paper listed the main problems faced by local SMEs: the lack of institutional support; the lack of financial resources and capital for business start-ups and ventures; and the lack of modern management competence which was characteristics of survival driven SMEs. Comparisons were made to countries like Japan, Korea and Taiwan, which showed that small businesses thrived under the patronage and guidance of official authorities. The chamber then clarified that the "aim of the policy should not be to protect small businesses but to encourage and support them in growth". The chamber then recommended that a body be setup to look into the needs of SMEs, supplemented by a core group of consultants from the EDB, TDB and NPB.

In 1986, the chamber submitted a paper to the then NPB, entitled "Training Needs for Small Businesses". Three recommendations were outlined in the paper to boost the performance of SMEs, as well as the capacity of SME consultants. The NPB took up the recommendations, conducted a training needs survey, courses for chamber members, and an associate scheme for independent consultants, as an extension of its consultancy service for SMEs.

SICCI has been a firm supporter of Singapore's efforts to develop its external economic wing. By establishing links with India and Indian businessmen the chamber has become an important partner in Singapore's thrust into India's economy. In 1993, SICCI sponsored Parameswara Holdings Ltd, a public company with its registered office in the Chamber, and which currently holds shares in the Bangalore Information Technology Park and other projects in India. In 1996, SICCI successfully organised the Global Indian Entrepreneurs Conference with the support of the Singapore Government which brought together over 500 businessmen from around the world for networking.

In order to seek new ways to expand its role in Singapore society, SICCI brought in two NUS academics to look into how SICCI could better prepare itself for the next century. As a result, the Memorandum and Articles of Association of the Chamber were amended this year to open up membership to professionals and Indian non-residents which will help bring in new ideas and perspectives into the Chamber.

At a time when the government is encouraging foreign talent to boost our talent pool, SICCI's move to accept non-resident Indians complements this exercise. We have recognised the positive aspects of introducing such talent into our midst and the ultimate benefit they could bring into our organisation, our community and our country and hopefully provide talented foreign-born Indians a feeling of belonging to Singapore.

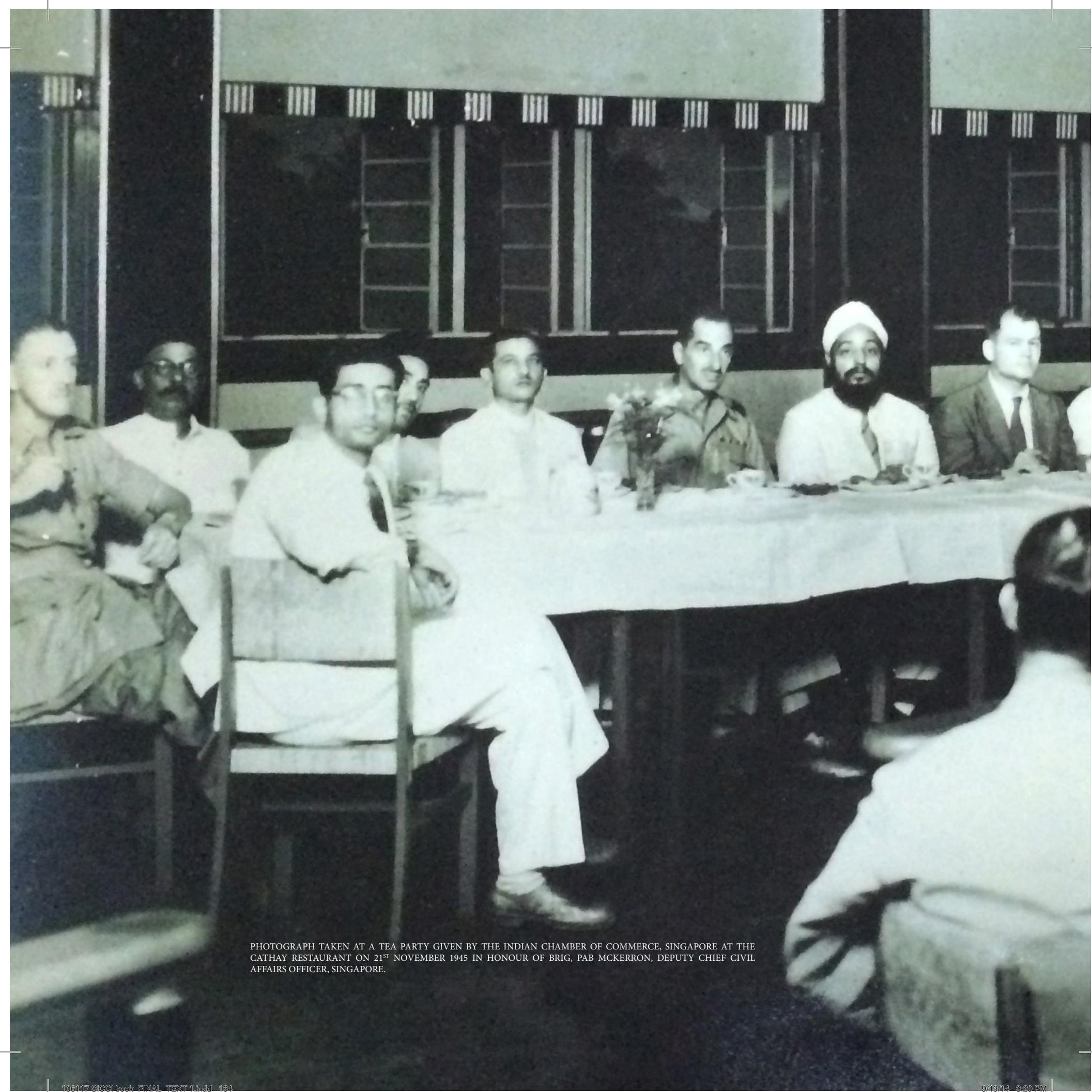
The Chamber takes information technology seriously and is involved with the Confederation of Asia Pacific Chambers in its TradeMatch CD-ROM based Database. On behalf of the United Nations' Economic and Social Commission for Asia Pacific (UNESCAP), the Chamber is also developing an Investment Network Services for Asia Pacific (INSAP) a trade and investment databank for matching services accessible on the Internet. The Chamber's current web site already incorporates the initial Global Indian Business Network which includes details of other Indian Chambers in the Asia Pacific.

I am pleased to report that this morning we held a historic meeting of representatives of Indian Chambers of Commerce & Industry and Entrepreneur Groups from Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Myanmar, the Philippines and USA. We have signed an agreement to set up the Asia Pacific Indian Chambers of Commerce & Industry or APICCI. Those present have unanimously appointed Singapore as the first President of the APICCI with the Permanent Secretariat to be located in Singapore in the Singapore Indian Chamber of Commerce & Industry. This regional chamber will tap the entrepreneurship base in the region, have exchange of information on a regular basis with newsletters, trade news, trade missions and joint missions to third countries. SICCI has agreed to expand its existing web site to include APICCI members so as to encourage the use of internet for networking and eventual development of e-commerce.

Your Excellency, Mr President, when you addressed the opening of the Second Session of the Ninth Parliament last month, you stressed the need for People Development and the need for constant upgrading and updating on our part to keep pace with the goal of a knowledge based economy. We assure you of our commitment to ensure this among our members and the community. As we step into the new millennium, we are confident that working in partnership with the government, we will be able to succeed, and no matter where we roam as businessmen, our hearts truly beat for Singapore as this is where we have sunk our roots and where our future lies.



INDIAN CULTURAL CONTINGENT SPONSORED BY SICCI FOR  
A NATIONAL DAY PARADE AT THE PADANG IN THE 1960s.



PHOTOGRAPH TAKEN AT A TEA PARTY GIVEN BY THE INDIAN CHAMBER OF COMMERCE, SINGAPORE AT THE CATHAY RESTAURANT ON 21<sup>ST</sup> NOVEMBER 1945 IN HONOUR OF BRIG, PAB MCKERRON, DEPUTY CHIEF CIVIL AFFAIRS OFFICER, SINGAPORE.







PHOTOGRAPH TAKEN AT A TEA PARTY GIVEN AT THE CHAMBER'S PREMISES  
IN HONOUR OF PANDIT JAWAHARLAL NEHRU ON 19<sup>TH</sup> MARCH 1946.

