



MEDIA RELEASE

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MANUFACTURING LEADERS AFFIRM SINGAPORE'S FUTURE IN MANUFACTURING AT MAXA 2006 CONFERENCE



1. The Manufacturing Excellence Award (MAXA) 2006 Conference was abuzz with eminent international speakers from the industry engaging some 600 local and foreign manufacturing practitioners and business leaders on an array of industry-related issues that address the future of manufacturing in the world today.
2. The MAXA 2006 Conference, held today at the Suntec Singapore International Convention and Exhibition Centre, was organised by the Economic Development Board (EDB) in conjunction with the inaugural MAXA and as a part of Global Entrepolis @ Singapore 2006. Mr Lim Hng Kiang, Minister for Trade and Industry, was the guest of honour at the event.
3. In his speech, Minister Lim reinforced the manufacturing industry's continued importance in Singapore's economy and highlighted the key competitive advantages that Singapore offers as a manufacturing location. He said: "Even though Singapore is a global leader in the manufacture of high value-added products, there persists the misconception that the sector is losing its shine due to challenges from lower-cost countries. The fact is,

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over the last 10 years, the manufacturing sector's growth has surpassed most of the other sectors and is ahead of our GDP growth. Besides successfully growing our manufacturing sector, we have also built up a complete value chain of capabilities. These capabilities range from production to innovation, design and supply chain management."

4. "Singapore was recently named the world's most competitive place for business as well as the world's easiest place to do business. These accolades bear testimony to our standing as a choice manufacturing location. Our value propositions did not appear overnight – they are the result of much concerted effort over the years to build up our competitive advantages, and create a sustainable world-class manufacturing hub. Hence, manufacturing will continue to feature prominently in Singapore. Manufacturing investments create jobs across the entire value chain. These jobs are no longer only production-line positions – they span a wide range and offer different challenges. Manufacturing also leads to spin-offs in other industries and diversifies our economic base," Mr Lim affirmed.
5. The panel of speakers at the MAXA 2006 Conference included Professor Lord Kumar Bhattacharyya, Professor of Manufacturing & Director of Warwick Manufacturing Group at the University of Warwick (United Kingdom), Dr Yoshiyuki Kaneda, Former Executive Deputy President & Representative Director of Sony Corporation, Mr Helmut Wieser, Executive Vice President & Group President of Alcoa Inc. and executives from EDB, McKinsey & Company and the Singapore-MIT Alliance (comprising the Massachusetts Institute of Technology, the National University of Singapore and the Nanyang Technological University).
6. Speaking on the future of manufacturing, Professor Lord Kumar Bhattacharyya, who is also an advisor to many organisations and governments around the world and the Chairperson of the MAXA 2006 judging panel, said: "Broad based industrial growth will be around for the foreseeable future, it is not a scenario of gloom and doom. However, in a digitised world, concentrating on any particular sector is dangerous because knowledge is transferable at the click of a mouse. Competition will be staggering, therefore industries that have employed the most innovative and educated work force will need to continuously refresh their product base. They will also have to be agile enough to take advantage of major technology shifts. Singapore is well placed in this league."
7. A champion for innovation in manufacturing, Dr Yoshiyuki Kaneda, who is also a judge of MAXA 2006 stressed the need for continuous innovation to achieve superior manufacturing operation. Dr Kaneda said: "R&D leads to innovation, enhances productivity, creates high profit ratio and enables manufacturing companies to become globally competitive. Companies can

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achieve this through the strengths of experienced and knowledgeable people, the wisdom and ambition of management as well as national policies that attract talents and nature a conducive business climate."

8. Speaking on operational excellence, Mr Helmut Wieser, another member of the MAXA 2006 judging panel, commented: "It is the challenge of being the best in safety, reliability and sustainability, in order to satisfy customers and communities. At Alcoa, we achieve this through our people, by living our values and by using all tools of Alcoa Business System. Key principles of which are 'Make to use' (zero inventory), 'Defect free' and 'People lynchpin the system'."
9. At the Conference, McKinsey also shared their findings of MAXA 2006. The review offered participants a rare insight into emerging trends and best practices in Singapore manufacturing and allowed participants to build upon the lessons learnt by leading manufacturing firms to draw conclusions about how the industry can best move forward.
10. Sharing best practices with the global manufacturing fraternity at the Conference, Mr Chee Teck Huei, Vice President of Seagate Ang Mo Kio Hard Disc Drive Manufacturing Operations, the winner of MAXA 2006, spoke about the company's winning edge and shared its success formula which leveraged innovations, excellent manufacturing operating systems and outstanding qualities that bring about business sustainability.
11. Currently, the manufacturing industry contributes about a quarter of Singapore's Gross Domestic Product (GDP) and accounts for more than half of the country's exports. By 2018, the Singapore government aims to double manufacturing output to S\$300 billion and manufacturing value-add to S\$80 billion.

About MAXA 2006

The Manufacturing Excellence Award or MAXA is a new national award in Singapore. MAXA represents the highest standards in manufacturing innovation and excellence. It is a celebration of manufacturing in Singapore and the outstanding operations that are located here. Through a judicious framework and assessment by a panel of illustrious judges, MAXA aims to recognise exceptional examples of successful Singapore-based manufacturing operations with long-term sustainability. The Award partners are the Singapore Economic Development Board, McKinsey & Company and the Singapore-MIT Alliance.

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About EDB

The Economic Development Board (EDB) is Singapore's lead agency responsible for planning and executing strategies to sustain Singapore's position as a compelling global hub for business and investment.

EDB works closely with local and foreign companies across a diverse range of activities in both manufacturing and services to help them move towards higher value-creating operations in an increasingly knowledge-based and innovation-driven environment. EDB also encourages companies to use Singapore as a headquarters and total business centre to manage their global or regional functions to service their global or Asia Pacific operations.

For more information on how EDB can help in your business and investment, please visit www.sedb.com.

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