



WELCOME REMARKS BY SMF PRESIDENT, MR DOUGLAS FOO

AT “VISIT BY SOUTH AFRICAN NATIONAL PARLIAMENTARY COMMITTEES”

ON 24 APRIL, SMF BUILDING

Mr Makue Edwin Ronald, Chairperson of Parliamentary Select Committee on Trade and International Relations and Member of Parliament of Republic of South Africa;

Mr Rayi Mandia Isaac, Chairperson of Select Committee on Economic and Business Development and Member of Parliament of Republic of South Africa

Distinguished Delegations from the South Africa National Parliament,

Ladies and Gentlemen;

Good morning.

1. We are pleased to welcome you this afternoon to SMF. Your visit today is an honour for us and speaks of your sincerity and commitment of our close and substantive relations between Singapore and South Africa. Allow me to introduce to you more about the Federation and our mission :

About SMF

2. Since its inception in 1932, the Singapore Manufacturing Federation, or SMF in short, has always been committed to championing the interest of the manufacturing industry in Singapore and to facilitate its competitiveness and sustainability. Manufacturing in Singapore is presently undergoing transitional challenges; nonetheless this sector remains a key pillar of Singapore's economy, with a contribution of up to 20% of the nations' GDP and employing up to 400,000 of Singapore's workforce.

Internationalization through SMF

3. SMF sees this period of critical changes as an opportunity for sustainable and transformational growth and one of the ways we try to boost the manufacturing sector is to encourage our local manufacturing companies to expand beyond Singapore and establish their presence overseas. Together with the support of our government, SMF organizes many overseas trade shows and business mission trips every year. It is through such overseas activities that Singapore delegations are able to gain insights into the business

environment in those countries and explore opportunities for collaboration.

Africa-ASEAN Partnership

4. SMF is therefore very pleased and excited to be undertaking the inaugural Africa-ASEAN Business Expo (also known as AABE) to be held from 6 to 8 November this year in Johannesburg. This initiative will open a gateway between the African Union and ASEAN, via the commercial hubs of Singapore and South Africa respectively.
5. But why ASEAN and South Africa? The establishment of ASEAN Economic Community (AEC) in 2015 with ten ASEAN countries coming together as a single regional market now forms the third largest economy in Asia and the 7th largest in the world with a collective market of US\$2.6 trillion and 700 million people. Its collective GDP growth is projected at an annual average of 5.2 per cent between 2016 and 2020, and is expected to outpace global growth. As ASEAN celebrates 50 years of its establishment, SMF would like to play a leading role to assist to expand ASEAN's business partnership to the emerging Africa market and help business people in Singapore and ASEAN to forge closer business links with Africa through South Africa as the gateway.

Africa an ideal partner

6. Africa has a huge population, an emerging middle class and abundant natural resources and manufacturing companies from Singapore and rest of ASEAN may leverage on these advantages to address the high cost of operations and the scarcity of land as a base for manufacturing. From SMF's point of view Singapore has an extremely pro-business environment and can work with our manufacturing counterparts in Africa to co-produce products in Singapore. If the manufacturing process is wisely divided between Singapore and South Africa, with consideration of trade terms of each country, manufacturers can enjoy low or even zero tariffs. Furthermore, goods that are assembled in Singapore can carry a "made-in-Singapore" brand, which is a globally trusted trademark.

7. The first series of AABE will be held in Johannesburg, South Africa. Johannesburg is the largest city of South Africa and is one of the leading financial centres in the world. Like Singapore, it is also highly accessible with numerous international flight connections, making it the ideal city to kick-start this venture. Having undergone rapid growth in recent years, coupled with its

open economy, I believe that Singapore companies will find a wealth of investment and business opportunities through South Africa.

8. The SMF together with our various partners in Singapore and ASEAN are making great efforts to bring investors from Singapore and ASEAN to South Africa through our AABE initiative. I would like to take this opportunity to seek the support of the South Africa Government and Ministries as we endeavor to bring investors to your country. AABE will be the start of investments and business flows to South Africa and will be an excellent opportunity for South Africa to leverage on AABE to publicise South Africa as the gateway for business to the rest of Africa.
9. In addition, AABE will offer opportunities for South Africa to highlight their attractive advantages and what they can offer to investors in tourism, manufacturing, mining, agricultural fields and other business opportunities. I would like to take this opportunity to seek the support of the two Chairmen of the South Africa Parliamentary Select Committees as well as all the MPs here to help SMF to get support from the various Ministries and Departments

in South Africa for our Africa ASEAN Business Expo (AABE) initiative as SMF strives to bring investors to South Africa through AABE.

Conclusion

10. As such I hope by the end of our meeting today, we would have your kind endorsement on the AABE which would be a great boost in ensuring that this inaugural business expo would be a success from the get go and would develop further to bring about more business partnerships between ASEAN and Africa.

11. We can discuss further as we go along. My secretariat team is also ready to answer any of your questions. I sincerely look forward to a meaningful partnership with all of you.

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