



**Joint News Release from the Singapore Furniture Industries Council (SFIC),
SPRING Singapore and International Enterprise Singapore**

SFIC targets global furniture market share of S\$6.5 billion in 10 years

***Singapore Furniture Industry gets a Boost from the Government's Local Enterprise
and Association Development (LEAD) Programme***

SINGAPORE, 1 March 2006

1. The Singapore Furniture Industries Council (SFIC) announced today that it is giving the industry a strong shot in the arm with a S\$16 million industry plan. The plan, to be implemented over the next three years, will help the industry sustain its strategic advantage and enhance its competitive edge in the international marketplace.
2. This dynamic growth plan will boost Singapore's share of the global furniture market to an estimated S\$1.7 billion in three years.
3. The SFIC is the latest industry association to announce its gamut of development programmes, partially funded under the government's multi-agency Local Enterprise and Association Development (LEAD) Programme. The LEAD programme was launched last May by SPRING Singapore and IE Singapore to partner industry associations to enhance industry and enterprise competitiveness.
4. The SFIC's three-year growth plan will focus on three key areas – nurture a high value-added workforce, develop more design-centric companies, and create a synergised industry network to capture a bigger global market share.
5. Mr James Koh, President of the SFIC, said: "The SFIC is glad to be able to customise initiatives that complement the industry's competitive strengths – high quality control and reliability – to sustain our growth and viability with the support of the LEAD programme and the assistance of SPRING Singapore, IE Singapore and various other government agencies. This well-rounded development plan is designed to benefit multiple fronts in the industry, ranging from human capital optimisation and promoting design and retail excellence to industry branding and market development."
6. SPRING Singapore Chief Executive, Mr Loh Khum Yean, commended the SFIC for taking the lead in propelling the furniture industry ahead of the competition. "The strategic yet specific projects to be supported under the LEAD programme will help to establish Singapore as an international furniture marketing and design centre. SPRING will continue to work closely with the SFIC to grow the sector," Mr Loh said.
7. Mr Lee Yi Shyan, Chief Executive Officer of IE Singapore, added: "These capability-building initiatives by SFIC will help Singapore furniture manufacturers to be more competitive in the global arena. As the lead agency spearheading the growth of Singapore's companies overseas, IE Singapore will continue to work closely with SFIC and industry players to build up a pool of leading Singapore Furniture MNCs, help them

to extend their global reach, and at the same time, attract more overseas buyers to Singapore.”

Design excellence as competitive edge

8. The SFIC aims to grow the number of design-centric local furniture companies by about 30 per cent in three years through the **designer co-development and design entrepreneur development programmes**.
9. The **designer co-development programme** will leverage the annual high-profile Furniture Design Award to identify five outstanding design young talents and reward them with a one-year employment contract with some of Singapore’s leading furniture companies. The SFIC will co-fund the salaries of the designers for 12 months while they are placed on a meaningful mentoring programme that leads to the commercial production of their works.
10. The **design entrepreneur development programme** encourages an increased stream of world-class products for overseas markets by providing exhibition space at the annual International Furniture Fair Singapore/ASEAN Furniture Show (IFFS/AFS) for budding furniture designers and entrepreneurs to showcase their prototypes to potential manufacturers. The annual IFFS/AFS will attract more overseas buyers, furniture designers and exhibitors and result in an estimated S\$1.5 million in economic spin-offs.

Continuous development and optimisation of human capital

11. The SFIC aims to enhance the value-added per worker in the industry by enhancing operations at the Furniture Learning Institute (FLI) and developing suitable curricula for industry practitioners to continuously upgrade themselves. The FLI will train some 1,000 high-skilled workers in the industry in 10 years.
12. The SFIC also aims to implement two study missions per year to countries renowned for best practices and to exchange ideas with organisations on ways to overcome business challenges, develop innovative ideas and for networking. The missions will focus on areas which will have a positive multiplier effect on Singapore’s furniture industry, particularly in design, retail concepts and enhancements of the FLI and Singapore as the “Asian centre” for the furniture trade.

Strategic branding and marketing

13. Besides capability development, the SFIC also intends to groom 15 local furniture SMEs each year as exporters. The **new exporters mentoring programme** aims to increase the pool of “Singapore furniture brand ambassadors” in the global market to enhance the visibility of the industry’s capabilities and design-led offerings, attract more buyers and grow Singapore’s global market share.
14. The SFIC is also enhancing the International Furniture Centre (IFC) to be launched later this year. Some areas of enhancement include strategic business matching, design development, market development trips overseas and buying programmes to Singapore.
15. The approved initiatives in the Singapore furniture industry LEAD programme are slated for implementation this year and will be completed by March 2009.

Annexes:

- Annex 1: About the LEAD Programme

Note to Editors:

The Local Enterprise and Association Development (LEAD) Programme is a multi-agency effort by the government to enhance industry and enterprise competitiveness.

Should an acronym for the “Local Enterprise and Association Development Programme” be required, please refer to it as the “LEAD programme”.

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About Singapore Furniture Industries Council (SFIC)

Singapore Furniture Industries Council (SFIC) was established in 1981 as the official representative body of Singapore's furniture industry. It currently represents 95% of furniture manufacturers in Singapore. Some 65% of these have subsidiary manufacturing plants in the region, including Malaysia, Indonesia, China, Vietnam and Myanmar.

SFIC's primary roles include promoting the interests of its members and the Singapore furniture industry. Many of its initiatives aim to facilitate members' exposure to the world market, develop local talent and encourage entrepreneurship. SFIC also organises the annual Furniture Design Award to spur trend-setting furniture designs from Asia. To ensure the industry's growth and viability, SFIC continues to forge close partnerships with the government and trade-related agencies to harness technology, knowledge and information for effective strategic planning.

About SPRING Singapore

At SPRING, we work to enhance the competitiveness of enterprises for a vibrant Singapore economy. Our focus is to champion enterprise formation and growth - through our network of valued relationships and resources - to nurture a host of dynamic and innovative Singapore enterprises.

We work with our partners to nurture a pro-business environment that encourages enterprise formation and growth, and facilitate the growth of industries. We also help to enhance the productivity and innovation and capabilities of enterprises, and increase access to markets and business opportunities. Please visit <http://www.spring.gov.sg> for more information.

About International Enterprise Singapore (IE Singapore)

International Enterprise (IE) Singapore is an agency under the Ministry of Trade and Industry spearheading Singapore's efforts to develop its external economic wing. We were formerly known as the Singapore Trade Development Board.

Our mission is to help Singapore-based companies grow and internationalise successfully. We offer a wide range of services in 37 locations worldwide by using a "3C" framework of assistance - Competency, Connections and Capital. We provide market information, and assist enterprises to develop their business capabilities and find overseas partners. At the same time, IE Singapore works to position Singapore as a base for foreign businesses to expand into the region in partnership with Singapore-based companies. Please visit www.iesingapore.com for more information.

Annex 1

The Local Enterprise and Association Development Programme (LEAD) Programme

The Local Enterprise and Association Development Programme (LEAD) is a multi-agency effort by the government to enhance industry and enterprise competitiveness. It aims to achieve this through partnerships with industry associations which are willing to take the lead in industry development and drive initiatives to improve the overall capabilities of SMEs in their industries.

Support will be provided to develop SMEs' capabilities and industry development for key sectors. The development areas can cover, but are not limited to the following:

- i. **Technology & Infrastructure:** This will encourage enterprises to improve their capabilities and productivity by leveraging on enterprise applications and relevant technology infrastructure to innovate and enhance their business operations. It includes the adoption of info-communication technology, development of technical standards and establishment of industry-wide infrastructure.
- ii. **Expertise & Managerial Competence:** This will develop overall industry expertise through training, learning circles and industry-wide certification. It will also cover development of the internal competencies of enterprises by upgrading manpower capabilities and developing managerial competence.
- iii. **Business Collaboration:** This will encourage associations and businesses to forge alliances and leverage on one another's strengths through joint procurement, shared services and creation of joint market access.
- iv. **Intelligence & Research:** This will encourage enterprises towards a deeper understanding of industry trends and requirements so as to develop industry specific solutions through comprehensive research based on sound market intelligence.
- v. **Advisory & Consultancy:** This will promote industry-wide best practices and competence through establishment of industry-specific advisory clinics or industry sharing activities.

LEAD is open to all Singapore industry associations which meet the following criteria:

- The association is in a key industry, has a good representation of industry membership and possesses a strong track record/ performance in assisting SMEs
- The association should represent an industry that contributes significantly to the economy, has good export potential and strong employment size
- The project(s) to be undertaken must not have commenced at the time of application

Qualification Guidelines

Proposals should meet the following guidelines:

- Well-conceived industry roadmap and translation of this roadmap into projects for implementation
- Project contribution to the sector, such as potential revenue creation (local or overseas), VA contribution to industry, job creation and number of benefiting SMEs
- Willingness to co-share project costs
- Development and creation of markets and business opportunities
- Development of industry competence
- Ability to extend the reach to more participating SMEs, including non-association members
- Implementation period should not exceed three years

What does the support cover?

LEAD will support of up to 70 per cent of eligible costs for qualifying projects. These eligible costs include:

- a. Manpower-related costs
 - Salary of project members (excludes CPF contributions and bonuses)
 - Airfare (economy) and Cost of Living Allowance
 - Training Costs
- b. Equipment & materials
 - Industrial Equipment, Materials & Consumables
 - Hardware and Software (including but not restricted to info-communication technology)
- c. Professional Services
 - Consultancy
 - Sub-contracting
- d. Business Development Costs (e.g. marketing costs such as business study trips, participation or organisation of industry conferences, etc)
- e. Intellectual Property (e.g. technology patent costs, licensing, royalties)

All proposals will be evaluated by a panel which will assess and decide on other supportable expenses on a case-by-case basis.