

Speech By Mr Tharman Shanmugaratnam, Minister for Finance, At The Opening Ceremony Of IBM Singapore Technology Park

Date: 20 May 2010 Venue: IBM Singapore Technology Park Speaker: Mr Tharman Shanmugaratnam, Minister for Finance

Mr. Rod Adkins,
Senior Vice President, Systems and Technology Group, IBM

Distinguished Guests

Ladies and Gentlemen

Introduction

1. It is my pleasure to be here today at the inauguration of IBM's Singapore Technology Park, which will be home to the global manufacturing operations of IBM's high-end server systems. This is a major step forward in the partnership between Singapore and IBM, now spanning 57 years, starting from when IBM World Trade Corporation established a branch office on the island in 1953.

2. It is also another step forward for the Singapore IT sector. With IBM anchoring its expertise at the Singapore Technology Park, we will be deepening and strengthening the sector's capabilities - in complex, high-value manufacturing and global supply chain management.

Infocomms industry is a key contributor to Singapore economy

3. IBM's decision comes at a time of recovery in the infocomms sector. It remains a key sector in our economy, now and for the future. (Today, the infocomms sector represents over 7% of our GDP. The total number of infocomms professionals in both infocomms vendor and end-user companies grew to 140,800 in 2009, accounting for nearly 5% of the total labour force.)

4. But it is also a fast-changing industry. The amount of data generated doubles every 18 months, and unstructured data grows at twice the rate of conventional structured data. This enterprise data explosion is driving businesses to build up advanced data processing and storage capacities. The high-end servers that IBM will manufacture in Singapore reflect this growing need. They will be used to run what are amongst the most business-critical installations in global companies.

Singapore Technology Park is testimony to Singapore's capabilities in complex manufacturing

5. IBM's activities in Singapore have expanded significantly since its early start as a marketing and servicing branch office. Today, IBM in Singapore is engaged in a spectrum of knowledge-intensive activities spanning regional leadership and management, high-end services, software and application design and development, and complex manufacturing operations.

6. With this new investment, we will be one of the few worldwide manufacturing locations for IBM's high-end servers. The servers are built to cater to the most demanding of scientific and technical computing, and mission critical tasks. I understand that once these servers are installed, they are expected to run 24/7, with no maintenance required, for many years. The level of complexity in the manufacturing process, and the mission-critical nature of the systems are well-suited to Singapore's high-skill and high reliability environment.

7. Moreover, IBM will be able to enhance its time-to-market by leveraging on Singapore's physical, trade and cultural connectivity to the emerging growth economies in Asia. The Singapore Technology Park will allow IBM to manage global supply chain operations, while also leveraging on a strong local ecosystem of suppliers - electronic manufacturing services, precision engineering, and logistics partners in Singapore and the region.

Conclusion

8. I look forward to many more years of successful partnership between IBM and Singapore. I would like to extend my heartiest congratulations to the management and staff of IBM on the opening of the Singapore Technology Park and wish you every success in this exciting new venture.