

## MONEY

# Boost manufacturing standards, Boon Heng tells local enterprises

He also urges firms to pool resources and expand into nearby countries

A STRATEGY to upgrade manufacturing standards and implement product packaging technology is critical to local enterprises, said the Senior Minister of State (Trade & Industry), Mr Lim Boon Heng yesterday.

Local companies should also enter strategic alliances with research institutes or other companies to pool resources and achieve better synergy, as well as expand into nearby countries to market their products.

Mr Lim was speaking at the opening of local pharmaceutical manufacturer Opto-Pharm's new \$12-million plant at Tuas yesterday. The plant produces intravenous drips for hospitals, contact lens solutions, and other pharmaceutical products.

Opto-Pharm claims to be the first local company to use a system called "form-fill-seal" to manufacture its products.

In his speech, Mr Lim noted that although Singapore's pharmaceutical industry has grown at the rate of 17 per cent a year over the last decade, much of the growth was achieved by multi-national companies.

Excluding the contribution of MNCs, the average annual output growth recorded by other companies in the industry increased by a much



Mr Lim (centre) looking at one of the intravenous drips produced by Opto-Pharm. Beside him are Mr Robert Khoo (left), the company's executive chairman, and Mr Low Kee Siang, its managing director.

Noting that MNCs accounted for more than 90 per cent of the industry's \$1.4-billion output last year, he said: "I am told that one of the growth constraints for local companies in the pharmaceutical industry is the lack of resources for business expan-

As such, he suggested that local companies collaborate with institutes such as the National University of Singapore to develop new products and technologies.

Alternatively, two or more enterprises could pool their resources and merge their

mies of scale.

Mr Lim also said exciting opportunities existed in emerging markets like Vietnam and other Indochinese states and success of local companies in these markets will depend on the quality and competitiveness of their prod-

Yesterday, Mr Lim also praised Opto-Pharm's executive chairman, Mr Robert Khoo, 53, for setting up the company five years ago, at a time when he could have retired comfortably.

Younger entrepreneurs should follow Mr Khoo's