

**SPEECH FOR ENTERPRISE SINGAPORE CEO
MR PNG CHEONG BOON
AT ENTERPRISE SINGAPORE'S YEAR-IN-REVIEW 2021
ON 11 FEBRUARY 2022, FRIDAY**

Introduction

1. Good afternoon media friends and leaders from Trade Associations and Chambers. Minister earlier shared our key economic strategies. I'll now elaborate on the work that ESG did last year.

SMEs pressed on with transformation efforts in 2021

2. In 2021, ESG supported 22,100 enterprises in their productivity & capability upgrading, innovation and internationalisation efforts. A 44% increase compared to 2020.
3. When fully realised, these efforts are expected to generate S\$17.9 billion in value-add and create 23,300 skilled jobs for the Singapore economy. Let me elaborate.

Productivity and capability building

4. First, on productivity and capability building. **In total, we supported 21,900 enterprises on productivity and capability upgrading projects.**
 - a. More than half were from Food Services, Retail, Wholesale Trade and Manufacturing, with many focusing on automation, digitalisation, and process and workflow redesign.
 - b. One example is **Containers Printers**, which adopted a digital colour management solution as part of its Industry 4.0 transformation. It was able to eliminate certain manpower intensive processes like final print checks, and improve efficiency for processes like ink-colour adjustment by 50%. This led to an overall increase in production capacity with the same number of workers.
5. We stepped up efforts to help SMEs digitalise, so that they could operate remotely more effectively and access more customers via e-commerce platforms.
 - a. ESG and IMDA enhanced the **Start Digital** programme to include new solutions in digital collaboration, digital marketing and digital transactions. More than 30,000 companies have benefitted to date.
 - b. We also accelerated efforts to help heartland merchants through the **Heartlands Go Digital programme**. More than 2,500 set up their online presence or adopted digital commerce solutions and another 4,000 adopted e-payment solutions in 2021.

- c. In digital manufacturing, ESG, IMDA and the **Singapore Precision Engineering & Technology Association**, launched the **Industry Digital Plan** last year. This will help Precision Engineering enterprises assess their digital readiness and identify suitable solutions for growth. This is expected to benefit about 2,700 SMEs in the PE sector.

Innovation

6. **600 enterprises undertook innovation projects in 2021, same as 2020.** They developed new products and solutions to meet local and global market demands, and gained a competitive advantage in the process.
 - a. With ESG's support, **Endofotonics** developed the world's first molecular AI diagnostic platform that is able to improve early-stage stomach cancer detection. The technology has been approved for use in Singapore hospitals.
7. Other enterprises innovated by **partnering IPI Singapore and nine Centres of Innovation (COIs)**. They offer resources to help SMEs and startups like **SIM Solutions** and **VFlow Tech** uplift their capabilities or develop new products. In 2021, IPI Singapore and the COIs supported more than 130 SMEs.

Internationalisation

8. Despite significant global travel restrictions and uncertainties, **1,600 enterprises carried on with their internationalisation efforts.**
9. While the top destination markets were China and Southeast Asia, particularly Vietnam, Malaysia and Indonesia, many enterprises also ventured to markets further afield. Some tapped ESG's Market Readiness Assistance (MRA) grant to enter markets like Saudi Arabia and South Africa. Others were introduced to projects in the US and Europe across areas such as lifestyle and consumer, and technology.
 - a. Fintech company, **Liquid Group**, tapped the MRA to set up its first office in Saudi Arabia to provide payment services to the growing travel and tourism market.
10. **ESG also facilitated more than 300 overseas projects for Singapore enterprises.** These projects not only helped Singapore enterprises secure new businesses, but also establish partnerships, open new channels, extend global networks and diversify into new markets, so that they can scale their businesses faster.
 - a. In Australia, ESG introduced eco-tourism company **Big Tiny** to Australian authorities to help the company expand into three new states – South Australia, Queensland and Tasmania. With this, it doubled its portfolio of Australian properties to more than 100.
 - b. Through ESG's facilitation, big data and AI company **Crayon Data** partnered a South African system integrator in early 2021 to cross sell its personalisation engines to banks and telecommunication providers across Africa.

11. We continue to engage foreign partners through virtual missions, webinars and market forums like the Africa-Singapore Business Forum, to drive business matches between Singapore companies and their counterparts.

Working with TACs on industry & enterprise transformation and upgrading

12. **Trade Associations and Chambers (TACs) are important partners in our enterprise development efforts** as they understand the needs and challenges of their respective sectors and members, and have the expertise and networks to assist them.
 - a. The network of **11 SME Centres** run by our five TAC partners is a key pillar of support for SMEs. Last year, these SME Centres assisted more than 28,000 SMEs in their upgrading efforts and business needs.
 - b. TACs also drove initiatives to help their industries level up. For example, **the Container Depot and Logistics Association (Singapore)** developed a digital solution to enable container haulage companies to track assets such as trailers and prime movers. By sharing the data with ports, warehouses and container depots, this will help increase operational efficiency and maximise asset utilisation, not only for the haulage companies but also across the whole logistics value chain.
 - c. The **Singapore Business Federation (SBF)** set up the **GlobalConnect@SBF** in November 2019 to help SMEs expand overseas. It established **three Singapore Enterprise Centres in Jakarta, Ho Chi Minh City and Bangkok** last year to help businesses venture into these markets. To date, they assisted more than 4,500 Singapore businesses, such as Oculus Private Limited.
 - d. In addition, the **Singapore Chinese Chamber of Commerce and Industry** also operates two Singapore Enterprise Centres in Shanghai and Chengdu, and two rep offices in Chongqing and Nanjing to help Singapore businesses venture into China.
13. Our TAC partners have done great work, and I thank them for their strong support and close partnership.

Strengthening the startup & innovation ecosystem

14. ESG continues to strengthen the ecosystem to help startups grow and scale.
 - a. **About 2,300 tech startups** gained access to funding, incubation and mentorship through our Startup SG programmes and assistance from our partners. This is a 10% increase compared to 2020.
 - b. Last year, our investment arm, **SEEDS Capital**, invested **S\$48.6 million into 46 early-stage tech startups, catalysing close to S\$334 million worth of private sector investments.**

Driving collaborations between large and small enterprises

15. ESG also facilitated collaborations between large and small enterprises. We partnered public agencies, MNCs and Large Local Enterprises to launch 13 Open Innovation Challenges last year. This enabled more large organisations to work with SMEs and startups to develop innovative solutions and capture new business opportunities.
 - a. Singapore-based startup, **Datature**, won the Rolls Royce Data Innovation Challenge in 2019. This gave them the chance to work with the team at Rolls Royce to develop a solution that makes use of data to enable better decision making for flight scheduling and planning. Building on that experience and track record, Datature launched its own platform in April 2021 to help companies and developers build machine learning models. It now offers this solution to more than 800 clients across 44 countries.
16. ESG supported the formation of more consortiums to seek out new opportunities both in Singapore and overseas.
 - a. One example is **Lim Siang Huat**, which led a group of seven Singapore food manufacturers - **Allswell Trading, Fragrance Bak Kwa, Gryphon Tea Company, Lilo Health Food, Lim Lam Thye Pte Ltd, Oatly and Seah Spice's** - to explore market opportunities in Cambodia. As a leading distributor in Cambodia representing major FMCG brands, Lim Siang Huat helped these companies plan and identify customer segments and channels, and subsequently helped them market, sell and distribute their products through these channels to the Cambodian consumers.
17. ESG also worked closely with **CapitaLand and Shopee through the Alliance for Action (AfA) on Facilitating Smart Commerce**. This helped over 100 local brands to integrate offline and online sales channels locally, and access overseas markets through Shopee's regional e-commerce platform. A key initiative was the launch of the IMM Virtual Mall on Shopee.

Facilitating cross-border partnerships in innovation and market access

18. In 2021, ESG facilitated more cross-border partnerships in innovation and market access.
19. We **expanded the Global Innovation Alliance (GIA) network to Moscow**, giving us a total of **16 GIA nodes** across the world. In 2021, **more than 230 tech SMEs and startups** tapped the GIA network and its Acceleration Programmes to venture overseas.
 - a. **TeleMedC**, a Singapore ophthalmic and AI software startup, is one example. Through the GIA programme to Germany, it secured a partnership with a German university hospital to conduct research on early detection and grading of various eye conditions. This led to TeleMedC setting up a German subsidiary in May last year to support the German market.

20. **Over 60 Singapore enterprises participated in 9 cross-border co-innovation calls.** These included those by Eureka, an inter-governmental network that supports global collaborations in market-oriented R&D and innovation.
 - a. Singapore energy startup, **Evercomm** participated in the second Eureka-Globalstars call in 2020, where it partnered UK tech company, IONATE, to develop a platform that leverages AI to optimise equipment performance. This reduced the cost of managing grid efficiency by 40%, and allowed customers to easily transact in the energy market.
21. We will continue to facilitate more of such collaborations to help our enterprises expand their networks, enhance their expertise and scale their businesses faster.

Scaling up Singapore enterprises

22. In 2019, we introduced the **Scale-up SG programme** to help high-growth local enterprises strengthen their capabilities and networks. This will enable them to scale more quickly and become global leaders in their fields.
23. Last year, **16 enterprises from sectors such as retail and manufacturing joined the Scale-up SG programme**, making a total of 65 in the programme to date. **Castlery, EtonHouse, Omni-Plus and AEM** are companies that have benefitted from this programme and significantly expanded their business globally.
24. Another **180 business leaders from 130 SMEs joined the Enterprise Leadership for Transformation (ELT) programme** in 2021. They aimed to develop more ambitious business growth plans and hone their leadership and management skills. Companies like **Gift Market** have benefitted from ELT as they were able to transform their business despite being severely impacted by COVID.

Support measures to help enterprises deal with COVID-19 disruptions

25. Beyond our enterprise development efforts, ESG continued to help businesses deal with COVID-19 disruptions. These include extending grants and financing schemes, supporting industry-led efforts on fair tenancy practices, assisting businesses to cope with restrictions and additional public health requirements arising from the changing COVID situation.
26. S\$8.6 billion worth of loans were extended to 12,600 enterprises, mainly under the Temporary Bridging Loan programme and the Enterprise Financing Scheme-Trade Loan. These helped enterprises manage immediate cash-flow needs and support their trading activities.
 - a. 91% were Micro and Small enterprises, mostly from Wholesale Trade, Construction and Manufacturing.

- b. We have also encouraged our partner banks to proactively restructure loans when needed, to ease the repayment burden of the SMEs. To date, 20% of the outstanding loans under our financing schemes have been restructured.

Conclusion

- 27. 2021 has no doubt been another challenging year for our enterprises, especially SMEs. But we are comforted that many showed the resilience and resolve to overcome the difficult situation.
- 28. We are also very happy to see enterprises pressing on with their transformation efforts. More importantly, more companies and industry partners are collaborating with one another to develop new capabilities, products and solutions, as well as enter new markets.
- 29. This bodes well for our whole business ecosystem, and prepares companies to capture new opportunities as economies reopen.
- 30. With this, I will now hand over to our Chairman, Mr Peter Ong to share ESG's priorities for 2022. Thank you.