

**SPEECH FOR ENTERPRISE SINGAPORE CHAIRMAN
MR PETER ONG
AT ENTERPRISE SINGAPORE'S YEAR-IN-REVIEW 2021
ON 11 FEBRUARY 2021, FRIDAY**

1. Thank you, Cheong Boon.
2. We are now almost two years into the pandemic. 2021 remained challenging, but as Minister said, the situation has begun to look better.
3. As we kick off 2022, it is timely to adjust our strategies, and shift our focus to capturing growth.

ESG's four strategic priorities for 2022 to capture growth

4. To do this, ESG will focus on four priority areas:
 - a. Accelerate internationalisation and trade
 - b. Intensify innovation and startup efforts
 - c. Seize growth opportunities in new emerging areas
 - d. Grow local companies with global ambitions

Accelerate Internationalisation & Trade

5. First, we will step up our internationalisation drive.
 - a. Internationalisation continues to be key for growth and resilience, given the size of our market. The return of global growth to pre-pandemic levels presents good opportunities for companies.
 - b. Travel restrictions have impacted internationalisation efforts. But our companies have persevered. Compared to 2020, ESG facilitated overseas projects for more enterprises in 2021. While this was below the number of projects secured pre-Covid, it is still encouraging to see many pressing on. As countries loosen their Covid restrictions, we should step up our engagement in tandem to match the offerings of our companies.
 - c. We will intensify our internationalisation efforts in two ways:
 - One, we will help companies deepen market presence in the region. If they are already overseas, we encourage them to look beyond the major cities in each major market or region. Danang in Vietnam or Surabaya in Indonesia are but some examples.
 - While China is a large market, growth prospects will remain constrained as travel restrictions remain. Notwithstanding, sectors such as lifestyle and consumer, medtech and green economy offer good opportunities.

- Two, we will help companies enter markets further afield. There are specific opportunities in specific markets. In emerging markets such as Latin America and Africa, it is consumer-related, trade, digital and infrastructure solutions. In developed markets such as the US and Europe, there are opportunities in areas such as the green economy, logistics and supply chain resilience.
6. Home grown drone solutions provider Performance Rotors introduced the world's smallest industrial drone. It can fly with precision in confined spaces with no GPS guidance.
 - a. Supported by ESG, the company set up shop in Malaysia and the Netherlands last year, with plans to further expand into the Middle East and the US. Confined circumstances do not seem to prevent the company from taking flight.
 7. To help open up access to more markets, we will step up our efforts to:
 - a. Build greater awareness of Singapore firms' capabilities among foreign corporates and governments.
 - b. Tap Singapore's thriving tech innovation ecosystem to attract foreign firms to partner Singapore firms for growth.
 - c. Help companies scale up overseas more quickly through joint ventures, mergers and acquisitions, and banding Singapore firms together to pursue projects.
 8. Let me share the example of the Singapore Medtech Consortium, led by Racer Technology.
 - a. It is an industry-led consortium formed amongst 5 local SMEs in the Precision Engineering industry.
 - b. This project offers end-to-end manufacturing services to large overseas players, through joint business development efforts.
 - c. By the end of the project, the consortium met a total of 40 different companies from US and Europe, securing 20 projects, partnerships and generating more than 30 potential business leads.
 9. The Singapore Medtech Consortium is not the only one. ESG has supported others in manufacturing, trade and logistics.

Intensify Innovation & Startup Efforts

10. Second, we will intensify our innovation efforts and fuel startup growth. Innovation is a key ingredient that companies will need to create world-beating products and brands with unique value proposition in their internationalisation efforts.
11. Open innovation will continue to be a key approach for us.

- a. Our Open Innovation Challenges have been well received – corporates gain access to new ideas, while startups and enterprises offer new solutions.
 - b. In 2021, ESG worked with more than 60 organisations from 11 countries, providing pilot opportunities for the winning solution providers.
 - c. We will continue to work with corporates to seal tangible outcomes from these efforts. To take it one step further, ESG will step up our focus on driving cross border innovation. For 2022, we have already identified more than 10 innovation calls with countries across Europe and Asia, and we will be announcing them in due course.
12. Our Centres of Innovation, or COIs, have been instrumental in our efforts to accelerate the push for SMEs and startups to be innovation starters.
- a. These COIs were set up in partnership with polytechnics and research institutes. They provide technical equipment, specialty training courses and advisory, as well as cultivate an innovation mindset.
 - b. To date, ESG has supported the set-up of 9 COIs, in different industries such as electronics, environment and water.
13. One local enterprise that has benefitted from the COI ecosystem is NovaMeats.
- a. It worked with the Food Innovation and Resource Centre at Singapore Polytechnic to develop and commercialise its first plant-based meat product.
 - b. Since then, NovaMeats has successfully launched in China. It has set up a manufacturing plant with production volume of 2,000 tonnes and hopes to produce 30,000 tonnes to serve the growing demand in China and the rest of Asia. Such a scale of operation could not have happened without internationalisation and without innovation.
14. We aim to strengthen our COI ecosystem, so as to help many more companies like NovaMeats innovate and scale overseas.
15. We cannot speak about innovation without mentioning startups. Startups are key drivers of innovation, being at the forefront of new concepts and technology that propel strong growth.
16. In 2021, there were eleven newly minted Singapore-based tech unicorns, equal to the total number of unicorns produced in Singapore over the past years. This is testament to the vibrant and resilient startup ecosystem that has been built up over the past decade to support the growth of startups in Singapore.

17. We will continue to grow this vibrant ecosystem. Talent, financing and connections, both local and global, will be areas of focus. Ultimately, we want to develop many more champions like PatSnap, Carro and Ninja Van.

Seize growth opportunities in new areas such as Sustainability & Emerging Tech

18. Third, we will support enterprises to capture opportunities in new and emerging areas. I want to name two in particular – sustainability and emerging tech.
19. For sustainability, there is a window for our companies to ride the wave of decarbonisation globally. We must seize new sustainability-related demand in food tech, clean energy and infrastructure.
20. Genplus, which provides energy storage solutions, has successfully capitalised on this.
 - a. It has been building up its capabilities to provide services in screening and evaluating second-life batteries for repurposing or recycling. In May 2020, Genplus secured a partnership to work on battery recycling activities. The company strengthened its sourcing of retired electric vehicle batteries and expanded its servicing of the complete life-cycle of battery provision and recycling.
21. To help companies build capabilities in this area, ESG launched the Enterprise Sustainability Programme in October last year.
 - a. We are partnering industry stakeholders such as Global Compact Network Singapore, PwC Singapore and Singapore Environment Council to roll out courses for enterprises new to sustainability. The courses will provide business leaders with tools and resources to assess their level of sustainability readiness and performance. The first run is expected to commence in March this year.
 - b. ESG also supported TACs such as the Singapore Furniture Industries Council and the Textile and Fashion Federation on their sustainability roadmaps to promote sustainable supply chain in these sectors. We will expand this to TACs in more sectors in 2022.
22. In the area of emerging tech, ESG will build on existing plans to groom companies in niche areas such as blockchain and immersive tech. Partnerships with industry stakeholders would be key. ESG has already kickstarted the work on this front – we supported the set-up of Tribe Accelerator in 2018, to help blockchain startups bring their solutions to market and scale internationally. To date, since 2018, Tribe Accelerator's startups have raised over US\$125 million in funding after participating in its programmes.

Focused effort to Groom and Grow Local Companies with Global Ambitions

23. Fourth, we will step up our efforts to grow a new generation of homegrown champions which are globally competitive, rooted in Singapore and provide good jobs for

Singaporeans. Such enterprises will ensure the continued growth of our economy, generating an outsized impact and leading the way in innovation.

24. We are not starting from scratch. ESG already launched the Scale-up SG programme, which will form a pipeline from which to groom high-growth potential enterprises. As Cheong Boon mentioned, we have conducted five runs so far, benefitting 65 companies. Many of these companies have since embarked on aggressive growth plans.
25. AEM Holdings is one good example. It provides testing solutions for chipmakers and counts one of the world's largest semiconductor vendor among its clients.
 - a. It participated in Scale-up SG in 2019, tapping the programme's consulting expertise to focus and expand on its China instrumentation business unit.
 - b. In 2020, the company's revenue crossed the S\$500 million mark.
 - c. It also completed five acquisitions as part of its inorganic growth strategy.
26. This year, ESG will intensify our efforts to identify and partner even more aspiring companies in their growth journey. A comprehensive suite of measures across innovation, internationalisation, financing, talent development, resource and regulatory facilitation will be needed to nurture these companies.

Forge ahead with uplifting capabilities of enterprises

27. Even as we refocus on helping high potential companies, ESG will continue to uplift the broad base of Singapore companies. These comprise on-going initiatives that cater to the broad base of enterprises. For example:
 - a. Implement the enhanced Industry Transformation Maps.
 - b. Build on the foundation of digitalisation. Take it to the next level with the implementation of more advanced digital solutions, such as AI and Industry 4.0 technologies.
28. Importantly, we will reach out to this broad base of enterprises with the support of partners such as the Trade Associations and Chambers.

2022: A turning point for businesses to recapture growth

29. The last two years have presented many challenges for our businesses. ESG has partnered many companies to tide them through this period. Now, we need to shift gears, prepare for a shift in the environment, recover lost ground and focus on capturing growth.
30. **Internationalisation will need to be supported by innovation efforts. Companies must also seize opportunities in new areas. Ultimately, we want these efforts to turn local champions into globally competitive enterprises who will take their place on the global stage.**

31. ESG and our partners stand ready to support you. Together, we can chart a new path forward.
32. Thank you.