

**SPEECH FOR ENTERPRISE SINGAPORE CHAIRMAN  
MR PETER ONG  
AT ENTERPRISE SINGAPORE'S YEAR-IN-REVIEW 2022  
ON 1 FEBRUARY 2023, WEDNESDAY**

**Growth and Transformation Through Internationalisation and Sustainability**

1. Thank you, Cheong Boon. A very good morning to friends from the media, leaders from our trade associations, colleagues and friends.
2. I will start with how we see the macro environment and outline our approach for 2023.
3. Even as we shift our focus beyond COVID-19, challenges like inflation and supply chain disruptions remain. Softening demand in major regions around the world will dampen business sentiments, and the impact of the reopening of China will depend on how the COVID-19 situation unfolds in the country.
4. Given such uncertainties, it is understandable that companies would be cautious. But this caution should not result in simply standing still. Instead, I urge companies to boldly pursue growth and to keep transforming. Both to make up for the lost COVID-19 years, and also to gain early advantage in areas where they can be competitive. There are still opportunities to pursue even in the current macro environment. To pursue them, companies must think beyond what they are doing today and transform to meet the needs of tomorrow.
5. To help companies grow and to transform, EnterpriseSG will focus on four strategies for 2023:
  - a. Intensify internationalisation efforts
  - b. Accelerate innovation
  - c. Acquire sustainability capabilities
  - d. Grow the next generation of Singapore Global Enterprises
6. Innovation and growing Singapore Global Enterprises are two very important pillars of work which we have spoken on previously, and organised many events around. There will also be other occasions in future where these two pillars will be further elaborated.

7. For the rest of my speech, I want to instead focus on internationalisation and sustainability. I believe these two areas will indeed present the opportunities to bring the growth and transformation that our companies should pursue.

### **Intensify Internationalisation**

8. Why have I chosen to focus on firstly, internationalisation? For two reasons – first, given our small market size, we need to be able to meet the demands of a global audience to achieve scale. Second, COVID-19 has taught us too well the importance of diversification. We cannot rely on just one market for survival. Uncertainties in global supply chains and the nearshoring trend present both opportunities and challenges for our companies. Singapore companies must respond; be it to diversify and strengthen their own supply chains, or to leverage evolving trends to enter new markets.
9. Different markets present different opportunities. Thankfully, Singapore is in good standing with many countries and our companies are welcomed around the world. Even as the global economy gets more fragmented, our companies are seen as offering trusted brands, high reliability and standards. We see three layers of market penetration for our companies:
  - a. **First what we call the mainstay markets:** These are the markets where our companies have traditionally gone to and are familiar with due to proximity and affinity. They already form the bulk of our companies' internationalisation efforts. Southeast Asia is the bright spot relative to slower growth elsewhere. Its large and growing middle class offers good potential for those in the consumer-related, digital and sustainable infrastructure sectors. China is reopening rapidly, with opportunities in the green economy, innovation and trade & logistics. Already, we are seeing strong interest from our companies who are beginning to re-engage with their Chinese counterparts.
  - b. **The second layer is what we call markets with specific focus:** The US and Europe provide sources of technology and innovation for our companies, in areas like automation, advanced manufacturing and sustainability. The Middle East offers high discretionary spending power. India, with its growth potential, provides multi-sector demand from manufacturing to digitalisation.

- c. **Thirdly, what we call emerging markets:** Beyond traditional markets, we should not overlook the potential of emerging ones like Africa and Latin America. Those entrepreneurial enough to venture there will enjoy an early mover advantage. For instance, companies can capture nearshoring opportunities in Mexico to serve their US clients or meet increased demand for sustainable infrastructure in Africa. The Singapore brand name is well regarded and welcomed in these emerging markets.
  
- 10. We expect a degree of familiarisation or refamiliarisation with all the above markets. It could either be companies taking their first move into these locations, or companies who have dropped their level of engagement during COVID-19.
  
- 11. To that end, Enterprise Singapore is committed to supporting companies bridge such gaps in 2023. We will facilitate new market entry modalities, such as strategic partnerships, joint ventures and consortiums, to quicken the internationalisation drive.
  - a. One way is to **partner with established corporates on pilot projects in-market**. Last year, we helped three Singapore companies, **Durapower, Evercomm and Resync Technologies** to work with a Thai renewable energy company seeking to onboard new technologies amid the energy transition. Together, these three companies secured a pilot project to co-develop an integrated distributed energy system for Chiang Mai University to enable cleaner and more efficient energy usage. This project has gone on to result in new collaborations with other Thai partners for the three companies.
  
  - b. A second way is to **leverage the strength in numbers and our unique Singapore brand**. Last year, we brought ten Singapore lifestyle brands under one partnership with Showfields to explore the sophisticated and mature US market through a **pop-up showcase in New York City**. Each company puts in their effort for their pop-up space, but together we got prime branding for them and for Singapore in the middle of Times Square. My colleague Clarence will share more on this project and how Enterprise Singapore can support Singapore companies who are seeking opportunities in mature markets.
  
- 12. We obviously cannot do all these on our own. Beyond our 36 overseas centres, we have expanded our network of overseas partners through the Global Innovation Alliance, in-market consultants, and worked with Trade Associations and Chambers to

establish in-market centres. These are all added resources to help companies navigate the foreign landscape.

### **Acquire Sustainability Capabilities**

13. Besides internationalisation, my second focus today is sustainability, more specifically the need for our companies to acquire sustainability capabilities. Most of our Singapore companies are just starting out on this journey. But given that sustainability is now front and centre in many global conversations, and a dominant force driving industry trends, there is an increasing urgency for companies to expedite the acquisition of such capabilities.
14. Countries all over the world are looking to ride the sustainability movement. The United States recently passed the historic Inflation Reduction Act, injecting nearly US\$370 billion into investments for energy security and climate change programmes over the next 10 years. Singapore too, announced at COP27 last year, our pursuit of net-zero emissions by 2050.
15. Public and private stakeholders alike are moving towards mandating green procurement and decarbonising their supply chains. Our enterprises are often suppliers or partners in the supply chain of multinational firms and account for the latter's Scope 3 emissions. Our companies will need to build up their green credentials in order to stay on the MNCs' supplier list or risk being dropped. This area is therefore both a real threat, but also an opportunity for growth and transformation.
16. 2023 is an excellent opportunity for our companies to act. But we recognise that the green transition is not always straightforward. Many enterprises find it difficult to start, as they do not know what they lack or where the opportunities lie.
17. That is why we launched the **Enterprise Sustainability Programme (ESP) in 2021**. Let me share some progress over the past year:
  - a. **First in the area of capability upgrading:** We launched awareness and education programmes targeted at enterprises just starting out. Together with partners like Global Compact Network Singapore, PwC and the Singapore Environment Council, enterprises are equipped with basic know-how on reducing their carbon footprint.

- b. **Secondly, partnerships with industry stakeholders:** Last August, we partnered Schneider Electric to launch the **SME Kickstarter Decarbonisation Programme**. Enterprises can work with industry experts to set decarbonisation targets, access energy efficiency services, and take concrete action to reduce energy use and emissions. We have also partnered TÜV SÜD PSB to offer a Sustainability-as-a-Service programme that helps businesses meet customer and regulatory requirements through online self-assessment, training, and certification.
  - c. **Thirdly, and very importantly, access to financing:** We introduced the **Enterprise Financing Scheme – Green (EFS-Green)** to help enterprises access green financing. So far, the EFS-Green has **catylised close to S\$120 million of green loans for over 30 SMEs** spanning areas in solar energy, energy storage, energy efficiency technologies, electric vehicle technologies and more.
    - i. **One example is KoolLogix**, a provider of heat removal solutions for data centres, accessed green loans to accelerate the deployment of its new test lab facility. This gave the company increased capacity to innovate on its energy-efficiency solutions. It drove the adoption of cooling solutions and helped its customers reduce cost and greenhouse gas emissions.
18. In the coming year, we will expand efforts to drive such awareness. But beyond awareness, we will look at building new capabilities in areas such as sustainability standards and carbon accounting. We will also be diving deeper into sustainability initiatives at a sectoral level to tailor them for the unique needs of the industry. This will be done through a series of **sustainability playbooks, courses and sector initiatives** with reputable knowledge and industry partners, many of whom have expressed interest to work with us. We will kick off the series with the Logistics playbook that will be jointly developed with the Singapore Logistics Association.
19. We hope to launch a broad swathe of enterprises onto their sustainability journey. But we recognise there is no one-size-fits-all solution for companies. Hence we want to **empower companies to embark on their own sustainability journey by raising awareness, mapping out how they can transform, and shoring up their capabilities**.

## Conclusion

20. At the beginning, I mentioned four areas we will focus on this year but highlighted two in my speech. Each area reinforces the others. Innovation, Internationalisation and Sustainability efforts will all contribute to our aim to develop the next generation of high growth and highly transformative **Singapore Global Enterprises**.
21. So, what are Singapore Global Enterprises? These are companies with global footprints, innovative products or services, and strong brand recognition. We expect them to be category leaders in their own spheres. They grow our economy and create good jobs for Singaporeans. These will be our homegrown business icons; the future Singapore Airlines, ST Engineering, or CapitaLand. The pipeline of such companies will be those with unrelenting ambition and commitment to invest in their growth and transformation journey.
22. Let me conclude by sharing the story of local bus manufacturer **SC Auto**.
23. Why am I sharing this? I find them to be an inspirational story of a traditional company that has transformed itself and now has the potential to grow even further through innovation, internationalisation and sustainability. Yes, their traditional roots have not stopped them from embracing all three pillars.
  - a. The company started as a private transport operator back in 1981 but has evolved to develop world-class manufacturing capabilities.
  - b. Recognising the need to innovate, the company began to look at developing hybrid and electric buses. It entered a **strategic partnership with Volvo Buses and unveiled its first electric bus to be built in Singapore last year**. Both companies leveraged complementary strengths to design and produce a prototype that meets local bus standards while incorporating key sustainability features.
  - c. Notably, 90% of the vehicle, including the batteries, is recyclable.
  - d. SC Auto was not content to just focus on our domestic market. The company is now looking to **export its electric bus offering overseas** in markets like

Australia, Thailand and the Philippines. Enterprise Singapore is actively helping them in these efforts in all fronts.

24. SC Auto took a proactive approach in incorporating sustainability into its business, with an eye on growth through internationalisation. Not all companies may be as ready as SC Auto. But no matter where they are in their own journeys, I hope our Singapore companies will have similar ambitions in mind.
25. 2023 can be a year of recreating our ambition of growth and transformation. Enterprise Singapore, together with our partners like the TACs, will continue to work hand-in-hand to uplift our businesses, and help them keep growing in this exciting year ahead.
26. Thank you very much.