

SINGAPORE BUSINESS FEDERATION POSITION PAPER FOR A VIBRANT SINGAPORE



Knowledge Partner



CONTENTS

| | |
|-------------------|----|
| Foreword | 01 |
| Executive Summary | 02 |
| Recommendations | 04 |
| Conclusion | 23 |
| Annexes | 24 |

ABOUT THE SINGAPORE BUSINESS FEDERATION (SBF) POSITION PAPER

This paper is an SBF initiative led by a Steering Committee comprising 23 prominent members of the business community, headed by SBF Chairman, Mr S S Teo. The initiative is supported by three Focus Groups that involved a further 47 seasoned corporate leaders, entrepreneurs, academia and economists. Major trade associations and local and foreign business chambers, representing the key business sectors were involved. PricewaterhouseCoopers (PwC) Singapore was the knowledge partner and the Singapore Press Holdings (SPH) Group provided media inputs and advice.



S S Teo
Chairman
Singapore Business Federation
January 2016

Singapore has achieved tremendous progress over the last fifty years. The Government has done well to steer Singapore to where it is today. Six years ago, just after the global financial crisis, the Economic Strategies Committee (ESC) unveiled its recommendations on achieving sustained and inclusive growth for Singapore. Much has happened since and we are currently at a new crossroads, facing a more challenging environment, internally and externally. Internally, the ongoing economic restructuring is taking a toll on some businesses as they continue to grapple with rising business cost, a rapidly shrinking and aging local workforce, foreign manpower curbs, and close to zero productivity growth. Singapore is losing its competitiveness while other economies are catching up. Externally, the global economic outlook is lacklustre with little signs of picking up. A number of emerging economies are faltering due to the low commodity prices. We are facing an increasingly volatile and uncertain world. Sustained economic growth is needed to fund Singapore's future increase in social spending, so that we can build an inclusive society.

How do we continue to remain successful amid these challenging conditions? SBF, as the apex business chamber, took on this challenge. We started work before the 2015 General Election was called because we wanted to present our recommendations to the new Government. The position paper we have drafted is the result of extensive consultations and meetings we have had in the business community. The recommendations address our key immediate concerns as well as longer term issues.

Despite all the difficulties, we want to encourage our businesses to embrace the challenges and venture overseas if they can.

The newly elected Government now has a fresh and strong mandate. There is no better time than now to take bold and decisive moves that will strengthen Singapore's position now and in the long term.

We urge our Government to consider our proposals especially those that concern our rising costs and the need to expand our economy and grow an external wing. The newly elected Government now has a fresh and strong mandate. There is no better time than now to take bold and decisive moves that will strengthen Singapore's position now and in the long term.

I would like to acknowledge the more than 70 business leaders, and representatives from academia and the media for their participation, insights and suggestions in this project. A vote of thanks goes to PwC as the knowledge partner, and the SPH Group for its media inputs and advice. I would also like to put on record my appreciation to the SBF Secretariat for tirelessly co-ordinating and compiling this paper.

Singapore has achieved nothing short of an economic miracle in its five decades since independence. Its GDP per capita has risen from \$1,580 in 1965 to \$71,318 in 2014 – the third highest per capita globally. We have progressed from Third World to First within one generation.

But we are now entering a new phase in our development, in an environment that is changing both internally and externally. Internally, our challenges include a rapidly aging and shrinking workforce, close to zero productivity growth, and rising business costs compared to many OECD and regional countries. As a result, we are losing our competitiveness while many other cities are improving theirs. Externally, our challenges include fragile and uneven economic growth, weak global demand, and rapid advances in technology that will disrupt many businesses (see Annex A for some key megatrends that will shape Singapore's future economic strategies and businesses' future strategies). Indeed, these difficult times are beginning to affect businesses significantly. As an indication, our recent survey showed that 46% of our SMEs are now classified as high risk, based on credit rating, up from 30% five years ago. 47% of the SMEs surveyed forecast no revenue growth, up from the average of 37% over the past 3 years.

We need to undertake a deep review of our existing strategies and formulate new responses. Before doing so, we should be clear what is our *desired economic end state*. What is the Singapore that we want to achieve for our companies and workers? We envisage a Singapore plugged into the global economy and supporting many different kinds of businesses, utilising technology and leveraging our own intellectual property (IP) that make us uniquely competitive. Such an economy will be a hub for nerve centre, thought leadership, R&D, innovation and growth activities. We imagine a Singapore where workers are highly skilled, very engaged and are passionate about their jobs. At the same time, we envision a Singapore whose external economy (not just investments, but active operating businesses) is as large as its internal economy. This will enable us to overcome our land and labour constraints and tap on the competitive and comparative advantages of other countries.

Our recommendations to achieve these outcomes are both for the immediate and the medium to long-term.

For the **immediate-term**, we want as many businesses as possible to transit through this difficult period into the new restructured economy. We should do this even as we implement the Government's existing strategies such as SkillsFuture which will take time to produce the desired results. Based on data from the IMF, the world is currently seeing the slowest period of growth since the global financial crisis. There is a rising risk of a global recession going forward². Singapore's GDP growth is projected to be close to 2.0% in 2015, and between 1.0% to 3.0% in 2016³. The current confluence of factors, some within our control (for e.g., cost and labour supply) and some outside of our control (for e.g., global demand) is making businesses' transition through this period difficult. Hence, our immediate-term recommendation is to help businesses on cost and manpower to overcome near-term economic headwinds. We recommend that the Government takes a deep dive to analyse these issues with the business community.

¹ SME Development Survey 2015 by DP Information Group, November 2015.

² The IMF projects global GDP growth to be 3.1% for 2015. A global growth rate of 3% is "equivalent to a global recession". The dramatic slowdown in global trade growth observed so far in 2015 has been associated with global recessions in the past, based on observations from the OECD. [Source: IMF World Economic Outlook October 2015 & OECD Economic Outlook November 2015.]

³ Source: Press Release on the 3Q2015 Economic Survey of Singapore (https://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-Third-Quarter-2015/PR_3Q15.pdf), Ministry of Trade & Industry (MTI), 25 November 2015

We need to undertake a deep review of our existing strategies and formulate new responses



In the **medium to long-term**, our economic strategy should address the following issues:

- How can we adjust our overall economic policies to help us overcome our constraints in land and manpower?
- How can we create more world-beating local enterprises that will contribute back to Singapore?
- How can we encourage greater entrepreneurship both in the spirit of our people and our businesses?
- How can we promote a better flow of talent to the sectors that we wish to grow?
- How can the Government enhance its pro-businesses policies?

The key change is recognising the limit of our “Foreign Direct Investment (FDI)-centric” economic development strategy as it adds more demand on our resources by enterprises which are not wholly anchored to Singapore. We propose that the Government works with businesses to create an economy that is not constrained by our geographical boundaries and develop Singapore as a strong home base for nerve centre, thought leadership, innovation and growth activities. This will involve promoting the internationalisation of Singapore-owned and Singapore-based companies, in terms of investments, active operating businesses, and trade (especially through the use of digital technology), on a wider and more active basis. In simplistic terms, this means growing our Gross National Product (GNP). At the same time, Singapore should remain open to foreign investments and talent. The emphasis is to bring in activities that capitalise on our strengths to develop new and valuable growth clusters to anchor businesses here while they expand overseas, and provide good jobs for Singaporeans.

We have put together a list of recommendations to support these changes. Most of them involve changing our strategy to develop local enterprises and emphasising value creation. Some of these recommendations have been surfaced before. We call for greater priority in the implementation of these recommendations. We believe that the Government will take decisive action to pursue our next stage of economic growth.

The full details of our recommendations are in the next section of this report.

■ (A) FOR THE IMMEDIATE-TERM

HELP BUSINESSES ON COST AND MANPOWER ISSUES TO OVERCOME NEAR-TERM ECONOMIC HEADWINDS

“Business conditions, locally and regionally, will be challenging with weak global economic growth as forecast in the next 3 years. We certainly feel this as businesses operators. Now is a critical time for the Government to look into policy adjustments which can better transit local businesses into Singapore’s future economy.”

- Mr Philip Ng



It has been a challenging time for businesses to improve productivity. They first have to overcome strong economic headwinds and have to deal with high business costs and the tight manpower situation. Based on the National Business Survey conducted by the SBF, business costs and manpower are the top two concerns that businesses require the Government’s assistance⁴. Labour cost has continued to increase faster than productivity growth⁵. The labour market remains tight with unemployment rates low⁶. The tight job market is made worse by the Government’s recalibration of Singapore’s foreign worker policy⁷.

⁴ Business costs have consistently been the top item that businesses require assistance since 2012, with at least 62% of businesses requesting for assistance. In the 2014/15 survey, the second most important item that businesses would like the Government to assist with was manpower with 34% requesting for assistance.

⁵ Unit Labour Cost for the Overall Economy increased at a compounded annual growth rate (CAGR) of 2.15% from 2010 to 2014. This is higher than the CAGR for labour productivity of 0.3% (measured in terms of real value-added per worker) and 1.3% (measured in terms of real value-added per hour worked) over the same period. [Source: “Yearbook of Statistics, Singapore, 2015”, Department of Statistics, Singapore; & “Trends in Actual Hours Worked & Implications for Labour Productivity”, MTI, August 2015.]

⁶ The annual average unemployment rate has remained at about 2.0% since 2011. [Source: Ministry of Manpower (MOM) website as at 24 November 2015 (<http://stats.mom.gov.sg/Pages/Unemployment-Summary-Table.aspx>).]

⁷ The tight job market is reflected by the declining resident unemployment rate, at 1.14% per annum, from 2010, when the Government started to curb the flow of foreign manpower into Singapore, to 2014. [Source: MOM website as at 1 December 2015 (<http://stats.mom.gov.sg/Pages/Unemployment-Summary-Table.aspx>).]

Rising rents were concerns for many businesses though this has abated somewhat with slowing demand and an increased supply of premises. Nevertheless, many linked rising rentals to the development of Real Estate Investment Trusts (REITs). The rent hikes at some REIT-owned malls may outpace revenue gains of shops⁸.

RECOMMENDATION I-1.1:
Identify the key reasons for the sharp increase in costs faced by businesses in recent years and study how to better manage them



It is important to keep a close eye on cost, to ensure that Singapore does not price itself out of the global market. These include manpower, lease and rental costs. The Government may wish to review its land-related policies to reward the productive use of land, rather than land ownership. Rules and regulations should be reviewed to reduce compliance costs.

Businesses desire to improve productivity but their efforts are thwarted by costs rising faster than productivity. *SBF and the Trade Associations & Chambers (TACs) are keen to work with the Government on the necessary cost studies.*

It is important to keep a close eye on cost, to ensure that Singapore does not price itself out of the global market.

RECOMMENDATION I-1.2:
Government should work with SBF & TACs on what it means to be manpower-lean and refine the foreign manpower policies in different sectors

Singapore companies are being constrained by their inability to hire foreign workers as a result of the Government's recent tightening of its foreign worker and immigration policy. We are being squeezed at both ends of the labour market. At the lower end of the skills spectrum, Singaporeans shun jobs in certain industries. At the higher end, our workers lack the expertise required in highly specialised areas. This shortfall, if not addressed, will result in Singapore companies losing their competitive edge and adversely affect our ambition to become a global city with a thriving economy. At the same time, we recognise the manpower



Businesses need time to adjust to the manpower-lean policy and deal with the slower workforce growth and rapidly aging workforce.

⁸ Source: STProperty, available from: <http://www.stproperty.sg/articles-property/singapore-property-news/reits-may-play-major-role-in-shop-rent-hikes/a/165973> on 23 November 2015.



policies that are put in place for the employment of Professionals, Managers and Executives (PMEs) as locals feel that foreigners are taking away these jobs. Businesses need time to adjust to the manpower-lean policy and deal with the slower workforce growth and rapidly aging workforce. These pressing manpower issues require *the Government to work with SBF and the TACs to refine the foreign manpower policies for Singapore to continue to be attractive to foreign talent, but discerning in its selection. The areas where the Government can work with SBF and the other TACs include:*

■ **Sectoral Flexibility:** Consider larger quotas as a transitional arrangement for the jobs that Singaporeans do not have the skills at the moment, especially in the new industries / sectors that we wish to promote, and for those industries where Singaporeans do not wish to work, e.g., healthcare. This is while our locals skill up and/or the respective industries work to make the jobs more attractive through various means (for e.g. by re-looking the value chain of activities and jobs redesign).

■ **Enterprise Flexibility:** Consider expanding the Lean Enterprise Development (LED) Scheme to provide different foreign worker policy treatments for different enterprises:

- Allow more foreign workers, as a transitional arrangement, to companies that are:
 - Prepared to train local workers and undertake job re-design, in line with the Government's objectives.
 - Unable to find local workers with the necessary skills, until suitably qualified local workers are available.
- Provide foreign worker levy rebates to reward companies that reduce their foreign worker dependency.
- Expand the scheme beyond SMEs.

We are mindful that the flexibility that we are seeking should not erode future productivity gains.

“Some foreign companies have expressed concerns whether Singapore has become anti-foreigner. This is an important issue that they consider when deciding whether to invest in Singapore.”

- Mr Alan Chan



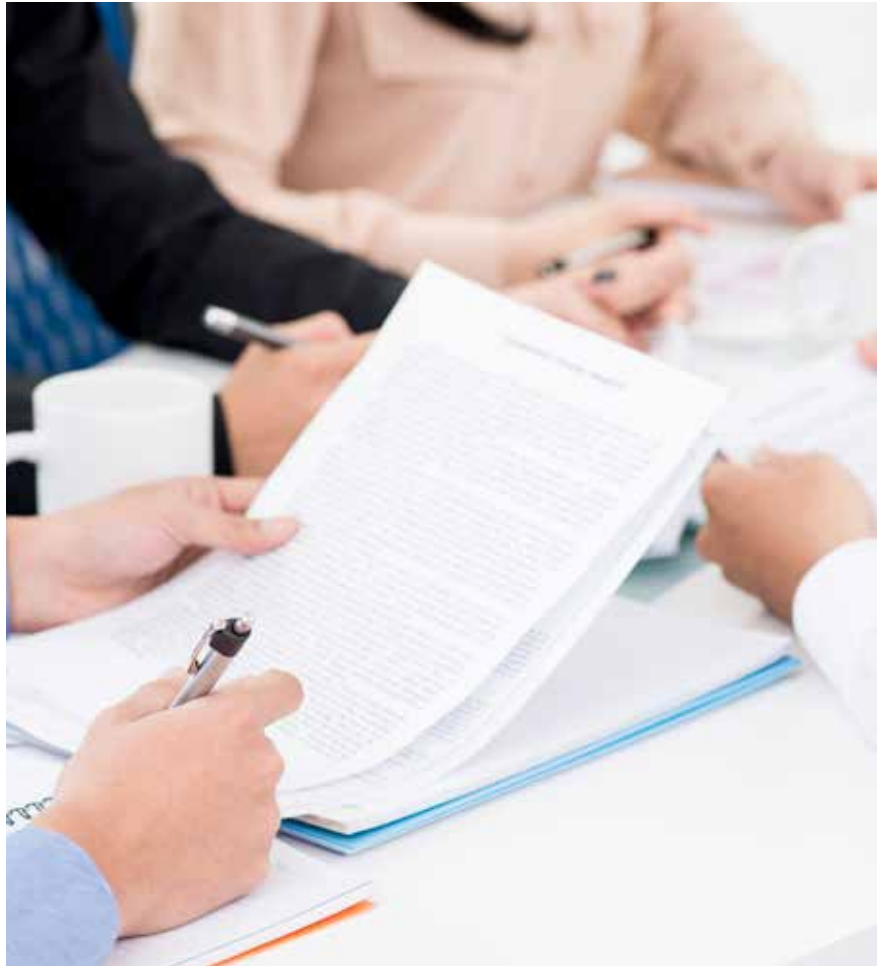
“Policy implementation should take into account market-driven dynamics in order to promote growth and competitiveness instead of impeding growth. For manpower, it will be prudent to apply differentiated quotas across various sectors given the disparity in manpower needs, where one sector may require more foreign workers over another due to the inability to attract Singaporeans. **”**

- Professor Hui Weng Tat



RECOMMENDATION I-1.3: **Review the Foreign Workers Levy System**

Businesses question the need for foreign worker levies, in addition to the quota stipulation, to regulate the number of foreign workers in Singapore when a more fundamental policy on the maximum number of foreign workers allowed here has already been established. The levies increase the cost of doing business, especially for the sectors that are more heavily reliant on foreign manpower such as construction, retail, and food and beverage. We recommend that the **Government recalibrates the levy quantum to take into consideration the latest net inflow of foreign workers into Singapore**. We believe that there is scope to further defer the planned increase or even reduce some levies. For e.g., the levy for S Passes can be removed since there will still be qualification salary and quota restriction for S Pass applications. The levies for higher skilled foreign workers can also be reduced to encourage businesses to employ such workers.



■ (B) FOR THE MEDIUM TO LONG-TERM

STRATEGY 1:

CREATE AN ECONOMY THAT IS NOT CONSTRAINED BY OUR GEOGRAPHICAL BOUNDARIES

Singapore's strategy of attracting FDI has been very successful, driving economic growth and creating jobs. But it has also resulted in rising business costs given our land and labour constraints. Our SMEs have suffered a double whammy – affected by the cost increases and in some cases, crowded out of the business.

To provide more economic space for our own companies, we need

to expand the economy beyond Singapore, much like the "2nd Wing Strategy" introduced by then Senior Minister Lee Kuan Yew 25 years ago. However, it was pursued as a supplement to our current key thrust of attracting FDI to Singapore as we encouraged the MNCs and companies located here to regionalise to take advantage of lower costs and more resources in emerging markets. Here, our proposal is to elevate the

mentioned strategy as the dominant strategy to develop our economy. We have to do more to encourage local companies to expand overseas but with their home bases firmly anchored here. This means growing our GNP in simplistic terms. In addition, we should promote the use of digital technology more, to help businesses reach out to overseas markets.

Under this proposed strategy, local enterprises will be empowered to think innovatively and competitively once they feel the pulse and benefits of competing and investing in overseas markets. Land and labour constraints will also be eased.

We have to do more to encourage local companies to expand overseas but with their home bases firmly anchored here.

“While attracting FDI should remain an important development pillar, it is timely to have a second development pillar, to create a second Singapore outside Singapore such that the economic space of Singapore and Singapore companies should be much bigger than our geographical space. This strategy will greatly alleviate our land and labour constraints. There will be much learning from investing and operating abroad on a larger scale, and this learning can contribute to improving Singapore's innovation and productivity. This strategy is not easy and it will be a long journey. It involves creating new mechanisms and institutions, or merging and adapting existing ones. It will also involve risks and failures, and learning from failures. But given our existential constraints, there are not many other ways to remain exceptional. **”**



- Dr Teh Kok Peng

STRATEGY 2:

DEVELOP SINGAPORE AS A STRONG HOME BASE FOR NERVE CENTRE, THOUGHT LEADERSHIP, INNOVATION AND GROWTH ACTIVITIES

As we embark on this dominant strategy of internationalising our economy, it is important that Singapore continues to develop as a strong and conducive home base for nerve centre, thought leadership, innovation and growth activities to anchor businesses here as they expand overseas, and provide good jobs for Singaporeans.

There is scope for Singapore to identify areas that capitalise on its strengths to develop new and valuable activities and growth clusters, for e.g., trusted payment hub, 'Know Your Customers' hub and food quality certification hub. Our excellent rule of law, integrity, trust, and assurance of high level of service and quality, similar to Switzerland's, give us a natural advantage in these areas.



It is important that Singapore continues to develop as a strong and conducive home base for nerve centre, thought leadership, innovation and growth activities to anchor businesses here as they expand overseas, and provide good jobs for Singaporeans.

R1. Government to **review the approach to developing and upscaling local enterprises** as they are critical in our next phase of economic development

Local enterprises are a critical pillar of our economy, accounting for some 99% of all enterprises, 70% of our workforce and 50% of our GDP.

However, Singapore is not producing enough local enterprises that can compete globally. The ESC had, in 2010, set a target of producing 1,000 Singapore Globally Competitive Companies (GCCs) with revenues of over \$100 million by 2020⁹. We are unable to find public data how far we are on meeting this target.

RECOMMENDATION R1.1: Create the economic infrastructure to upscale local companies and encourage them to expand overseas with their home bases anchored here

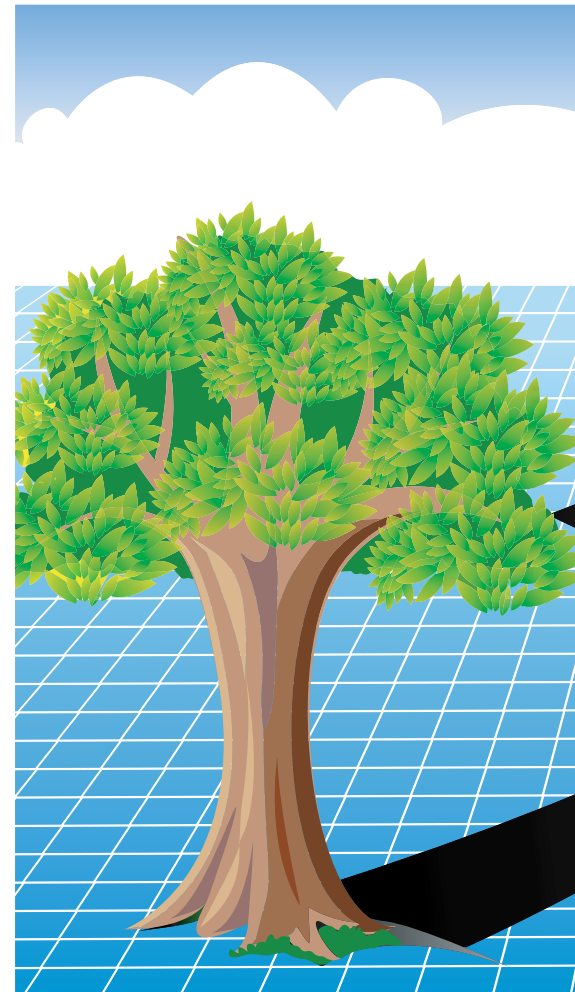
Because our strategy to attract FDI is so entrenched in our economic policy, many of our public agencies are so geared towards this and have successfully developed the corresponding mindsets and skill sets.

Our proposal calls for *developing new mindsets, skill sets, institutions (new, adapted or merged), programmes and more extensive on-the-ground interactions with foreign governments and their agencies to champion the growth of our companies overseas*. This will help companies that currently do not have in-house resources and/or expertise to grow in these markets.

At the same time, our local enterprises need to establish

their track record to grow. We recommend that *more opportunities be provided for local enterprises to participate in major Government procurement projects* (as in the case of Hyflux and Koh Brothers recently). For e.g., major Government procurement projects should not exclude local enterprises solely on account of their limited experience (by having requirements such as the need to have an international track record).

This proposal will also involve *appointing champion public agencies to lead the development of key industry sectors*. This will enable our public agencies to build depth of industry knowledge to grow the industry better and help foster a collaborative business ecosystem where stakeholders work together for a larger share of the global market. These public agencies should be empowered to help grow local enterprises beyond Singapore's geographical boundaries.



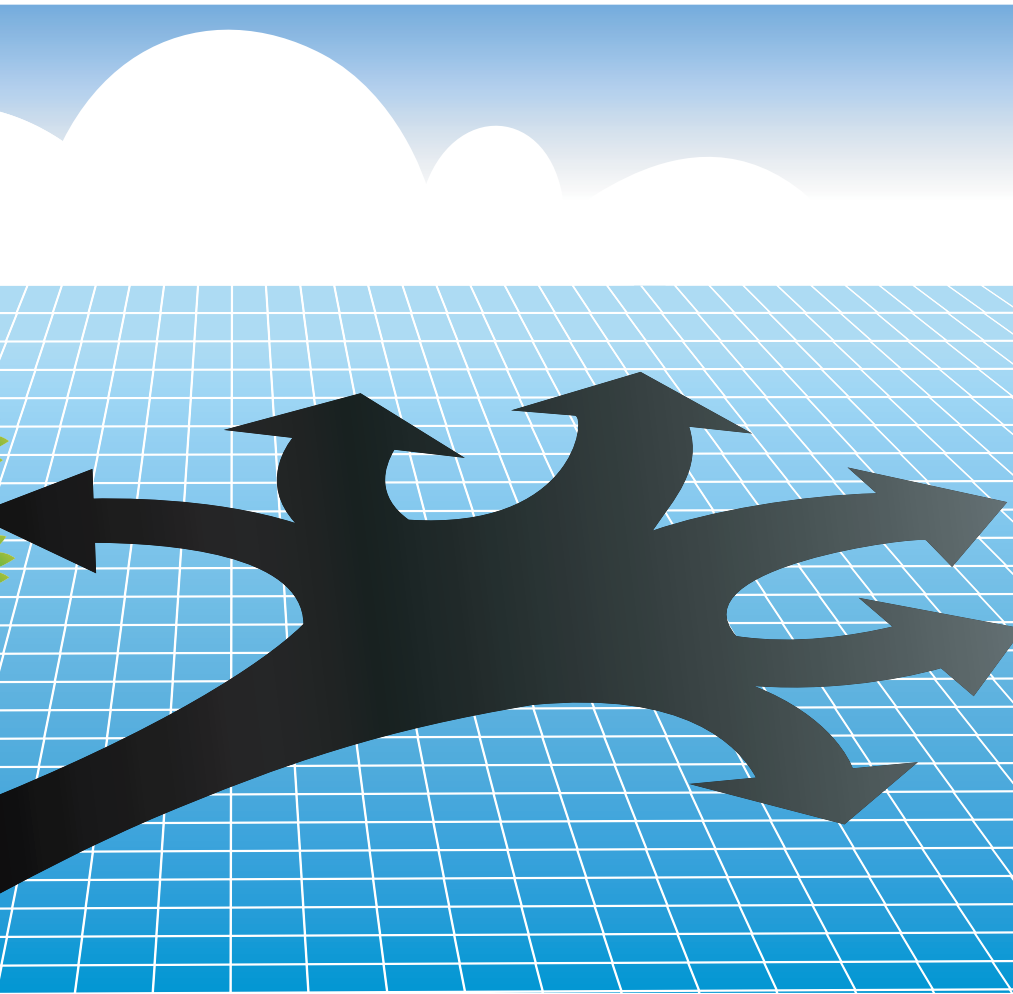
Singapore Local Enterprises

About
99%
of all Enterprises 

About
70%
of our Workforce 

About
50%
of our GDP 

⁹ There were 530 such companies in 2007. [Source: Minister of State for Trade and Industry, Mr Teo Ser Luck's reply to a Parliamentary Question on "Grooming SMEs into GCCs", 13 Feb 2015.]



“The Government can identify new growth strategies and develop economic infrastructures to help home-grown enterprises plug into a new global economy. We can capitalise on our competitive strengths and create value in economic clusters where businesses are unbounded by the size of markets or enterprises. By nurturing and growing native ventures, we’d have a firmer domestic core that grows alongside and complements foreign MNCs for a strengthened Singapore base.”

- Mr Cheng Wai Keung



“When Singapore companies focus only on our small domestic market, there is only so much they can grow. There has to be a shift in the mandate and mindset so that our companies can grow stronger as they compete in overseas markets. Moving forward, Singapore should be positioned as an incubation centre for local companies – regardless of size, to look beyond the horizon.”

- Mr Pek Lian Guan



“The number of indigenous local companies with a global presence is lagging far behind the economic development we have achieved as a nation over the last 50 years. A concerted effort spearheaded by the Government is necessary to resolve this anomaly in order that more local companies can fly our flag beyond this little red dot into the global arena.”

- Mr Lawrence Leow



RECOMMENDATION R1.2:

Appoint a Minister to provide political leadership for a whole-of-government approach to the development of local enterprises

The development of local enterprises is currently overseen by multiple agencies under different Ministries with different approaches. There does not appear to be a concerted effort and clear roadmap to develop local enterprises into GCCs.

We recommend *appointing a Minister supported by an institutional structure of public officers to drive and adopt a whole-of-government approach towards the development of local enterprises* as a key focus of Singapore's economic strategy. We believe it is possible to streamline the various public agencies developing local enterprises with this unified institution.



RECOMMENDATION R1.3:

Invest a larger part of our reserves in more direct ways, and on a more active and wider scale, in local enterprises that have the potential to expand overseas

This recommendation may involve the setting up of a new development institution with domain knowledge in the key strategic industries that Singapore can excel in. It should be able to offer long-term financing capabilities not available in the market, as well as investment and corporate advisory services, similar to those provided by Private Equity firms.

“The larger and smaller players should join hands. We need to build an ecosystem that allows companies to collaborate with and support each other, on different levels and scales.”

- Mr Rolf Gerber



**RECOMMENDATION R1.4:**

Promote platforms that allow companies to collaborate with each other

Singapore's economic growth to-date has largely relied on MNCs and Temasek Portfolio Companies (TPCs) with local enterprises supporting them as subcontractors and suppliers. While this hub-and-spoke model has served Singapore well, it does not build depth and breadth in our key clusters.

Our recommendation is for the *Government to promote more platforms, including through incentive schemes, to encourage companies (including local enterprises) to collaborate to develop proprietary solutions and technology in mutually beneficial arrangements.*

This will encourage local enterprises to move to stronger positions from which they can grow. We need to develop a strong ecosystem which companies can leverage for overseas expansion. There is also scope for the *large established Singapore companies with brand strength to act as flag bearers and consider our local enterprises as partners, suppliers and subcontractors when they venture overseas.*

“In this day and age, competition is not just confined to one enterprise versus another, or even between value chains. Increasingly, competition is between one ecosystem against others. There is an urgent need to identify and develop new industry ecosystems with uniquely Singapore core competencies and strengths that are capable of being globally competitive. These ecosystems of strong domestic-based industry clusters widely connected to other clusters and companies globally can provide new impetus for growth to the Singapore economy. Growth can be further sustained and enhanced through linking other competitive adjacent ecosystems of related industry clusters to the existing successful ones.”

- Mr Wong Ngit Liong



RECOMMENDATION R1.5:**Facilitate the creation, acquisition and use of IP as a competitive edge**

It is very important for businesses to systematically create, manage and leverage IP as a strategic asset to optimise their value. However, Asian enterprises significantly lag their counterparts in developed countries in terms of the percentage contribution of IP to their total enterprise value¹⁰.

We should also explore the *creation of a unit similar to the Korea Technology Finance Corporation (KIBO) to provide financing, acquisition, valuation and go-to-market services to enable our companies to create, acquire and leverage the use of IP to generate greater value.* But unlike KIBO, this unit should not confine the scope of its work to technology-related IP.

To protect Singapore-owned IP in the region, the *Singapore International Commercial Court (SICC) is proposed as a body to adjudicate on the recognition of cross-border IP in the region and for its judgement to be enforced to protect Singapore-owned IP (whilst countries sign on to the Madrid Protocol).*

“In a knowledge-based economy, IP plays a predominant part in enterprise value creation, as compared with the traditional factors of land, labour and capital. Policies should demonstrate a proven IP management and monetisation architecture to bolster investments in clustered research and development initiatives aimed at commercialisation. Additionally, policies ought to foster cross-border collaborative innovation with the ultimate objective of capturing value from IP as well as prioritise scalability and internationalisation of enterprises by addressing the ‘pioneer-to-scale gap’. Singapore’s next phase of economic growth will benefit from a systematic and pragmatic approach, which (i) advocates the creation of partnerships with IP-rich enterprises globally, (ii) endorses embedding such enterprises in the city-state as a hub, (iii) facilitates knowledge transfer, and (iv) supports strategic collaborations with home-grown enterprises with a view of developing globally competitive enterprises.”

- Mr Ali Ahmad



It is very important for businesses to systematically create, manage and leverage IP as a strategic asset to optimise their value.

¹⁰ Here, the number of citations per scientific paper is used as a proxy. Based on data from Thomson Reuter’s Essential Science Indicators for Technological Innovation (August 2011), the number of citations per paper for China, Japan, India and South Korea are 6.2, 10.5, 5.9 and 7.2 respectively. These are below the number of citations per paper for the USA, Germany and England of 16.0, 13.4 and 15.1 respectively.

RECOMMENDATION R1.6: Look into how our securities market can be made more vibrant and liquid, so that it can provide enterprises good access to capital

Thriving business locations such as London, Hong Kong and New York each have a vibrant securities market. Such a market provides an important source of capital for enterprises, including our local enterprises, to fund their expansion. A vibrant market also provides an important reference point for our local enterprises, as investors typically prefer to invest in locally headquartered and listed companies because they think they have access to superior information. *It is important for the Government to look at the obstacles that prevent our securities market from being vibrant and liquid.*

Singapore is an attractive international financial centre, with a stable economic and political environment and a well-developed regulatory and legal infrastructure. However, our stock market has not kept up with our status as a major financial centre. The market capitalisation of our stock market has not kept up with our economic growth. In 2005, the market capitalisation was 248% of our GDP. In 2012, this decreased to 142% of GDP. The sizes of other regional markets have all improved as a proportion to their GDP over this same period¹¹. Our

stock market is moribund. It has seen a fall in liquidity and we are less attractive as a listing venue. More can be done to drive the churn, bring in more volumes and expand the pool of interested investors in our market. There is *scope to consider having pension funds investing in the local stock market*. Currently, our CPF money is pooled with our other reserves and managed by GIC. Unlike other jurisdictions where their pension funds have provided strong support for their stock market, Singapore rides against the wave by specifically stating as a policy that the funds managed by GIC are to be invested abroad. *The Government should consider separating the CPF component and managing it differently as how pension funds are managed*. This will free these funds from the GIC investment restrictions and will likely result in some investments

A vibrant securities market provides an important source of capital for enterprises, including our local enterprises, to fund their expansion. A vibrant market also provides an important reference point.

in the Singapore market. These investments will send strong signals on our market to other investment professionals. How the CPF funds eventually flow back into our market will also be a good measurement of the efforts that the Singapore Exchange (SGX) has poured in to make the market attractive.

As our companies grow, there is also scope *to explore developing a further market platform to address the gap between Catalist and the SGX Mainboard, that would appeal to a group of "middle class" companies*. This is in recognition of the vast regulatory and profile differences between companies on the two existing platforms. These "middle class" companies are those that have achieved stable performance but are relatively moderate in size. These companies will find comfort amongst their peers and will not have to fight with the other classes of companies for market attention. As we widen the investor pool, this additional platform can differentiate the listed companies for more targeted attention by investors.

Singapore should also explore supplementing our public securities exchanges with private securities exchanges such as those for private equity, similar to those that exist in Taiwan and the US¹². These can provide more platforms for enterprises and entrepreneurs to raise capital and allow investors with different risk appetites to participate. These can also provide more platforms for enterprises and entrepreneurs to raise risk capital for innovation.

¹¹ The growth of our stock market has also not kept up with our economic growth. [Source: World Bank World Development Indicators, <http://wdi.worldbank.org/table/5.4>.]

| | Market Capitalisation of Equities/GDP (%) | |
|-----------|---|-------|
| | 2005 | 2012 |
| China | 34.4 | 43.7 |
| Hong Kong | 381.9 | 421.9 |
| India | 66.3 | 69.0 |
| Indonesia | 28.5 | 43.2 |
| Korea | 80.0 | 96.5 |

Cont'd

| | Market Capitalisation of Equities/GDP (%) | |
|------------------|---|--------------|
| | 2005 | 2012 |
| Malaysia | 126.3 | 156.2 |
| Philippines | 39.0 | 105.6 |
| Singapore | 248.5 | 142.8 |
| Thailand | 70.8 | 104.7 |
| Vietnam | 0.8 | 21.1 |

¹² The exchanges in Taiwan and the US are known as the Taiwan OTC Exchange (TWO) and the Private Equity Exchange (PEQX) respectively. TWO is an alternative securities exchange with a listing criteria that is lower than those of the Taiwan Stock Exchange (TSE). For companies making an initial public offering, listing on the TWO can be a step towards getting listed on the TSE. PEQX allows the arrangement of private sale transactions of previously issued restricted securities and other items among accredited investors.

It is equally important to have a vibrant and liquid bond market in Singapore. There is scope to develop Singapore into a leading bond market in the region. However, our current bond market is illiquid as it is dominated by institutions. Retail investors have no access because of the high bond denomination of \$250,000. *The Government should consider lowering the bond denomination requirement to \$10,000 to make it accessible to retail investors.*

RECOMMENDATION R1.7: Develop differentiated policy options based on new archetypes of local enterprises in place of "SMEs"

The traditional classification of "SMEs" by revenue and headcount may not adequately capture their varying dynamics, needs, challenges and growth potential.

We propose that the Government considers *re-classifying "SMEs" based on the roles they play in the economy and society, and by their economic activities so that Government assistance and schemes can be further rationalised and be more targeted.*

The Government may wish to consider the following classification by the Institute of Policy Studies (IPS):

- Unincorporated micro-enterprises like sole proprietorships and partnerships in lower value, consumer-serving niches (e.g. mom and pop shops).
- Single outlet enterprises in consumer-serving niches (e.g. hairdresser/other personal services, food and beverage, tuition centres, child care).

- Small professional service enterprises in high-value areas (e.g. general medical practitioner, financial advisory, consulting, professional engineering, small accounting/law/architect/etc. firms, home services such as plumbing/electrician).
- Small firms with physical assets, staffing, largely self-funding, and have little need for banking/capital markets (manufacturing, logistics/transportation, construction).
- Medium firms with larger amount of physical assets, large staff, high volume of turnover, and have greater need for banking relationships.
- Highly regulated firms (e.g. small Private Equity or Fund Management houses, other small financial institutions, small healthcare institutions).
- Entrepreneurial enterprises.

Under this approach, policies and assistance can take on a more social dimension for the micro and single outlet enterprises, and be more economically-driven for the growth and medium-sized enterprises, deliberately exposing them to the market. In addition, rather than giving more grants, the Government should consider the use of more smart money, to facilitate the growth of enterprises to enable better outcomes.

“ We need to move away from an all-embracing definition such as "SMEs". Instead, we need a more accurate categorisation of local enterprises which will enable policies to be tailored in a more targeted way to support the development of local enterprises. **”**

- Mr Manu Bhaskaran



R2. Government to **adopt a more pro-active approach to promoting entrepreneurship**



Much has been achieved since the 2003 Economic Review Committee's recommendation on promoting entrepreneurship. We now have a fledging ecosystem to nurture entrepreneurship that includes start-up financing (for e.g., angel investors and venture capital), incubators, accelerators, enterprise systems developed around our tertiary institutions and various government incentives. Successful start-ups include Hope Technik that specialises in niche areas of high-tech engineering such as unmanned systems and smart logistics, that has grown into a multi-million dollar group, and MyRepublic, the upstart optical fibre teleco that is seeking to become Singapore's fourth telecommunications provider and venturing into Australia and New Zealand. There is a need to maintain the momentum of entrepreneurship as it is not just the ecosystem that needs to be built but a broader mindset change of creativity and risk and reward of entrepreneurship which need to start in schools and be accepted by the broader society. Based on the CareerBuilder Singapore's Employer of Choice 2015 Survey, well-paying but desk-bound jobs remain popular, and job security is still an important consideration when it comes to Millennials choosing a career. Traditional sectors such as the Government/Public Service (6.6%), Airline/Travel (5.3%) and Banking & Financial Services (4.5%) are the top industry sectors that Millennials want to work in.

RECOMMENDATION R2.1:

Continue to foster a more entrepreneurial mindset and culture

Build the entrepreneurial spirit early in schools by:

- *Introducing programming, engineering and robotics much earlier in primary and secondary schools. This will allow students to build their skill of creating solutions.*
- *Introducing activities or programmes that ask students to identify opportunities and/or understand the consumers (for e.g., by asking them to understand what their peers want or like, and possibly do not have, and ride on the opportunities presented).*
- *Allowing some enterprises currently being run in pre-universities and universities (for e.g., canteen and transport) to be run as student endeavours.*
- *Continuing to expand placements that are not necessarily in business (for e.g., social impact endeavours), internships, industry attachments and overseas experiences to open minds.*

“For Singapore to launch into a second phase of growth comparable to its first 50 years, an entrepreneurial generation is needed with a “can-do” spirit and a willingness to choose the road less travelled. The skills that made Singaporeans successful in the past 50 years are different from those required in the years to come. A re-think of Singapore’s very academic focused school system should be considered to develop street smart and agile entrepreneurs. Effecting meaningful change requires a concerted effort and a willingness to make not just incremental changes, but at times fundamental changes to allow for a re-thinking of traditional methods and approaches.”



- Professor Claudia Zeisberger

As a society, we should do more to recognise the efforts of businesses (including family businesses) and start-ups, especially those that have succeeded despite adversity. This should include publicising their stories, and building up a repository of these accounts. It will help expand our definition of professional success beyond being a banker, lawyer or doctor, and that failures can sometimes be a prelude to success.

In addition, we need to inculcate a mindset change for Singaporeans to be more tolerant of business failures, and encourage learning from such failures. This may involve reviewing our Bankruptcy Act. For example, under the Singapore system (Companies Act Section 227A), a company in financial distress may either be liquidated or placed under judicial management (effected by a judicial manager appointed by the courts). There may be scope to allow more flexibility of control, to allow the debtor (i.e. the original management) to remain in control of the business under certain circumstances, similar to the case of the US system (Chapter 11 of the U.S. Bankruptcy Code).

“Recognise and celebrate the success of businesses and start-ups, especially those that have succeeded despite adversity. Identify role models. It will help our society redefine success beyond being a banker, lawyer or doctor, and accept that failures can sometimes be a prelude to success.”

- Ms Veronica Eng



RECOMMENDATION R2.2:

Help local start-ups go global, and expose them to global competition

Existing government initiatives are largely directed at launching start-ups and growing them here. However, it is important to help our start-ups to scale-up to serve markets well beyond Singapore, help them establish global connections and expose them to global competition so that they can grow and thrive globally. *There is scope to refine existing schemes so that these start-ups are exposed to global competition.*

R3. Government to **promote the flow of talent to specific growth sectors**, and work with businesses to inculcate the right attitude in our workforce

To grow and flourish, the key industries/sectors with potential require good talent. There is also a need to inculcate the right attitude in our workforce, to be hungry for opportunities, take pride in the mastery of skills and widen their definition of success beyond being bankers, lawyers and doctors.



We recommend that more talent be channelled to the enterprises in the sectors identified for promotion in this paper, that traditionally have a lower share of good talent.

RECOMMENDATION R3.1:

Offer more public scholarships that subsequently deploy talent to growth enterprises and rotate our public officers to these enterprises

We recommend that more talent be channelled to the enterprises in the sectors identified for promotion in this paper, that traditionally have a lower share of good talent. Scholarships play a key role in attracting talent to institutions, e.g. the public service and the bio-medical sector. To implement this, there may be a need to set up a public-private sector outfit similar to the Public Service Commission to administer the scholarships and decide where to deploy the scholars to. Similarly, actively rotate public officers to the private sector. The *public officers who are rotated to the enterprises will have a better understanding of the sectors' concerns and value add to their growth.*

RECOMMENDATION R3.2: Inculcate the right attitudes and values to our workforce through our education system

An important issue that businesses increasingly face is the attitude of our resident workforce. Businesses sense that our workers have developed a sense of entitlement and are becoming less engaged. This is an outcome of our own economic success. If this attitude is not corrected, it can lead to our diminished competitiveness. Around the region and indeed the world, providing jobs and employment are major challenges. Therefore, many are hungry and willing to take our lunches. Businesses are willing to join our voices with the Government to flag this important issue for discussion.



It is important to make our students in our primary, secondary and tertiary institutions understand the economic reality facing Singapore. Specifically,

- No one owes anyone a living.
- There must be a greater appreciation of the working world.
- There must be more realistic expectations and a wider definition of what constitutes a good job.

Likewise, parents' existing mindsets need to be changed too.

There must be *greater recognition and celebration of the important role that skilled workers (including electricians, mechanics, plumbers, caregivers and nurses) play in our economy.* These jobs can be among the good paying jobs in the years to come. *Businesses are willing to work with the Government on efforts to recognise and celebrate such workers.*

RECOMMENDATION R3.3: Focus on inculcating values and fostering the right attitude in SkillsFuture rather than the technicalities of the schemes

We recognise the overarching benefits of SkillsFuture but the programme is a long-term solution that cannot meet short-term needs. When promoting the programme, the *focus should be on instilling the necessary values and promoting skills mastery.* The focus should not be dominated by the monetary value, qualifying criteria and details of the various schemes.



RECOMMENDATION R3.4: Educate and groom more international managers who are capable of operating across different cultures and geographies

International managers are needed to manage the nerve centre operations in Singapore and help our local enterprises expand overseas. However, there is a lack of such talent in the market. There is an urgent need to educate and groom such managers. Businesses are willing to work with Government to help address this. Concerns over the schooling needs of the children of such managers also need to be assuaged.

“A review of the Singapore education system and curriculum can go a long way in fostering broader thinking and an appetite for greater risk-taking in our next generation of entrepreneurs and workforce. We must encourage thinking outside the box and not be afraid to take a road that is less travelled.”

- Mr Achal Argawal



R4. Government to adopt a more pro-businesses approach in policy formulation and the development of enterprises

We have a public sector that always seeks to improve. It is important that it continues to be business-friendly and promotion driven, and can provide the necessary infrastructure to facilitate growth. At the same time, the public sector should not over-regulate.

RECOMMENDATION R4.1: Review the organisation of Government and its approaches to be more pro-business

Our recommendation is to *simplify Government to enable better co-ordination and increased efficiency. This may entail reducing the number of Government agencies. There is scope for the Government to practice what it preaches by demonstrating organisational innovation to increase effectiveness and be leaner on manpower.*

We recommend that the Government *reviews its rules and regulations to avoid over-burdening businesses and diverting their attention away from their main focus of value-creation.* Rules and regulations that compromise business integrity and performance should be removed. (For e.g., there is scope to review and raise the market capitalisation threshold for quarterly reporting for listed companies to reduce the compliance burden for smaller companies. This will leave such companies more room to devote

resources to grow their businesses significantly before they are held accountable for more disclosure obligations¹³. The Hong Kong bourse has continued with bi-annual reporting with no untoward consequences.) Over prescriptive rules and risk aversion may not be suitable in a world that will be increasingly volatile, uncertain, complex and ambiguous. Regulations should also seek to lower cost and protect consumers rather than protect specific segments of the community.

The current practice of bundling regulatory, revenue generation and promotional roles in a single agency should be reviewed. The revenue generation role does not encourage simplification of the regulatory regime for greater productivity.

“Talent holds the key to success in global business. Developing a global mindset amongst managers, requires honing soft skills – developing cultural sensitivity, and insights that lead to effective cross-cultural relationships. It is a lifelong process of learning. Cultural immersion and exposure to the world should start early, from school, college, university and more importantly, Government could facilitate and encourage the exchange and attachment programs for young practising managers with those from overseas. It's time we start this to secure our place firmly in the future.”

- Mr K V Rao



¹³ A study by McKinsey found that Board directors spend 70% of their time on quarterly reports, audit reviews, budgets and compliance, instead of matters crucial to the future prosperity and direction of the business. [Source: “Building a Forward-looking Board”, McKinsey, February 2014.]

RECOMMENDATION R4.2: Collaborate with businesses more

As the operating environment becomes increasingly complex, it is *crucial for Government and businesses to have greater and closer collaboration to stay ahead of the curve*. Businesses are also willing to contribute.

Examples of where there can be more collaborations include:

■ Growth clusters of the future

- There is scope to consult businesses on the identification of the sectors, how existing businesses

can play a role and how the growth clusters can provide platforms for existing businesses to grow.

■ Trade Pacts

- There is a greater need to seek inputs from businesses when negotiating or reviewing our Free Trade Agreements (FTAs) as the new generation Trade Agreements tend to be all-encompassing and focus on creating a level playing field between market incumbents and new entrants. Similar to the US, the Government should consider SBF as a key channel to provide business inputs to and involve SBF

closely in the negotiations of these Agreements. After the FTAs have been ratified, there is also scope for the Government to work closer with SBF to cascade the features and benefits of the FTAs to our businesses, especially the small businesses, so that the FTAs can be utilised more effectively.



This paper is the result of extensive consultations and discussions among the members of Singapore's business community. We recognise the extent of the challenge and its complexity. Some of our proposals might appear radical and require substantial changes to existing policies. There are risks involved and we can expect that some of our proposals may not fully deliver the desired results. But we have to act decisively or risk greater failure in the years ahead. We need to be bolder just like our pioneer generation in the earlier days of Singapore were. We believe that Singapore must continue to be exceptional to remain successful.

We make this Position Paper public to elicit further feedback and suggestions from SBF members and the wider business community. We hope that wider public discussion will lead to the formulation of better Government policies for the future of Singapore and our businesses. We look forward to working closely with the Government to create an even more vibrant and sustainable Singapore that is the pride of its people and admired by others for its resilience and 'can do' spirit.



There are risks involved and we can expect that some of our proposals may not fully deliver the desired results. But we have to act decisively or risk greater failure in the years ahead. We need to be bolder just like our pioneer generation in the earlier days of Singapore were. We believe that Singapore must continue to be exceptional to remain successful.

KEY MEGATRENDS THAT WILL SHAPE SINGAPORE'S FUTURE ECONOMIC STRATEGIES AND BUSINESSES' FUTURE STRATEGIES¹⁴



DEMOGRAPHIC AND SOCIAL CHANGE

The world, in general, is getting wealthier. The number of middle-class consumers is projected to rise dramatically over the next 15 years, especially in Asia. This is creating all sorts of new opportunities, particularly for companies in the sectors in which richer consumers typically spend their money. But the customer base is fragmenting, the gap between the rich and poor is widening, urbanisation is exacerbating the rural-urban divide, and the structure of the household is evolving as the nuclear family gives way to a much wider variety of family types.

Demographic and technological changes are causing massive economic shifts, both between and within countries, and thus equally momentous swings in consumption.



¹⁴ Source: PwC Megatrends: Leading Perspectives

SHIFTS IN GLOBAL ECONOMIC POWER

The differing rates of economic growth or indeed, contraction that we see around the world together with greater volatility, has made it more difficult for companies to create and execute new growth strategies. The links between business and governments around the world have also become clearer and more important, for e.g., the rise of China and what it wants to do under its “One Belt, One Road” and the Asian Infrastructure Investment Bank (AIIB) initiatives.

Across the Atlantic, we have seen the United States’ “Pivot to Asia” strategy through the successful conclusion of the Trans-Pacific Partnership (TPP) negotiations, representing nearly 40% of global GDP. Singapore is in the confluence of these two major shifts and therefore in a unique position to capitalise on the opportunities.



RAPID URBANISATION

The global rise of cities has been unprecedented. In 1800, 2% of the world’s population lived in cities. Today, it is 50%. Every week, some 1.5 million people join the urban population, through a combination of migration and childbirth. Inevitably, this rapid expansion is putting cities’ infrastructure, environment and social fabric under pressure. The UN projects that the world’s urban population will increase by 72 percent by 2050, with much of the growth taking place in Asia and Africa.

Over the next decade, New York, Beijing, Shanghai and London alone will need US\$8 trillion in infrastructure investments. The numbers living in urban slums have risen by a third since 1990. Cities occupy 0.5% of the world’s surface, but consume 75% of its resources. Rapid urbanisation brings major implications for businesses as they refocus their offerings, marketing and distribution towards an increasingly urban customer base with distinct needs and consumption habits. And they must be alert to new opportunities arising from lifestyles shaped by rising population density and readier access to resources.

Singapore should see its connections not just with countries, but also with cities and regions. Municipal governments are clearly looking for urban solutions. In this respect, Singapore-registered businesses should ride on Singapore’s success to offer solutions such as urban planning and water management.

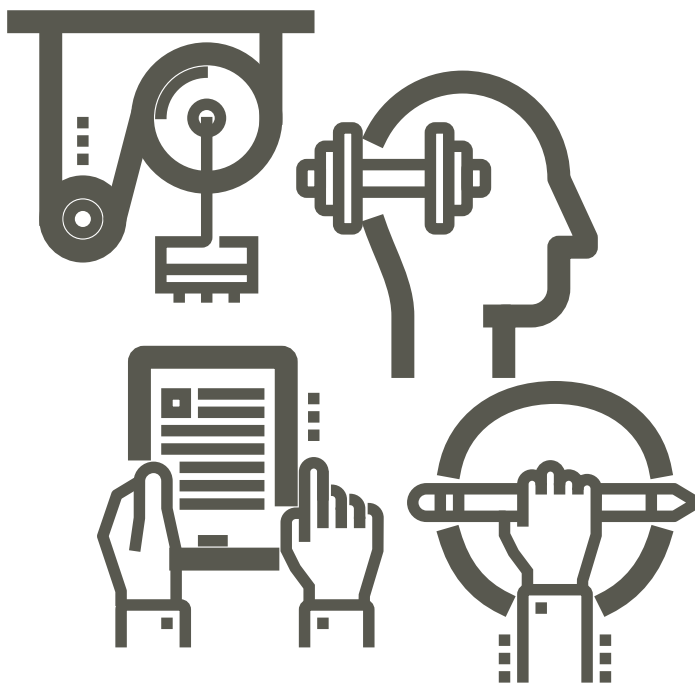


CLIMATE CHANGE AND RESOURCE SCARCITY

As the world becomes more populous, urbanised and prosperous, demand for energy, food and water will rise. But our planet's natural resources to satisfy this demand are finite. With global population projected to grow to 8.3 billion by 2030, the world will need 50% more energy, 40% more water and 35% more food.

The impact of our economic development is amplified by the linkage between climate change and resource scarcity. Our result could lead to either of two extreme outcomes: a policy shock with a global agreement that severely penalises carbon emissions, or a climate or resource shock where a natural event causes massive environmental and economic damage.

Businesses must take the lead in mitigating environmental damage and tackling climate and resource challenges, while simultaneously striving to make their organisations more agile and resilient. If businesses are to rise to these challenges, sustainability will be vital. Corporate responsibility has evolved from a 'luxury' to a business imperative.



TECHNOLOGICAL BREAKTHROUGHS

The competition is simultaneously increasing as emerging-market companies fight for the same consumers that mature-market companies are targeting. Technology has also lowered the barriers to entry in many industries, and some of the most disruptive new players could come from completely unexpected quarters.

The price of new technologies is falling equally rapidly – since 2001, the cost of DNA sequencing per genome has plunged from US\$96 million to less than US\$6,000. At the same time, digitisation via the internet has created extraordinary value, as exemplified by Google. And social media is steadily strengthening its position as a dominant force in the day-to-day lives of people across the globe, enabling many of the world's top

brands to capitalise on social media to deepen relationships with customers. All of these advances help to solve complex problems, open up new ways of using technology, or do both. And in each field, the progress to-date is just the start.

Indeed, the impact of digital disruption is now so pervasive that no business in any sector – from the smallest family business to the largest multinational – is immune from it. Singapore's Smart Nation initiative as well as her focus on the Future Growth clusters needs to factor in such disruptions to be well-positioned to ride the next wave of growth.

For further information on the Global Megatrends, please visit: <http://www.pwc.com/gx/en/issues/megatrends.html>

STEERING COMMITTEE MEMBERS

| | |
|--|---|
| S S Teo [Chairman of Steering Committee] | Chairman, SBF Managing Director, Pacific International Lines |
| Philip Ng [Deputy Chair of Steering Committee] | Honorary Secretary, SBF CEO, Far East Organization |
| Lee Tzu Yang [Also Chairman of Focus Group 1 & Chairman of Group A of Focus Group 1] | Chairman, The Esplanade Co |
| Pek Lian Guan [Also Chairman of Focus Group 2] | Deputy Honorary Treasurer, SBF CEO, Tiong Seng Holdings |
| Teh Kok Peng (Dr) [Also Chairman of Focus Group 3 & Chairman of Group C of Focus Group 3] | Senior Advisor, China International Capital Corporation Chairman, Advisory Board, Asia Private Equity Institute, Singapore Management University (SMU) Board Member, OCBC Bank |
| Gautam Banerjee [Also member of Group A of Focus Group 1] | Vice Chairman, SBF Chairman, Blackstone Singapore Senior Managing Director & Co-Chairman, Asia Operating Committee, Blackstone Group |
| Manu Bhaskaran [Also Chairman of Group C of Focus Group 1] | Founding Director & CEO, Centennial Asia Advisors Adjunct Senior Research Fellow, Lee Kuan Yew School of Public Policy, NUS |
| Alan Chan | CEO, SPH |
| Cheng Wai Keung [Also Member of Group A of Focus Group 1] | Chairman & Managing Director, Wing Tai Holdings |
| Thomas Chua | Vice Chairman, SBF President, Singapore Chinese Chamber of Commerce & Industry (SCCCI) Chairman & Managing Director, Teckwah Industrial Corporation |
| Rolf Gerber [Also Member of Group A of Focus Group 1] | Council Member, SBF Immediate Past Chairman, Singapore International Chamber of Commerce (SICC) Chairman, LGT Bank (Singapore) |
| Shabbir H. Hassanbhai [Also Chairman of Group B of Focus Group 3] | Vice Chairman, SBF Director, Indo Straits Trading Co |
| Hui Weng Tat (Prof) [Also Chairman of Group C of Focus Group 2] | Associate Professor, Lee Kuan Yew School of Public Policy, NUS Interim Dean, Graduate School of Public Policy, Nazarbayev University, Kazakhstan |
| Lawrence Leow [Also Chairman of Group B of Focus Group 1] | Honorary Treasurer, SBF Chairman, SBF-led SME Committee (SMEC) Chairman & CEO, Crescendas Group |
| Loo Choon Yong (Dr) [Also Member of Group C of Focus Group 2] | Executive Chairman & Co-Founder, Raffles Medical Group |
| Inderjit Singh [Also Member of Group C of Focus Group 2] | CEO, Solstar International |

| | |
|--|---|
| R Theyvendran (Dr) [Also Member of Group B of Focus Group 1] | Vice Chairman, SBF Chairman, Singapore Indian Chamber of Commerce & Industry Managing Director, Stamford Press Group of Companies |
| Samuel Tsien [Also Member of Group B of Focus Group 3] | Council Member, SBF Immediate Past Chairman, The Association of Banks in Singapore Group CEO, OCBC Bank |
| Wong Fong Fui [Also Member of Group C of Focus Group 3] | Chairman & Group CEO, Boustead Singapore |
| Wong Ngit Liong | Chairman & CEO, Venture Corporation |
| Yeoh Oon Jin [Also Deputy Chairman of Focus Group 3 & Chairman of Group A of Focus Group 3] | Executive Chairman, PwC Singapore |
| Zahidi Abdul Rahman [Also Member of Group B of Focus Group 1] | Vice Chairman, SBF President, Singapore Malay Chamber of Commerce & Industry Principal Architect, Zahidi AR Arkitek |
| Ho Meng Kit | CEO, SBF |

FOCUS GROUP 1

OVERCOMING ECONOMIC HEADWINDS

GROUP A: LARGER BUSINESSES

| | |
|--------------------------|---|
| Jonathan Asherson | Regional Director, ASEAN & Pacific, Rolls-Royce Singapore |
|--------------------------|---|

GROUP B: SMALLER BUSINESSES

| | |
|---------------------|--|
| George Goh | Executive Chairman, Meiban Group |
| Kenneth Lee | Founder & CEO, Green Koncepts |
| Gurdip Singh | Chairman, S'pore Khalsa Association Board of Trustees |
| Kurt Wee | Chairman, SMEC Sub-Committee on "Cost of Doing Business & Competitiveness" President, Association of Small & Medium Enterprises |
| Renny Yeo | Member, Singapore Manufacturing Federation Board of Governors |

GROUP C: ECONOMISTS

| | |
|----------------------------|--|
| Nicholas Fang | Executive Director & Senior Fellow, Singapore Institute of International Affairs |
| Nizam Idris | Managing Director, & Head of Strategy, Fixed Income & Currencies, Macquarie Bank |
| Loh Woon Yen (Ms) | Deputy Digital Editor, Chinese Media Group, SPH |
| Ilian Mihov (Prof) | Dean, INSEAD |
| Toh Mun Heng (Prof) | Associate Professor, Strategy & Policy, NUS Business School |

FOCUS GROUP 2 RE-THINKING INNOVATION & PRODUCTIVITY

GROUP A: LARGER BUSINESSES

| | |
|--|--|
| Victor Mills [Deputy Chairman of Focus Group 2 & Chairman of Group A of Focus Group 2] | Chief Executive, SICC |
| Achal Agarwal | President, Asia Pacific Region, Kimberly-Clark |
| Goh Swee Chen (Ms) | Chairperson, Shell Companies in Singapore |
| Alex Hungate | President & CEO, SATS |
| Tan Su Shan (Ms) | Managing Director & Group Head, Consumer Banking & Wealth Management, DBS Bank |
| Tan Yinglan | Partner, Sequoia Capital |
| Michael Zink | Head of ASEAN / Citi Country Officer, Citibank Singapore |

GROUP B: SMALLER BUSINESSES

| | |
|---|--|
| Susan Chong (Ms) [Chairman of Group B of Focus Group 2] | Chairperson, SMEC Sub-Committee on Manpower & Productivity CEO, Greenpac (S) |
| Wilson Chew (Dr) | CEO & Group Principal Consultant, StrategiCom |
| Dennis Foo | President, Singapore Nightlife Business Association |
| Gerard George (Prof) | Dean & Professor of Innovation & Entrepreneurship, Lee Kong Chian School of Business, SMU |
| Peter Ho | CEO, Hope Technik |
| Luke Lim | Founder / Group CEO, A.S. Louken Group |
| Melvin Tan | Chairperson, SMEC Sub-Committee on Innovation Managing Director, Cyclelect Group |
| Yeo Tiong Eng | Non-Executive Director, Hi-P International |

GROUP C: ECONOMISTS / POLICY

| | |
|-----------------------------------|---|
| Faizal Bin Yahya (Dr) | Research Fellow, Institute of Policy Studies, Lee Kuan Yew School of Public Policy, NUS |
| Jeanette Lee Su Shyan (Ms) | Business Editor, The Straits Times, SPH |
| Stephen Lim | Council Member, SCCC CEO / Managing Director, SQL View |
| Tan Kee Hian | Strategy & Innovation Consultant, KHT & Co |

FOCUS GROUP 3

COMPETING ON A GLOBAL PLATFORM

GROUP A: LARGER BUSINESSES

| | |
|---------------------------|--|
| Gan Seow Kee | Council Member, SBF Chairman & Managing Director, ExxonMobil Asia Pacific |
| Goh Choon Phong | CEO, Singapore Airlines |
| Kuan Li Li (Ms) | Country Manager & Chief Operating Officer, Barclays Bank PLC, Singapore |
| K V Rao | Resident Director, Tata Sons |
| Andreas Sohmen-Pao | Chairman, BW Group |

GROUP B: SMALLER BUSINESSES

| | |
|----------------------------|--|
| Ali Ahmad | CEO, Makara Capital |
| T Chandroo (Dr) | Chairman & CEO, Modern Montessori International |
| Dennis Chiu | Executive Director, Far East Consortium International |
| Douglas Foo | Council Member, SBF Vice President, Singapore National Employers Federation Founder & Chairman, Sakae Holdings |
| Lau Tai San | Chairman, SMEC Sub-Committee on Internationalisation Chairman & Managing Director, Kim Ann Engineering |
| Mark Lee Kean Phi | CEO, Sing Lun Holdings |
| Leong Wai Leng (Ms) | Council Member, SCCC Managing Director, Head of Business Management Unit, CEO Office, Bank of Singapore |
| Loi Pok Yen | Group CEO, CWT |
| Kar Wong (Dr) | Managing Director, Advanced Holdings |

GROUP C: ACADEMICS / ECONOMISTS

| | |
|----------------------------------|--|
| Veronica Eng (Ms) | Retired Founder Partner, Permira Group Practice Professor, NUS Business School |
| Vikram Khanna | Associate Editor, The Business Times, SPH |
| Arnoud De Meyer (Prof) | President & Professor, SMU |
| Claudia Zeisberger (Prof) | Senior Affiliate Professor of Decision Science & Entrepreneurship & Family Enterprise, & Academic Director, Global Private Equity Initiative, INSEAD |

OTHER CONTRIBUTORS

| | |
|----------------------------|--|
| Balagopal Kunduvara | Vice President, Company Planning & Fuel, Singapore Airlines |
| Fraser Thompson | Director, Alpha Beta |

OTHER CONTRIBUTORS

| | |
|---------------------------|--|
| James Andrade (Dr) | Council Member, SBF Chairman, American Chamber of Commerce in Singapore Vice President, Research & Development for Asia Pacific, Mondelez Asia Pacific |
| Jan B Djerf | Council Member, SBF President, European Chamber of Commerce (Singapore) Head of South Asia / Pacific & General Manager, Handelsbanken (Singapore) |
| Kuok Khoon Hong | Chairman & CEO, Wilmar International |
| Loh Boon Chye | Council Member, SBF CEO, SGX |
| Kentaro Nagao | Secretary General, Japanese Chamber of Commerce & Industry Singapore |
| Russell Tham | President, Applied Materials, South East Asia Vice President, Applied Materials Inc |

FINAL EDITOR

Han Fook Kwang, SPH

PROJECT SECRETARIAT

STEERING COMMITTEE

| | |
|------------------------|--|
| Joanne Guo (Ms) | Assistant Executive Director, Strategy & Development, SBF |
| Gerald De Cotta | Director, Corporate Communications & Special Projects, SBF |
| Jareth Ng | Deputy Director, Research, SBF |

FOCUS GROUP 1 ON OVERCOMING ECONOMIC HEADWINDS

| | |
|--------------------------|--|
| Brian Chan | Deputy Director, Global Business Division - Global Asia-Hub, SBF |
| Gan Jing Wen (Ms) | Assistant Manager, Global Business Division - Global Asia-Hub, SBF |
| Cheng Qin (Ms) | Senior Executive, Global Business Division - China & North Asia, SBF |

FOCUS GROUP 2 ON RE-THINKING INNOVATION & PRODUCTIVITY

| | |
|---------------------------|--|
| Yvonne Wong (Ms) | Deputy Director, Business Continuity Management & Risk Management, SBF |
| Lai Wei Bing | Senior Manager, SMEC Secretariat, SBF |
| Samantha Mark (Ms) | Assistant Manager, Global Business Division - Americas, Europe, Middle East, Africa, SBF |

FOCUS GROUP 3 ON COMPETING ON A GLOBAL PLATFORM

| | |
|-------------------------|--|
| Renee Koh (Ms) | Deputy Director, Global Business Division - Americas, Europe, Middle East, Africa, SBF |
| Eileen Lee (Ms) | Manager, Global Business Division - Americas, Middle East & Africa, SBF |
| Jaemi Leong (Ms) | Manager, Global Business Division - Global Asia-Hub, SBF |

PwC KNOWLEDGE PARTNERS

STEERING COMMITTEE

| | |
|---------------------|--|
| Ng Siew Quan | Partner, Risk Assurance & Asia Pacific Entrepreneurial Private Clients Leader, PwC Singapore |
| Alvin Chiang | Senior Manager, PwC Singapore |

FOCUS GROUP 1 ON OVERCOMING ECONOMIC HEADWINDS

| | |
|-----------------------|---|
| Lian Wee Cheow | Partner, Assurance & Financial Services, PwC Singapore |
| Marcus Lam | Partner, Deputy General Assurance Leader & Technology Media & Telecommunication Assurance Leader, PwC Singapore |

FOCUS GROUP 2 ON RE-THINKING INNOVATION & PRODUCTIVITY

| | |
|-------------------------|--|
| Sam Kok Weng | Partner, Financial Services, PwC Singapore |
| Theresa Sim (Ms) | Partner, Assurance, CFO, Business Transformation Leader, PwC Singapore |

FOCUS GROUP 3 ON COMPETING ON A GLOBAL PLATFORM

| | |
|---------------------------|---|
| Quek Bin Hwee (Ms) | Vice Chairman, Markets & Industries, & Asia Pacific Clients & Markets Leader, PwC Singapore |
| Lie Kok Keong | Partner, Transaction Services, PwC Singapore |
| Richard Skinner | Partner, Advisory, Strategy, PwC Singapore |
| Oliver Wilkinson | Managing Director, Advisory, Strategy, PwC Singapore |

We make this Position Paper public to elicit further feedback and suggestions from SBF members and the wider business community. We hope that wider public discussion will lead to the formulation of better Government policies for the future of Singapore and our businesses. We look forward to working closely with the Government to create an even more vibrant and sustainable Singapore that is the pride of its people and admired by others for its resilience and 'can do' spirit.



10 Hoe Chiang Road
#22-01 Keppel Towers Singapore 089315
Tel +65 6827 6828 Fax +65 6827 6807
www.sbf.org.sg

For more information on the paper, please visit sbfpositionpaper2016.org.sg