



## **ALLIANCE FOR ACTION ON BUSINESS COMPETITIVENESS – PUBLIC CONSULTATION**

### **1. INTRODUCTION**

1.1 The Singapore Business Federation (SBF) and the Ministry of Trade and Industry (MTI) have formed an **Alliance for Action (AfA) on Business Competitiveness** to look into how businesses can remain competitive amid global uncertainties and structurally higher business costs.

1.2 The formation of the AfA was announced by Senior Minister of State (SMS), Ministry of Trade and Industry (MTI) Ms. Low Yen Ling at MTI's Committee of Supply Debate 2024.<sup>1</sup>

1.3 The AfA is co-chaired by SMS Low Yen Ling and SBF Deputy Honorary Treasurer Mr. Mark Lee and comprises 19 representatives from the business community, trade associations and chambers (TACs), labour movement and government. Please refer to Annex A for the full list of members.

1.4 The AfA will focus its recommendations on three areas – manpower, land, and regulations. The recommendations will be submitted to the government by the end of the year for consideration in Budget 2025. In line with the spirit of the AfA process, focus will be placed on recommendations that are needle-moving and actionable.

### **2. THREE PILLARS OF FOCUS**

2.1 SBF invites the business community to contribute their views and ideas on the three pillars of focus, specifically:

- (a) Challenges businesses face in these three areas.
- (b) Potential solutions or interventions to address these challenges.

#### Manpower

2.2 Context: Businesses continue to face manpower shortages, highlighted as a key issue faced by 53% of businesses in the 2023/2024 National Business Survey. Manpower costs in Singapore are relatively higher than competing economies, with one in three businesses citing employee attitude, skills, and productivity as key challenges. Cumulatively, these challenges make it difficult for some businesses to undertake the transformation efforts necessary to be more productive in the longer term. At the same time, it is also important to optimise the pool of local manpower to enhance productivity and meet economic needs.

---

<sup>1</sup> [https://www.mti.gov.sg/-/media/MTI/COS-2024/Press-Releases-and-Factsheets/AfA-on-Business-Competitiveness\\_Press-Release-for-COS-2024.pdf](https://www.mti.gov.sg/-/media/MTI/COS-2024/Press-Releases-and-Factsheets/AfA-on-Business-Competitiveness_Press-Release-for-COS-2024.pdf)

2.3 Objective: Immediate-term access to manpower for transformation efforts that enhance productivity in the longer term.

2.4 Key issues:

- **How can foreign manpower policies be tweaked to help businesses with the transition to a more manpower lean future?** Given tighter resource constraints, how can we help firms to better hire and retain higher-skilled foreign workers, and channel them to more productive areas of the economy? Are existing schemes designed to provide flexibility in access to foreign manpower such as the Manpower for Strategic Economic Priorities (M-SEP)<sup>2</sup> scheme sufficient?
- **How can we better optimise the pool of local manpower to meet manpower shortages?** How can we better support firms to leverage existing schemes to tap on pockets of manpower that may be under-utilised such as gig workers looking to return to the traditional economy, women, and seniors?
- **How can we better address skills gaps in the local workforce?** For example, can more be done to improve the industry relevance and employment outcomes of PET and CET?

## Land

2.5 Context: Given Singapore's small land size, there is a need to ensure available industrial land is optimised. High land costs may affect the attractiveness of Singapore as an investment destination and inhibit the expansion plans of existing enterprises. Leasing policies such as lease duration may affect the incentive to make the capital investments necessary to bring about transformation. Shifting some business activities out of Singapore to neighbouring regions with more abundant land may help alleviate some pressures but can lead to a hollowing out and a reduction in resilience.

2.6 Objective: Effective utilisation of land in Singapore to support strategic and productive business activities.

2.7 Key issues:

- **How can land use policies be refreshed to take into consideration emerging land use needs?** For example, how can industrial land policies be refreshed to incentivise sustainability and decarbonisation efforts?
- **How can industrial land lease durations be tweaked to facilitate capital investment?** For example, can lease durations take into account the period required for regulatory approval of infrastructure projects?
- **What policies/incentives could be introduced to encourage more intensive use of land?** Are some costs such as reinstatement costs prohibitively high?

---

<sup>2</sup> <https://www.mom.gov.sg/employment-practices/schemes-for-employers-and-employees/manpower-for-strategic-economic-priorities-scheme>

## Regulations

2.8 Context: In a fast-changing landscape, regulatory agility has become increasingly crucial. As industries evolve rapidly, there is a growing need for regulations to keep pace with technological advancements, market trends, and emerging opportunities and risks. Striking a balance between regulatory standards and facilitating business growth is essential for Singapore to maintain our reputation as a favourable environment for business and investment.

2.9 Objective: Enhance ease of doing business through streamlined processes and supportive regulatory framework.

2.10 Key issues:

- **In the area of built environment, how can regulations and application processes be streamlined and harmonised to address practical industry needs?** How can digital tools and platforms be better adopted to streamline application processes?
- **In the area of sustainability, how can regulatory policies or regulatory sandboxes be put in place to support businesses with the green transition?** What specific new activities could benefit from regulatory sandboxes and in what ways?
- **How can we improve the existing business licensing framework?** Are there licenses that can be streamlined or phased out?
- **How can we streamline regulatory processes for example by moving from manual to digital or paperless transactions?** This includes facilitating businesses with cross-border transactions.

### **3. INVITATION TO PROVIDE FEEDBACK**

3.1 Businesses can provide their inputs by filling in the online consultation form at <https://forms.office.com/r/40YQ8y2cda> by **23 June 2024**.

3.2 For further clarifications, please reach out to SBF at [policy@sbf.org.sg](mailto:policy@sbf.org.sg).

## List of AfA on Business Competitiveness Members

| S/N                    | Name                            | Designation  |
|------------------------|---------------------------------|--|
| <b>Co-Chairs</b>       |                                 |  |
| 1                      | Ms. Low Yen Ling                | Senior Minister of State, Ministry of Trade and Industry & Ministry of Culture, Community and Youth  |
| 2                      | Mr. Mark Lee                    | Nominated Member of Parliament, Singapore;<br>Chief Executive Officer, Sing Lun Holdings;<br>Deputy Honorary Treasurer, Singapore Business Federation Council                    |
| <b>Public Sector</b>   |                                 |  |
| 3                      | Mr. Keith Tan                   | Deputy Secretary (Industry), Ministry of Trade and Industry  |
| 4                      | Mr. Kenny Tan                   | Deputy Secretary (Workforce), Ministry of Manpower   |
| 5                      | Mr. Cham Dao Song               | Senior Director (Strategic Planning Division), Ministry of National Development  |
| 6                      | Mr. Jayakrishnan Gopalakrishnan | Executive Director (South Asia, Middle East & Africa, Business Environment & Resources), Enterprise Singapore  |
| 7                      | Ms. Jamie Ang                   | Deputy Secretary (Transformation), Public Service Division   |
| 8                      | Ms. Jillian Lim                 | Executive Vice President (Business Environment), Singapore Economic Development Board  |
| 9                      | Ms. Yvonne Lim                  | Group Director (Policy & Research), JTC Corporation  |
| <b>Labour Movement</b> |                                 |  |
| 10                     | Mr. Desmond Choo                | Assistant Secretary-General, National Trades Union Congress  |
| <b>Private Sector</b>  |                                 |  |
| 11                     | Dr. Bicky Bhangu                | President (South East Asia, Pacific and South Korea), Rolls-Royce  |
| 12                     | Ms. Carol Goh                   | Deputy Chairman, Meiban Group  |
| 13                     | Mr. Ernie Koh                   | Executive Director (Sales & Marketing), Koda Ltd;<br>Chairman, Commune Lifestyle Pte Ltd;<br>President, Singapore Retailers Association  |
| 14                     | Mr. Frank Phuan                 | Chief Executive Officer, EDPR Sunseap  |
| 15                     | Mr. Neil Parekh                 | Nominated Member of Parliament, Singapore;<br>Partner and Head of Asia, Australia & New Zealand, Tikehau Capital;<br>Chairman, Singapore Indian Chamber of Commerce and Industry |
| 16                     | Mr. Neil Yong                   | Executive Director, Woh Hup (Private) Limited  |
| 17                     | Mr. Omar Shahzad                | Group Chief Executive Officer, Meinhardt Group   |
| 18                     | Ms. Susan Chong                 | Founder and Chief Executive Officer, Greenphyto Pte. Ltd.  |
| 19                     | Mr. Tan Chin Hwee               | Chairman, Singapore Trade Data Exchange (SGTraDex)   |