

January–March 2016

BizQ

A PUBLICATION OF SINGAPORE BUSINESS FEDERATION

A Retail Revolution
Redefining the shopping experience

Playing by the Rules
Why corporate social responsibility pays big

ASEAN's Rising Star
Myanmar is ready for its close-up



ONE ON ONE

Building a smarter Asia

Wong Heang Fine
Group CEO, Surbana Jurong

LUXURY CITY COLLECTION

All 3 properties are located within the Golden Triangle, the commercial, shopping and entertainment hub of Kuala Lumpur city. These prime real estate are easily accessible by train, bus, taxi or car as they sit within close proximity to iconic buildings such as Petronas Twin Towers and Suria KLCC.

EXCLUSIVE TRIO IN THE HEART OF KUALA LUMPUR, MALAYSIA Prestige. Luxury. Refined.

3 masterpieces designed for the discerning by award-winning architects

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Luxury

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Refined

Choose from uniquely stylish abodes with meticulous details and refined 5-star facilities.

Nobleton Crest

With only 25 units on the property, these gorgeous and gracious villas come complete with their own private lifts. Each luxurious villa boasts palatial grounds and space for prestigious living with a choice of simplex and duplex apartments.

Nestled in the diplomatic enclave on the famed embassy row in downtown Kuala Lumpur, Nobleton Crest is just minutes away from the Royal Selangor Golf Club and Petronas Twin Towers.

Comprising 3 low-rise blocks with 5 storeys, each unit measures from 3,500 sq ft to 6,000 sq ft. Its generous open concept is accentuated by 3-meter high ceilings, natural light and ventilation.

Privacy and security is what one can expect with guards patrolling the perimeters, CCTVs at strategic locations around the property, biometric access and in-built Smart Home System.

Imported white marble adorns the interior flooring, with renowned brands for fixtures and detailing. The grand and generous outdoor grounds are sprawling with vine louvres, crystalline pools and lush tropical greenery. Come home to Nobleton Crest, an exclusive and luxurious sanctuary.

Verticas Residensi

With 3 towers standing at 43 storeys, Verticas Residensi is an urban oasis that offers unlimited opportunities for entertainment and high-end shopping. These spectacular skyscrapers offer a stunning skyline view of Kuala Lumpur city.

Snuggled in a quiet locale within the Golden Triangle, its close proximity to Bukit Bintang area – Pavillion, Star Hill, Lot 10 – makes it a choice cosmopolitan residence of culture and society.

Verticas Residensi sits atop Bukit Ceylon with a tropical rainforest setting. It is a luxurious blend between sleek modern design and tranquillity of nature.

Verticas Residensi comprises of private suites and penthouses with 308 units of spacious 4 and 5 bedroom apartments measuring from 1,427 sq ft to 4,452 sq ft. One can look forward to an expatriate community, concierge services and luxurious facilities including a free shuttle to and from shopping districts in town.

Unique yet serene, Verticas Residensi is a charming haven that complements a social lifestyle. From the excitement of Kuala Lumpur's nightlife to high-end shopping and more, this is where you can truly live life to the fullest.

Le Nouvel KLCC

A dual-tower residence, at 49 storeys and 43 storeys tall, Le Nouvel KLCC is articulately designed with refined interiors and unique details such as the bespoke silk-screen window panels. It is a stunning sight to behold, made of glass and greenery.

Le Nouvel KLCC sits along the prestigious Jalan Ampang, in the heart of Kuala Lumpur's business and lifestyle districts, offering a world of convenience with an integrated transport network. The premium estate is the epitome of luxurious living that rivals 5-star hotels.

The 34th storey is reserved for fine dining with a view – its Sky Lounge, Sky Kitchen and Sky Dining are one-of-a-kind exclusive offerings within a residence, along with the Cigar Lounge and Wine Cellar.

Every suite and penthouse is innovation in motion with only 195 exclusive units available, from 1,700 sq ft to 5,700 sq ft. Live your every desire here at Le Nouvel KLCC and expect only the very best of this architectural masterpiece by Pritzker Prize Laureate, Jean Nouvel.



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▲ A luxurious urban oasis with tropical rainforest settings that is near high-end shopping and entertainment.

LE NOUVEL
KLCC



▲ A stunning bespoke skyscraper residence, thoroughly refined from the inside out, for a unique lifestyle experience.

Nobleton Crest

26, JALAN U-THANT

▶ A cluster of gracious villas in the prestigious diplomatic neighbourhood of Jalan U-Thant, just minutes from Petronas Twin Towers.



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Wong Heang Fine is leading Surbana Jurong to become an international player in infrastructure development

Welcome

January - March 2016

Going global for growth

As we step into a new year, our thoughts naturally turn to the outlook for the year.

In May 2015, the Singapore Business Federation (SBF) began work on a Business Position Paper for the new Government. Titled the "Singapore Business Federation Position Paper for a Vibrant Singapore", the paper presents issues essential to sustaining business and economic growth.

Released on the 12th of January, the paper also highlights key immediate concerns. It is supported by prominent corporate and business leaders, major trade associations, as well as local and foreign business chambers.

In October last year, Prime Minister Lee Hsien Loong announced the formation of the Committee on the Future Economy (CFE) headed by Minister for Finance Heng Swee Keat.

I am honoured to serve on CFE and look forward to continue working closely with the business community to help keep Singapore's economy vibrant, sustainable and resilient with opportunities for all.

These initiatives come at a critical juncture for Singapore businesses, particularly SMEs. The SME Development Survey, conducted by DP Information Group and released in November last year, showed many SMEs are experiencing zero or negative revenue growth as they struggle with high costs and a tight labour market.

Amid these challenges, SBF continues to help businesses venture abroad and advocate key issues impacting the business community internationally.

In November last year, SBF participated in the annual Business 20 (B20) Summit in Antalya, Turkey

as well as the Asia-Pacific Economic Cooperation (APEC) summit through the APEC Business Advisory Council, sharing business challenges and offering policy recommendations.

With the conclusion of the Trans-Pacific Partnership negotiations, businesses will benefit as it will catalyse advancement and provide an important framework and new growth opportunities for businesses.

From January this year, the 10 ASEAN member states will embark towards integration, including the free flow of trade and investment, making it easier to do business in ASEAN.

Over the longer term, China will continue to be a key driver of global growth. Initiatives such as "One Belt, One Road" (OBOR) will open up many opportunities for Singapore companies. For insights on the implications and opportunities of key initiatives like OBOR, businesses can look to SBF events such as the annual Singapore Business Regional Forum.

To further help Singapore businesses internationalise, SBF appointed former Senior Minister of State for Trade and Industry, Mr Lee Yi Shyan, as Advisor to the Africa, China-North Asia and Middle East Business Groups. He will be part of a resource panel advising and advocating key business issues, and help strengthen SBF's reach and business facilitation in these markets.

In these uncertain times, SBF will continue playing its role of championing and advocating your interests while capitalising on new growth avenues.

On this note, I would like to wish one and all the very best for 2016!



S.S. TEO

Chairman, Singapore Business Federation



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On page 33 of the October-December 2015 issue of *BiZQ*, the photo accompanying the story "Planning for Risk" is not the correct one. The image was meant for the story "A Push for Regional Partnership" on page 32. We apologise for the error.



Business Quotient (BiZQ) is the official publication of the Singapore Business Federation, reaching out to over 21,500 of Singapore's business elite, chief executives and entrepreneurs. This is your eye on Asian and global business trends, bringing you up to date on industry developments, the economy, country profiles, stories about successful companies and the people who lead them.

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A NEW NORMAL IN 2016?

Businesses will have to brace themselves for lacklustre demand in 2016 as the external environment continues to weigh on Singapore's economy

Already battling a tight labour market and high operating costs, local businesses will also need to contend with potentially anaemic economic growth in 2016, largely due to a still volatile global economy. The Singapore economy could grow by just one per cent this year, according to official forecasts – unusually weak for a period not weighed down by crisis.

The Ministry of Trade and Industry (MTI) said last November that it expects gross domestic product (GDP) to expand by just one to three per cent in 2016, one of the most pessimistic

estimates in recent memory. Apart from years when crises such as the fallout from September 11 or the global financial crisis hit the local economy, MTI's forecasts for GDP growth have hit at least two per cent.

Some economists believe the government's pessimism is a result of too many risks on the global landscape. Others argue that policymakers are being overly conservative in projections, possibly in an attempt to temper Singaporeans' expectations about future growth. An MAS survey of private sector analysts conducted in December threw up an

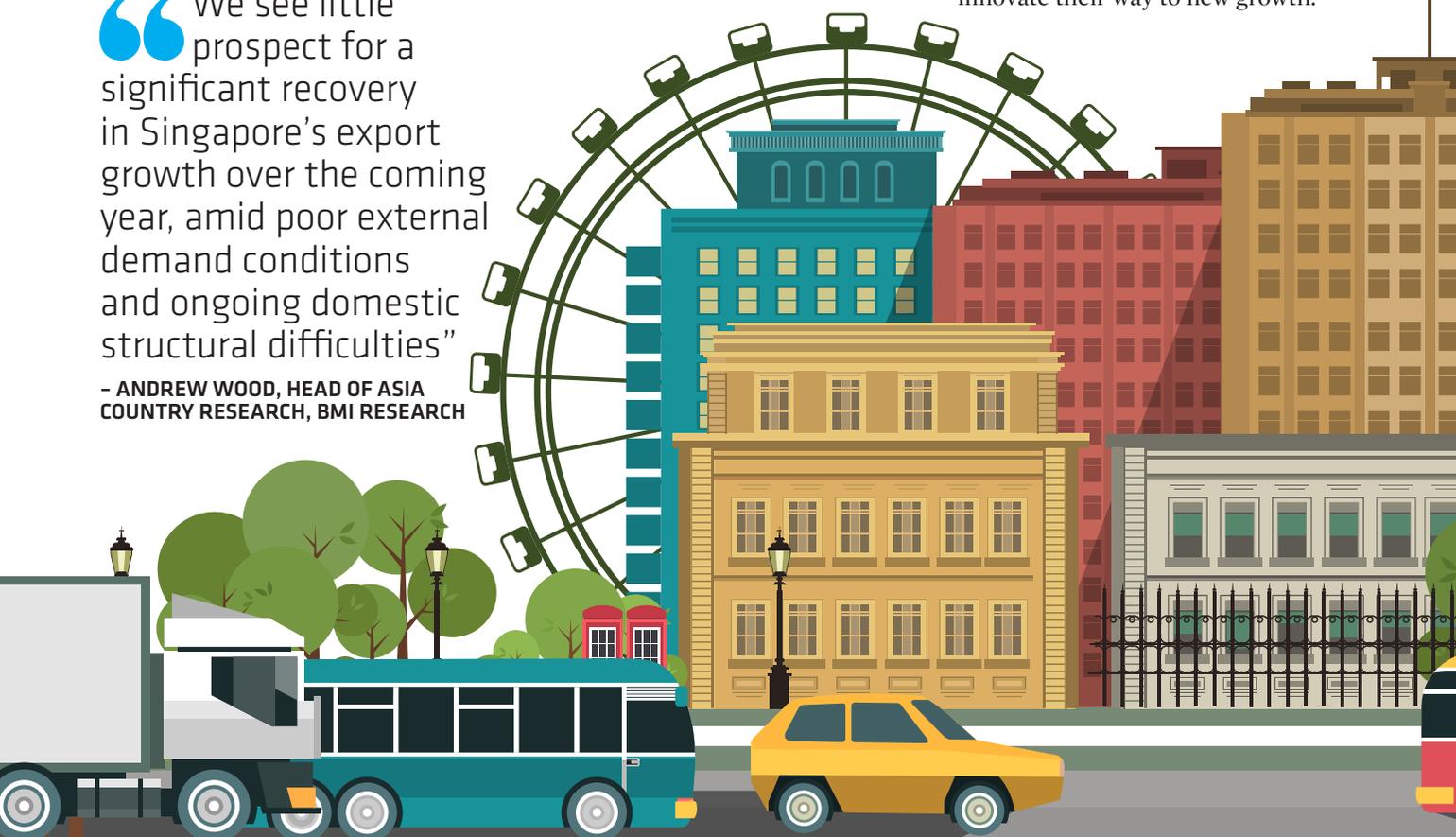
average GDP growth forecast of 2.2 per cent in 2016.

"The one to three per cent range is a conservative estimate in our view. To get a further deterioration from this year, you would basically need something worse to happen – a curveball, something unforeseen," said OCBC economist Selena Ling.

Another theory is that low growth could be the new normal for Singapore's economy as it enters a more mature and uncertain phase. In such an environment, local enterprises will need to redouble their efforts to ramp up their productivity, keep a lid on costs and innovate their way to new growth.

“We see little prospect for a significant recovery in Singapore's export growth over the coming year, amid poor external demand conditions and ongoing domestic structural difficulties”

– ANDREW WOOD, HEAD OF ASIA COUNTRY RESEARCH, BMI RESEARCH



GLOBAL RISKS



WEAK DEMAND FOR EXPORTS

0-2%

Official forecast for Singapore's Non-oil Domestic Exports

Even though global growth is expected to improve, the continued slowdown in the Chinese economy, the services-driven nature of growth in the U.S., as well as the trends of in-sourcing in China and the U.S., may mean that external demand for Singapore may not get much of a lift in 2016.



CHINA'S REFORMS STUMBLE

6.3%

International Monetary Fund's GDP forecast for China in 2016, down from 7.3% in 2014

There is a risk that ongoing reforms in China to rebalance the economy may falter, leading to a significant drop in demand. The impact could also be heightened through the financial system, leading to an abrupt and sharp fall in China's economic growth.



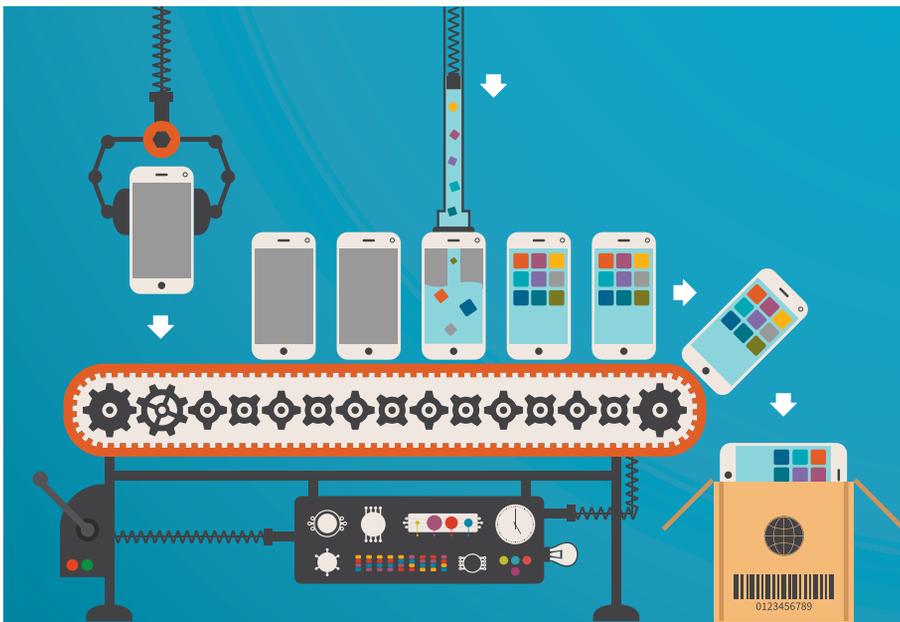
U.S. RAISES INTEREST RATES

0.25%

The interest rate hike announced by the U.S. Federal Reserve on 16 Dec 2015

If the U.S. continues to raise interest rates, this could result in large capital outflows from countries in the region, putting pressure on their currencies and asset markets. (See page 9)





LAGGARD SECTORS

Manufacturing

Manufacturing will continue to be a drag on growth as demand from Singapore's key export markets remains subdued.

Marine & Offshore

In the marine and offshore segment, sustained low oil prices will continue to dampen rig-building activities.

Retail and F&B

Growth in labour-intensive sectors – such as retail and food services – could also be pulled down by labour constraints.

Real Estate

An oversupply in the private residential market, along with a plunge in demand and rising vacancy rates will continue to put a drag on the property market.

“The near-term outlook remains one of weakness in manufacturing, especially electronics and transport engineering, due to tepid external demand conditions”

– CARMEN LEE, ANALYST OCBC INVESTMENT RESEARCH

BRIGHT SPOTS

It's not all doom and gloom. There are bright spots on the horizon and enough reasons to remain hopeful for a decent economic recovery in 2016.

Developed Economies

The U.S. economy is expected to grow at a faster pace in 2016, supported by domestic demand, while the Eurozone is projected to grow at a similar pace as in 2015.

Healthcare and Education

Essential services focused on the local market, such as healthcare and education, will be lifted by increased government expenditure in these areas.



“There's a chance that manufacturing may come out of the recession in the second half of next year when export demand is expected to strengthen against a broad-based recovery in the U.S. and better prospects in Europe.”

– CIMB PRIVATE BANKING
ECONOMIST SONG SENG WUN

THE U.S. FED RATE HIKE AND SINGAPORE BUSINESSES

The U.S. Federal Reserve raised interest rates from near-zero levels on 16 December last year – the first increase in almost a decade – reflecting its confidence in the strength of the world's largest economy. The U.S. central bank's policy-setting committee raised the range of its benchmark interest rate by a quarter of a percentage point to between 0.25 per cent and 0.50 per cent.

The move has significant ramifications for consumers, businesses and markets around the world, including those in Singapore.

Here are two key effects of the Fed's decision on local enterprises.

Higher borrowing costs

Interest rates in Singapore, which closely track those in the U.S., had already been edging upwards in anticipation of the Fed rate hike. Analysts expect rates to continue rising.

Businesses that borrow will have to pay higher interest on their debt, raising their operating costs in the process. For instance, the three-month swap offer rate, a benchmark for commercial loans, has almost tripled over the past year.

Stronger U.S. dollar

Higher U.S. interest rates are viewed as positive for the greenback, which has risen following the rate hike. Indeed, in the week before the Fed announced its decision, the U.S. dollar appreciated about 1.15 per cent against the Singapore dollar. In mid-December, US\$1 roughly translated

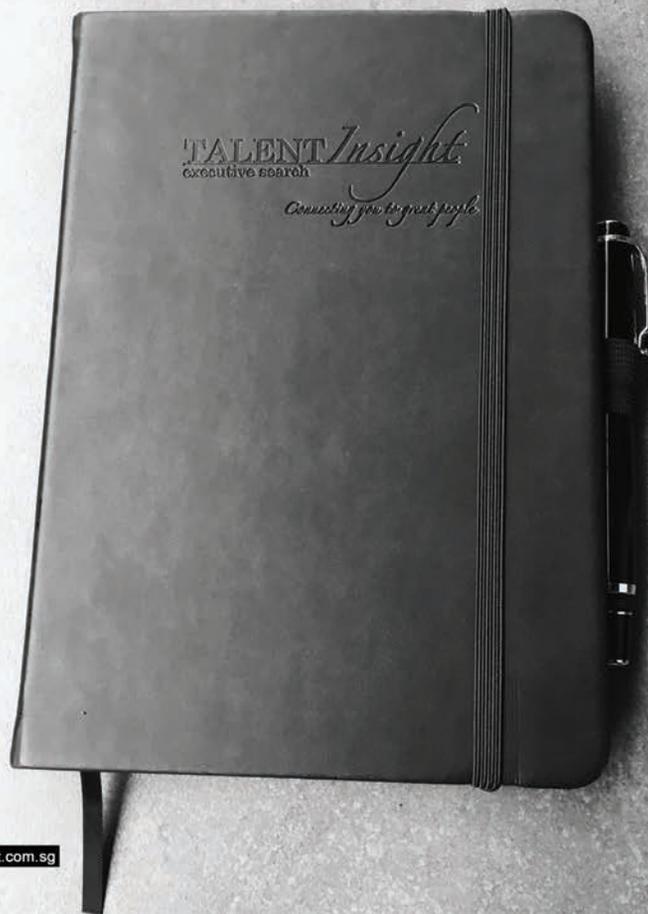


to S\$1.4. Some analysts expect this exchange rate to climb to S\$1.44 by March this year. If it happens, Singapore companies that export will benefit as shipments become relatively cheaper in US dollar terms. Companies that sell their products priced in US dollars will also benefit.

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Time for small businesses to think BIG

The Trans-Pacific Partnership will open up new opportunities for SMEs looking beyond their home markets for growth, says Nando Cesarone, President of UPS Asia Pacific

We are sitting at a crossroads of change in global trade, one that is expected to usher in a golden era for Asia's small and medium enterprises (SMEs). The Trans-Pacific Partnership (TPP), initiated during the global economic downturn in 2009, finally concluded last October amongst 12 Pacific-Rim nations – Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and the United States – which encompass a third of the world's trade.

Although it has taken more than five years to complete, the free trade agreement is expected to open up new opportunities for both big and small companies looking beyond



their home markets for growth. Special consideration has been placed on the SME sector, because SMEs typically do not have the resources to navigate the complexities of trade regulations, or invest in physical distribution centres overseas, let alone break into dominant domestic business networks to get their product to market. All this is expected to change, with the TPP setting important policy foundations for supporting global production networks and e-Commerce trade.

New Realities

UPS has dedicated more than five years to working with TPP negotiators on the Customs and Trade Facilitation chapter to ensure

the TPP reflects the competitive realities of modern trade and supply chains. Did you know, for example, that today's preferred SME suppliers are no longer competing on price, but on responsiveness, lead time, on-time delivery, and ability to collaborate

“The free trade agreement is expected to open up new opportunities for both big and small companies looking beyond their home markets for growth”

with lead firms to manage supply chain risk and disruption? Did you know more than half of all Asia-based online shoppers abandoned their shopping carts if they were told their shipments would take more than 11 days to arrive? That on average, Asian online shoppers are only willing to wait four days for their shipments?

These are some of the realities of the global marketplace that the TPP is well positioned to address on behalf of SMEs, many of which either supply global buyers or sell direct to consumers. TPP disciplines such as time-release guarantees for express shipments; advanced rulings for classification and valuation; and self-certification of origin, are designed with the small business owner in





What is the Trans-Pacific Partnership?

The Trans-Pacific Partnership (TPP) is a broad agreement involving 12 countries that make up 40 per cent of the world economy, and is viewed by experts as one of the most important trade deals negotiated in more than 20 years. The deal was signed in the U.S. in October 2015 after five years of negotiations. The landmark agreement must now be signed formally by the leaders of the 12 nations and ratified by their Parliaments.

The TPP countries represent a large market for Singapore, accounting for 30 per cent of its total trade in goods in 2013 and 30 per cent of foreign direct investment here. The pact is expected to boost trade and investment links between Singapore and key markets in the region and elsewhere in the world.

Among other benefits, Singapore firms in certain sectors will be able to bid for government contracts in other TPP countries, and take larger stakes in foreign firms operating in key sectors abroad.

mind, to enhance predictability, simplify border clearance processes, shorten lead times, and improve competitiveness. Together with the opening up of express delivery and logistics services, and measures guaranteeing the flow of data supporting SMEs real-time, and interactive collaboration with lead firms, these new rules serve as important policy infrastructure for SME participation in global trade.

Helping SMEs

Capacity building and technical assistance are core foundations of the TPP to help developing country members implement new policies and systems to meet the rigour of 21st century trade. In the same vein, recognising the needs of SMEs, UPS has partnered with governments to help SMEs by sharing best business practices, standards and experiences. The US-ASEAN Business Alliance for SME Competitiveness is one such

“To all SMEs – it’s time to share with the world your day dreams, your ‘Ahas’, your sketches, sticky-notes, and ideas. Time for small to think big”

partnership and has, since early 2014, trained more than 2,000 SMEs in the region. There is no better time than now for SMEs to go global. To all SMEs – it’s time to share with the world your day dreams, your ‘Ahas’, your sketches, sticky-notes and ideas. Time for small to think big.

UPS is a lead company in the US-ASEAN Business Alliance for Competitive SMEs and has partnered with SME Agencies throughout the world to help SMEs export and join global supply chains.

A HOT DINING EXPERIENCE

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Recognising Business Excellence

SMEs looking for inspiration to boost their performance can turn to four enterprises that won top honours at this year's Business Excellence Awards. The Awards recognise companies that have scored well under SPRING's Business Excellence (BE) framework, which is a detailed roadmap for organisations to attain higher levels of performance.

The winners – two well-known SMEs and two public-sector agencies – were recognised for their commitment towards BE and for achieving outstanding business performance. The Immigration and Checkpoints Authority of Singapore (ICA) and Singapore Civil Defence Force (SCDF) were conferred the Singapore Quality Award with Special Commendation (SQA SC). It is the highest accolade under the BE framework.

Meanwhile, Jumbo

Group of Restaurants was awarded the People Excellence Award (PEA), while Sheng Siong Group was conferred the Innovation Excellence Award (IEA), in recognition of their exceptional performance in the respective categories.

The winners received their trophies from Mr S Iswaran, Minister for Trade and Industry (Industry) at the Business Excellence

Awards Ceremony on 14 October 2015. According to SPRING, all four winners share a visionary leadership committed to innovation, people development and customer-centric excellence, which has resulted in greater productivity and business growth. They will join the ranks of 100 past Business Excellence Award winners.



Left to Right: Mr Clarence Yeo, Commissioner, Immigration & Checkpoints Authority of Singapore; Mr Jackson Lim, Deputy Commissioner, Singapore Civil Defence Force; Ms Choy Sauw Kook, Assistant Chief Executive, SPRING Singapore; Mr Ang Hak Seng, Chairman, Singapore Quality Award Management Committee; Mr S Iswaran, Minister for Trade & Industry (Industry); Mr Lim Hock Chee, CEO Sheng Siong Group; Prof Cham Tao Soon, Chairman of the Singapore Quality Award Governing Council; Mr Ang Kiam Meng, CEO JUMBO Group



PLANNING

FIRST SECTORAL MANPOWER PLAN UNVEILED

A plan to develop a skilled and productive workforce for Singapore's hotel industry was unveiled by the Singapore Tourism Board and the Singapore Workforce Development Agency last October.

The Sectoral Manpower Plan (SMP) is the first to be launched under the SkillsFuture initiative. SMPs bring together employers, unions, education and training providers, trade associations and the Government to project future skill needs and set out a systematic plan to develop those skills in the local workforce.

The Hotel SMP aims to better attract and retain Singaporeans for the industry, groom talents for leadership roles, improve job quality and identify emerging skills needed. To implement the plan's strategies, a Sectoral Tripartite Committee of senior representatives from government agencies, union, industry association and hotels has been formed.

INVESTMENT

INVESTING IN KOREA

The launch of a new US\$40 million investment fund last September will help finance SMEs in Singapore and South Korea looking to expand into each other's markets. A Memorandum of Understanding (MoU) to set up the fund by the first quarter of 2016 was signed by Singapore venture capitalist Adval Capital and the Korean Government's Korea Venture Investment Corporation

(KVIC). This is their third collaboration. The previous two partnerships yielded investment funds of US\$10 million each.

The first fund has invested around US\$1.6 million in four Korean companies that are creating, distributing or utilising digital content. The second fund aims to reach out to SMEs in the information and communication technology or culture sectors.



TRADE

TPP TO BOOST SINGAPORE TRADE

An agreement was reached on a comprehensive trade agreement between 12 Pacific Rim countries, including Singapore, on 5 October 2015 after five years of negotiations.

The Trans-Pacific Partnership (TPP) is expected to boost trade and investment links between Singapore and key markets in the region and elsewhere in the world. Under the deal,



Singapore firms in certain sectors will be able to bid for government contracts in other TPP countries, and take larger stakes in foreign firms operating in

key sectors abroad. Special provisions in the TPP also aim to help SMEs integrate into the global supply chain and expand overseas.



RECRUITMENT

SPRING SINGAPORE APPOINTS NEW CEO

SPRING Singapore has appointed Mr Poon Hong Yuen as its Chief Executive.

Mr Poon, who was previously the Deputy Secretary of the Ministry of Law (MinLaw), took over from SPRING's Acting Chief Executive Ted Tan on 1 November 2015. Mr Tan Kai Hoe, the previous Chief Executive of SPRING Singapore, had stepped down on 31 July to join the private sector.

As MinLaw's Deputy Secretary since March 2014, Mr Poon led inter-agency engagement efforts for Family Justice and the Community Disputes Resolution Tribunals. He also helped lay the foundation for starting the Singapore International Mediation Centre and Singapore International Mediation Institute. Prior to MinLaw, Mr Poon was CEO of the National Parks Board from 2010 to 2014.

EVENT

SHARING AMONG SMES

More than 50 business owners were given a chance to study in detail the human resource strategies and productivity measures of logistics firm Yang Kee.

The site tour and dialogue at Yang Kee was

the latest in a series of sharing sessions among SMEs, and the first by non-profit body Workforce Advancement Federation (WAF) since its official launch in July.

The event aims to help SMEs tackle the labour crunch through sharing

best practices and is part of WAF's monthly Workforce Champion Series. Yang Kee is a 25-year-old logistics firm based in Jurong Pier that has been remaking its HR strategies and tapping various government grants to reduce turnover and retrain staff.

CAMPAIGN

LAUNCH OF SME WEEK

Singapore's first SME Week was launched on 29 October 2015 to help SMEs generate more business. The campaign, 99% SME, saw more than 1,700 SMEs offering various promotions to customers throughout the week. The campaign was initiated by

Singtel and co-founded with DBS Bank. Official media partner MediaCorp also offered advertising grants of S\$100,000 to the top three SMEs that garnered the most number of shared promotions and voted



videos in their social media campaign. To kick off the SME Week, senior representatives from Singtel and its corporate partners DBS Bank, MediaCorp and SPRING Singapore visited and shopped at participating outlets at Plaza Singapura.

Playing by the rules

More companies recognise the importance of implementing socially responsible practices to build a sustainable business

WORDS FRANCIS KAN

While Singapore was shrouded in a haze blowing in from man-made forest fires in Indonesia in September, a massive cheating scandal was also unfolding at German automotive giant Volkswagen. The carmaker admitted that it had deliberately designed its diesel engines to cheat on emissions tests, which meant that many of its vehicles were less environmentally friendly than they had claimed.

While the two issues were different, the burning of forests to clear land in Indonesia by companies and Volkswagen's emissions scandal turned the spotlight on irresponsible and unsustainable corporate practices.

The reputational and financial damage exacted on the businesses involved in these incidents is considerable. Volkswagen faces the

“When companies take social responsibility seriously, they enjoy competitive advantages, higher brand recognition and reputation, lower employee attrition and stronger employee engagement.”

daunting prospect of having to fix the 11 million vehicles worldwide that contain a so-called defeat device, which effectively lowered emissions for testing purposes.

Meanwhile, supermarket chains NTUC FairPrice, Sheng Siong and Prime Supermarket have removed all Asia Pulp & Paper Group (APP) products from their shelves. Singapore-listed APP is one of five companies being investigated for their possible connection to the forest fires in Indonesia.

As sustainability becomes an increasingly important consideration for businesses around the world, more organisations are looking to integrate socially responsible practices into their core operations.

A study done by the Massachusetts Institute of Technology showed that when companies take social responsibility seriously, they enjoy competitive advantages, higher brand recognition and reputation, lower employee attrition and stronger employee engagement. “High sustainability” companies also significantly outperformed their counterparts over an 18-year period in terms of both stock and accounting performance.

Operating in an industry not known for being friendly to the environment, Singapore-based palm oil producer Wilmar International has gone the extra mile to ensure that it runs in a responsible

manner. For instance, it became the first agribusiness group in the palm oil industry to implement an integrated policy committing to ‘No Deforestation, No Peat and No Exploitation’ in December 2013. The policy aims to delink its entire supply chain from deforestation and human rights abuse by end 2015.

The idea is to block the pipeline for deforestation-linked products and instead produce raw materials without destroying forests. Britain's *The Guardian* newspaper called the move one that “has the legs to create a global revolution in how we grow food”.

“As one of the industry leaders in palm oil, we felt that it was our responsibility to steer the industry towards sustainable production. As a global citizen, we wanted to contribute towards the fight against climate change and environmental degradation,” said Mr Jeremy Goon, Chief Sustainability Officer of Wilmar International. “It is important for the industry to adjust to evolving market expectations in order to remain competitive and solidify its position as a pillar of sustainable development.”

Driving Change

Another industry that has made efforts to become more socially responsible is the gaming sector. Many casinos implement extensive corporate social responsibility



The Rain Oculus at Marina Bay Sands collects rainwater that is used to fill the canal for boat rides



Wilmar's field workers undergo regular environmental, health and safety training

“ We felt that it was our responsibility to steer the industry towards sustainable production. As a global citizen, we wanted to contribute towards the fight against climate change and environmental degradation.”

- MR JEREMY GOON, CHIEF SUSTAINABILITY OFFICER, WILMAR INTERNATIONAL

the community and environment. It also fortifies our reputation as a reliable employer, business partner and corporate citizen,” said George Tanasijevich, President and Chief Executive Officer, Marina Bay Sands.

Significantly, Marina Bay Sands' strict practices have filtered down to the SME vendors that serve it. When it first started operations in Singapore, certain products and services that adhered to its stringent sustainable purchasing policy were not available locally.

Over time, however, its vendors explored new, sustainable sources of products to meet the requirements of the integrated resort. “We were in the position to drive change due to our scale of business,” said Mr Tanasijevich.

The organisation acknowledges the effort of its suppliers through an annual Sands Supplier Excellence Awards. Vendors are recognised in categories including corporate culture and sustainability, innovation, service excellence and more.

Indeed, more SMEs here now recognise the need to do things the right way, even if it means incurring greater costs initially. To this end, more local enterprises are starting to make a concerted effort to

(CSR) initiatives to showcase their sustainable credentials.

Singapore's Marina Bay Sands, for instance, has put in place policies to ensure that it uses environmentally friendly products purchased only from responsible sources. In 2014, the

integrated resort also invested in over 30 energy reduction projects, reaping savings of more than S\$13 million for the company.

“Being a socially responsible business has steered our policies towards doing the right thing for



The haze that shrouded Singapore in 2015 put the spotlight on the irresponsible actions of businesses

11mn Number of VW vehicles that need to be fixed due to emissions scandal

S\$13mn Savings from 30 energy reduction projects at MBS

communicate their CSR activities to their various stakeholders. Taiwan semiconductor testing firm, Ardentec, for instance, believes that profit, people and planet are all ingredients of a successful business.

The firm's Singapore arm has implemented environmental initiatives with the objective of saving energy, reducing waste and carbon emissions. Those efforts are starting to pay off. Ardentec Singapore's revenue rose 11 per cent to S\$29 million last year, even as it managed to keep its emissions at 2012 levels.

"Increasingly, businesses want to buy products and use services that are environmentally friendly and socially responsible", said Ardentec general manager David Hsiao. The firm has started to collect waste water to use as cooling water, thereby saving water and indirectly more than 56,000 kWh of electricity a year.

Going Sustainable 101

1. Setting sustainability goals and measuring success

Companies should ask themselves what value sustainability can create for the organisation, as well identify the costs of not evolving more sustainably. Consider aligning sustainability goals with broader corporate goals.

2. Assess the impact of your business

Determine the range of environmental and social damages that can be attributed to your products or services, then determine the least harmful ways of delivering the product or service.

3. Identify sustainability issues

Create a grid identifying sustainability challenges, issues, sources and opportunities.

4. Implement sustainability management systems

Implement a set of activities and performance objectives that can be audited.

5. Introduce sustainability reporting

A formal sustainability report may be required for larger organisations.

6. Engage your stakeholders

Identify who needs to be engaged and what information will move them. Social media is now a key channel to connect with stakeholders.

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Making the world's cities smarter

The recently formed Surbana Jurong is looking to grab a bigger slice of the growing urban infrastructure development market

WORDS FRANCIS KAN PHOTOGRAPHY TAN MENG CHOON

As more of Asia's population moves to live in cities, local enterprises such as Surbana Jurong are leveraging their experience in Singapore to help develop urban infrastructure for the region.

Asia is rapidly urbanising. China's urban population, for instance, has risen by more than 500 million in the last three decades. In China and Indonesia, experts expect that 10 per cent or more of the total population will shift from the countryside to the cities between now and 2025.

This will lead to a massive demand for housing and public infrastructure – from roads and hospitals to airports and schools – to cope with the swelling ranks of city dwellers.

In an effort to grab a bigger slice of the estimated US\$3 trillion global urban planning market, Surbana International Consultants Holdings and Jurong International Holdings merged earlier this year to form Surbana Jurong. The combined group provides complete urban, infrastructure and engineering solutions.

It has built more than a million homes in Singapore, completed master plans for over 30 countries and developed 49 industrial parks around the world. Using Singapore as a showcase of its work, it plans to ride the urbanisation and infrastructure wave in Asia and beyond.

"The whole purpose of the merger is to enable the group to do

sustainable developments worldwide. Now we can go to any city in any country, whether in India, Africa or Latin America, and undertake massive development projects," explained Mr Wong Heang Fine, Group CEO of Surbana Jurong in an interview with *BizQ*.

The group's international business currently makes up around 20 per cent of its total revenue. Mr Wong expects this to grow to 40-60 per cent in around four years. While China has long been a market for the company, India and markets in Africa and Latin America are expected to drive growth going forward.

Surbana Jurong recently delivered the master plan for the new capital city of Andhra Pradesh state in India.



The development plans include building logistics infrastructure such as ports and airports, basic utilities like power, water and sanitation, as well as industrial parks to broaden the manufacturing base.

“Andhra Pradesh is the new generation of what we call a sustainable and smart city master plan. It integrates all of what we are doing based on economic and social sustainability,” said Mr Wong.

Post-merger, Surbana Jurong now has some 4,000 employees comprising 500 architects, 950 engineers and 150 master planners, among others. The group’s Singapore heritage is one of its major selling points to international clients, and the company is tying up with other local enterprises to bid for overseas projects. For instance, it has partnered with port operator PSA to work on port and reclamation projects, as well as developers Mapletree and Ascendas for township and industrial estate work.

“The Singapore brand is about being very disciplined in execution, know-how and long term planning. We also tailor solutions to fit the particular needs of the city.”

Next Generation Cities

Surbana Jurong is also positioning itself to be a key player in providing digital urban solutions. Many cities are now incorporating “smart-city” systems that leverage technologies such as sensors, cloud computing and data analytics to deal with a range of urban problems – from traffic congestion and security to pollution and overcrowding. Singapore is at the forefront of this trend, having

“The Singapore brand is about being very disciplined in execution, know-how and long term planning. We also tailor solutions to fit the particular needs of the city”

unveiled a Smart Nation blueprint in late 2014.

Solutions are being developed that can help drivers find and secure a parking spot even before they arrive at their destination, reducing the time the car needs to be on the road. Meanwhile, sensors built into new residential developments can monitor and detect any leakages that occur in a home’s pipes.

“Singapore is a perfect test bed with 700 sq km. We also have a progressive government framework that facilitates the innovation of new technologies. This allows us to pioneer breakthrough applications in terms of urbanisation,” said Mr Wong.

Reflecting its seriousness in this space, Surbana Jurong recently bought a stake in a U.S. technology start-up known as Flux Factory, which was formed by three former Google X personnel. Flux has developed a platform that will help improve urban design and planning.

Said Mr Wong: “These are exciting times for us as we push the boundaries of what is possible. We are changing the way we have been doing business for the past 50 years.”



40% Surbana Jurong's expected share of international business by 2020

4,000 Number of employees in Surbana Jurong following the merger



Surbana Jurong is leveraging its homegrown expertise to expand its footprint in Asia, Africa and Latin America.

Smart Urban Solutions

Surbana Jurong is helping Singapore realise its ambition to become a smart nation that uses technology to tackle many of the problems associated with urbanisation.

The group already has in place a system that monitors the performance of sub-contractors in the maintenance of Singapore's HDB estates; ranking them according to their performance. Surbana Jurong plans to tie up with technology partners to introduce smart city solutions through this network.

"For Singapore to be a smart city, it must have a network that is connected to all the town councils. As we already have such a platform, this is something we will be able to do quite quickly," said Surbana Jurong Group CEO Mr Wong Heang Fine.

The company is already rolling out a digital panel that will be placed at the foot of HDB blocks. This technology can be used to deliver important information to residents and also for security monitoring purposes.

When two become one

Amid trying conditions, local retailers need to merge their online and physical operations into one seamless experience for the customer

WORDS FRANCIS KAN



Persistently high rentals, a tight labour market and competition from international players are squeezing many SME retailers in Singapore, forcing them to find more innovative ways to boost their sales.

Even some of the country's most established retail names have not been spared. FJ Benjamin, whose lines include Gap and Guess, made a net loss of S\$5.47 million during its fiscal first quarter, while retailer and property developer Metro Holdings said its retail division recorded an operating loss of S\$2.1 million for its fiscal second quarter. To cope with rising costs, more retailers are resorting to closing

a number of their outlets. For instance, Jay Gee Group, a distributor for brands like Levis and Dockers, plans to close a number of their stores as they focus on lifting their bottom line.

"There are too many shopping centres around but rentals have not come down. We will see a lot of shops closing when their lease ends," said Mr R Dhinakaran, Managing Director at Jay Gee Melwani Group and Vice President of the Singapore Retailers Association. Indeed, while the large international chains can afford the high rentals, it is the smaller local players who have largely taken the hit.

Another particular challenge for SMEs is how to deal with the growth

of online shopping, which has taken away a big chunk of business from traditional brick-and-mortar retailers all over the world.

The online retail market has grown from zero in 1993 to US\$1.5 trillion worldwide in 2015, representing 6.2 per cent of all retail expenditure. By 2020, these figures are expected to rise to US\$2.7 trillion and 8.5 per cent respectively, according to a report by Generator Research called *Online Retail 2015*.

An omni-channel strategy

Industry watchers however, believe that it is not sufficient for retailers to merely tack an ecommerce platform



“If customers want to self-collect, make them go to a specific location. At Sungei Kadut, I have arranged for two eateries on level three and a café below, so it may be attractive for customers because they can eat there as well.”

- MR DANNY TEO, GAIN CITY EXECUTIVE CHAIRMAN

to their existing operations. Rather, as the lines between online and offline shops blur, retailers need to integrate their virtual and physical operations to present a seamless shopping experience – what the industry has taken to calling an omni-channel strategy.

Consultancy PwC’s 2015 global consumer survey of over 19,000 respondents in 19 territories found that retailers were seeing online traffic significantly driving offline sales, with several growing their market share since going online.

Indeed, pure online retailers have also been opening physical stores in an effort to plug the gap in their customers’ shopping experience. Ecommerce giants Amazon and Alibaba have both opened brick-and-mortar spaces, while closer to home, fashion e-tailer Zalora has also opened a physical store at ION Orchard.

This means that a shopper can return an item bought online at a store, or go to a store’s website



to find out if an item is in stock at the closest physical store location. Successfully doing this can help a retailer get more value out of its brick-and-mortar outlets, cut down on manpower requirements and drive up sales.

Getting more from a store

Star360, a Singapore-based distributor for brands such as Birkenstocks, Cole Haan, American Eagles Outfitters and MBT in the region, uses its stores as a fulfilment centre and to handle returns for its recently launched ecommerce platform. Shoppers who order from the retailer’s online store will get their purchases delivered from one of Star360’s outlets, rather than a warehouse.

According to Star360 founder Mr Andy Chaw, “this is part of a broader ‘O2O’ (online to offline) strategy to integrate our digital and physical channels into a seamless experience



for our customers.” Electronics retailer Gain City offers a “click-and-collect” service to online shoppers, who can pick up their products at its 11-storey Sungei Kadut building.

“I feel that if customers want to self-collect, then you should make them go to a specific location. At Sungei Kadut as well, I have arranged for two eateries on level three and



6.2% Share of online shopping of global retail spending in 2015

US\$2.7tn Estimated spending on online retail by the year 2020



a café below, so it may be attractive for customers because they can eat there as well. Both online and offline channels must complement each other," said Gain City executive chairman Mr Danny Teo.

Meanwhile, traditional players in the U.S. are incorporating digital technology into their stores that will facilitate everything from locating

products to completing online purchases and trying on clothes virtually.

Up to now, retailers have managed their online and physical businesses as separate entities with different cultures. To survive in a tough operating environment, they will have to merge the two into a single, unified storefront.

REDEFINING RETAIL



Here are some technologies employed by retailers to redefine the shopping experience for customers:

Click and Collect

Ecommerce players are using physical spaces to handle collections and returns. Even Amazon opened its first physical store on the campus of Purdue University in February 2015.

Augmented reality in window displays

Augmented reality, or AR, brings a shop window to life. A display at British department store Harrods showed an interactive man-sized 3D egg from Russian jeweller Fabergé.

Virtual changing rooms

3D body scanning technology is being used by retailers to let consumers try on clothes of different styles and sizes virtually in a store's dressing room. In the U.S., fashion retailer Rebecca Minkoff's Manhattan store features digital fitting rooms and interactive mirrors that allow customers to get more information about a product.

Electronic shelf labels

Retailers can now change the prices and information displayed on their store shelves across their whole network of outlets within seconds. In October last year, Cold Storage announced it was streamlining its point-of-sales processes with electronic shelf labels that inform staff of the need for replenishment.

Mr Teo Ser Luck (left), Minister of State for Manpower, at the Singapore Productivity Conference & Exhibition 2015



DEVELOPMENT

UPGRADING CAPABILITIES TO BOOST PERFORMANCE

A number of new SBF initiatives were aimed at helping SMEs boost their capabilities across various aspects of their business

Raising productivity

Businesses can now boost their productivity and innovation through a programme designed to help companies embark on productivity projects to reduce their manpower needs, minimise processing errors and enhance customer satisfaction.

Developed by the Singapore Business Federation (SBF) and the Singapore Workforce Development Agency (WDA), the Mentorship for Accelerating Productivity (MAP) programme was launched by Mr Teo Ser Luck, Minister of State for Manpower, at SBF's Singapore Productivity Conference and Exhibition 2015 held last November. The event aims to inspire Singapore companies with new business insights, innovations and productivity solutions.

"There is an urgent need for SMEs

to innovate and raise their productivity, to grow their businesses in this manpower-lean environment," said Mr Teo in his opening address. WDA has set aside over S\$1 million to train up to 300 in-house productivity champions from 60 companies under MAP.

Dealing with cyber threats

Some 550 members of the local business community gathered with government agencies, industry experts and leaders to discuss how businesses can better prevent and manage evolving cyber security threats at the 2015 National Security Conference.

Organised by SBF and supported by the National Security Coordination Secretariat and Cyber Security Agency of Singapore, the conference promotes the importance of investing in cyber security.

The Employee Cyber Security

Clockwise from right: A participant finding out more about the Employee Cyber Security Kit; MOS Teo Ser Luck announces the SME Business & Financial Management Programme; SBF's table top exercise for haze-related disruption; Deloitte's Janson Yap delivers the keynote speech at the National Security Conference



Kit, a free plug-and-play Web-based toolkit targeted at SMEs to guide their employee cyber security awareness efforts, was unveiled at the conference.

Managing unexpected disruptions

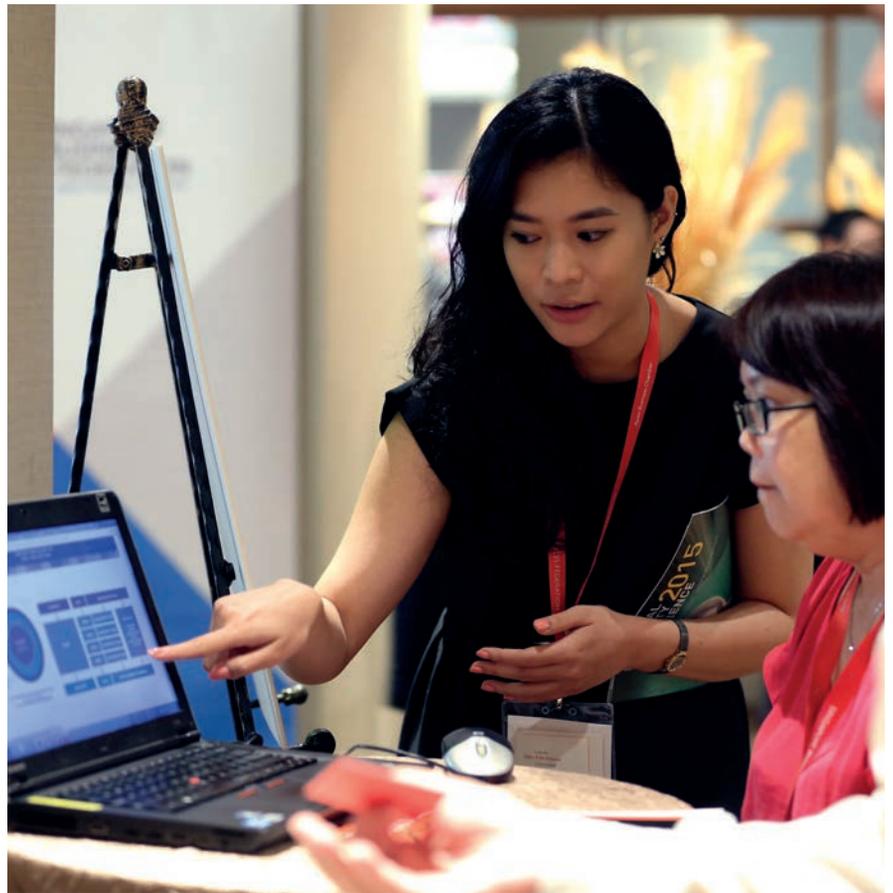
Logistics companies who attended the “Future-Ready Businesses, Today” conference took part in a business continuity management (BCM) exercise to raise their readiness to manage unexpected disruptions such as pandemic, haze and failure in supporting infrastructure.

The conference, held last October, explored key issues relating to finance, disaster management and business continuity for companies to be future-ready. It was attended by 151 participants from 116 companies. The presentations are available on BCM portal's events section (bcm.org.sg).

Upgrading business skills

SBF Business Institute (SBI) organised a programme in November 2015 to help SMEs upgrade their finance function in order to achieve sustainable growth and facilitate expansion.

The SME Business & Financial



Management Programme (SME BFM) is an industry-led programme jointly developed by SBF, Singapore CFO Institute (SCFOI) and Singapore Management University (SMU). Upon successful completion of the SME BFM, participants will have a customised roadmap tailored to the company's business objectives.

Meanwhile, SBI, in partnership with Nanyang Technological University, has launched the Competencies for Future and Current Directors programme. This joint programme will introduce the fundamental concepts of board directorship to aspiring as well as newly appointed board members.



TRADE

BUILDING BRIDGES ABROAD

SBF organised events that aimed to forge ties with overseas markets



Then Senior Minister of State for Trade and Industry Lee Yi Shyan (centre) visiting the Singapore National Pavilion

Singapore hosted the 41st ASEAN-Japan Business Meeting (AJBM) 2015, which served to promote mutual understanding and collaboration between business leaders from ASEAN countries and Japan.

The conference focused on key issues such as the strengthening of ASEAN as an economy, integrating Japan's business into ASEAN, as well as regional opportunities.

"Through the AJBM, we hope to strengthen our collaboration with Japanese business organisations like Keizai Doyukai and JCCI to help Japanese companies tap on Singapore's position as a strategic business hub for growing the ASEAN market and as a gateway to the global business community," said Mr S. S. Teo, SBF Chairman.

He noted that Japanese companies seeking to do so can tap on SBF's AccessAsia@Singapore programme which assists businesses

to set up operations in Singapore and also expand into the region.

Themed "ASEAN and Japan: The Next 50 Years", the event was co-organised by the SBF, Keizai Doyukai (Japan Association of Corporate Executives) and Mayer Brown Singapore, and in collaboration with Japan Chamber of Commerce and Industry (JCCI) and JETRO Singapore.

Meanwhile, SBF led a delegation to the 12th China-ASEAN Expo (CAEXPO) held in Nanning, Guangxi, China, with a focus on Singapore's role in the 21st Century Maritime Silk Road.

Held last September, the event aimed to provide more business opportunities for companies in China and ASEAN, with the objective of increasing bilateral cooperation and cooperation under the China-ASEAN Free Trade Area.



Speakers at the first panel session on "Winning in an ever-changing ASEAN"

FUNDRAISING

ENCOURAGING CORPORATE SOCIAL RESPONSIBILITY

The Singapore Business Federation Foundation (SBFF) organised its inaugural fundraising dinner to encourage businesses to actively participate in corporate social responsibility and corporate philanthropy.

Held at Gardens by the Bay, the event, graced by Minister for National Development, Mr Lawrence Wong, was attended by close to 500 prominent members of the Singapore business community.

SBFF aims to encourage and enable the contributions of the business community to help lift Singaporeans in the social, vocational and educational arenas.

In her opening remarks, Mrs.



Above: Mr Lawrence Wong, Minister of National Development, addressing the SBFF fundraising dinner; (inset): Mr Wong (centre) with SBFF donor Mr Tony Chew and recipient of SBFF scholarship Ms Michel Sim

Theresa Foo, Chairperson of SBFF, shared that since its founding in November 2013, SBFF, through the generous contribution of its founding donors, has provided scholarships,

internships, soft-skills coaching and overseas industrial attachments for more than 400 deserving young adults across four programmes.

One example of its programmes, Project IN, supports young adults with intellectual disabilities and autism at the workplace via internships and on-the-job learning.

DEFENSE

TOTAL DEFENCE AWARDS 2015

For almost 20 years, the Total Defence Awards (TDA) has been a platform for the Ministry of Defence (MINDEF) and the Singapore Armed Forces (SAF) to recognise employers' support towards Total Defence. One of the winners of TDA 15 is property developer City Developments Limited (CDL).

Mr Kevin Kwok, Senior Manager, Enterprise Risk Management at CDL is one of the beneficiaries of CDL's pro-NS policies.

"Prior to my ICT (in-camp training), I will update my reporting manager on training details and the duration of my ICT. We will then review the key projects I am handling so that we can jointly assess if there is a need for additional resources or extensions in timeline. This allows me to focus on my



Mr Kwok Eik Sheng (left), Chief Strategy Officer of CDL, receiving the Total Defence Awards from Guest-of-Honour, Mr Lui Tuck Yew, at the award ceremony in July 2015

NS responsibilities during ICT with peace of mind," said Mr Kwok, who holds the rank of Major (NS) and is the Battalion Second-in-Command at the 453rd Battalion, Singapore Armoured Regiment.

Indeed, CDL has long been a supporter of its NSmen employees, having introduced

NS-friendly policies in 1999. Some key incentives include giving NSmen a full day leave on the day of their Individual Physical Proficiency Test (IPPT). Through these and other measures, CDL has managed to achieve zero deferment for ICT due to work reasons over the past decade.

ENVIRONMENT

RECOGNISING SUSTAINABILITY

Ten private and public sector organisations were recognised for their commitment to sustainable business practices at the Singapore Sustainability Awards (SSA) in October 2015.

The winners were chosen for their environmentally friendly operations and performance management systems, corporate social responsibility, innovation, and adoption of green technology.

Given out annually by SBF, the awards fall into two categories: the Sustainable Business Awards (SBA) and the Green Technology Awards (GTA).

“The Singapore Sustainability Awards has recognised many extraordinary organisations with inspiring business practices and green products over the last six years. It is heartening to see more and more businesses coming forward to say that sustainability is key to safeguarding their long-term competitiveness.”



said Mr Ho Meng Kit, SBF Chief Executive Officer.

Elmich, an engineering solutions company, received the “top honour” title under the GTA Small and Medium Enterprise category. The company has contributed to major projects around the world, achieving many green building certifications and winning various architectural awards.

Three others also won awards under the GTA category: Gashub Technology, Neutrinos Engineering and Canon Singapore. Six winners emerged in the SBA category: Ardentec Singapore, Buckman Laboratories, the Maritime and Port Authority of Singapore, Marina Bay Sands, Kimberly-Clark Singapore and Wilmar International.



TRADE

MAKING A MARK IN NORTH KOREA

Singapore companies have slowly made inroads into the closed market of North Korea. One such enterprise is Mekong International, which joined an SBF business mission in 2012 to North Korea. The general trading company successfully entered the market by establishing a business centre and country club, as well as a

supermarket that will showcase Singapore-made products in Pyongyang.

The company invested US\$1.2 million in the business through a 50-50 joint venture with local partners. The first international business centre-country club in North Korea, Beneta Business Club was completed in November 2015. The development comes with club-style facilities like a swimming pool, gym, 5,000 sq ft supermarket as well as meeting rooms and cafés. The business centre will also serve as a meeting place for investors and businessmen.

LEADERSHIP

A GLIMPSE OF SINGAPORE'S FUTURE

Held last November, the Semi-Centennial Leadership Conference reflected on the past and peeked into the future of Singapore's business landscape. The event was held by SBF, local and foreign Trade Associations and Chambers (TACs) and the Singapore business community to commemorate SG50.

Minister for Finance and Chairman of the SG50 Steering Committee, Mr Heng Swee Keat, graced the event as the Guest-of-Honour. The conference comprised three panel discussions: "Journeying through the Formative Years" which traced the path of companies from the British colonial and Straits



Mr Heng Swee Keat, Minister for Finance and Chairman of SG50 Steering Committee (centre) with SBF Chairman Mr S. S. Teo (left) and SBF CEO Mr Ho Meng Kit (right)

Settlement period; "Succession Planning: Permeating Values from Sustainable Family Businesses" that discussed established family-run businesses; and "The Singapore Story – Globally Competitive Enterprises", which examined how local companies

can remain competitive.

The closing keynote address was delivered by Mr Ho Kwon Ping, Executive Chairman, Banyan Tree Holdings, who spoke on "future-proofing" and sustaining Singapore's success in the next 50 years.

EVENTS Here are some upcoming SBF workshops*. Register at and receive event updates on sbf.org.sg



PRODUCTIVITY AND INNOVATION CREDIT

Date: 17 February 2016

Venue: SBF, Keppel Towers

This half-day workshop will provide an insight into the Productivity and Innovation Credit (PIC) Scheme. The event provides an overview of the PIC Scheme and the Cash Payout under the scheme, where an eligible business may opt for cash conversion to convert its qualifying deductions or allowances into non taxable cash payouts.



COMPETENCIES FOR FUTURE & CURRENT DIRECTORS PROGRAMME

Date: 11-12 March 2016

Venue: SBF, Keppel Towers

This programme will introduce the fundamental concepts of board directorship to aspiring as well as newly appointed board members. Participants will understand the role of a board member, the competencies needed for him or her to perform the role well, as well as the issues that a board faces.



COMPLEXITIES IN SIMPLE PRACTICAL CORPORATE TAX

Date: 3 February 2016

Venue: SBF, Keppel Towers

As corporate tax compliance gets more complex, it is important for companies to comply with their tax obligations and ensure that they file their corporate returns on time.

This one-day event will help companies understand Singapore's corporate tax system and keep them updated on the recent tax changes.

*All information correct at time of printing.



Myanmar beckons

Once an economic backwater, the country is now a magnet for foreign investors looking to tap its natural resources and low-cost manpower

WORDS LEOW AIK JIANG

I used to tell my staff that you can assume that I am on the moon,” said April Koh, the managing director of TPM Outdoor Productions, which specialises in billboard advertising in the region when she first ventured into Myanmar in 2007. There were no mobile phone roaming services back then and until two years ago, it cost US\$200-US\$300 for a SIM card, she added.

Much has changed however since 2011 with the ushering in of civilian rule, which has seen the government embarking on a slew of socioeconomic and political reforms. Mobile phones penetration that was under 10 per cent is now expected to rise to 40 per cent by 2017, according to the PwC Business Guide 2015. Meanwhile, the same SIM card is now available for about 1,500 kyat, or around S\$1.50.

Both the Asian Development Bank

(ADB) and World Bank are projecting growth of around 8 per cent for Myanmar for 2015.

Not surprisingly, many locals and foreign investors have been pumping money into the economy, harbouring dreams of new factories, farm lands, hotels, malls, supermarkets and fast food establishments that will enable the country to leapfrog the development stages and possibly draw level with neighbours like Thailand and Vietnam.

According to the Myanmar Investment Commission (MIC), about 35 per cent of the total foreign direct investments (FDI) in 2014-2015 had gone into the energy sector (US\$3.22 billion), while manufacturing (US\$1.5 billion), and transport and telecommunications (US\$1.68 billion) accounted for 25 per cent each.



“As an emerging economy, Myanmar has many growth sectors – one of the fastest and most sustainable growth sectors is education.”

- DR T. CHANDROO, MMI CHAIRMAN AND CEO

Outlays for tourism and hotels over the same period had weighed in at US\$40 million and US\$358 million, respectively.

“There are many four- and five-star hotels coming up. We also see great potential in commercial spaces such as shopping centres and offices. Most of these contracts are often given to foreign contractors and consultants,” said Andrew Cheng, Chief Project Officer for Singapore-based interior design and event-exhibition company, Cityneon Creations.

One Singapore company that made a foothold in Myanmar in March 2015 with the opening of a pre-school in Yangon is the Modern Montessori International (MMI) group. Over the next five years, it intends to expand into other major cities and townships, opening at least two more schools in Yangon and Mandalay, respectively.

“As an emerging economy, there are many growth sectors in Myanmar – from banking and finance to manufacturing and infrastructure,” said MMI chairman and CEO, Dr T. Chandroo. “But one of the fastest and most sustainable growth sectors is education, which is very much driven by the robust economic progress of a country, one that will require a better educated and well-trained workforce to support the demands of industrial development and long-term economic growth.”

Meanwhile on the regulatory front, archaic laws that were first enacted

by the British in 1914 and modified in the 1950s have since been updated in 2014 with the help of the ADB, so that businesses can better navigate the legal and financial quagmire.

Foreign companies, for instance, can now be set up as fully owned enterprises without the need for joint ventures or local partners in most trades, except in sectors such as real estate and those in infrastructure including energy, mining, media and telecommunications.

Foreign-owned businesses are also now permitted to open U.S. currency accounts with local banks, as the greenback is often used in business transactions. Credit and debit cards are now more widely accepted, making it easier for foreigners living in the country.

However, while labour is plentiful, the skillsets have yet to reach international standards and quality.

Ms Koh said, “The locals are fairly competent and friendly but lack work experience rather than education.”

Despite the obstacles, Ms Cheah Swee Gim, Director of law firm Kelvin Chia Yangon, is optimistic about the country's future following recent elections that saw Aung San Suu Kyi's party grab 77 per cent of seats in a historic win.

“Myanmar has once again prevailed over even the most skeptical critics' doubts. With this business and private sector growth, next year will be exciting and fast paced.”

Get your foot in the door



Several events were held in 2015 to help local enterprises better understand the Myanmar market.

IBF Executive Programme Myanmar

In July, the Singapore Business Federation (SBF) and IE Singapore organised an intensive in-country immersion programme to help participants gain knowledge of Myanmar's complex business landscape through talks by in-market experts and visits to a wide range of companies.

► gevme.com

Buildtech Yangon

SBF led a Singapore delegation in May last year comprising 36 exhibitor companies to an event known as Buildtech Yangon. The Singapore firms were able to make valuable contacts within the country's construction sector.

► For more information on Myanmar, visit adb.org

TRAINING

Mentoring for SMEs

SPRING Singapore has launched a mentorship programme to help SMEs train their workforce, strengthen their learning and development capabilities, and build their branding as employers of choice.

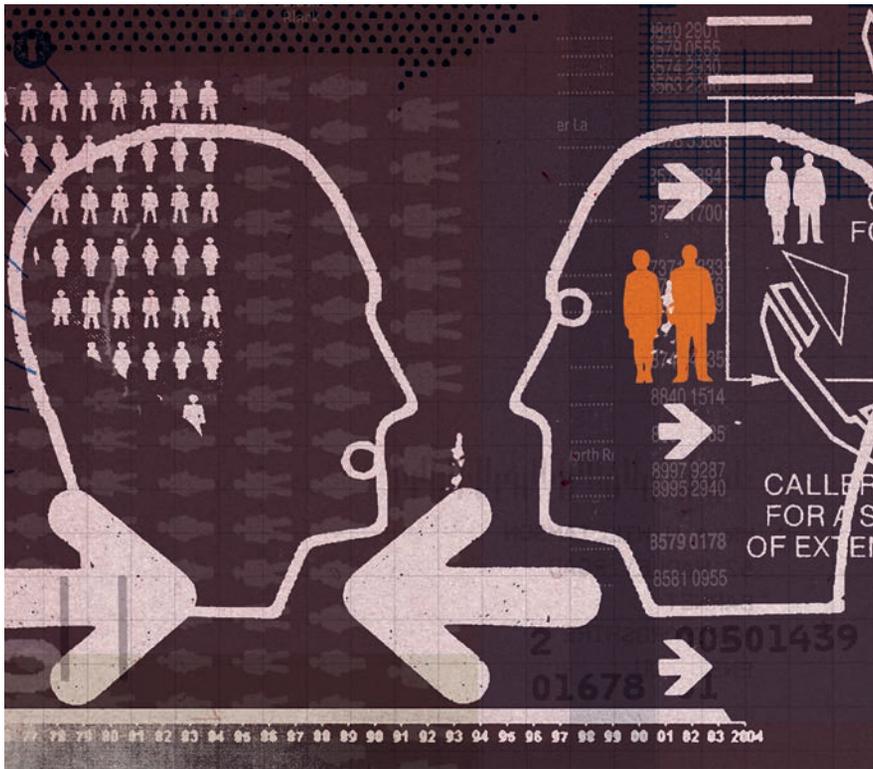
The SkillsFuture Mentors Programme was launched last December with a pilot pool of 18 mentors to help SMEs foster a

better learning environment so that they can better participate in SkillsFuture initiatives such as the Earn and Learn Programme and Enhanced Internships.

SPRING aims to build up a pool of 400 mentors to support 2,000 SMEs over the next three years, and will provide 100 per cent funding support to the SMEs for the first three years.

▶ For more information, visit spring.gov.sg





FUNDING

OUTSOURCE HR FUNCTIONS

SMEs can tap on government funding to outsource their human resource functions. SPRING Singapore will fund up to 70 per cent of qualifying costs incurred by firms in outsourcing the functions.

The funding will help defray a one-time set-up cost in outsourcing and up to a year's worth of subscription fees. SPRING has appointed 11 human resource service providers for companies to outsource tasks to, such as payroll processing and employee data administration. Application for the scheme will be open till 30 April 2016.

▶ For more information, visit spring.gov.sg

PRODUCTIVITY

CALCULATE YOUR PRODUCTIVITY SCORE

Business owners can now find out how their companies perform against their peers in terms of productivity using a new easy-to-use online tool called the Holistic Industry Productivity Scorecard Calculator, or HIPS Calculator. It is developed by the SBF with knowledge partner DP Information Group. Companies need only go through a three-step process with nine key financial figures such as labour cost, operating profit and fixed assets. After receiving their productivity scorecards, companies can enrol in Mentorship for Accelerating Productivity (MAP), a customised mentorship programme consisting



of a one-day diagnostic workshop, two-day productivity champion training, and three-month business process re-engineering with

mentorship from productivity consultants.

▶ For more information, visit hips.org.sg/calculator



When is casual too casual?

More companies today want their employees to dress down, but very few know what that means exactly. Here are some tips on decoding “Business Casual”

WORDS FRANCIS KAN

One of the biggest trends when it comes to dressing for the workplace or official events is the shift towards business casual clothes. It’s a dress code that’s appearing on more invitations and human resource manuals.

Yet, many people would be hard-pressed to give you a decent explanation of what business casual actually means. Broadly speaking, it is a style of clothing that is less formal than traditional business wear, but is still intended to give a professional impression. But beyond that, opinions differ on what this dress-down movement entails.

“We’ve clearly moved from the formality of business wear to the super casual work environment of jeans and t-shirts, and even flip flops and shorts, to the nebulous middle ground of ‘business casual,’” wrote style expert Renee Sylvestre-Williams in *Forbes* magazine.

BiZQ spoke to professionals from different sectors to get their take on the issue. At some workplaces, it means not needing a tie, but definitely no jeans or T-shirts. At others, everything has to be tucked in and athletic attire is not permitted.

Lawyers in Singapore have a strict dress code that includes a tie when

they go to court, but otherwise are fine with shirt and pants in the office. Bankers, management consultants and sales professionals at some organisations may also have to wear at least a tie when visiting clients.

For some organisations, business casual applies only on “Casual Fridays”. To help you navigate this sartorial conundrum, here are some basic guidelines on business casual.

For Men: Light-coloured trousers or chinos with a short or long-sleeved shirt.

For Women: Trousers or knee-length skirt paired with a blouse or collared shirt.

What to Avoid: T-shirts, shorts, athletic wear, bermudas or sandals.

When in doubt, just trust your instincts. If you are comfortable meeting your boss or a customer with what you have on, you are probably safe. For more ideas on putting together a business casual ensemble, visit:

► gq.com; businesscasualwomen.net

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