

# SMEs spurring Singapore's green transition

By Grace Fu and Lim Ming Yan

SMALL and medium-sized enterprises (SMEs), which account for 99 per cent of enterprises in Singapore and employ 72 per cent of workers, have long played a central role in the country's economic transformation. Their agility, nimbleness and creativity enable them to significantly advance innovation and build resilience in the economy.

In the same way, SMEs are set to be the driving force behind Singapore's green transition. With investors and consumers increasingly becoming green-conscious, economies, governments and companies need to keep pace with this global shift towards sustainability in order to thrive and succeed.

While the green transition may seem daunting at first, SMEs can take steps to transform their business models, practices and processes, to embed sustainability in their operations, and capitalise on new opportunities in the green economy.

Several SMEs are already leading the way as first movers by making sustainability core to their businesses.

Food group X-Inc's subsidiary, FoodServices, launched an initiative called Backyard Productions in 2021, which consolidates produce by local farms and directly supplies them to the F&B industry. As an aggregator, Backyard Productions champions sustainable local produce through optimising logistics in a way that small individual farms would not have been able to undertake as efficiently.

Barghest Building Performance (BBP) is among a growing number of local solution providers which help clients reach their sustainability goals. BBP provides energy efficiency technology, including heating, ventilation and air-conditioning optimising technologies and proprietary software algorithms, to achieve cost savings and carbon footprint reduction.

Other first movers like Magorium are also propelling the green



Together in partnership with the government, SBF and industry partners, SMEs can seize new green business opportunities while playing a part in Singapore's net-zero transition. PHOTO: BT FILE

economy by developing proprietary recycling technology to convert plastic waste from shopping bags and drink bottles into NEWBitumen – a material that can partially replace the tar-like, oil-based bitumen used to build regular roads.

These SMEs are fast realising that sustainability can be a green growth opportunity, rather than a cost centre, and are moving decisively to capture new market segments and consumer preferences.

## Ramping up support

To leverage the growth opportunities presented by the green economy, the government is investing heavily in science and technology, allocating S\$220 million for R&D under the Research, Innovation and Enterprise 2025 Urban Solutions and Sustainability domain.

Through these investments into R&D, the aim is to develop sustainable resource recovery solutions for key waste streams such as e-waste, plastics, and food as well as support water and membrane research.

SMEs embarking on green technology innovation can participate in technology consortia and work with the Centres of Innovation in the local polytechnics to access laboratory facilities and consultancy services in developing and testing technology projects.

Under the Enterprise Sustainability Programme (ESP) launched last year, Enterprise Singapore (ESG) has also set aside up to S\$180 million, which will benefit at least 6,000 enterprises over the next 4 years. The programme will support training workshops, capability and

product development projects, and key enablers such as certification and financing.

Partnerships with Trade Associations & Chambers (TACs) and corporates is a key element of this programme. For example, ESG has announced the roll out of the first series of ESP-Sustainability Courses for businesses, which were developed in partnership with Global Compact Network Singapore, PwC Singapore, and the Singapore Environment Council.

As more workers tap on government grants and industry initiatives under SkillsFuture to upskill and reskill, SMEs will be able to leverage a growing pool of talent with the right capabilities to undertake the green transition.

Enterprises can also tap on schemes such as the National Envi-

ronment Agency's (NEA) Energy Efficiency Fund to invest early in energy efficient technologies as they make a low-carbon transition.

The Green and Sustainability-linked Loan Grant Scheme, launched by the Monetary Authority of Singapore last November, will also help enterprises raise financing as they take up green projects, invest in green assets, or move towards more sustainable business practices.

## Partnerships for progress

TACs play a pivotal role in achieving Singapore's climate ambition. For example, the Singapore Business Federation (SBF) organises outreach and matching activities for SMEs, to engender collaboration between supply chain partners. It also works closely with fellow TACs

to identify opportunities to unlock new markets across adjacent sectors and value chains.

An example is the Alliance for Action (Afa) on Sustainable Spaces initiated by SBF, the Singapore Furniture Industries Council and the Singapore Green Building Council.

The Afa is a ground-up collaborative initiative, supported by the Building and Construction Authority and the NEA, aimed at raising awareness for greener indoor air quality solutions and helping companies offering these solutions to capitalise on a growing green demand.

At the launch of the Afa's Low Formaldehyde Commitment Statement in April this year, the initiative attracted more than 70 public and private organisations from various sectors to pledge adoption and supply of products and services that contribute to better indoor air quality.

The Singapore government will continue to partner SMEs and industry through various ways, including joint pilot infrastructure and R&D projects, to develop Singapore into a hub for sustainable solutions. SMEs can look forward to collaborating with one another, as well as with the public sector through various ways, including joint pilot infrastructure and R&D projects.

## Brighter green future

With Singapore raising our ambition to achieve net-zero emissions by or around mid-century, SMEs need to move fast in going green, or risk being left behind. SMEs will need to be even more proactive in devising ways to reduce their carbon footprints to retain customers.

Together in partnership with the government, SBF and industry partners, SMEs can seize new green business opportunities while playing a part in Singapore's net-zero transition.

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