

October-December 2015

BizQ

A PUBLICATION OF SINGAPORE BUSINESS FEDERATION

SkillsFuture Arrives

Businesses prepare for new challenges

A New Silk Route

Fresh opportunities across an ancient path

Logistics on Demand

Apps for getting goods delivered

ONE ON ONE

Pioneering a new way of eating

Ong Kian San
MD of Kee Song Group

Boss Skills: Upgrade

Q: What is the difference between a job and a job that comes with plenty of perks and opportunities for professional and personal growth?

A: A savvy boss who knows how to inspire the best in his people. Let Addicon Logistics Management and PestBusters show you how strategic HR practices can make everyday jobs extraordinary.

“
Now I'm enjoying
more time on my
hands to look at other
areas of growth
”

Mr Benjamin Koh,
Chief Executive Officer



Addicon: A Succession Story

While Addicon Logistics Management has regional offices and international customers, Chief Executive Mr Benjamin Koh insists on running as many business activities and processes out of their Singapore headquarters to ensure that the office here remains abuzz and to help create jobs for locals.

Delivering the promise

Filling the jobs, however, is not without challenges. Not many know what the industry is about and graduates of logistics courses tend to ply a different trade eventually. Mr Koh hopes to change that. “We offer them internships here in hope that they will continue in the industry. A lot of students don't and we lose those talents. We try to hold them back in the industry by giving them a different perspective on our business,” he said.

Every year, Addicon employs at least 10 interns as part of their Management Trainee Programme. “Once we identify good potential candidates, we try to train them. We also create opportunities for students from all polytechnics (that offer logistics courses),” said Mr Koh, adding that the real challenge is to keep them keen on a business that many perceive to involve nothing more than “container loading and trucking something from point A to B”.

Good job, great package

In a bid to appeal to the younger generation, Mr Koh perks up his job offerings with the lure of overseas exposure. “The younger generation gets bored with desk jobs. They want to move out of Singapore and see the world. I give people

a chance to move around (the regional offices). At least they won't find the job boring and hopefully we can tap on their creativity and ideas. Sometimes they come back with something spectacular. That's what I always look for,” he said.

In addition, Addicon's policy of continuous training and education promises to raise each employee's stature and value as a logistics professional. Employees with the potential to stay and grow with the company are sent for a formal diploma programme at Singapore Logistics Association. Some of them will even get a chance to pursue their degrees, fully paid for by the company.

As for Addicon's most promising management trainees, the sky is the limit. Mr Koh cited the example of the company's latest star pupil who is currently being groomed to take charge of a subsidiary. “Normally it takes 3 to 5 years to learn this business quite well. And to be able to run your own company, you'll probably need about 8 to 10 years. By the time he is ready, he'll probably seek employment somewhere else,” he joked.

Once a serious micromanager, Mr Koh has learnt to trust his people. This has enabled him to focus on building the company. “Now I'm enjoying more time on my hands to look at other areas of growth.”

Expanding the network

Contrary to the usual practice of safeguarding talent within the company, Mr Koh encourages his staff to try new pastures if the opportunity arises in order to learn more and enhance their career prospects. This open culture has reaped in benefits multi-fold. Many former employees who heeded the advice are doing well for themselves and continue to be professionally linked with Addicon as business partners, references, clients or contractors.



Find out more about the
National Human-Capital Office

your job offering

PestBusters: Abuzz with Opportunities

PestBusters is a local company on the verge of becoming a game changer on the global stage. However, underneath the success remains a difficult profession to fill, according to Chairman & Chief Executive Officer Mr Thomas Fernandez. "There aren't many people who want to take on this job (of a pest controller) because it's not the sexy job that you want to be in," he said, adding that more educated Singaporeans means fewer candidates for him.

Busting the manpower shortage

Once a Pest Control Technician himself, Mr Fernandez recognises that people have immense potential if given the chance to fulfil their passion and willingness to learn. This is why he calls PestBusters a "people business".

To entice people to join and stay with his company, Mr Fernandez created jobs that they could be proud of. PestBusters trains people to be specialists who command respect for their mastery of knowledge, science and technology, and recognises their efforts on the job with monetary and honorary awards. To supplement the usual recruitment channels, the company also taps on the Yellow Ribbon project for recruits.

The company also maps out a career path for each staff and provides support and funding for the training and education required to move upwards or laterally. Mr Fernandez spends time and money that "exceeds the national standard" on training and education. "A lot of people look at training as a cost. It's an investment. It's never a cost to us," he said.

One of the biggest successes of this policy on people development is Ms Angeline Hia, who joined the company as a Service Coordinator. Armed with a potent dose of self-determination as well as company support, she pursued her studies and honed her trade skills through numerous courses. Today, Ms Hia is PestBusters' Director of Human Capital.

Staff development also plays a key role in having employees stay on the job. The company strives to keep its staff for at least a year, the crucial period for staff retention. "We found that employees who stay with us for at least a year are very likely to continue with the company," said Ms Hia.

A brand that cares

PestBusters rejects fogging because it kills not only the pests but harms all other insects within the environment too. This thoughtfulness extends to its work environment where help is always available when needed – something that even former employees miss. The local term "Kampung Spirit", which describes a close-knit community, ensures that all employees understand how crucial it is to corporate as well as personal success.

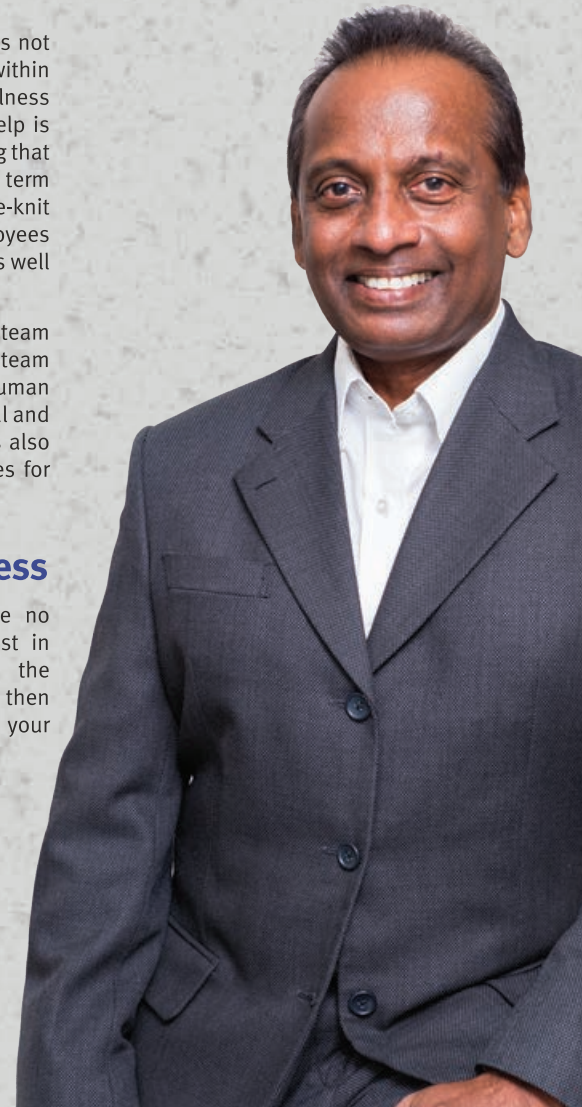
A proactive social culture has also helped team spirit to blossom. In addition to monthly team building activities organised by the Human Capital Department, such as bowling, futsal and even short overseas getaways, associates also take initiative in planning weekly activities for everyone's participation.

Make people your business

Mr Fernandez urges employers to spare no expense on people. "You need to invest in human capital because you must be the employer of choice. If you can't get there, then you will have a serious issue growing your company."

"A lot of people look at training as a cost. It's an investment. It's never a cost to us"

Mr Thomas Fernandez,
Chairman & Chief Executive Officer



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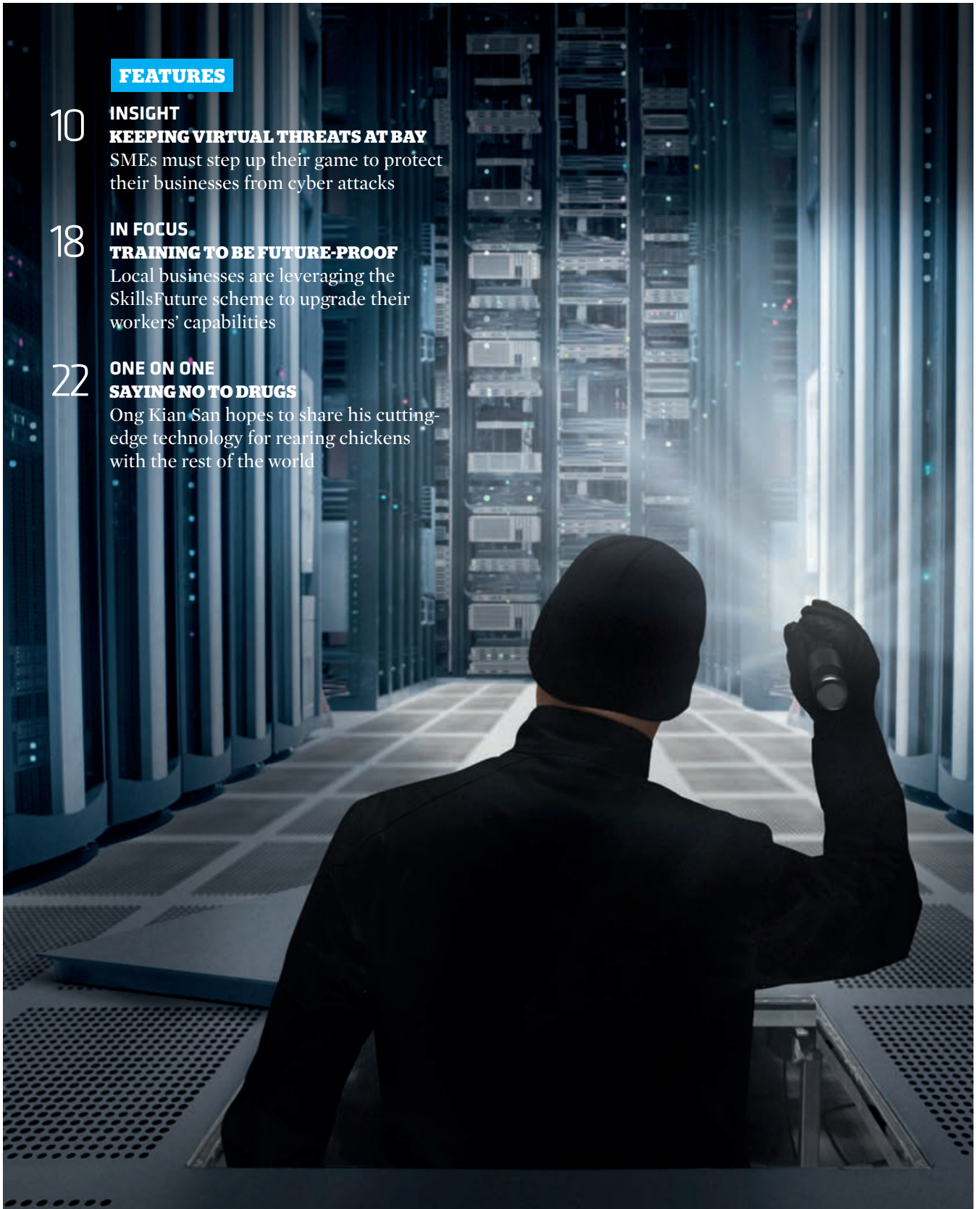


PHOTO GETTY IMAGES

Restructuring for the future

As we reflect on the outcome of the recent General Elections, this may be a good time for the Singapore business community to take a hard look at the challenges ahead.

One of the biggest will be the transformation of the Singapore economy into one that relies less on foreign labour, and is driven instead by innovation, higher productivity and a Singaporean core. The transition has been a difficult one so far, as businesses struggle to upgrade their operations.

Indeed, sentiment among SMEs in Singapore continues to decline with the latest SBF-DP SME Index at a three-year low. The index measures their outlook for the next two quarters.

Against the backdrop of a muted business outlook, the recent election results reflect Singaporeans' wish for a stable political and economic environment with a strong administration. This will strengthen the confidence of local and foreign businesses as they tide through this challenging period.

It is also heartening to see that the Government has introduced a number of initiatives to help the business community. Perhaps the most important is the SkillsFuture scheme that aims to equip Singaporean workers with the necessary knowledge and skills for a rapidly changing economy.

Recognising that restructuring a business takes time, the Ministry of Manpower (MOM) also announced in August a two-year scheme that gives SMEs more leeway in hiring and retaining foreign workers if they work towards becoming less reliant on manpower, develop their workers and build a stronger Singaporean core of Professionals, Managers and Executives (PMEs).

Such measures are very much welcomed and we encourage our

members to tap on these new schemes fully. Together with the other trade associations and business chambers, SBF will work with MOM to achieve the outcomes of strengthening the Singaporean core, improving the quality of foreign workers and maintaining the competitiveness of our businesses.

On a brighter note, opportunities for local SMEs continue to emerge in the region. China's "One Belt, One Road" initiative to revive ancient land and sea trading routes and foster greater collaboration among countries along these routes, is one significant example.

To help our local firms better understand the implications of this ambitious initiative, SBF organised the inaugural Singapore Regional Business Forum (SRBF) in July. Over 400 participants gathered to listen to experts and industry leaders discuss the Maritime Silk Road – the ocean-going aspect of "One Belt, One Road".

The Forum not only provided deep insight into the political and strategic implications of the Maritime Silk Road, it also addressed the economic opportunities for Singapore. We plan to develop the SRBF into a prominent annual event that will offer valuable thought leadership for businesses in the region and beyond.

As Singapore enters into a new period after SG50 with a new government, the nation must continue to maintain an open economy, promote a pro-business environment and be receptive to foreign talent and investment. This will help our companies emerge stronger in the coming years.



S.S. TEO

Chairman, Singapore Business Federation

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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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How UPS Design or Configuration Helps Achieve High Reliability & Availability Most Concerned in a Datacenter?

The datacenter constitutes the critical load in the daily operations of the organization. Cost of downtime is extreme and runs between USD4,000 to USD6,000 per minute or even more. Uninterruptible power supplies (UPS) is the key to sustain the operation continuity of a datacenter.

Modular UPS is a good demonstration of the ultimate fault tolerant capability of UPS for datacenter. For example, Delta Modulon DPH series, is a fully fault-tolerant design which provides self redundancy of power modules. Besides, full control logic allows the system to self-synchronize in the event of main module failure and automatically switch to the backup for assured continuous operation.

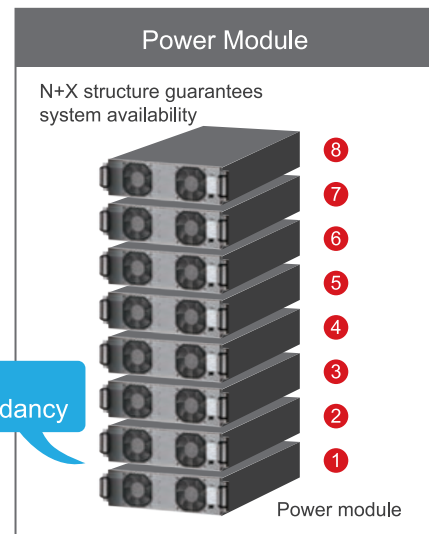
Secondly, the hot-swappable functionality of critical components and modules improve the serviceability of the UPS system thereby reducing MTTR close to zero to assure maximum uptime and ultimate availability in the datacenters. The quick replacement by standard operating procedures (SOPs) of modules can help save 50% or more of repairing time than traditional standalone UPS.

Fail-safe design is a step further to eliminate single-point failure to ensure the reliability. Most of the Delta UPSs are equipped with fail-safe designs in the areas of aux. power, control mechanism etc. As DSP control is widely adapted in the UPS design due to its advantage of component reduction to lower failure rate to increase the system reliability.

When mentioning the availability, the flexibility of different UPS system design configuration is also important. Delta UPSs allow several possibilities of redundancy design.

1. Parallel configuration (N+1), no additional hardware required
2. Hot-standby configuration achieved by dual power input design, providing system redundancy and quality power at the same time
3. System plus system configuration 2N or 2(N+X) achieved by synchronized multiple bus, meeting TIA-942 tier 4 reliability for mission critical datacenter applications.

Delta UPS Ultron and Modulon series assure exceptional reliability and maximizes uptime to deliver high availability contributing to the best-in-class practice to reduce Total Cost of Ownership (TCO).



A challenging environment

Singapore's economic performance continues to be weighed down by global uncertainty

A sluggish global economy is taking its toll on Singapore businesses. Key economic indicators continue to disappoint, while local enterprises are at their least optimistic in almost three years, according to the latest SBF-DP SME Index. (See next spread)

The economy grew 1.8 per cent in the second quarter, significantly down from the first quarter's 2.8 per cent expansion, according to official data. This led the Ministry of Trade and Industry to narrow its growth forecast for 2015 to between 2 and 2.5 per cent this year, slimmer than the 2 to 4 per cent it had forecast earlier.

In such an uncertain environment, businesses will have to work hard to leverage technology to ramp up their productivity, streamline their work processes and keep costs at bay.

SMEs that lack the resources of larger companies should also tap on the various financial and technical assistance schemes, as well as training programmes, provided by government agencies and trade associations.

Manufacturing stalls

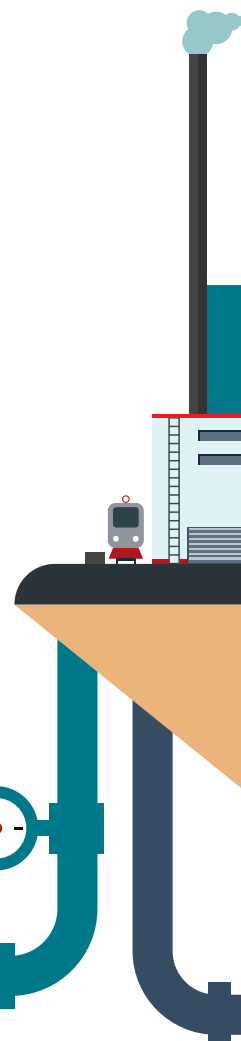
The lacklustre manufacturing sector was the main culprit for growth slowing in the second quarter. Weighed down by declines in the transport engineering and biomedical segments, manufacturing contracted by 4.9 per cent from April to June 2015.

Finance perks up

One bright spot was the finance and insurance sector, which grew by 7.1 per cent in Q2 over the same period last year largely due to a buoyant fund management segment. This followed from an equally strong showing in Q1, when the sector expanded by 7.8 per cent.

Exports disappoint

Singapore's export engine continued to sputter in August, adding to the economic gloom shrouding the Republic. The widely watched non-oil domestic exports (NODX) dipped 8.4 per cent in August from the same period last year, mainly due to a sharp drop in shipments to China and Europe.



+1.8% GDP growth slows in Q2 on weak manufacturing

-8.4% NODX falls in August due to weak China shipments



SBF-DP SME INDEX

SBF-DP SME INDEX SME SENTIMENT AT ITS WEAKEST IN THREE YEARS

Reflecting the uncertain macroeconomic conditions, sentiment among Singapore's SMEs declined for a fourth consecutive quarter to hit its lowest mark in three years.

The latest SBF-DP SME Index slid to a score of 51.9, a level not seen since the Eurozone debt crisis. The quarterly index measures businesses' outlook for the six months covering Q4 2015 and Q1 2016. A score above 50 indicates a positive sentiment.

According to SBF, one consistent feature across all six industries surveyed is the decline in both turnover and profitability expectations in the final quarter of 2015.

"The lower turnover and profit expectations may lead to lower hiring expectations in the SME sector. As SMEs are our major employers contributing to 70 per cent of jobs, this could in turn lead to a further slowdown in job creation," said Mr Ho Meng Kit, CEO of SBF.

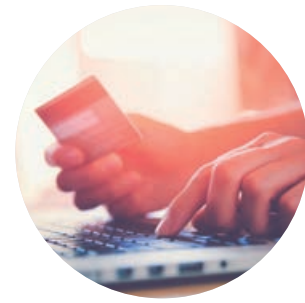
The index is a joint initiative of the SBF and DP Information Group that aims to be a six-month forward-looking gauge of business sentiment.





Highlights of the SBF-DP SME Index for Q4 2015 and Q1 2016

- Three of Singapore economy's largest sectors – Construction/Engineering, Manufacturing and Commerce/Trading – all reported a drop in optimism for the next two quarters.
- Construction and Engineering SMEs could be influenced by the weakening of residential property prices and limited opportunities in the commercial and industrial property sectors.
- Commerce/Trading companies may be affected by the impact of the weaker demand across the global economy, currency volatility among Singapore's regional trading partners, as well as the impact of a strong Singapore dollar.
- Manufacturing companies could also be impacted by the relative strength of the Singapore dollar as well as the ongoing push to improve productivity and reduce their reliance on foreign labour.



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Basis for
Business



Keeping virtual threats at bay

Despite a lack of resources, SMEs can no longer ignore the threat of cyber attacks





WORDS FRANCIS KAN

As the owner of a business that operates a call centre and receivables recovery service, Thomas Choo is acutely aware of the importance of protecting his company's sensitive data.

While the firm has, thankfully, not been a victim of an online attack – which can take the form of malware or phishing – he places cybersecurity as one of his top priorities.

“Cybersecurity is of critical importance. We take careful steps in managing our data and only put up necessary information in our servers that are secured internally,” said Mr Choo, founder and CEO of Singapore-based Thomas Carlington & Associates.

“Though we have an alternate business contingency plan in place, we are careful in how we carry out our preventive action rather than wait for a crisis to happen.”

Indeed, the company is currently in the process of migrating to a new system to beef up its defences and align it with newer technology.

The rise of cloud computing and other digital tools for business, as well as the emergence of B2B platforms, is pushing businesses to put more of their operations online, making them more vulnerable to cyber attacks in the process.

A survey by the Singapore Business Federation (SBF) conducted last year found that 30 per cent of local enterprises had been a victim of a cyber attack, most of which took about one to three days to recover.

Any company that uses technology – including networks, storage



devices, software and emails – will be susceptible to such threats and not just those that conduct their business online. Making matters worse, companies in Asia are targeted 35 to 40 per cent more than the global average, according to cybersecurity expert FireEye Inc.

Experts say that Asian companies are easier targets because they invest less in security and don't share their experiences with regulators and other countries when they are a victim of an attack.

A report from Infocomm Development Authority (IDA) in 2013 showed that only 21 per cent of local SMEs have an intrusion detection system in place to prevent data leakage.

Laggards in cybersecurity

While a rising number of local SMEs like Thomas Carlington now recognise the importance of implementing adequate protection against virtual threats, many are hampered by a lack of resources and expertise.

According to Mr Thio Tse Gan, executive director at Deloitte SEA Enterprise Risk Services, SMEs are still lagging in cybersecurity measures partly due to three reasons: a focus on growing the business, the cost of implementing cybersecurity measures and an inability to hire and retain talent with the necessary IT skills.

“More often than not, the business may think that they are not large enough to justify for a headcount to focus on cyber issues,” said Mr Thio.

30% Local businesses that fell victim to a cyber attack in 2014

21% Local SMEs with an intrusion detection system to prevent data leakage

“While facing less sophisticated, but an increasing number of cyber attacks, SMEs must identify their largest risks and selectively apply their selection of defenses to protect themselves.”

– MR CHRISTOPHER LING, EXECUTIVE VICE PRESIDENT, BOOZ ALLEN HAMILTON

“We are seeing renewed focus on this front, but SMEs still have to play catch up against larger enterprises and financial institutions that are at the forefront of looking at cybersecurity,” he added.

With the issue of fewer available resources, experts at consultancy Booz Allen Hamilton advised SMEs to identify their vulnerabilities. “While facing less sophisticated, but an increasing number of cyber attacks, small and medium-sized enterprises must identify their largest risks, and selectively apply their selection of defenses to protect themselves,” said Mr Christopher Ling, executive vice president at Booz Allen Hamilton.

Successfully defending against an attack will also likely deter cyber criminals from trying again as there are plenty of other targets to choose from.

For instance, passwords alone are not sufficient to prevent access to an organisation’s data. Experts recommend implementing two-factor authentication that requires employees to key in a one-time password in addition to their username and password to access company data remotely.

Tools do not necessarily have to be expensive either. For example, SMEs who want to encrypt their data to ensure that only employees with the necessary clearance can access them can use free encryption software such as Microsoft BitLocker.

The cost of failure

The failure to repel an online attack can be devastating for a small firm – disrupting operations and leading to a loss of business that could ultimately threaten its survival.

As such, SMEs can no longer ignore the need for an effective defence against cyber attacks and must choose solutions that work well in the context of their business.

To help SMEs battle cyber crime, IDA launched an online tool last year that assesses a business’ IT security plans and makes recommendations based on their budgets and gaps. The initiative is a joint venture between IDA, SBF and the SME Infocomm Resource Centre.

SBF also hosts a Business Continuity Management (BCM) programme that offers firms like Mr Choo’s an effective framework to handle disruptions and enhance enterprise resilience, based on specific risks and impact identified by the businesses.

Separately, SBF and the National Security Coordination Secretariat will be holding the 2015 National Security Conference on 27 October. The event will bring together experts to share cybersecurity strategies for businesses through case studies and personal experiences.

“Being a SME, we have to ensure that the solutions have to be cost effective and at the same time, efficient enough to meet our requirements,” said Mr Choo.

Know Your Cyber Threats



Botnets - a collection of compromised computers running malicious programmes under a command and control infrastructure.

DoS attacks - attacks on a computer network designed to disrupt normal traffic by flooding the server with false requests.

Hacking - an unauthorised user attempting to gain access to an information system or network.

Keystroke logging - a method used to intercept each keystroke a user types on a keyboard to steal passwords or data.

Phishing - a form of Internet fraud that aims to steal information such as credit card details, user IDs and passwords by tricking the user into revealing confidential information.

Malware - a generic term covering a range of software programmes designed to attack, degrade or prevent the intended use of computer systems.



Keppel Land's Ocean Financial Centre is the first office development to be conferred the Platinum Green Mark Award



Recognising CSR champions

The inaugural Singapore Apex CSR Awards honoured three organisations that have embraced corporate social responsibility (CSR) and sustainability holistically in their businesses. The three winners are Keppel Land (Large Organisations), Wilmar International (Special Recognition – Large Organisations) and The Maritime and Port Authority of Singapore (Small & Medium-Sized Organisations).

According to awards organiser Global Compact Network Singapore, these companies are seen as trustworthy businesses that care for employees, customers and the communities they operate in.

“Integrating CSR in business has been proven to propel corporations worldwide to achieve sustainable growth and a balanced triple bottom line,” said Mr Kwek Leng Joo, president of Global Compact Network Singapore and the vice-chairman of City Developments Limited.

“This award, which aims to recognise corporations



that excel in responsible business practices, is one of Singapore Compact’s key initiatives to raise awareness and drive adoption of CSR. We hope that this award will set a national benchmark for CSR best practices and inspire more companies to map out their sustainability strategy,” he added.

The initiative is open to both listed and non-listed companies and aims to provide a benchmark for other companies aspiring to better sustainability practices.

The awards are co-presented by the Singapore Business Federation (SBF) and *The Business Times*, and supported by the Ministry of the Environment and Water Resources.

KPMG in Singapore is the knowledge partner for the awards.



INVESTMENT

SPRING APPOINTS ACCELERATORS

SPRING Singapore is looking to appoint accelerators to invest in and incubate high potential start-ups in emerging sectors of Singapore. These sectors include clean technology as well as advanced manufacturing and engineering, which encompass subsectors such as additive manufacturing, robotics, biomaterials and nanotechnology, among others.

A S\$75 million co-investment fund will be set aside to grow start-ups in these selected sectors. According to SPRING, the identified sectors have immense potential for growth and offer a wealth of opportunities for start-ups. “The Singapore entrepreneurship landscape has matured over the years, but some sectors still require support,” said Mr Edwin Chow, group director at SPRING.

FINANCE

GETTING YOUR FINANCES IN ORDER

SPRING Singapore and the Singapore Exchange (SGX) will jointly reach out to SMEs to encourage them to work on five financial management areas that are critical for sustained business growth, particularly in the area of fundraising. These five areas include corporate restructuring, as well as the development of frameworks and processes for risk management, corporate governance, internal control framework, financial reporting and investor relations.

Building competencies in these areas will strengthen SMEs’ processes and systems in preparation for business growth and expansion, and also position them for easier access to capital markets. SMEs interested in upgrading their capabilities in these areas will be able to tap on SPRING’s Capability Development Grant (CDG) to defray up to 70 per cent of the supportable costs (see Resources on page 38).

ENTREPRENEURSHIP

SINGAPORE IN THE TOP 10 FOR START-UPS

Singapore’s environment for start-up businesses was ranked 10th in the world ahead of cities such as Paris, Toronto and Sydney, according to a report by US business analytics company Compass. The Republic’s position improved by seven places from 2012 when the last report was issued. The Global Startup Ecosystem Ranking 2015 attributed Singapore’s good standing to strong government



support, strategic geographical location and deep ties with other Asian markets. On the downside, it noted that Singapore’s start-up ecosystem is hampered by a talent

shortfall, with a lack of experienced computer engineers. The report did not include China, Japan, Taiwan and South Korea, citing a lack of data due to language barriers.



TALENT

ADVANCING THE WORKFORCE

A new non-profit body has been set up to help local business owners cope with the labour crunch. The Workforce Advancement Federation Ltd (WAF) was launched in July to provide assistance and support to local business communities in building a sustainable workforce.

Through its various initiatives and activities, WAF aims to provide sharing and learning platforms to

facilitate the exchange of best practices in human resource and capability development for the local workforce (waf.org.sg).

WAF was set up by local businessman Chan Chong Beng, who was president of the Association of Small and Medium Enterprises (ASME) from 2011 to 2013.

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Training to be future-proof

A national scheme to upgrade the skills of Singapore workers is seeing strong early interest among employers

WORDS SUE-ANN CHIA





The national push to equip the local workforce with skills for the future has got off to a good start with hundreds of people signing up for it.

According to the Singapore Workforce Development Agency (WDA), some 400 vocational students and graduates have applied for the SkillsFuture's Earn and Learn Programme. About 100 students have been hired by 49 companies across eight sectors such as food manufacturing and logistics under the scheme – which gives students industry experience while they continue to earn their qualifications.

WDA chief executive officer Ng Cher Pong said that there has been a “good spread of interest” across sectors, adding that early signs indicate interest is strong in the programme.

Launched in February by Deputy Prime Minister and Finance Minister Tharman Shanmugaratnam, the SkillsFuture initiative is a national project targeting workers, employers, unions, educational institutions and government agencies.

The objectives are two-fold: One is to keep upgrading workers' skills so that they continue to remain employed in the rapidly changing economy. To encourage workers along the skills path, the government will provide financial assistance through SkillsFuture Credit, fellowships and awards.

The other objective is to ensure that firms continue to have access to workers with the right skills and industry experience. To this end, there is a range of programmes that businesses can tap on (see box).

Tackling a graduate glut

The national skills initiative was launched in response to a potential oversupply of graduates that poses one of the biggest threats to Singapore's economy in the future. By 2020, nearly 40 per cent of the local cohort will have a shot at getting a

degree, but it is unclear whether there will be enough suitable jobs for them.

In Singapore, professionals with degrees working in white collar managerial, executive and technical (PMET) jobs are not only finding it harder to secure a job now, but are also taking longer to get back into the workforce after they are retrenched. They also face a higher chance of losing their jobs.

According to the Ministry of Manpower (MOM), half of those who were laid off last year were PMETs. Among this group, those who were laid off in the first three quarters of the year were less likely to be working by December, compared with workers in other occupational groups.

The problem is intensifying for firms here. Faced with a sharp fall in foreign worker supply over the past few years, many now have to rely on the local workforce only to find that Singaporeans are either not keen or not skilled to take on jobs in their sector.

Pine Garden's Cake is one local SME facing this problem. The company's business development director Wei Chan noted that the biggest problem today is not the lack of smart people with paper qualifications. Rather, it is finding people who are willing to learn the trade the hard way.

“We have to work to stay relevant to the global marketplace that is growing more complex by the day. This is an investment we are making both into their future and ours.”

– MR TAN PHENG HOCK,
CEO OF ST ENGINEERING

“Singaporeans don't aspire to be waiters or bakers – they want to be managers of waiters or sous chefs,” he said.

Data from the latest MOM report in June also showed that local unemployment has started to creep up even as total employment rose – a situation that can be attributed to the mismatch between demand and supply of local workers.

Early adopters

Several companies have already started to utilise the SkillsFuture Earn and Learn Programme for Logistics to turn their operations around. One is homegrown logistics firm YCH Singapore, which has signed an agreement with the WDA to participate.

Under the programme, the company will showcase how it is using technology to drive change in the logistics sector. “We are delighted to collaborate with WDA to pave a different landscape for Singapore's logistics sector, particularly through the enhancement of skills mastery for both existing and future talents,” said Mr Bennett Neo, CEO of YCH Group.

Similarly, ST Engineering is also committed to the SkillsFuture programme after signing an agreement with WDA to take part in a range of initiatives under



the national scheme. For instance, 100 technical staff will be placed under the SkillsFuture Earn and Learn Programme in Aerospace Engineering, Marine Engineering, Precision Engineering, Logistics Management and Infocomm Technology sectors.

They will receive classroom and structured on-the-job training, leading to industry-recognised qualifications.

Mr Tan Pheng Hock, ST Engineering's president and CEO, said the company intends to equip its staff with the right skills to maintain their professional edge.

"Whether as individuals or as corporations, the challenge is the same. We have to work to stay relevant to the global marketplace that is growing more complex by the day. This is an investment we are making both into their future and ours," he said.

Raising awareness

According to experts like Mr Chiu Wu Hong, Head of Enterprise Incentive Advisory at KPMG in Singapore, more can be done to help promote the programmes under the SkillsFuture initiative.

"The WDA and the relevant economic agencies could consider stepping up on direct marketing outreach efforts to SMEs and local companies, so that they fully understand the importance of increasing the skills of their employees and take advantage of the many programmes that could help under the SkillsFuture initiative," Mr Chiu advised.

Towards this, WDA has already taken action to raise awareness of the scheme. In August, it announced that it was looking to hire a branding expert to create a new logo for the SkillsFuture drive, as well as draw up a guidebook on how the logo is to be used to help raise public awareness.

IT services firm Ufinity has not tapped on any of the programmes yet, but chief operating officer Ms Lim Puay Kian believes that the Earn and Learn scheme could assist smaller businesses like hers.

"The bigger obstacle is that it is hard for us to attract good employees as we have to compete with MNCs and larger GLCs for talent. So some of the programmes like Earn and Learn seem appropriate provided that the terms and scope fit our needs," Ms Lim said.

Low-skilled shortage

For Pine Garden's Cake's Mr Chan, his problem is not being able to fill the basic jobs of waiters and cooks with locals.

So while SkillsFuture works to fill much of the mid- to upper-level jobs, the acute shortage of low-skilled workers – which are essential for his operations – is still unresolved, said Mr Chan.

"I think we need to get the fundamentals right. We need a mass of workers at the bottom because for my industry, it is a pyramid structure. We don't have that now and it's hurting," he said.

He has tried automating parts of his work processes, but as his operations are not large enough, a machine that replaces manual labour – for instance, one that peels and cuts potatoes – is not cost effective.

"The machine can maybe do 12kg of potatoes an hour. We may need 10kg a day. The maths does not work out," he said.

Still, Mr Chan would be willing to try out some of the SkillsFuture programmes, especially those that give financial aid to firms looking to hire and train ITE and polytechnic students.

"We will try because we are in need. I also understand the overall push to get workers and firms on the right track."

Shaping up for SkillsFuture

Here are some programmes employers can tap on.

P-MAX PLACE AND TRAIN PROGRAMME

Programme managers will help screen and match PMEs with SMEs. Both SMEs and PMEs will have to attend workshops, which are 90 per cent subsidised by the government. After six months, if the SME retains its newly hired PME employee, it will be eligible for a one-off S\$5,000 Assistance Grant.

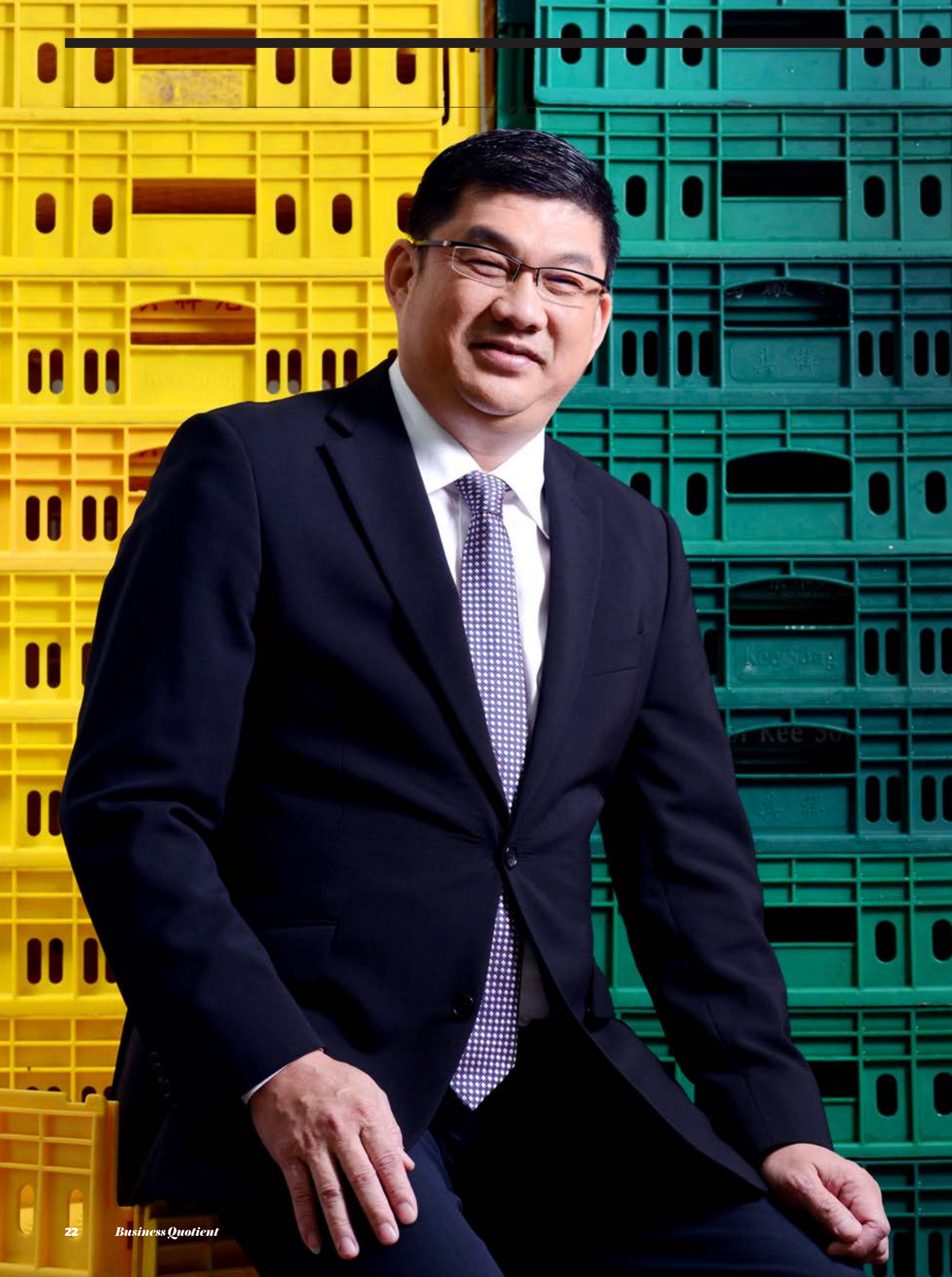
SKILLSFUTURE EARN AND LEARN PROGRAMME

Companies looking to hire fresh polytechnic and ITE students can receive assistance from the Government to do so. Under this job matching programme, employers can get up to S\$15,000 to offset the cost of developing a structured training programme.

SECTORAL MANPOWER PLANS

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

These SMPs will be rolled out to some 23 sectors, with industries facing the most severe manpower crunch to be addressed first.



Saying no to drugs

Kee Song Group took a high-risk gamble on innovation to build a sustainable business with global potential

WORDS FRANCIS KAN PHOTOGRAPHY TAN MENG CHOON

When Singapore-based company Kee Song Group embarked on a groundbreaking trial to rear chickens that were free of antibiotics and growth hormones, up to half of the birds undergoing the experiment perished.

Despite such high mortality rates – and the monetary losses that accompanied them – Kee Song’s managing director and co-founder Ong Kian San was determined to push on with the trials.

The company invested heavily in technology from 2005 to 2008 – which involved giving the chickens “good bacteria” called lactobacilli in their food and water instead of drugs to treat illnesses – after being introduced to it by a Japanese professor. As part of the initiative, the chickens were also bred in a clean, temperature-controlled environment with plenty of room for roaming.

Chickens reared this way contain lower fat and cholesterol levels, making them a healthier choice for consumers, and a tastier one as well, according to Kee Song.

The key to getting this right, however, was to identify the exact strain of lactobacillus that would keep the birds healthy.

“Without antibiotics, the chickens would fall sick and die. Sometimes we would rear 100 and 50 would die. We lost a lot of money,” Mr Ong, 50, recalled of those early days. “But we kept going because we still had a 50-50 chance, and slowly the mortality rate improved.”

The new product was launched under the Sakura Chicken brand and sold exclusively at NTUC Fairprice outlets in 2007. After years of further testing and fine-tuning, drug-free chickens are now surviving at a better rate than ever.

In 2013, a large-scale trial involving 180,000 birds showed that 98 per cent of the chickens that were fed lactobacillus survived, compared to the 95 per cent average survival rate for those given antibiotics.

The Sakura Chicken won Kee Song the Singapore Institute of Food Science and Technology’s Merit for Innovation Award from 2009 to 2011. The company has also expanded its premium line to include chickens that have been fed with carotenoids, a powerful antioxidant, and others with cordyceps sinensis, a parasite fungus with high nutritional value.

Kee Song exports around 750,000 chickens each month from its farms in Malaysia. Of these, some

Keen Song is the only poultry company in the world producing drug- and stimulant-free chickens



45% Percentage of Kee Song's chickens that are drug-free

S\$56m

Kee Song's revenue last year. It expects to hit record revenue this year as well



“If we didn't change, the business wouldn't have lasted. We have to move with the buying habits of the consumers, who want healthier food. Now with this technology, the business can carry on to the next generation.”



350,000, or around 45 per cent, are now of the premium, drug-free grade. As far as Mr Ong is aware, his business is the only poultry company in the world producing drug- and stimulant-free chickens.

A socially responsible business

Kee Song, which was started in 1987 by Mr Ong and his two siblings, has nine chicken farms in Yong Peng, Malaysia, and is publicly listed on Taiwan's stock market. The company started by selling chickens to wet market vendors before expanding its circle of customers to include supermarkets, hotels and restaurants in Singapore. Consumers can also purchase Kee Song products from the company's online store.

Last year it reported revenues of S\$56 million, and Mr Ong expects the firm to chalk up record sales for its current financial year. Bottom line aside, Kee Song has also embraced innovation because it would ensure the sustainability of the business over the long term.

“If we didn't change, the business wouldn't have lasted. We have to move with the buying habits of the consumers, who want healthier food. Now with this technology, the business can carry on to the next generation,” revealed Mr Ong, who is a devout Buddhist and, ironically, a vegetarian.

He noted that the use of antibiotics in agriculture is also unsustainable, as bacteria will keep developing resistance to antibiotics and lead to the development of newer, stronger versions of the drug.

“It's not just about the sustainability of our business, but also about being a socially responsible company. As such, we are willing to share this technology with other countries,” he said.

Kee Song has started talking to partners about licensing its technology, and is expected to announce its first deal with a Malaysian partner by year's end. Yet, new challenges will arise with the company's global expansion, as a different strain of lactobacillus is required depending on the conditions in any particular country.

“There are 3,000 to 4,000 types of lactobacilli, and you must find the one that matches the conditions, for example if you're in a country with four seasons. So it's not so easy,” said Mr Ong.

Despite the obstacles ahead, he believes that Kee Song has laid a solid foundation to build a global business that can last for generations to come. And in an age where food safety has become a key concern for consumers, the company's drug-free fare could change the way we eat sometime in the near future.

Hail a delivery van

New logistics players that leverage on technology are giving SMEs an alternative option to get their goods delivered quickly

WORDS FRANCIS KAN



With the promise of shorter waiting times and an easy-to-use interface, cab-hailing apps like Uber and GrabTaxi have proven to be a hit with Singaporean commuters.

Businesses who want a similar level of convenience when it comes to delivery services can now turn to a handful of new players offering app-based platforms for logistics.

Two Hong Kong-based companies, GoGoVan and Lalamove (founded as EasyVan in Hong Kong), entered the Singapore market last year with apps that allow users to bypass traditional channels to find drivers to deliver for them. Both companies were established in 2013.

These two start-ups offer businesses and individuals a peer-to-peer platform that connects customers who

need something delivered quickly with their network of van and motorcycle drivers – cutting out the middleman in the process.

Users simply have to key in their pick-up location and destination in the app and wait for a quote. Meanwhile, “freelance” drivers registered with the service will receive the request and decide if they wish to accept the job. Prices start from as low as S\$6 for a single delivery, comparable with local courier service providers.

Where the newer players differ is the volume that they are able to handle and the speed of deliveries. While traditional logistics service providers are limited by the number of vehicles they own and drivers they employ –

which in the case of local companies can range from two to 20 – an app-based platform works with thousands of independent contractors, giving them the capacity to handle a much larger volume of deliveries. GoGoVan for instance has 6,000 drivers with vehicles in their network in Singapore.

“Small business owners sometimes have to call five to 10 different logistics players before they can find one who can take their delivery,” said Mr William Ban, country manager for GoGoVan Singapore.

“We specialise in optimising vehicle routes while keeping costs as low as possible. Hence we are able to provide a cheaper rate without compromising the service level.”

— MR LAI CHANGWEN, CEO AND FOUNDER, NINJA VAN

“But because we aggregate our drivers, we have the availability to fulfil demand even during the holiday season when they always get overbooked.”

Indeed, one major customer segment for players like GoGoVan and Lalamove are the big international logistics companies that are unable to meet demand during peak periods.

Recognising its potential, Uber itself quietly entered the logistics space earlier this year with a trial service called Uber CARGO in Hong Kong.

Uber CEO Mr Travis Kalanick hinted at this move last year when he said: “We’re in the business today of delivering cars in five minutes. But once you’re delivering cars in five minutes, there’s a lot of things you can deliver in five minutes.”

A safe option?

Being new to Singapore, app-based logistics have understandably yet to take over in a big way, industry players said.

As the drivers used are not employed directly by the company offering the service, one major concern is whether they can be trusted to get the job done.

To assuage their concerns, GoGoVan has a rigorous signing up process for all new drivers that includes verifying all information submitted, vehicle inspections and face-to-face interviews. Customers also rate all drivers’ performance, and these ratings are made available to all app users.

Same-day delivery

The rise of online shopping is one key factor driving the growth of app-based logistics platforms, and will likely prove to be the catalyst that propels them into the mainstream industry over the longer term.

Reflecting the optimism over ecommerce in the region, China’s Alibaba recently invested US\$250 million in SingPost as it looked to expand overseas. One local start-up that specialises in ecommerce

deliveries is Ninja Van, which uses sophisticated algorithms that allow it to deliver goods faster, cheaper and more reliably.

“We specialise in optimising vehicle routes while keeping costs as low as possible. Hence we are able to provide a cheaper rate without compromising the service level,” said Ninja Van’s CEO and founder Mr Lai Changwen.

The company employs its own drivers, unlike the independent contractors used by Lalamove and GoGoVan. Ninja Van customers also conduct their transactions through an app.

The company’s growing list of customers include online retailers such as Charles & Keith and Nespresso, although Mr Lai admitted that the ecommerce market here has yet to mature, and many retailers are not quite ready to abandon more traditional methods of delivery.

In the ecommerce sector within developed markets, GoGoVan’s Mr Ban observed that it is the norm for app-based platforms to provide same-day deliveries.

“It doesn’t make sense to me why in a country as small as Singapore, it takes two to three days to receive something you bought online,” he said.

As app-based platforms facilitates the delivery of goods directly from seller to buyer, they can deliver goods much faster compared to conventional service providers who have to bring them back to a central warehouse first.

Once same-day deliveries become a reality in Singapore for online purchases, he expects ecommerce to take off in a big way here.

“We have to change the mindset of the consumers that you should be receiving your goods on the same day. Only then will the retailers have to adjust,” said Mr Ban. “But if the consumers are not demanding for it, then the retailers won’t budge.”

If that does happen, chances are many local SMEs will be rushing to call up a van on their mobile phones the next time they need to make a delivery.



6,000 Vehicles in GoGoVan's network in Singapore

US\$250m Alibaba's investment in Singpost to expand in the region



LOGISTICS 2.0

Meet The New Players

GoGoVan and Lalamove entered the Singapore market last year with peer-to-peer platforms that connect businesses directly with independently contracted delivery drivers. These players offer a huge network of thousands of vehicles and deliver goods directly from buyer to seller, allowing for same-day deliveries. Singapore-based Ninja Van employs its own drivers but leverages on technology to ensure a high standard of service.

GoGoVan – The Hong Kong-based company launched the first app-based platform for transporting goods in Asia in 2013. It entered the Singapore market in 2014 and has also expanded to South Korea, China and Vietnam. Their regional network comprises over 20,000 commercial vehicles and 80,000 registered drivers.

Lalamove – Founded in 2013 as EasyVan in Hong Kong, the firm started operating in Singapore last year and has a similar business model to GoGoVan's. With over 20,000 drivers, Lalamove is also present in Taipei, Bangkok and various cities in China.

Ninja Van – Set up in 2014, this Singapore start-up caters specifically to online retailers. It has a fleet of 80 vehicles and uses sophisticated algorithms that allow it to optimise routes, keep costs affordable and meet delivery times.



DEVELOPMENT

**THE
INAUGURAL
SINGAPORE
REGIONAL
BUSINESS
FORUM**

The SBF-led event explored the opportunities for Singapore companies in the Maritime Silk Road initiative

A regional forum to discuss the Maritime Silk Road saw experts and industry leaders in their respective fields gather in Singapore to discuss the business implications and opportunities of this China-led initiative to foster economic collaboration in Southeast Asia, Oceania and North Africa.

The inaugural Singapore Regional Business Forum (SRBF) was held on 27 July 2015 and attended by over

400 participants, including regional senior business leaders, government officials and diplomats from 22 foreign missions in Singapore.

Organised by the Singapore Business Federation (SBF), the SRBF explored the impact of the Maritime Silk Road (MSR) across a spectrum of sectors such as maritime infrastructure, shipping and trade, finance, tourism and hospitality, and culture.



Clockwise from far left: Panel Session at the SRBF, SBF Chairman S.S. Teo; Professor Tommy Koh; Madam Fu Ying



“To succeed, the new road should be open and inclusive, based on the principles of mutual respect, mutual benefit and the rule of law and enjoy the ownership of the region.”

- PROFESSOR TOMMY KOH, ADVISOR TO THE SRBF

“As Singapore’s apex business chamber, SBF warmly welcomes and strongly supports the 21st Century Maritime Silk Road initiative. Singapore has built on its advantageous geographical location along the Maritime Silk Road to become one of the region’s top transportation hubs,” said SBF Chairman Mr S.S. Teo.

The SRBF also addressed the political, strategic and economic opportunities that Singapore can capitalise on by leveraging its role as a major financial, transportation, logistics and maritime hub.

“Singapore sits on the world’s

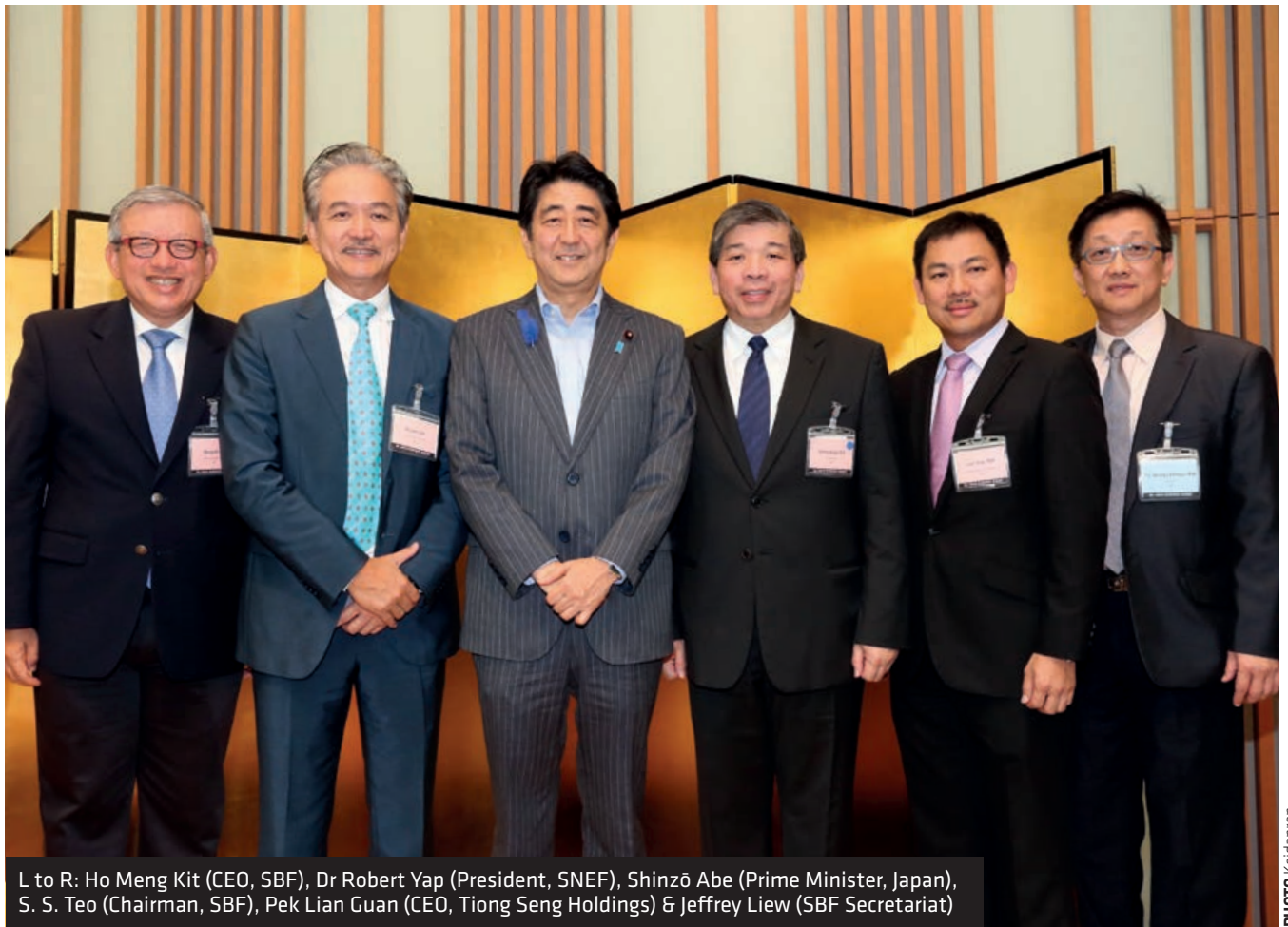
most vital arteries of trade between Asia and Europe. It is poised to play a very important part by virtue of being a gateway,” said Madam Fu Ying, Chairperson of China’s Foreign Affairs Committee of the 12th National People’s Congress in her keynote address.

Professor Tommy Koh, advisor to the SRBF, in his keynote address commented that “to succeed, the new road should be open and inclusive, based on the principles of mutual respect, mutual benefit and the rule of law, and enjoy the ownership of the region.”

Mrs Josephine Teo, Senior

Minister of State, Ministry of Finance and Ministry of Transport, who was the guest-of-honour at the plenary luncheon, echoed Professor Koh’s suggestion in her speech. “The One Belt, One Road initiative is a process of co-creation where participating countries are able to influence the outcome and retain a sense of ownership over the pace and texture of collaboration.”

The SRBF also marked 25 years of diplomatic ties between China and Singapore. SBF plans to develop the SRBF into a high profile annual event, to provide thought leadership along the MSR and beyond.



L to R: Ho Meng Kit (CEO, SBF), Dr Robert Yap (President, SNEF), Shinzō Abe (Prime Minister, Japan), S. S. Teo (Chairman, SBF), Pek Lian Guan (CEO, Tiong Seng Holdings) & Jeffrey Liew (SBF Secretariat)

PHOTO: Keldanren

TRADE

A PUSH FOR REGIONAL PARTNERSHIP

SBF urged Asian businesses to call on their respective governments to support the Trans-Pacific Partnership

The Singapore Business Federation (SBF) led a Singapore delegation to the 6th Asian Business Summit in Tokyo, Japan to discuss the major challenges for Asian economies in view of emerging global economic trends.

A joint statement issued at the event held from 12 –13 July called for increased collaboration among Asian economies by sustaining robust growth in the region and deepening regional integration. With this aim in mind, SBF called upon the Asian business leaders attending the summit to urge their respective governments to support the ratification of the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic

Partnership (RCEP).

Both the TPP and RCEP seek to lower trade barriers and create a liberal and facilitative investment environment. The two agreements benefit many countries and are important pathways to the realisation of wider free trade agreements such as the Asia-Pacific Free Trade Area.

“Business communities must take the lead in urging their respective governments to promote an environment of free trade and investments. These are important pre-conditions for business to flourish,” said SBF Chairman and PIL Managing Director Mr S.S. Teo.

The summit was attended by representatives from 14 organisations from 12 Asian economies.

BUSINESS

PLANNING FOR RISK

Six new companies join SBF scheme as ambassadors to help local firms become more resilient

To help Singapore companies become more resilient in the face of a volatile environment, SBF is boosting its Business Continuity Management efforts by adding six new ambassadors to the body's BCM Ambassador Programme for a two-year term.

The six new companies that have joined the BCM Ambassador Programme are 1-Net Singapore, Academies Australasia College, ERS Industries, Safeguard Systems &



Services, Singapore Technologies Aerospace and AETOS Holdings.

They join three existing ambassadors – Han's, Langdon & Seah Singapore and SingEx Venues – who joined the inaugural programme in 2013. All nine ambassadors serve to promote Singapore companies'

awareness and adoption of BCM standards and measures.

BCM offers companies a systematic approach to address their potential risks through a holistic framework. For more information on the nine BCM Ambassadors, please visit bcm.org.sg



PARTNERSHIP

A BIRTHDAY TREAT

Singapore's business community celebrates the nation's Golden Jubilee

Singapore's businesses held their own celebration of the Republic's 50th year of independence with a National Day Observance Ceremony organised by the Singapore Business Federation (SBF).

Held at the Suntec City Convention and Exhibition Centre, SBF as well as local and overseas Trade Associations and Chambers (TACs) came together to commemorate SG50 at an event graced by Minister for Trade and Industry Mr Lim Hng Kiang. "I urge the business community and TACs

to continue to work closely together in the years ahead, so that we can build on the strong foundation of our pioneer generation and be geared for tomorrow's success," said SBF Chairman Mr S. S. Teo.

Added Mr Victor Mills, CEO of Singapore International Chamber of Commerce: "For SICC and its members, National Day each year is a time to celebrate the teamwork of Singaporeans and residents and their collective achievements in building and sustaining this very special country."



STRENGTHENING ECONOMIC TIES

SBF and KADIN Indonesia inks deal to boost trade and investment relations between Singapore and Indonesia

The already strong bilateral economic and business ties between Singapore and Indonesia will receive a further boost with the signing of a Strategic Cooperation Agreement between the Singapore Business Federation (SBF) and its Indonesian counterpart KADIN Indonesia – the first such agreement between two apex chambers in ASEAN.

The agreement was signed in the presence of Singapore Prime Minister Mr Lee Hsien Loong and Indonesian President Joko Widodo at the Istana in July, and caps an 11-year

partnership since the conclusion of a Memorandum of Understanding between the two chambers in 2004. This comprehensive agreement establishes a business-to-business platform for promoting Singapore investments into Indonesia, and will help local companies take advantage of business opportunities in Indonesia.

Following the signing of the agreement, President Widodo was the guest-of-honour at the Singapore-Indonesia Business Dialogue jointly organised by SBF and KADIN Indonesia at the Shangri-La Hotel.



NEW DIRECTOR FOR CENTRE FOR AFRICAN STUDIES

Mr Johan Burger (above) has joined the NTU-SBF Centre for African Studies (CAS) as its new centre director. Mr Burger was the former director for international programmes and lecturer for business fundamentals and strategic management at University Stellenbosch Business School.

Also joining the CAS as its research fellow is Dr Adefolake Adeyeye, the former Adjunct Assistant Professor at the National University of Singapore. Mr Burger and Dr Adeyeye hail from South Africa and Nigeria respectively, the two largest economies in Africa.

The Centre also received its first distinguished visiting fellow, Mr Paulo Gomes, the former executive director for 25 African countries at the World Bank.

Mr Gomes was in Singapore for three months until end September, and delivered a series of well-received lectures, including one on leadership and economic growth in Africa.

The Centre also puts out a weekly e-newsletter “Friday@ Noon”, which provides an analysis of top news out of Africa. You may write to eileen.lee@sbf.org.sg to be placed on the mailing list.

EASIER ACCESS TO KAZAKHSTAN

Since 16 July 2015, Singapore citizens holding valid diplomatic, official and national passports can enter, exit and transit through the territory of Kazakhstan on multiple occasions without a visa for up to 15 calendar days. This visa-free regime will be valid for Singapore citizens till 31 December 2017.

According to the Embassy of Kazakhstan in Singapore, over 650 business visas were submitted to the embassy in 2014. The removal of the paperwork necessary for the visa application will help facilitate business ventures into Kazakhstan for the Singapore business community, particularly for companies who joined the SBF business missions to Kazakhstan this year and in 2014.



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



HOW TO HAVE INTERNAL CONTROLS

Date: 30 October 2015

Venue: SBF, Keppel Towers

This one-day course aims to help participants identify and implement internal controls using a framework, as well as provide an understanding of core governance issues, practical advice on compliance and an overview of accepted best practices. The workshop focuses on COSO frameworks for internal controls.



CROSS-CULTURAL GLOBAL NEGOTIATION STRATEGIES

Date: 9 November 2015

Venue: To be confirmed

Professionals and businessmen who have to deal with people from other cultures and negotiate with them on a regular basis will benefit from this one-day workshop. Learn useful concepts, strategies and skills to navigate the intricacies of culture during a negotiation and become a confident and capable cross-border negotiator.



EFFECTIVE RECEIVABLES MANAGEMENT

Date: 14 December 2015

Venue: SBF, Keppel Towers

Being able to manage your cashflow is key to any successful business. Without adequate working cashflow, lucrative business opportunities may be lost. Participants of this one-day workshop will gain an understanding of how effective accounts receivables management enhances customer relationships.

*All information correct at time of printing.



Reviving an ancient trade route

Singapore firms in the infrastructure sector could directly benefit from the “One Belt, One Road” project

An ambitious project to revive an ancient trade route between China and Europe could be key to unlocking the vast potential in a mostly untapped region over the next 10 years, and provide new opportunities for Singapore firms in the process.

The Silk Road economic belt, first proposed by Chinese President Xi Jinping in 2013, will connect countries situated on the original Silk Road through Central Asia, West Asia, the Middle East and Europe. Meanwhile, a complementary project known as the Maritime Silk Road aims to foster collaboration in Southeast Asia, Oceania and North Africa via the oceans. Both projects come together under a larger framework known as One Belt, One Road.

The plan will call for huge infrastructure projects supported by more than hundreds of billions of dollars in infrastructure funding from China and other nations.

The potential from the project, which will focus on building infrastructural links such as railroads, power plants and seaports, is staggering. Mr Xi said that he hopes annual trade between the Silk Road countries will reach US\$2.5 trillion in the next 10 years.

To help finance projects under the initiative, the Chinese government set up the US\$40 billion Silk Road Fund in December last year. The fund has already made an investment to develop the Karot hydropower project on the Jhelum River in northeastern Pakistan.

Chinese conglomerate CITIC has also said it plans to invest at least US\$113 billion in One Belt, One Road.

More funds for infrastructure projects will potentially also be made available under the Asian Infrastructure Investment Bank, another key plank of Mr Xi's foreign economic policy. The solid backing that China is giving these initiatives has caused business leaders and government officials to take notice.



“It’s all very macro for now, although there is clearly much potential in the move. If it does happen, it will give a big boost to firms based in China.”

- MR KENNY YAP, EXECUTIVE CHAIRMAN,
QIAN HU

Opportunities for Singapore Inc

For Singapore firms, those in the infrastructure sector, such as engineering and construction and transport, could directly benefit from the initial investments under One Belt, One Road.

The big infrastructure projects could also benefit local companies with strong project management expertise. Singaporean businesses also have an advantage over other firms because the Republic has always been on good terms with the Chinese and have had much experience working with them.

“They can stop here to build a control centre, to form a team comprising the Chinese, people from the region, Singaporeans as well as people of other nationalities, to go out there to execute the projects,” said Mr Frank Tsao, chairman of IMC Pan Asia Alliance, at a FutureChina Global Forum held earlier this year.

Countries in central Europe, such as Turkmenistan and Uzbekistan are all landlocked with poor infrastructure. The project, if successful, could mean much greater access to these markets, said experts.

“Some businessmen have gone there and they see the potential but their concern is logistics,” said Mr S.S. Teo, chairman of the Singapore Business Federation (SBF) at the Singapore Regional Business Forum (SRBF) held in July. Organised by

the SBF, the forum was a platform to discuss the business implications and opportunities of the Maritime Silk Road. “How do they get their goods out and in? By opening up with the land linkage – and land will eventually link to the port – which will open up more business opportunities,” Mr Teo noted.

Even as the details are still being hammered out, firms here are looking forward to seeing the project come to fruition, while some companies, like Aldon Technologies, are taking a wait-and-see approach for now.

“The idea sounds promising and it will certainly benefit Chinese firms. But for companies like us in the semiconductor field, we export mostly to China and the US. So the impact is not all that great,” said Aldon Technologies’ managing director, Mr Allan Ang.

Other firms, however, can already see some potential in the project, which could open up huge markets that were previously untapped.

Mr Kenny Yap, executive chairman and managing director of ornamental fish firm Qian Hu, said that the project could take years to complete, and is waiting for more details to emerge.

“It’s all very macro for now, though there is much potential in the move. If it does happen, it will give a big boost to firms based in China. Since we are already in China, it will help us expand considerably,” he said.

A NEW JOURNEY

Infrastructure Bonanza



These various initiatives led by China could see a boom in infrastructure development in the next 10 years.

One Belt, One Road

An initiative unveiled by Chinese leader Xi Jinping in 2013 that focuses on connectivity and cooperation among countries primarily in Europe and Asia. It consists of two main components – the land-based “Silk Road Economic Belt” and oceangoing “Maritime Silk Road”.

Silk Road Fund

The Silk Road Fund is a US\$40 billion Chinese state-owned investment fund to foster increased investment in countries along the One Belt, One Road route.

Asian Infrastructure Investment Bank (AIIB)

The AIIB is a proposed international financial institution focused on supporting infrastructure construction in Asia Pacific. Singapore signed the charter on 29 June. It is allowed to contribute US\$250 million to the fund, giving it a 0.48 per cent of the total voting share.



MARKETING

**ALMOST
100%
SUPPORT**

A new campaign helmed by Singtel and DBS Bank aims to encourage consumers to support local SMEs in the retail and F&B sectors. Known as 99% SME, the initiative allows SMEs to list retail promotions on the campaign's website. Consumers can also go to the website to pledge to shop and dine locally. Singtel, DBS and supporting partners such as MediaCorp are investing millions to provide local businesses with free technology support and promotion. For

instance, retailers can tap on Singtel's Amobee Brand data analytics service to better engage their customers. Meanwhile, DBS Bank will also encourage its customers to support small businesses and reach out to its existing SME clients to get them to join the campaign. The name of the initiative is a nod to the fact that Singapore's 190,000 SMEs comprise nearly 99 per cent of its registered companies.

► For more information, visit 99sme.sg

FINANCING

APPLY FOR LOANS ONLINE AT DBS

Local companies who want to apply for a loan from DBS Bank can now do so online with no signatures or paper forms required. The new service will enable business owners to apply for up to 11 types of loan products online – including business loans, overdrafts, micro loans, property loans and equipment loans.

The service will also allow SMEs to track their loan applications in real time and get instant notifications. According to DBS, the online application forms have been redesigned with simple, jargon-free language and the number of fields to be completed has been reduced by three quarters to expedite the application process to only 10 minutes.

► For more information, visit dbs.com.sg/sme



ECOMMERCE

EASIER ACCESS TO ONLINE PLATFORMS

Local SMEs will find it easier to sell their products on global ecommerce sites such as US-based Amazon, China-based Tmall, and Malaysia-based Lelong after International Enterprise (IE) Singapore unveiled partnerships with the three virtual marketplaces. Through these tie-ups, IE Singapore aims to help Singapore companies get online by easing the listing process on these ecommerce platforms. Companies can also tap on the government agency's Market Readiness Assistance (MRA) Grant and Global Company Partnership (GCP) Grant to defray related expenses such as online marketing activities.

► For more information, visit iesingapore.gov.sg



'Tis the season for giving

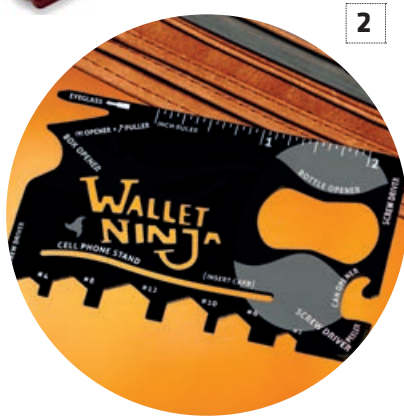
Get creative with your corporate gifting this festive season and score points with your clients



1



4



2



3



5

1 Valore's Slim Power Bank

It's a hectic work day with no convenient charging ports around and your mobile phone's battery is almost dead. We've all been there. Pre-empt the bane for your clients with the gift of power. This sleek device – with a capacity of 2000mAh – is the size of a credit card and fits easily into any wallet, ensuring that a spare charge is always close by.

2 Wallet Ninja

Turn your client into a whiz at fixing gadgets with the Wallet Ninja.

This multitool boasts 18 functional household tools packed into the size of a credit card. On its small frame are screwdriver edges, rulers, can openers, hex wrenches, a phone stand and even a fruit peeler. This handy gift will not leave much wanting in any DIY crisis.

3 Bodum's Travel French Press

Most of us require a caffeine fix to get started in the mornings. This French press in a travel mug will allow your busy clients to indulge in quality coffee from ground beans, or tea

from the finest tea leaves while on the go. Those with a little more patience can even have a go at the latest coffee trends and make their own 12-hour cold brew with your gift.

4 The Gift of Experience

Studies have revealed that experiences bring about more happiness than material goods. This holiday season, bring a smile to your clients' faces with a thoughtfully selected experience. Let them try their hands at laser clay pigeon shooting, mountain biking at Pulau

Ubin or even sky diving at iFly@Sentosa. Spoilt for choice? Local companies adventOUR, uniQgift, SingExperience, Redbox Gifts and Zumvee offer gift vouchers so your clients can embark on their own memorable adventure.

5 Mi Band

Promote healthy living with this affordable fitness band equipped with a pedometer, calorie counter and sleep monitor. Exercise has been proven to increase alertness, energy, mental health and prevent illness – which means a healthier you!



Skip the branch.
Open a DBS Business Account
online anytime, anywhere.



Introducing Singapore's first virtual account opening service.

As a business owner, you have lots to do. Now you can say goodbye to hassles and queues by opening a DBS Business Account online. For the first time in Singapore, complete your account opening virtually via voice or video call with a DBS Relationship Manager. In addition, you'll enjoy free access to DBS IDEAL™, our innovative online banking platform. It's everything you need to give your business a head start.



VISIT DBS.COM.SG/SME
to apply for an account
with your ACRA number



MAKE AN E-APPOINTMENT
for a Voice/Video call with
a DBS Relationship Manager



DOCUMENT PICK-UP
at your doorstep once
you've signed the forms

IGNITING
POSSIBILITIES



DBS Bank Ltd Co. Reg. No.: 196800306E Mar. 2015

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Living, Breathing Asia

 **DBS SME BANKING**

Terms and Conditions Virtual account opening service ("Service") is generally available for Singapore incorporated entities with business operations in Singapore. The availability of the Service is at the discretion of DBS Bank Ltd. ("DBS") • Corporate accounts opened using the Service between 1 April 2015 and 31 December 2015 will be entitled to DBS IDEAL™ fee waivers, including set-up fees and monthly subscription fees ("Promotion") • This Promotion is only available to new corporate customers who open their DBS corporate accounts online using the Service • DBS' prevailing terms and conditions applicable to corporate accounts shall apply to all accounts opened using the Service • DBS may at any time vary or supplement these terms and conditions, or suspend or withdraw the Promotion without prior notice or liability to any person.

Deposit Insurance Scheme Singapore dollar deposits of non-bank depositors and monies and deposits denominated in Singapore dollars under the Supplementary Retirement Scheme are insured by the Singapore Deposit Insurance Corporation, for up to S\$50,000 in aggregate per depositor per Scheme member by law. Foreign currency deposits, dual currency investments, structured deposits and other investment products are not insured.



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