



2018 Asia Policy Forum: Transformation Change and Health Checks for Singapore Small and Medium Enterprises

Jointly organized by
Singapore Business Federation,
Singapore Manufacturing Federation
and
**Asia Competitiveness Institute at
Lee Kuan Yew School of Public Policy,
National University of Singapore**

2018 Asia Policy Forum Proceeding

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In 2019, ACI was ranked 12th globally, 2nd in Asia, and 1st in Singapore amongst 94 think tanks worldwide under the “Best University Affiliated Think Tank” category by the Think Tanks and Civil Societies Program at the University of Pennsylvania, USA.

About ACI

The Asia Competitiveness Institute (ACI) was established in August 2006 as a Research Centre at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). It aims to build the intellectual leadership and network for understanding and developing competitiveness in the Asia region. ACI seeks to contribute to the enhancement of inclusive growth, living standards, and institutional governance through competitiveness research on sub-national economies in Asia. It identifies mitigating issues and challenges for potential public policy interventions through close collaboration with regional governments, business corporations, policy think-tanks, and academics. ACI's three key research pillars include (I) Sub-national economies level competitiveness analysis and city-level liveability analysis; (II) Firm-level competitiveness analysis in 16 Asia economies; and (III) Singapore's long-term growth strategies and public policy analysis.

ACI's value propositions may be encapsulated in its acronym:

Analytical inputs to initiate policies for policy-makers and business leaders in Asia

Capacity building to enable others through improvement in productivity and efficiency

Intellectual leadership to create pragmatic models of competitiveness and inclusive growth

The institute's core research competencies can also be encapsulated in this acronym describing our evidence-based assessments conducted on public policies for **A**SEAN in the context of the rise of **C**hina and **I**ndia.

Vision and Mission

- ACI's over-arching vision is to build up its research credibility with policy impact, contributing as a professional, world-class think-tank.
- ACI's mission is to establish our niche as a leading policy think-tank by identifying competitiveness trends, opportunities, and challenges, as well as promoting competition and synergizing complementarities amongst Asian economies and business corporations.
- ACI endeavors to articulate sound recommendations, entice discourse, and shape agenda in the arena of public policy amongst Asian governments.
- ACI undertakes evidence-based analysis of public policy issues and decisions, in order to provide assessment of their effectiveness as well as economic and societal impact.

Research Initiatives and Collaborations

- I. Identify trends of competitiveness and policy analysis on trade and investment of ASEAN, within the regional context of competition and complementarities with China and India.
- II. Identify competitive strengths and conduct policy analysis on Singapore within the context of regional economies with international benchmarking.
- III. We are regularly releasing three indices on liveability ranking including 64 Global Cities, 100 Greater China Cities, and 17 Shandong Cities.
- IV. We have established an Ease of Doing Business (EDB) Index on Attractiveness to Investors, Business Friendliness, and Competitive Policies for 21 sub-national economies of India and 33 sub-national economies of Indonesia.
- V. We have signed Memoranda of Understanding (MoU) with The World Bank (2015), Enterprise Singapore formally known as SPRING Singapore (2014) and European Central Bank (2014). The MoU between The World Bank and National University of Singapore, coordinated through ACI, was signed in 2016.
- VI. We have signed Memoranda of Understanding with various institutions in Greater China economies, including Shanghai Academy of Social Sciences (2016), Shandong Academy of Social Sciences (2015), Chongqing Municipal People's Government (2015), China Institute for Reform and Development, Haikou (2015), Counsellors' Office of the People's Government of Guangdong Province (LOI, 2014) and Chung-Hua Institution for Economic Research, Taiwan (2015).
- VII. We have signed Memoranda of Understanding with six Chief Ministers' Offices in Andhra Pradesh (2015), Bihar (2015), Chhattisgarh (2015), Madhya Pradesh (2015), Odisha (2015) and Punjab (2015).

- VIII. We have signed Memoranda of Understanding with Committee for Acceleration of Priority Infrastructure Delivery at Coordinating Ministry for Economic Affairs, Indonesia (2016), Indonesia Investment Coordinating Board (2014), Indonesian Agency for Agricultural Research and Development at Ministry of Agriculture (2014), Indonesian President's Delivery Unit for Developing Monitoring and Oversight (2013) and Employer's Association of Indonesia (2013).
- IX. We have signed Memoranda of Understanding with ASEAN think-tanks and institutions, including Vietnam Chamber of Commerce and Industry (2016), Centre for Strategic and International Studies, Indonesia (2015), Institute of Strategic & International Studies, Malaysia (2015), Philippine Institute for Development Studies (2015), Thailand Development Research Institute (2015) and Central Institute for Economic Management, Vietnam (2015).

About ACI's Research Pillars

ACI has consciously engaged in economic research that has significant relevance to Singapore and the Asian region. Over the years, ACI has focused on our expertise in quantitative competitiveness analysis and simulation, spinning off volumes of research output in the applications of our methodology and regional insight. At this stage, ACI has identified three core research pillars that will guide and define its research efforts moving forward. The three research pillars are as follows:

Pillar I. Sub-national Economies Competitiveness Analysis

ACI engages in systematic and methodical competitiveness analyses of the sub-national economies by using an evidence-based, empirical approach involving a comprehensive list of relevant indicators, which are categorized under multiple layers called the 'environments'. A number of our projects, including competitiveness analyses of Greater China, ASEAN-10, India, and Indonesia, as well as other thematic research projects, were conducted by adopting this common methodology, with potential variations in the specific environments and indicators. ACI's competitiveness analysis of Asian economies goes beyond the usual ranking to offer constructive policy recommendations on how individual member states can improve their rankings vis-à-vis their sub-national or regional peers through the application of the 'what-if' simulation, which provides the projected improvements of each state's ranking whereby the bottom one-fifth of its indicators are enhanced.

Pillar II. Micro-based Firm Level Competitiveness Analysis

Micro-based firm level competitiveness analysis is ACI's second research pillar that has been developed in view of the intrinsic importance of firm-level competitiveness in terms of productivity, efficiency, and governance. In the context of globalization, mobility of economic activities, and blurring of borders, an understanding of the determinants and dynamics of firm-level competitiveness is paramount, in order for policy makers to adjust and prepare their industries for an increasingly competitive economic landscape. To this end, ACI has partnered with the European Central Bank to carry out research in this area, possessing a solid foundation in firm-level productivity research in the form of European Competitiveness Network database and methodology. ACI envisaged the expansion of Competitiveness Research Network (CompNet) into Asia, thereby pioneering the Asia's CompNet in encompassing 16 economies in Asia.

Pillar III. Singapore's Long-term Economic Growth Strategies and Public Policies Analysis

The third and imminent research pillar focuses on Singapore's long-term economic growth strategies in the context of changing circumstances, future trends, and emerging opportunities for Singapore in the decades ahead. In particular, ACI will take on the task of critically examining Singapore's public policy strengths and areas of improvement by assessing policy successes of the past, identifying new issues to address and the current policy gaps, through a systematic and evidence-based research inquiry using quantitative methodology and empirical data, leveraging on our network of policy experts.

Founding Patron and International Advisory Panel

Founding Patron

Mr George Yeo

Visiting Scholar, Lee Kuan Yew School of Public Policy, National University of Singapore & Former Minister of Foreign Affairs, Singapore

International Advisory Panel

Co-Chairs:

Professor Michael Porter (2006-2010)

Bishop William Lawrence University Professor

Ms Marjorie Yang (2006-2012)

Chairman, Esquel Group

Members:

Professor Kishore Mahbubani

Former Dean, Lee Kuan Yew School of Public Policy, National University of Singapore

Dr Kuntoro Mangkusubroto

Former Head, President's Delivery Unit for Developing Monitoring and Oversight (UKP4), Indonesia

Mr Narayana Murthy

Former Chairman, Infosys Technologies Limited

Mr Philip Yeo

Former Chairman, Enterprise Singapore

Mr Loh Khum Yean

Permanent Secretary, Ministry of Trade and Industry

Ms Yong Ying-I

Permanent Secretary, Public Service Division

Professor Chan Kam Leung Alan

Former Dean, College of Humanities, Arts and Social Sciences, Nanyang Technological University

Asia Competitiveness Institute

Co-Directors:

Associate Professor Tan Khee Giap (2011 till now)

Professor Tan Kong Yam (2011 till now)

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2018 ASIA POLICY FORUM

Executive Summary

Small and medium sized enterprises (SMEs) are increasingly playing a bigger part in Singapore's economy. According to some estimates, SMEs account for 68 percent of the employment in Singapore and contribute to roughly half of the country's GDP. SMEs are critical to the health of Singapore's economy as the flexible nature of these businesses do allow for swift market adaptation. Moreover, they are instrumental in building a strong local core of human capital. Ensuring vibrancy of SMEs to thrive locally and abroad will be crucial to Singapore's economic resiliency and promoting an inclusive society through mass employment creation.

With this in mind, Asia Competitiveness Institute (ACI) at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS), Singapore Business Federation (SBF) and the Singapore Manufacturing Federation (SMF) jointly hosted the 2018 Asia Policy Forum on "Transformation Change and Health Checks for Singapore Small and Medium Enterprises". At the forum, ACI Productivity Tracking and Efficiency Monitoring (PTEM) Index and Internationalisation for Singapore's Small and Medium Enterprises were introduced. Essentially, the PTEM Index provides "health checks" for SMEs with a preliminary analysis on Singapore's six different industries. In addition, two separate panel discussion sessions involving successful younger Singaporean entrepreneurs and Singaporean industry captains were conducted where panellists shared their business accomplishments and highlighted market challenges. The Chief Minister of the Indian state of Andhra Pradesh, Sri Nara Chandrababu Naidu, was the esteemed guest at the forum who witnessed the signing of a Memorandum of Understanding (MoU) between the state government and ACI-LKYSPP where he also delivered a keynote speech on business opportunities in his state.

The 2018 Asia Policy Forum kicked off with **Welcome Remarks** by **Professor Danny Quah**, Dean of the Lee Kuan Yew School of Public Policy and Li Ka Shing Professor of Economics, NUS, and **Opening Remarks** by **Mr Kurt Wee**, Chairman of the Singapore Business Federation SME Committee. Professor Quah stressed the importance of SMEs in ensuring the resiliency of Singapore's economy and noted potential contributions and business opportunities of working together with state officials of Andhra Pradesh who also attended the forum. Mr Wee highlighted challenges SMEs have to confront to stay relevant in the face of rapid technological innovation in the world of digital economy. He further elaborated on advantages ASEAN as a successful economic entity can have in shaping the global economic development.

Following the welcome remarks, **Associate Professor Tan Khee Giap**, the co-director of ACI-LKYSPP, and **Ms Nursyahida Binte Ahmad**, a research assistant at ACI-LKYSPP, unveiled the Productivity Tracking and Efficiency Monitoring (PTEM) Index for Internationalization for Small and Medium Enterprises in Singapore. The presentation was moderated by **Professor Tan Kong Yam**, co-director of ACI-LKYSPP. Defining Singaporean SMEs as any business with 200 or less employees or turnover not more than \$100 million, the PTEM Index, which was a joint research collaboration between ACI-LKYSPP and SPRING Singapore, intends to conduct health checks by studying 2003 firms across six different industries, namely precision engineering, food & beverage services, transport engineering, logistics, retail, and food manufacturing.

The first panel discussion entitled "**Conversation with Young Singaporean Entrepreneurs: How You Did It?**" were conducted where panelists included **Mr Tan Jit Koon**, Chief Executive Officer of Winson Press Pte Ltd, **Mr Ben Lim**, Managing Director of Iwa Design Pte Ltd, and **Mr Melvin Tan**, Managing Director of Cyclect Holdings Pte Ltd. These panelists shared experience on a series of questions on what it was like to take charge of their family businesses, the major crises their businesses had to face, and the reputation of being a Singaporean brand in the region. Additionally, the panelists and audience were asked what they thought the government could do to facilitate effectively and communicate closely with local businesses.

The forum's **Luncheon Talk** was presented by **Distinguished Luncheon Speaker Dr Ray Beam Dawn** on the subject of "**Singapore as Asia Infrastructure Hub: The Role of Financial Institutions**". Dr

Dawn began by emphasizing the importance of infrastructure development as it grows GDP, provides high value added employment and long term improvements in standard of living. He also briefly related to the declining infrastructure investments in Korea, Japan, and the United States and went on to discuss the projected infrastructure needs for ASEAN countries from 2016 to 2030. Moreover, he pointed out that Singapore, due to the country's politically stable and reputable status as a main global financial center, is able to capitalize on these advantages with new measures on investment benchmarks, online trading, and collateralized loan obligations (CLOs).

Dr Dawn continued by discussing the role financial institutions and planners can play in the planning, construction, and operation of infrastructure projects, and also described the role that different institutions and investment instruments can play in the process of development. In his conclusion, Dr Dawn noted that there will be an increasing demand for infrastructure projects in ASEAN nations which will require the help of different financial institutions as well as the fact that Singapore is in a prime location to be the hub for all this infrastructure financing, sustainability evaluation and investment requirements.

After the lunch, **Remarks by Guest of Honour** was given by **Dr Tan Wu Meng**, Senior Parliamentary Secretary for Trade and Industry and Foreign Affairs, Singapore. Dr Tan reiterated the importance of SMEs to the Singaporean economy and commended ACI-LKYSP and SPRING Singapore for the launch of the PTEM Index. He also recognized the leadership of Chief Minister Sri Nara Chandrababu Naidu in leading one of the fastest growing states in India. Dr Tan concluded his address by thanking SBF, SMF, and ACI-LKYSP for organizing the forum and providing a useful platform for SMEs.

Following his address, Senior Parliamentary Secretary Dr Tan together with Chief Minister **Sri Nara Chandrababu Naidu** witnessed the signing of a MoU between ACI-LKYSP, NUS and the state government of Andhra Pradesh. The signatories of the MoU were **Professor Danny Quah** and **Mr Anil Chandra Punetha**, Chief Secretary of Andhra Pradesh. The state government of Andhra Pradesh also presented a donation to ACI-LKYSP of \$500,000 Singaporean dollars.

Additionally, ACI-LKYSP also launched two books at the 2018 Asia Policy Forum: "Balanced, Sustainable, and Competitiveness Enhancement (BSCE) Study for Vietnam: A Critical Evaluation with Development Potentials" and "Productivity Tracking and Efficiency Monitoring of Singapore's Small and Medium Enterprises". The launched was witnessed by **Dr Tan Wu Meng**, **Sri Nara Chandrababu Naidu**, **Mr Anil Chandra Punetha**, **Dr Vu Tien Loc**, Chairman and President of the Vietnam Chamber of Commerce and Industry and Member of the 14th Legislature of Parliament in Vietnam, **Professor Danny Quah**, **Professor Tan Kong Yam**, and **Associate Professor Tan Khee Giap**.

After the signing of the MoU and the launching of the two ACI-LKYSP books, there was a **Keynote Speech** delivered by **Sri Nara Chandrababu Naidu** on "**Potential Investment Opportunities and Dynamic Economic Development for the State of Andhra Pradesh**". His address was moderated by **Professor Danny Quah**. In his address, the Chief Minister outlined the challenges that his state faced following the bifurcation between the state of Andhra Pradesh and the new state of Telangana in 2014. He proceeded to then list the accomplishments his state has achieved since then, including achieving double digit economic growth, the development of industrial corridors, and the numerous multinational companies that are doing business in the state. The Chief Minister also spoke on his Vision 2050 initiative, which sought to make his state among the top three Indian states in 2022, the top Indian state in 2029 in happiness and economic performance, and finally be the preferred global investment destination by 2050.

In addition, Chief Minister Naidu also discussed his ambitious plan to develop the state capital of Amaravati in Andhra Pradesh. The Chief Minister said that his master plan was developed with the help of Singapore's Surbana Jurong Pte Ltd and he hopes that Amaravati will be among the top five "Happy cities" in the world. He also unveiled the concept design for the proposed capital which included plans for a construction city, industrial park, logistics hub, and a tourism district. Finally, the Chief Minister concluded by urging Singaporean businesses to make Andhra Pradesh its manufacturing and investment hub with an assurance

that the state government of Andhra Pradesh will be very helpful in providing amenities such as land, water, and labour.

Following the Chief Minister's keynote address was the final panel of the day, entitled "**Conversation with Singapore Industry Captains**" and was moderated by Associate Professor Tan Khee Giap. The panelists were **Dr Jimmy Koh**, Managing Director of Antara Koh Pte Ltd, **Mr Lennon Tan**, Chairman of Jing King Tech Group, **Dato' Seri Dr Derek Goh**, Founder, Executive Chairman and Group Chief Executive Officer of Serial System Ltd and Chairman of Senate of the Marketing Institute of Singapore, and **Mr Ron Sim**, Executive Chairman and Chief Executive Officer of V3 Group Limited. Similar to that of the first panel, the panelists were asked about their considerations when expanding their business outside of Singapore, major crises they faced, and what they think the government can do to promote Singaporean businesses locally and abroad.

Finally, **Mr Douglas Foo**, President of the Singapore Manufacturing Federation, gave the **Closing Remarks**, and began by thanking the presenters and panellist for their thought-provoking discussions. He also commended Chief Minister Nara Chandrababu Naidu for not only focusing on his state's economic development, but also on trying to make his state among the happiest places in the world. Mr Foo proceeded to point out that there should be a sense of urgency among Singapore's SMEs to transform themselves to adapt to technological disruptions caused by increased digitalisation. He also spoke on the SMF and the government's role in assisting with the drive for SME transformation, particularly the Industry Transformation Maps that have been laid out to help SMEs through grants, subsidies, and other related schemes. However, he felt that one of the hardest obstacles to transform is changing the mind-sets of business owners and that all the government can do is help facilitate. Instead, he said that the onus is on SME owners to take it upon themselves to have the foresight to innovate and transform their businesses to remain successful and build a talent pool.





2018 Asia Policy Forum was held at the Lobby of Oei Tiong Ham Building, Lee Kuan Yew School of Public Policy, National University of Singapore

Welcome Remarks



Professor Danny Quah

**Dean, Lee Kuan Yew School of Public Policy and Li Ka Shing Professor of Economics,
National University of Singapore**

Your Excellency,

Distinguished guests,

Ladies and gentlemen,

Colleagues,

Good morning and a very warm welcome to all of you from the Lee Kuan Yew School of Public Policy here at the National University of Singapore!

It is a great pleasure indeed this morning, as we get to host this Asia Policy Forum on Singapore's small and medium enterprises, organized by our own ACI, joined here by the Singapore Business Federation and the Singapore Manufacturing Federation. As you are all likely already aware, LKY School at NUS is a post-graduate academic institution. Our mission, among other things, is to enhance good governance across Asia. To help achieve that, we undertake research in a range of relevant issues, and we exercise pedagogy, teaching and instruction, for both post-graduate degree students, and in open-enrolment programs, and in programs run across Asia by ACI and others for public servants and enterprise executives.

The theme of the Asia Policy Forum today is "Transformation Change and Health Checks for Singapore's Small Medium and Enterprises". I only want to remind everyone some facts that those of you working in SMEs are already well aware of. Across all of the world's economies, these small and medium enterprises or SMEs, typically account for at least half of total employment and two thirds of gross domestic product (GDP). For Singapore in particular, SMEs contribute 68% of total employment and half of GDP. That is to say,

Singapore's SMEs matter more than usual for jobs and employment, even if their measured labour productivity remains a challenge and can still be improved. But of course for those of you in the industry, you know you are keenly aware that SME contribution goes well beyond just these figures. There are snapshots or point in time realities.

SMEs matter critically for the vibrancy of any national economy because of their flexibility, their adaptability, and their innovativeness. And, SMEs are critical in national efforts to build an inclusive society through their alleviating poverty, narrowing income differentials and promoting entrepreneurship.

Today's Asia Policy Forum addresses precisely this richer picture of SMEs. Many of you in the audience are exactly the SME entrepreneurs that, to put bluntly, in the course of making money for yourselves inadvertently end up also serving the nation. This is the kind of happy coincidence of goals that Adam Smith, the founding father of modern economics, consistently described. The policy forum today reflects the systematic research efforts of our ACI on productivity and practice transformation within SMEs and on internationalization of SMEs to go beyond just the Singapore model.

If you will allow just a few words about something else that is going to happen today, later in this afternoon, as a part of this forum, there will also be a donation and an MoU extension signing ceremony to be witnessed by the Honourable Sri Nara Chandrababu Naidu, Chief Minister of state of Andhra Pradesh and Dr Tan Wu Meng, our own Senior Parliamentary Secretary of Trade and Industry, and Foreign Affairs. The signing this afternoon will extend the third Memorandum of Understanding between our ACI and the state of Andhra Pradesh for ACI research for ACI research on economic competitiveness and ease of doing business indices and on improving governance generally. The Honourable Chief Minister himself will speak on investment opportunities and economic development in Andhra Pradesh.

To bring this back to this morning's forum, this is a topic I'm sure will interest many of you here today and that you might possibly want to take up further in offline discussion with the state's senior officials who will be attending the forum as well. So, I will not pre-empt what the Chief Minister will say, but as you already likely know, the Andhra Pradesh government has great ambition for expanding its manufacturing capacities, and for information technology development in the state, something we can look forward for greater engagement this afternoon.

Let me just end by thanking the Singapore Business Federation and the Singapore Manufacturing Federation who have jointly organized today's event. Thank you all for your contributions and your members' active participation, and we look forward to ever greater partnerships in the future. Have a productive and enjoyable forum in the day ahead. Thank you all for being here. Thank you.

Opening Remarks



Mr Kurt Wee
Chairman, Singapore Business Federation SME Committee

Good morning.

Professor Danny Quah Dean of Lee Kuan Yew School of Public Policy of NUS

Associate Professor Tan Khee Giap, Co-Director.

Professors, fellow SME business owners, friends, good morning.

The Asia Competitiveness Institute was started in 2006 as a research centre at the LKY School of Public Policy, and one of its main aims was to build leadership and network to understand and develop competitiveness in Asia. For businesses, ACI's work in measuring firm level of competitiveness and analysis in 16 Asian economies is particularly relevant. In fact, today's forum will have a sharing by ACI on their productivity tracking and efficiency monitoring index, the PTEM index, for local SMEs and there will be a book launched on the same focus as well as I understand.

Asia is a fast growing region. Taking ASEAN alone, if we were a single market, we would be the size of over 600 million in population. Some projections have ranked ASEAN as the fourth largest economy by 2050. Today's forum titled "Transformation Change and Health Checks for Singapore's Small Medium and Enterprises" is especially meaningful for 99 percent of companies in Singapore.

The SME situation is not exactly easy all the time. SMEs here face high cost of doing business, tight labour market, unlike some of the other ASEAN countries where they have annually new waves of blue collar workforce. We have to think about how we squeeze more blood out of stone, and machines and automation. And when we go overseas, we face protected markets versus when our competitors come to our shores, we are subjected to open competition.

So, to stay competitive, however, we must continue to be engaged and be ahead where we can, especially as the world digitalizes. High-tech automation and for some more development markets in areas such as IOT, AI, data analytics are all the areas that need focus. Raising education and skills is critical in bringing about a higher middle class, and a bigger pool of human capital and a skilled workforce that will ultimately raise overall competitiveness and productivity in the region.

Asia is well-positioned for global trade flows as countries in the region develop more sophisticated manufacturing capabilities, their export range will also diversify: Vietnam in textiles and apparel, Singapore and Malaysia in electronics, Thailand in vehicle automotive parts, India in palm oil, agriculture, coal, cocoa, tin, bauxite, you have it. Myanmar too has an economy that is opening up, as large reserves of natural resources such as oil, gas, precious minerals. Even Laos is saying that they are not landlocked, they are “land-linked”.

The key to continue to look for ways to drive relevant industries to adopt more productive methods of operations and increase value-added is critical for SMEs in the region. We in Singapore must stay connected to the world, tapping into our free-trade agreements, leveraging on overseas economic zones, and the removal of free-trade barriers to build our trade connectivity strong into the region.

At SBF, we stay committed to help businesses transform, connect, and grow. I just to say one last word to thank Prof Khee Giap and the ACI team and Professor Danny Quah’s team for putting together today’s event on relatively quick notice and I wish everyone a successful day ahead. Thanks.

“ACI Productivity Tracking and Efficiency Monitoring (PTEM) Index and Internationalisation for Singapore’s Small and Medium Enterprises”



**Moderator from ACI-LKYSPP, NUS (center):
Professor Tan Kong Yam, Co-Director, ACI-LKYSPP, NUS**

**Presenters from ACI-LKYSPP, NUS:
Associate Professor Tan Khee Giap, Co-Director (left) &
Ms Nursyahida Binte Ahmad, Research Assistant (right)**



Responses from Forum Participants

“Conversation with Young Singaporean Entrepreneurs: How you did it?”



**Moderator from ACI-LKYSPN-NUS (centre right):
Associate Professor Tan Khee Giap, Co-Director, ACI-LKYSPN, NUS**

Panellists:



**Mr Tan Jit Koon
Chief Executive Officer, Winson Press Pte Ltd**



Mr Ben Lim
Managing Director, iwa Design Pte Ltd



Mr Melvin Tan
Managing Director, Cyclect Holdings Pte Ltd

Associate Professor Tan Khee Giap: Good afternoon. We are going to a more exciting session. Today, we want to introduce some of our very successful young Singaporean entrepreneurs. I found that they all have very similar backgrounds: they are all in family businesses. They are all highly educated. They are not traditional SME owners that I spoke about earlier on. These people are tech-savvy, bilingual – some are trilingual, their Mandarin improved over the course of their businesses. I want to start today by asking them a few questions. I will ask Melvin first, then Jit Koon, then Ben Lim.

What are the circumstances that promoted them to start their own business or join the family business? Once we know the context, we can have subsequent questions, we can have a better understanding. To some extent, these men represent a different model of family businesses in Singapore. Do not be humble. Another thing about Singaporean businessmen, I have difficulty asking them how successful their businesses are. Some of the SMEs in foreign companies I visited, when I ask them how successful they are, they will always say they are even if they are about to go bankrupt. For Singaporean businessmen, you have to add to some of what they are saying, they tend to downplay their success.

Mr Melvin Tan: My name is Melvin and I am from the Cyclect Group of companies. Maybe I should give a bit of background to talk about how I got drawn into the business. The company was first started in 1943 by my granddad in the middle of World War II. In the midst of trying to make a living and trying to escape hardships, he started this small business. It was a small repair shop, a handyman guy just fixing things for people's homes and offices. Over the years, things grew. It grew from a two men shop: a typical story of all SMEs, we started as off as a two-man shop: grandfather and his son. It really happened that way. My story is the same. In the 1980s, my granddad passed on and my dad took over the business at the age of 20 something years old. So he kept the company alive together with my uncles and in the 1980s, and struggled through the 1990s, and in 2000, they called me home to join the family business.

Associate Professor Tan Khee Giap: But did you dads and your uncles have university degrees?

Mr Melvin Tan: No, they only had primary and secondary school education.

Associate Professor Tan Khee Giap: So you see Melvin graduated with a degree in Business Administration from Simon Fraser University in Canada, so it is a different generation.

Mr Melvin Tan: My intention was that I wanted to do consultant work for the big guys, teaching companies how to restructure and make their businesses better. But my dad said that you should come back to my company. Our company is in the midst of challenges because I graduated in 1997 and we had the Great Asian Financial Crisis, and we had crisis after crisis, like the SARS outbreak, so our company was being battered left, right, and centre. So we started off in ship repair. As a handyman shop, we repaired ships and fixed little things, equipment on vessels and ships. But our family was very family-oriented. It was very relationship based. No one got fired, that kind of organisation. It is both its strength as well as its weakness. Over the years, we accumulated a lot of good people working with us, our long-service awards like are like 50 years of service, 45 years of service. It became a holding place where a lot of talent was there, but also a lot of people who get tired and not up to date with today's business environment.

When I got pulled in, the conversation I had with my dad was simple. I was in Canada when I got the call. I told him that I needed to continue my studies and it was not sufficient since I was about to graduate. He just asked me to come back and that he was going to retire, and that I had to come back now and get training. My dad, incidentally, is still working seven days a week today. So he is still in the office every day, every Sunday, seven days a week when talked about retirement 20 years ago! He is still very much on the ball even though I am actively running family business. I have been conned into the business, so to speak by my dad. As of today, that is my story. I came in, restructured the business quite a bit because we faced so much headwinds. We ventured into many things. My dad and my uncles were in many different businesses so I sort of applied my learning in Canada and started cleaning up the company, using a little bit of the MNC style, but still kept the core values, which is about loyalty, it is about keeping the talent within the organisation while bringing in new talents. I balanced that with bringing in new ideas, technology. We started an R&D division. We started developing things that we never used to consider before that we could do. Today, we are quite a different organisation. So, I think that answers your question.

Associate Professor Tan Khee Giap: He never told you that he won the Enterprise 50 Award, Singapore Sustainability Award, ASEAN Best Electrical Contractor Award, Singapore Prestige Brand Award, and ASEAN Business Awards. Typically, I go to foreign country and they say which awards they won first when I

talk to them. As you can see, when father asked him to come back and he listened. I am glad that he did not go to do a PhD in Simon Fraser University, as you may then not want to venture into businesses because once you have a PhD, you may not be a good businessman. Taking business risks is like a bird in your hand, it may fly away if holding it too loose, but if you hold it too tight, the bird might die. I am glad that you did not do you PhD and you came back to help in the family business. Now, Jit Koon, tell us why you joined the family business and under what circumstances did you find yourself in?

Mr Tan Jit Koon: After I graduated, I joined Hewlett-Packard. But since young, my parents were planting the seed. They did not tell us that we were joining the family business, they just said, “You see so fortunate that their son is taking over the family business” or “their daughter is doing something for the family business, it is so nice”. They started to plant seed when we were young. Then when I was working with H-P, I was a process engineer. We were on-call, we transferred lines from building ink cartridges, often getting calls in the middle of the night. I still remember one night at 3am I got a page and woke up to go and my dad asked, “Why are you doing this? Stop doing that, come and work for me”. From then, it just got started. Why do you have to take all these things? I have an elder sister. I am the first boy. So my sister majored in music performance, so there was no way she was going to do that. Somehow, I felt the obligation. My parents said that they did not pressure me but I knew their wishes.

The moment when my dad invested in two factory properties in Johor Bahru of Malaysia, I knew that was the time I had to get involved. That is when I joined the family business. The company was started in 1964 by my dad. It has been a long journey similar to what Melvin said about the things based on relationships. Six years ago, we started new ventures. Because I am in printing, our industry is being disrupted continuously especially for the last five to ten years. So, we started a small start-up to try to disrupt ourselves. With that, it is quite hard for my parents to also understand. Leadership alignment is a big issue when you hear them speak with passion on how they will support you. But when reality sets in, they ask how much sales we are getting as the bottom line figures come in. It is quite hard for them. We actually have a new investor coming in to buy half my parents share and I will buy the other half so they can officially retire. We want to move towards maintaining the strength of the family business while also being professional in running it.

Associate Professor Tan Khee Giap: Again, it is quite Asian that the father decides that you should come back to work. For non-Asians and Europeans, they are more likely to tell their fathers that it is their own life and they should run it. For Asians, the father asks them to come back, and they quietly listen. This is very Singaporean. Again he never mentioned his awards. He won eight Singapore Packaging Star Awards, and multiple gold, silver, and bronze awards in printing excellence in Asia and Europe. He graduated with a Bachelor of Engineering degree with Honours from National university of Singapore in 1992. Our next panellist is Mr Ben Lim. I intentionally gathered only Singaporeans in this forum because I kept hearing that Singaporeans are too educated to be businessmen and entrepreneurs because they are only good at working in administration and civil service. Singapore is becoming more internationalised and is a very open city state in terms exposure to internet for business information. Singaporeans are amongst the most widely travelled in the world. Going forward, these are the new breed of entrepreneurs that will be making a difference in Singapore. Ben Lim, same question on when and under what circumstances you joined the family business please?

Mr Ben Lim: I think I am the least educated amongst all the panellists today.

Associate Professor Tan Khee Giap: No, you got a master degree from SIM University. He also earned the Entrepreneur of the Year Award in Innovation and the Teochew Entrepreneur Award. This is the problem with Singaporean entrepreneurs, he has a master degree and he just said he is the least academically qualified!

Mr Ben Lim: My younger sister entered the family business before me so I thought I could escape from joining the business. My dream was to join the police force since young. Since young I was working in my dad’s factory during school holidays. It was a very different era from the kids nowadays compared with what

we were going through in our younger days. Every secondary school holiday, I would be working in my dad's factory, playing with woodcraft and stuff like that. After secondary school, I joined the Nanyang Academy of Fine Arts. In my second year, my dad called me up suddenly and said, "Ben I cannot take it anymore, you got to come and join me". I said, "Dad, I am in my second year right now and I cannot join you now, and after that I have to do my national service." My dad said, "What? That is three years from now. Stop what you are doing and come and join me." So I did not complete my studies at the Nanyang Academy of Fine Arts and had to quit in the second year and after NS, I joined my dad's business.

When I joined his business, I understood his struggle. Like Melvin said, SMEs run the businesses with a lot of feelings and firefighting. As a managing director himself, my dad was busy fighting every day. Most of his workforce were not very well educated. In the industry of interior design, our staff are basically craftsmen ourselves. So that is why he struggled every day. Since joining, I re-structured the company. From Singapore, we grew into Thailand and Indonesia. One of the main key things that he shared with me since young is customer first, and second, passion in everything we do. With that, when we went overseas, we won a lot of trust because we were Singapore company representing a Singaporean brand. I think as a Singapore company, our branding really sells well overseas.

Associate Professor Tan Khee Giap: Again, it was the dad who decides. It looks like we always listen to our parents. The father decides on everything. Now that you have heard their business backgrounds and I hope you know they are more successful than they are prepare to admit. Second question, starting with Melvin, what are some of the difficulties you have encountered in your years in businesses? Tell us your biggest crisis that you faced and how it impacted you and your business?

Mr Melvin Tan: Crises? Yes, I think we faced a quite a few bit in the twenty years I have been in business. I think it was the toughest when I first entered into the business. The company was basically insolvent, that was the situation. We were living hand-to-mouth. My dad said that he did not know what will happen. It was a daily struggle. I go to my office at 6.30 am and I would leave office at about 11 pm every night or sometimes passed 12 am mid night. At 6.30 in the morning, I was just seeing who I was going to pay today. I have got a dollar but I have to pay 10 dollars for wages! That was how I started as the managing director of the company. My dad did not hand the company to me in a smooth-sailing condition. So everything taking place was wrong and we had bad investments which I had to cut. We then had 200 staff working with us at the time. Our key staff were poached by key clients, half my turnover was lost in one year. Everything was going wrong. The Jurong Town Council wanted its land back. I had like 30 fires to fight simultaneously. It took about four years to deal with this process. For me, the first thing to overcome was to know my resources.

Relationship mattered as it strengthens my foundation and my roots. I get everybody together and spoke to every single person from the top management all the way to cleaners and electricians. We were an engineering services companies, so we were heavily relying on people. Throughout the crisis, I did it slowly, I restructured everything, brought in new financing, did marketing, redo branding, improved the processing, found new vendors and did everything afresh. It was basically re-vamping the whole company. Today, I am glad to say that we have grown the company by several-fold. We have about 700 people now operating in 10 countries engaging in engineering services as well as power in marine and offshore. So we hope to continue along this tradition.

Associate Professor Tan Khee Giap: I think this must be the occasion for parents to see how filial their children are. It also appears to me companies their parents owned may have outlived their time. They all seemed to be having problems because Singapore had changed, the world and the market had changed too. Old companies needed a new kind of educated entrepreneurs to turn things around.

Mr Tan Jit Koon: The biggest challenge I had was myself. Firstly, I am an engineer by training so I do not know much about business. There are many things of which I was not aware that I did not know them and that was just an internal problem. Externally, we had quite a number of problems too. First, we faced the Asian financial crisis. Just a year before that we bought a new factory, we invested in a new line of label

printing. When Asian financial crisis hit us, we were losing 60,000 every month for the two millions business turnover. That is a big hit in 1998 but fortunately we were able to recover fast, thanks to a big customer.

A few years later in 2002, this big customer accounted to 50% of our sales, and due to their internal issues, our customer who was the founding family got kicked out and we lost 50% of our revenue overnight! We were in a credit crunch and we inherited a bad debt of a quarter million. Around the same time, another big customer dropped us and we lost another 25% of our sales. The latest crisis was when we invested in new business or a start-up you may call it. We put in a lot of money and resources, and I would say that is the biggest hit and the one that lasted longest. I would say at least by now we are beginning to see the light at the end of the tunnel

We actually encountered a lot of internal struggles. I would say the number one issue would be leadership alignment. How we align the leadership because strategy is one percent, but vision needs 99 percent alignment. So that was a big part but how do we change the corporate culture? My internal struggle was also quite difficult because for a long time my pay was pegged to the maximum of my central provident fund contribution because my parents said my maximum CPF only covered \$6000, so my pay was at \$6000. When I looked at my ex-colleagues, their pay was about two or three times more than mine.

Associate Professor Tan Khee Giap: Jit Koon, if your parents are here today, I am sure that they must be proud that you have turned the company around. Ben, tell us your story and I hope it is a more cheerful one?

Mr Ben Lim: It was actually a bitter struggle. I do not think it is cheerful. One of the major crises I went through was that when I joined my dad's company, we had six designers. I worked with them on those projects day and night together under different tenders, we were like buddies. But suddenly one night, four of them resigned and taking with them everything out of our company. That was the time I really woke up and realised that no matter who you trust, you have to be prepared for the worst. From then on, I never looked back and began to start up my system and processes by building up my entire human resource team. So human capital is very important, how we treat our staff. Normally when there is a crisis, for example an economic crisis, we managed pretty well because with high unemployment, our staff tend to stay with the company. When businesses improved, we started to push our staff by investing a lot in team building by sending them for courses and train them up to be second generation middle management.

The other crisis was when I started in Thailand. I went there on my own and took on a very big project with a Japanese multinational in Thailand. It was our first project there and the client trusted because we are a Singaporean brand. Progressing at about 70 percent into our schedules, I was struggling because the Thai staff did not manage to comply with our requirements. I was struggling day and night, almost wanting to jump out of my hotel window itself, but I knew that would not solve the problem. So, I restructured the whole schedules and pulled in manpower from Singapore, Indonesia, and Malaysia to rescue the whole project. We thought that, being a twenty-year old company, we were pretty strong and stable, but one should never be complacent in that.

Associate Professor Tan Khee Giap: Was this exaggeration that you felt that you wanted to jump out the window?

Mr Ben Lim: This was true, because at that point in time, the responsibility on me to deliver the project was so strong as the Japanese client told me personally that I awarded you this project because you are a Singapore brand and I believe that you won't fail. We were able to win projects against other bigger Singapore brands which were also in Thailand because we had a little bit of Japanese blood as one of our founders was Japanese, even though he has retired in Tokyo. Other companies told our client that they can finish in six months but we told them that we can finish it in three. Two months had passed, and the project was only 40 percent completed. At that point in time, we felt that if we gave up, the company would be in crisis indefinitely. I even climbed up ladders to tell Thai workers how to plaster the ceiling but after I came back

from lunch, I would have to explain it again. That is why I slept about two hours a night throughout the whole three months. That was a crisis to me and that is why I said I almost wanted to commit suicide but I knew I had to stay strong.

Associate Professor Tan Khee Giap: I am glad you stayed strong so how big are you company now?

Mr Ben Lim: We have only about a hundred staff in four countries.

Associate Professor Tan Khee Giap: Did your dad know the kind of pressure you were in? He is not here today, but I am sure he would feel very bad about the pressure you have?

Mr Ben Lim: He knew doing business is not easy but I did not want to share it with him because he could do nothing to help. He is 73 years old now, so I do not want to disturb him with day to day operations.

Associate Professor Tan Khee Giap: This approach is very Chinese indeed. Now I want to reverse the order by asking Ben the third question. As a SME, how do you compete effectively within a high-cost environment in Singapore and survived in the fiercely competitive markets abroad. Particularly, the Japanese client reminded Ben that it is a Singaporean company, so do you think the Singapore is an advantage or is there a burden to it?

Mr Ben Lim: It is certainly an advantage as a Singaporean company being trusted as a Singapore brand in Southeast Asia. Most businessmen in the region trusted us as a Singaporean company that we are honest and down to earth that we do not really cheat when conducting business. However, being in a foreign market has its own setbacks as we needed to understand the ground before we enter the market. You got to do enough survey and research, and not just by yourself. I just came back from a trip with Enterprise Singapore to Chengdu to understand the new retail market in China. As a business leader, you must be humble and hungry enough to learn every day so that you know the challenges ahead of you. Talking about competitiveness, to compete in the other Southeast Asian markets, collaboration is one key thing. We are just tendering a hotel project in Cambodia and we have almost signed the contract. This project is a collaboration between us and a partner from Hong Kong. In different countries like Indonesia, collaboration with local SMEs is very important because if we went in ourselves on day one, we may not be successful because we will be very costly because local SMEs know the local market much better than us.

Associate Professor Tan Khee Giap: May I ask a personal question? Are you married?

Mr Ben Lim: Yes, I am.

Associate Professor Tan Khee Giap: Now, that sounds better to me because many Singaporean businesswomen say they are too busy in business and therefore did not get married, how about Jit Koon and Melvin, are you both married too?

Mr Tan Jit Koon and Mr Melvin Tan: Yes, we are married.

Associate Professor Tan Khee Giap: It is good even with the stress you suffered in business, you can still get married and raise your family, so it is not an issue.

Mr Ben Lim: Marriage could be an issue, depending on how you look at it. First, your spouse must be very understanding and supportive. I failed in my first marriage, and I am now with my second wife who is very understanding. After my first failure, I am able to understand better how a marriage works and how to make a wise decision before I went into the second marriage. Entrepreneurs have to learn from mistakes. A lot of top entrepreneurs in the world failed in their marriage because they were too successful and busy in businesses.

Associate Professor Tan Khee Giap: More seriously, Singapore is high-cost market to do business and overseas markets are fiercely competitive. How do you do it Jit Koon? When I was in Taiwan, they like to comment that Singaporeans are stupid when doing businesses as they are too honest and do not know how

to cheat, and that the Hong Kong and Taiwanese people are the brightest. So, now you say that they trust Singaporeans because they are honest, but do you lose out to them? You don't know how to brag or talk your business up. This is something I do not have the answer to. Is it true that that as an honest Singaporean businessman, you actually lose out for being straight?

Mr Tan Jit Koon: I hope I did not give you a wrong impression. One thing I am very grateful of is my parents. When we invested in the new business six years ago, my parents actually really supported me with their own money. I put in my money and they put in their money too. I think that trust given was very important pillar. What Ben said is true, with the support from my wife, I am most grateful. She does allow me great freedom on what I wanted to do. I would like to give one quote from my dad, he said that, "if you think it is correct, just do it". It makes me wonder if I am making the right decisions, so sometimes it is good to contest with my mom who is a lot more conservative.

Being in the Singapore printing industry, we have all the while facing with challenges from Malaysia, not too long ago from China and including many neighbouring countries in ASEAN. My customers and well-wishers often asked how our company competes and my answer is that we bit competitors on speed. We have to target the right niche market. I would not say that it is easy. Internally, I am trying to build a learning organization. When I attended seminars and workshops, it is always with the view of how I am going to share the experiences with my people. I invested a lot in training and I believe in getting our people with the correct mind-set as it is a team I am relying on. I invested a lot in management and leadership alignment for my staff.

I agree with Ben, collaboration with a local partner is extremely important, especially in the current high-cost environment, we have to share resources. Going forward, we have to be focus on what we do best while we work on new models and how to transform our business. We still need to count on our traditional businesses to provide the cash for investment needed for new investments.

Associate Professor Tan Khee Giap: How about you Melvin?

Mr Melvin Tan: To answer your question about competing in a high-cost environment, I think that competition is relative. Cost is only one factor out of many. Very often, we are looking at comparative advantage. In our group, there are about 20 companies in different sectors, from development of power systems that we invest in and build to engineering and construction which we are regular contractors in the market. We are also involved in asset management or facility management. So all of these businesses require different strategies, and I try to look for that little extra that someone else does not have, whether locally or in the region. So it could be through collaborations. For instance, I buy from my partners in Indonesia. They are low cost based, that is a great manufacturing location. You buy there and you supply here. You prefabricated your stuff and you bring it over. There is great logistics, so make use of it. There are tax incentives that are granted through free trade agreements which we try to utilise. There are many tools available to us so the key thing for my organisation is trying to find the best talent that can utilise connections and benefits which have been created for Singaporean companies.

Elaborating on that statement earlier about being a Singaporean brand, I think that Prof Tan made a very good point that resonated with me. Singapore is a great brand going into this region. Every country wants to work with Singaporean companies, whether it is in Vietnam or in China. One honest friend came to me and said that the key reason is because we are very gullible and easy going. In a lot of things, we choose to believe the best in people. But frankly, it is a very different world out there, it is a jungle! So moving away from there, I think collaborations, networks, and friendships in the region are really something important. This year, being the ASEAN chair, I think we, as Singapore companies, can try to utilise the opportunity to make more real friends because there are people out there trying to eat our cheese and we should protect it. We need to find allies that can give us insight into their own countries and what are the real good stuff out there and what is just a mirage. At least in my organisation that is what I do. I just try to groom the best people I can find and can help us navigate through the challenging environment around us. Essentially, it is about finding your comparative advantage. For instance, we have formed a division on robotics. We have tried to transform

ourselves several times, if one business does not work, we try another. Finding resilient people, leaders, grooming them and supporting them, that is how I try to navigate through the very fierce competition in Singapore and the region.

Associate Professor Tan Khee Giap: Okay, for the last question, if I were to ask you how can our government facilitate effectively and communicate better with Singaporean SMEs, what would be the one thing you would suggest? Tell me the one most important thing, not just for you, but how government can connect and link better to help SMEs?

Mr Ben Lim: I think that there a lot of great government projects in Singapore, but very often these projects are given to external big multinational corporations which are competing with us locally. I believe there are a lot more big potential SMEs but they often end up taking the second pile as the sub-contractors for big companies. By the time it is passed to us, there is little meat left. After that, we still have to struggle with all the manpower issues.

Associate Professor Tan Khee Giap: Yes, we have heard about that, once government set the tender specifications, only big companies can qualify and SMEs are disadvantaged.

Mr Melvin Tan: I do agree with Ben. Definitely, the procurement policy favours the large companies. More and more, when you see the grading in Singapore for contractors, A1 to L6, I am an L6 contractor and can compete on the large-scale projects but favour is definitely given to foreign companies and big MNCs that have the track record globally. I think Singaporean companies have very little chance of getting projects directly from the government. We tend to have to win work through other main contractors, whether it is a Korean, Japanese, or Chinese company. We are at a disadvantage in that sense. No matter where we go, we will never have that reference. We will always be a subcontractor to somebody, and that is our key reference. That is something that maybe the government can look at again.

I think, in other areas, I have always seen that whenever I compete regionally, one thing that a lot of the big global MNCs have that we do not, is the EXIM bank, somebody that supports the guarantee when we go for big contracts and projects. We do not have that, we have to be dependent on our balance sheet or we have to pair up with other people. I think that is one big advantage that global companies have that Singaporean ones do not. Other than that, I think the government has done great in opening up doors and bridges in which the various trade associations like the SBF and SMF where we can enter into many different markets and know the local environment very quickly. I think a lot of those doors are open but one of the big issues the mind-set of our local companies. I do not know how to educate and bring the local companies together. But one is maybe having local companies getting more big contracts and bringing all the smaller boys together. Government-linked companies are not bringing together our local companies enough. I think you've heard that many times, and I echo that. We work with them a lot, and it goes to the local companies of that country. There will be greater opportunities for local countries to succeed if we had that line open to us.

Associate Professor Tan Khee Giap: That is relevant to say that GLCs have a role to play in bringing in local companies into foreign markets. Jit Koon?

Mr Tan Jit Koon: For me, I feel that the government has done a lot, but nothing beats getting people to dirty their hands. I would highly suggest that if the government could place the best talented civil servants or scholars they have by making it compulsory to have at least half a year or nine-month attachment to SMEs to run projects so that they know what are the challenges and opportunities. This approach would allow learning from both sides and to uncover our own blind spots and think about what we can do together.

Associate Professor Tan Khee Giap: So what you are saying is that we should get civil servants to intern in SMEs?

Mr Tan Jit Koon: Not interns exactly. What I am saying is that after they graduated, they should come out to work. I saw this when SPRING Singapore attached one of their officers to a SME for, I think, about six

months for a project, which I thought was really good. That means doing a project, either full-time or part-time, but it is good for an SME as it is not easy for us to attract the best talent. It is a good to have a different perspective on things and get a real project going

Question and Answer Session

Associate Professor Tan Khee Giap: So you saying civil servants should be more in touch with SMEs and to gather more private sector perspective. Now, we would like to open the floor to those who have any suggestions for the government on how they can facilitate more effectively and connect better with SMEs.

Question: I am from Mystery Enterprises Private Limited. I am a project management consultant in Singapore for many years. I would like to suggest the Singapore has many talented and experienced people and we are not utilising them properly because life expectancy is growing and they still have a lot of energy to contribute by working in surrounding countries in the region.

Associate Professor Tan Khee Giap: Are you talking about extending the retirement age?

Question: No, I am trying to ask SBF on how to tap the expertise of the people who have worked for thirty or forty years with big companies such as Singapore Airlines, Telecom and United Overseas Bank. They go through many stages of career experience in Singapore, and they will be very helpful to even countries like China and India.

Associate Professor Tan Khee Giap: So you are saying that SBF would be a good platform to coordinate these people?

Question: There is SBF, SPRING Singapore and there are so many agencies but sometimes people get confused on which is the proper platform that can approach.

Associate Professor Tan Khee Giap: So there must be information metrics for those who are very experienced in government or private sector companies, who are past their retirement age so that their vast experience can be tapped.

Mr Tan Jit Koon: Can I suggest a real example and I shall not name the government linked company or GLC. One of my friends brought an idea on how to provide a certain service to a GLC. The GLC really found out of a lot of things from him and then started doing it themselves. With their network and their muscle, my friend's business could just not survive. I heard of many such cases. I respect the professional managers at GLCs who are trying to do the best for their own organisation but I do hope they practise good business ethic. Why are GLCs competing against small local companies? We should collaborate among us instead of stealing ideas. It was quite sad when I heard that.

Associate Professor Tan Khee Giap: I have heard of these cases before, but shouldn't there be safeguards when giving out information like this such as proof that this was your idea?

Mr Tan Jit Koon: That is because you hope that one day you will have another opportunity right with the GLC right? We experienced bullying by a big company too when it wanted to do something extra but preventing us from increasing the price. We gave them a three-month notice to look for a new supplier and they just told us that we cannot increase our prices because we have other businesses with them.

Associate Professor Tan Khee Giap: It shows that Singaporeans can be a bit naive. We are talking about GLCs and civil servants stealing ideas. In Myanmar, one of our GLCs wrote a project for Myanmar to develop a township. The next day, a Myanmar dentist representing the military said that he wanted to work to develop the industrial township, but it was the GLCs proposal not his, but he put his company stamp and stated it was his. This kind of thing happens everywhere. Why should you be so alarmed that it happened in Singapore? In foreign countries, they can be worse when come to stealing ideas!



Luncheon Talk: “Singapore as an Asia Infrastructure Hub: The Role of Financial Institutions”



Speaker (left): Dr Ray-Beam Dawn, Chairman of First Commercial Bank Ltd, Taiwan Republic of China

Moderator (right): Dr Zhang Xuyao, Research Fellow & Deputy Director (Research), ACI-LKYSPP, NUS



Remarks by Guest of Honour



Dr Tan Wu Meng

Senior Parliamentary Secretary for Trade and Industry and Foreign Affairs, Singapore

Chief Minister Nara Chandrababu Naidu,

Dean Danny Quah,

Distinguished guests,

Ladies and gentlemen,

1 Good afternoon. It is my pleasure to join you at the Asia Policy Forum today. Small and Medium Enterprises (SMEs) forms an integral part of Singapore's economy and I am very glad that the Singapore Business Federation (SBF), the Singapore Manufacturing Federation (SMF) and the Asia Competitiveness Institute (ACI) have come together to organise this forum that focuses on SMEs.

“Transformation Change and Health Checks for Singapore Small and Medium Enterprises”

2 The theme today on “Transformation Change and Health Checks for Singapore Small and Medium Enterprises” is very apt and critical for the next stage of Singapore's development in promoting inclusive growth. SMEs, both around the world and especially in Singapore, have been identified as a channel for generating nimble and inclusive growth with large scale sustained creation of employment. SMEs also play an important role in spurring innovations and that is going to be very key to positioning SMEs for the economy of the future.

Productivity Tracking and Efficiency Monitoring (PTEM) index

3 Despite its importance of the SMEs sector, SMEs face several challenges such as high capital costs and difficulty in attracting skilled labour. These challenges need to be addressed in a systematic manner in order to achieve sustained growth among the SMEs.

4 With the objective of understanding SMEs in a more comprehensive manner so as to develop targeted solutions to support them, ACI teamed up with then-SPRING and now known as Enterprise Singapore, to develop the Productivity Tracking and Efficiency Monitoring (PTEM) index. It is a quantitative assessment of factors affecting productivity and efficiency of SMEs. I believe you have heard about the PTEM index findings from the earlier presentation this morning and I hope it has provided helpful insights on ways to strengthen enterprise capabilities. This research project is part of ACI's Enterprise Future Initiative (EFI), launched last year with the aim of partnering Trade Associations and Chambers (TACs) to strengthen our enterprises.

Andhra Pradesh

5 Improving the capabilities of our SMEs go hand-in-hand with helping them to internationalise and seize opportunities beyond Singapore. In this regard, I'm particularly pleased that with us here today is Andhra Pradesh Chief Minister Chandrababu Naidu, who leads one of the fastest growing states in India and with whose government we have a partnership to develop the new state's new capital city, Amaravati. I look forward to hearing from Chief Minister Naidu about the investment opportunities that are being created by the rapid economic development of Andhra Pradesh.

MOU Signing and Donation Ceremony

6 I am also happy to note that today's forum will see the signing of the third Memorandum of Understanding (MOU) between ACI and the government of Andhra Pradesh. This MOU will extend the current scope of research between the two parties into areas such as economic competitiveness index, ease-of-doing-business index, as well as enhancing public policy efficiency and governance. In addition, I am glad to note that the government of Andhra Pradesh is making a donation to the Lee Kuan Yew School of Public Policy at the National University of Singapore and it gives me great pleasure to witness the donation ceremony later.

Conclusion

7 In closing, I would like to thank SBF, SMF and ACI for organising this forum and I wish all of you a fruitful afternoon ahead. Thank you very much.

Signing of Memorandum of Understanding between ACI-LKYSPP, NUS and Government of Andhra Pradesh



Launch of ACI Books



Pictured: Balanced, Sustainable and Competitiveness Enhancement (BSCE) Study for Vietnam: A Critical Evaluation with Development Potentials (left) and Productivity Tracking and Efficiency Monitoring of Singapore's Small and Medium Enterprises (right)



Keynote Speech: “Potential Investment Opportunities and Dynamic Economic Development for the State of Andhra Pradesh”



Sri Nara Chandrababu Naidu
Chief Minister of Andhra Pradesh, India



Moderator: Professor Danny Quah (right)
Dean of LKYSP and Li Ka Shing Professor in Economics, NUS

His Excellency, Mr Tan Wu Meng

Honourable Dean Danny Quah

High Commissioner of India, Jawed Ashraf

Different associations and friends,

And members of this great institute

And the media

I am very happy. I feel that is my privilege to address this audience here. The Lee Kuan Yew School is considered one of the most prestigious institutes. Today, at the Asia Policy Forum, I have seen during the lunch break I had a lunch meeting and had interactions with several manufacturers and everybody. And also today, we have seen ways in which Singapore has converted every crisis into opportunities. 55 years or 60 years back, Singapore was a small city – a small village – under adverse conditions. But with these adverse conditions, they converted them into positive things. They are doing extremely well. Now the world is watching, and now the world is learning.

Today, I just came from a meeting with global leaders and mayors from various parts of the world. Technology experts, water experts, environment experts and also on how to make cities more liveable. All three conferences are connected. Yesterday and today, I had very good opportunities to interact with some of the leaders. Whenever I come to Singapore, ultimately I become a student. Learning is a continuous process. When I come here, I learn something, then I go back, and improve on the same things in Andhra Pradesh. It is how it has been for the last 20 years.

55 or 60 years back you face the problem of bifurcation, Singapore from Malaysia. Same thing, four years back, we faced the same problem. Bifurcation is a painful process. If capital is on one side, they will want to have bifurcation. As a politician, I developed Hyderabad. I put Hyderabad on the world map economically. You name anything and everything we had done in Hyderabad. After bifurcation, now we are starting with a fresh slate. It has only been four years. Earlier, you see, Hyderabad I began to develop around 1995. At the time I went to America for the first time. I wanted to learn technology and I wanted to bring technology companies to Hyderabad.

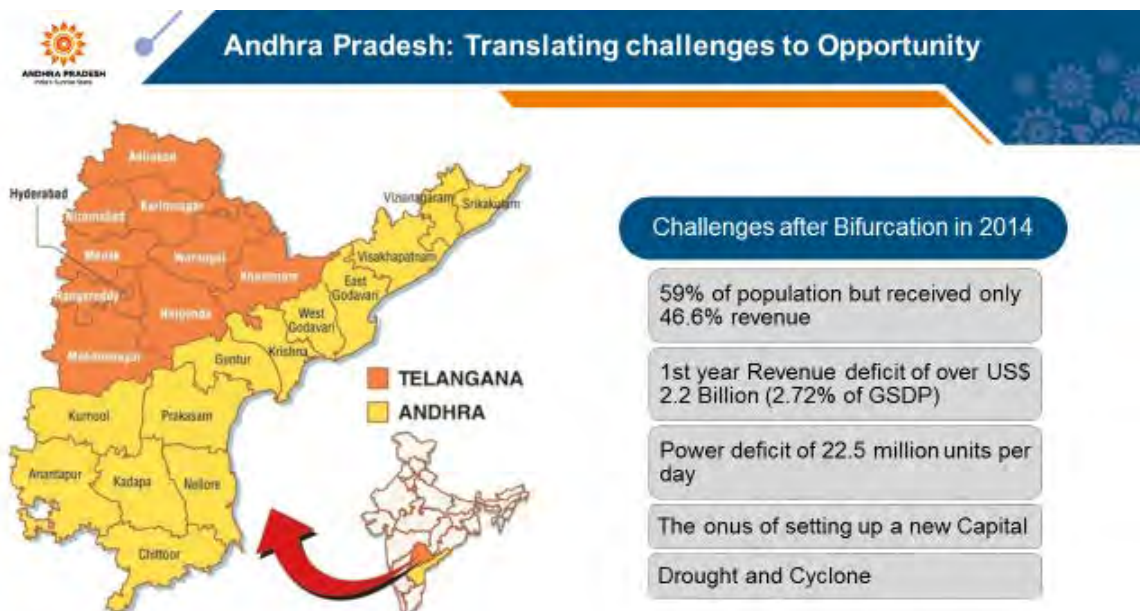
This time I came to Singapore straight away after elections. I am building the capital of Amaravati. I need the Singapore government's support for building a capital. Immediately, when I came here, I was very happy. From early on, I had a good relationship with the Singapore government. With their background, I requested for only one thing: I need a master plan preparation if I want to call tender it would take so much time. Why can't you help me prepare a master plan in details without taking money? Otherwise, tender procedures and all this will take so much time. All of you would be surprised, within 15 days and one month's time, they completed all the formalities and took it to the central cabinet and finalized it. They accepted to prepare the master plan details. Within six months, they had given me three reports. The first was the seed capital report, and capital city report and also the capital region report. That is the speed and the efficiency that Singapore is sharing. I am thankful to them.

And now, Lee Kuan Yew Institute have a very good understanding. I am very happy. Because of them, we can train our senior bureaucracy. So far, a hundred people have been trained. All our people are very happy. In India, we are number one in administration, but by seeing Singapore, we have to learn so many things. We

were given excellent hand-holding and training to our people. I am thankful that all the faculty members were all here from the Lee Kuan Yew Institute's side. We appreciate you and thank all of you.



Today, I want to place some facts before you. This is Andhra Pradesh driving India's transformation. If you see here, Andhra Pradesh, it is only four percent of India's population, the eighth largest state in India with 13 percent of India's coastline, 124 billion USD in GSDP for the financial year of 2017-2018. 14 ports being developed including the six existing ports. It will be India's gateway to the east. 12 airports are being developed with six in operation and the other six we are developing. Growth rate was 11.22 percent last year. Also, we are growing constantly with double-digit growth at the rate of 10.5 percent we have grown, among the highest growth in India. We are aiming to grow 12 percent each year. Ultimately, I want to plan for 13 to 14 percent also. This is possible with the knowledge economy. That is where we are working on a big way. Urbanisation, as of today, we are at 35 percent and we want to reach 50 percent.



After translating challenges into opportunities, four years back they were all disadvantages. After bifurcation, 59 percent of our population only got 46.6 percent of revenue. Our first year revenue deficit was over 2.2 billion USD. Power deficit at that time was at 22.5 million units. Also, we had to build a new capital and had to contend with droughts in one area and cyclones in another. With all these things, I prepared a vision which I documented immediately, but keeping in view with all our resources.



Vision - Growth numbers indicate vision is within reach



4

In my Vision 2050, I have prepared broad goals. By 2022, we want to be among the three top states in India. By 2029, we want to be number one in the country in development and the happiness index, not only in economic criteria because people in Singapore, it is the most liveable city and also people are very happy, and also people are safe and secured. That is what I am working towards in Andhra Pradesh. Ultimately, by 2050, it will be a preferred global destination. It is possible, we are working in that direction. To achieve all these things, a GSDP of 1 trillion roughly by 2029, we are planning for this. Also, for per capita income to be around 17,000 dollars. And also improving economic growth 12 percent and also enhancing labour productivity up to 16 percent, we are aiming. So this is what we are working towards. It has been very encouraging for the last four years.



Achievements – The State has been recognized in various fora



¹ Press Release on "Assessment of State Implementation of Business Reforms 2015" by DPP and World Bank, Nov 2016
² RBI Bulletin, September 2016
³ Report by Investment Monitor 'DI Intelligence', a division of The Financial Times

⁴ NCAER State Investment Potential Index, 2016
⁵ World Bank Energy Efficiency Roadmaps, November 2016
⁶ <http://www.easofdoingbusiness.org/rankings/easofdoingbusiness-2016-andhra-pradesh-goa-karnataka-kerala-madhya-pradesh-mizoram-nagaland-northeast-states-odisha-punjab-rajasthan-sikkim-tamil-nadu-telangana-uttar-pradesh-uttarakhand-west-bengal>

Every year, we are getting excellent awards and recognition from CNBC, Energy Efficiency & Conservation measures – we are number one. Among the top three states for attracting FDI, now we are number one. We have won many awards from many different agencies, including the government of India and other agents also. In ease of doing business, we are number one. We want to be preferably among the top ten and the

top five in the world. That is why we are seeking assistance from the LKY Institute that are also helping us, we want to reach that.

Achievements - Best brands have made the state their home

- Automotive:** KIA, Hero, ISUZU, BHARAT FORGE, apollo, AMARA RAJA, ASHOK LEYLAND
- Energy:** Gamesa, SUZLON, LONGI Solar, First Solar, NOXWIND, Greenko
- Technology:** FOXCONN, CELKON, HCL, Dixon, paytm, CONDUENT
- Pharma:** Biocon, gsk, LUPIN, AUROBINDO, Dr.Reddy's, NATCO
- Food Processing:** Mondelez, Kellogg's, PEPSICO, PATANJALI, AVANTI, LIFEBREAD
- Textiles:** JOCKEY, brandix, gubalder exports ltd, mohori, TERRYPOUR INDUSTRIES PVT LTD, State Textiles Co. Ltd.

These are the various brands that operate here for the last four years. Even if you see KIA, highest FDI in the recent times in India. They have done it within one and a half years' time. Now they are establishing South Korean township itself. Not only KIA Motors, all companies are coming and they are doing it in record time. They are all coming, brands like Apollo, Foxconn, Celkon, everything. We are number one in attracting investment as of today.

Achievements: A major automobile hub

- India's largest automobile entrants in last two years have invested in Andhra Pradesh

Anantapur

- Kia Motors along with subsidiaries & vendors – USD 2 bn investment

Nellore

- Bharat Forge – India's largest exporter of Auto Components to set up Auto Components park

Chittoor

- Sri City - One of India's largest auto hubs with presence of Auto & Auto component manufacturers
- ISUZU – rolled out its first pick up truck in April 16 from its facility in Sri City
- Hero Motocorp – Facility for 2-wheeler manufacturing set to start civil works
- Amara Raja Group – India's 2nd largest automotive brand.
- Apollo Tyres – One of India's largest tyre manufacturers to set up a plant

Marquee units

- KIA
- ISUZU
- BHARAT FORGE
- Hero
- AMARA RAJA
- APOLLO TYRES

Ananthpur district is poised to become a vibrant automobile hub with Kia Motors and many Korean auto ancillaries

Within four years, the automobile industry is doing extremely well. KIA Motors has invested two billion. Bharat Forge, India's largest exporter of auto components will set up an Auto Components Parks in Andhra Pradesh. In Sri City, there is one of the biggest hubs for auto companies. Hero Motorcorp is also setting up there. The Amara Raja Group does batteries there. Apollo Tyres is there. It is one of the best ecosystems and it was created within four years.

Achievements: Marquee investments in food processing

FOOD PROCESSING

- 1 India's largest producer of eggs, fruits (mango, papaya), chilli, lemon
- 2 Ranked 1st in Coastal and fresh water aquaculture; Top state in marine product exports with over 60% contribution
250 shrimp hatcheries with 4.25 MT production
- 3 10 Mega Food Parks exist;
Integrated Food Parks being set up in each district
- 4 Attractive incentives for Mega Food Parks (up to USD 7.5 mn)
- 5 Focus on cold chain and export oriented infrastructure

Marquee units

Mondelēz International

LAVAZZA

pepsi

Olam

ITC Limited

PARLE

Schreiber

Dynamix

Presence of more than 3,000 Food Processing Units, Commodity based Cluster Projects, Multiple Agri. Export Zones & Cold Chain related Infrastructure

In terms of food processing, we are India's largest provider of eggs, fruits like mangoes and papayas, and also first in coastal and fresh water aquaculture. In agriculture, we have changed our approach from agriculture to horticulture. And also, we are focusing on aquaculture. 60 percent of shrimp exports are from Andhra Pradesh, and at the same time, we are growing livestock. Agriculture growth rate is around 17 percent as of today. Now we are going for organic agriculture, natural farming. Ultimately, all of it will be converted to organic agriculture and zero budget natural farming. Even the United Nations (UN) is appreciating our department. At a workshop in New York, I am going to address the global community, especially the UN Environment, World Health Organization and other organisations are going to be present there. No fertiliser or pesticides, it is totally controlled.

These are the companies that are coming to Andhra Pradesh. The main area we are focusing on in agriculture is forward-backward integration. Even the Singapore government is helping us. They are networking with Germany for manufacturing and also machinery of everything technologies. And also they are working with different companies on major commodities like maize, shrimp, and one other commodity. These three commodities, they are working with us. This is the main focus for us if anybody is interested, we will work with you.

Achievements - A hub for hardware and mobile manufacturing

ELECTRONICS

FOXCONN

Shortest concept to implementation timeframe; 1st phone launched in 6 months

Our pace enabled Foxconn to scale rapidly

- 40,000 sq. ft. facility in May 2015 **scaled up more than 6 times within a year** to 2.65 lakh sq. ft.
- Combined **production capacity of 1 phone per second**
- Employment scaled up from 5,000 in June 2016 to **13,000 by November 2017**
- 90% employees are women**

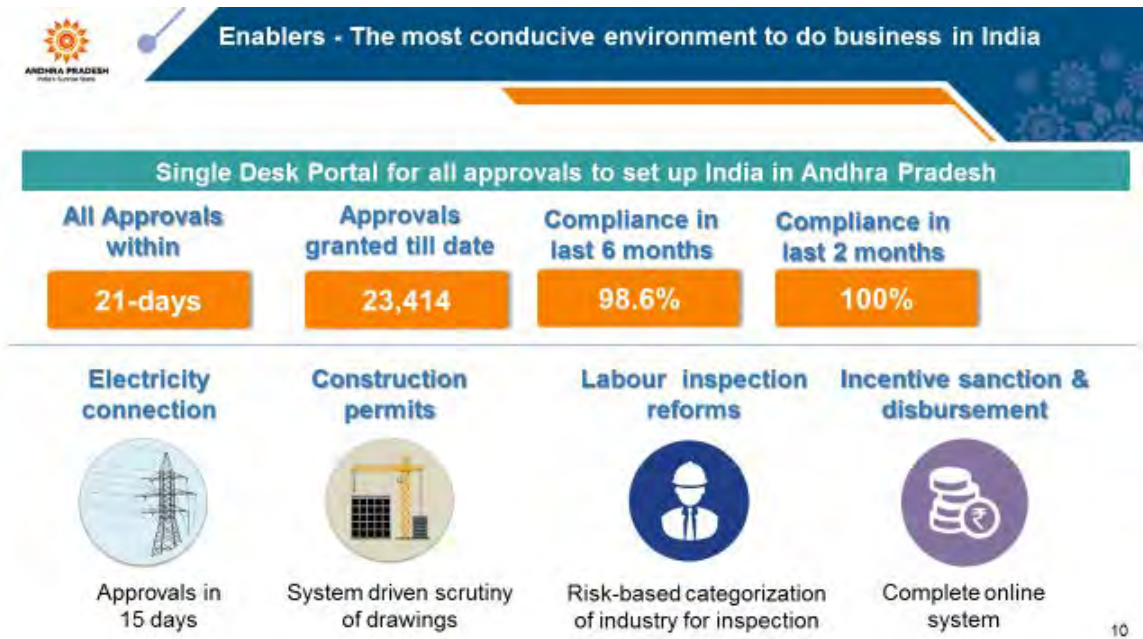
State has dedicated Electronics Manufacturing Clusters (EMC) in Anantapur district (370 acres) and in Tirupati (501 acres) available for allotment to investors

Foxconn Plant (SriCity)

MI GIONEE oppo

Microsoft ASUS InFocus

India is moving really fast now in technology. We are importing today all types of software and hardware. That is the biggest challenge. Recently, I started learning on how to go about manufacturing. Companies like Foxconn and Microsoft are exploring mobile phone manufacturing in India. 25 percent of them are manufacturing in Andhra Pradesh. Ultimately, I want to go to 50 to 70 percent. This is going to become a very big hub for hardware manufacturing. This is from Tirupati, Chennai, and also Nellore. This is the cluster we are working with. This is a big cluster for hardware, especially cell phone manufacturing.



This is the Single Desk Portal for what we doing and from which we are tracking everything. If any industry wants to apply, they can automatically go to this dashboard and all clearances will be given. At the same time, we will monitor continuously what kind of timeframe they have taken, and all approvals will be done in real time online. If you see here we have electricity connection timelines, construction permits. Our labour inspection reforms are uniformed. Even I want to follow Singapore’s model ultimately. Today, our intention is to move in that direction. Even the culture will have to take some time. Ultimately, Andhra Pradesh will reach the standard of Singapore.



We are monitoring this through a dashboard that tracks all investments. As of today, 2730 MoUs. With all these things, there has been 1604655.82 investment. If we complete all these things, we will get 34 lakhs and 3,370 in employment. Every industry, when they started, everything we are monitoring, up to employment as well. If there are any problems, we will find out in real time. These are different departments like automobile, APCRDA, higher education, and information technology. This is an industry tracker in itself.



We have started some, not only doing industry, by using technology. I wanted to go in a big way. We have started GRIDs. Within a day, we had the shape of it. Within three months, we managed to move forward. Now we are at a surplus. Every home, we have gone forward. We have improved on quality and reliability. That is how we are going. Also, the gas GRID we have created, every home has a gas connection now. Pipelines are connected to every home. So I wanted to provide cost effective gas for every home. That is how we are working towards it.

Ordinarily in India, we have all these problems like having proper toilets and all these things. Now every home has a toilet. Within four years, we have achieved ODF. Now we are going next level, ODF-plus, silver age, and even exploring how to deal with animal dung in villages and urbanisation. These types of concepts. We are establishing now total drainage underground in villages and proper systems. We are giving water to every home, the required amount of tap water, we are providing. All these things are possible. Finally, we are getting a fibre GRID. Every home was given 15 mb/s. If they pay 1400 rupees, I can give them 15 mb/s and 200 to 500 channels, radio, internet, and three telephones. I am giving all these things. It is working very well and public satisfaction is high in this area. Welfare programs have been to the satisfaction of the people by involving public-private partnership and using best practices and using technology. We are leveraging technology in a big way, which is how, for the last four years, we are able to grow 10.5 percent. No other state is close to us, in spite of all our problems. Even in agriculture, in India there is always a crisis in agriculture. Even, we are able to sustain agriculture development also. We have it on a fast track development.

Andhra Pradesh has a strong infrastructure and a conducive ecosystem for investor growth, world class infrastructure. Six operational ports with 180 MMT capacity. We are number two in handling sea cargo as of today. Land is also available. I can give you land any time. All other state in India has land as a problem, but we are able to pay a better price also. We are acquiring land while also giving land. Strong airport infrastructure. We have six existing airports with three of them being international, with another six proposed of which four are greenfield airports.



Enablers: A Modern and Robust Infrastructure

The state of Andhra Pradesh has a strong and well-established infrastructure enabling a conducive ecosystem for industrial growth

WORLD-CLASS PORT INFRASTRUCTURE <ul style="list-style-type: none"> 6 Operational Ports 180 MMT capacity at existing ports, with 120 MMT traffic handled 8 new ports proposed Large coastline (974 km) 	STRONG AIRPORT INFRASTRUCTURE <ul style="list-style-type: none"> 6 existing Airports 8 proposed 4 Greenfield airports Mega Aerropolis to be developed in Bhogapuram 	24x7 QUALITY AND RELIABLE POWER <ul style="list-style-type: none"> 24X7 reliable and quality power to all 19,000 MW capacity as on May, 2018 10,000 MW solar energy and 8000 MW wind energy capacity by 2021
OVER 300,000 ACRES OF LAND BANK <ul style="list-style-type: none"> GIS-enabled Land Bank of 300,000 acres Affordable land rates and 99-years lease 	2 INDUSTRIAL CORRIDORS UNDERWAY <ul style="list-style-type: none"> Vizag Chennai Industrial Corridor with 4 nodes in Andhra Pradesh Chennai Bengaluru Industrial Corridor with 2 nodes in Andhra Pradesh 	ROAD & RAIL CONNECTIVITY <ul style="list-style-type: none"> 1,23,334 km of Road Network (4,302 km - NHs) 2,660 km of rail network 888 km National Waterway Industrial clusters along Corridors Development of 974 Km beach corridor road facing ocean

We are increasing growth of passenger year on year by 40 to 50 percent. Two industrial corridors. The Vizag to Chennai Industrial Corridor with four nodes. Chennai Bangalore Industrial Corridor, with another two nodes. This is the biggest corridor in India. Six nodes, we are going to work it out. Ultimately, it will be better than Shenzhen. We are having one cluster from Tirupati, Chennai, and Nellore cluster with three airports, two ports, three cities and excellent national linkage, and also airway linkage. Water, power and land, everything is available here. That is the best cluster we are going to create. We are also going to conventional clean energy, renewable energy with solar and wind. Now in India there is a big advantage in solar. Our cost of procurement of power is 5.5 rupees per cell. By going for solar today, it is only 2.7 rupees per sell. That is the biggest advantage. If you can some breakthrough in storage, India can provide very cost effective power. Then India will become a manufacturing hub for the rest of the world. On the role of connectivity as I mentioned, it is a central location. You want to go to the south, north, west, or east, you will have to cross Andhra Pradesh. That is the biggest advantage Andhra Pradesh has.



Enablers: World's best social infrastructure created to promote livability

Universities	<ul style="list-style-type: none"> World Class Universities
Schools	<ul style="list-style-type: none"> Top schools including international schools
Hotels	<ul style="list-style-type: none"> Global hotel brands
Hospitals	<ul style="list-style-type: none"> Leading global and domestic chains are creating world class healthcare ecosystem

In terms social infrastructure, you can see world class universities. Some of the top schools and hotels are available. Originally, I promoted information technology, about 20 years back. Today, India is very strong in information technology. In the world, one out of four IT professionals are Indian. Among Indians, one out of four of those Indians are from Andhra Pradesh; that is our strength. If you go to Silicon Valley today, highest

per capita income are people from Andhra Pradesh, not other national. Ultimately, the best technology companies like Microsoft and Google, presidents of these companies are being managed by Indians. That is how things are happening in India. We are very strong in technology. This year, we are number one in education. We are four percent of the population but our share in India's IAD and IAM admissions are 12 percent. In medical adjuncts and mathematical classes, we are number one. Other adjuncts, we are often number two. Primary education, we are number three. Now I want to go for number one in education as part of the knowledge economy. The future is in knowledge and how to promote it in a big way. One of the best universities and colleges, we are all building in Andhra Pradesh. Even after bifurcation, the government has committed nine or ten premier institutes to Andhra Pradesh. Other than that, private universities are bringing the best in the country and the world to Andhra Pradesh.




Enablers: Focus on Sustainable Development

- Adoption of Agro ecology framework ('Zero budget Natural farming')
- Promoting Organic cultivation to enable retention of soil
- Driving CO2 neutral growth
- 50% of Andhra Pradesh to be under green cover by 2029
- 30% of overall energy requirement to be met through Renewable Energy
- Focus on Public Transport and Electric Vehicles




This is our focus on sustainable development, the adoption of Agro ecology framework, zero budget natural farming, promoting organic cultivation to enable the retention of soil, driving CO2 neutral growth, 50 percent of the state to be under green cover by 2029, to have 30 percent of overall energy requirement to be met through renewable energies. Ultimately, we want to go total, as far as possible, a green management of energy requirement. Otherwise, we want to go with renewable energy in a big way and focus on public transport and electric vehicle. This is the future we are moving towards.

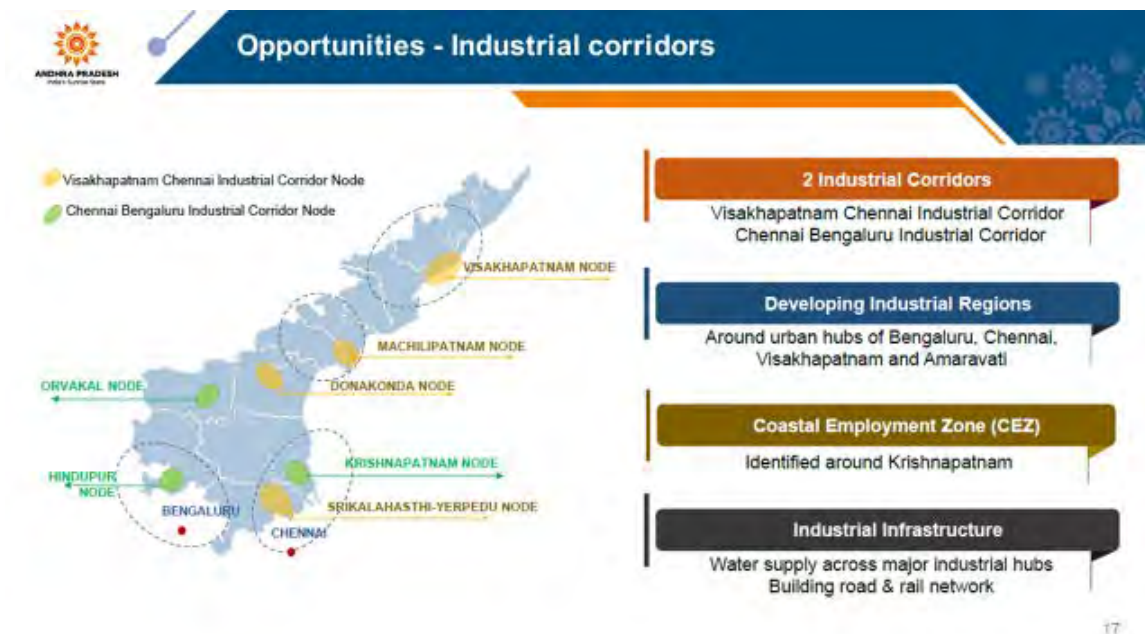


Enablers - Best in class policy

- 1 100% Reimbursement of Stamp duty and Transfer duty
- 2 25% Fixed capital for clean production (up to USD 7.5 mn)
- 3 15% reimbursement of power tariff (@ Rs 1 / unit)
- 4 Tailor-made incentives for Mega Projects (> USD 80 mn)

State also has sector-specific policies for Aerospace & Defence, Biotechnology, Solar manufacturing and is developing policy for Electric Mobility

These are the best-in-class policies that you see here. These are all the various incentives we are giving. We are number one in giving incentives. We are not only providing infrastructure and ease in doing business, and in giving incentives we are number one. These are all the industrial clusters and corridors, the Visakhapatnam, the Machilipatnam, and Donakonda Nodes. One is Visakhapatnam-Chennai, the other is Bengaluru-Chennai. Other nodes are not moving as fast, but we are moving very fast. There are ready now for operation. Anybody who wants to set up industry, they can come up. We will give you land, we will give you proper infrastructure, we will take care of everything. For the last four years, we have gone into advanced production, initial stages, and all industries put together.



There is one more opportunity for all of you: Amaravati. Just now I told you that the Singapore government helped me in preparing a master plan. Also, they are helping me now in developing a capital city of Amaravati on 1700 acres of land. This is the vision I have given: Amaravati is envisioned to be among the top five “Happy cities” globally, encompassing highest standard of liveability and infrastructure with a thriving economic environment. We are engaging with the best people in the world. Agents, architects, project management, financial management, everywhere we are engaging. I want to make it the best. It will be one among the top five in the world, you name it, in technology, in environment, in sustainability.



Everywhere will we be a king. In the city, there will be five minutes between emergency facilities, ten minutes from social facilities, 15 minutes commute to work. That is what we are working towards. Ultimately, you will see 80 percent public transportation, 189 km ring road and 80km inland canals, walking parks everywhere, the use of cycle parks and electric cycles. It is a new city I want to create with a different type of ecosystem itself. This will be a greenfield city. Earlier, I developed a brownfield city that was Hyderabad. Now Hyderabad is the best city in India. At that time, I created 165km of outer ring road, and also greenfield airports. Today, I am creating 185km of outer ring road along with 80km of waterways and water bodies. Also, it is a bluer green city. There will be no compromise on greenery. Singapore is now a garden city. Originally, you promoted garden city, now it is a city in a garden. Now it is a natural beauty. Around the Krishna River, you will see fresh water and boats for 40 to 50 km, waterfront. Nowhere in the world is this type of water available. Around this river, there are five reservoirs. Now I am promoting nine cities, 27 townships, 100 plus parks, public areas and everything, we are systematically planning 3.5 million people.

There are also municipalities, cooperations, and villages, all put together to be 10 million population over a period of 15 to 20 years' time. Also, 35 billion USD GSDP we are expecting from this city. Also, 1.5 million employment. This is the knowledge economy and I am working here differently. Earlier, I worked for IT. Today, in advanced stage, knowledge in agriculture, education, construction, small-scale industries, anything for that matter; our goal is to use IT as a platform. Internet of Things devices and how to use them. How to provide leadership for replication or scaling. This is the future. What is amazon.com? What is Flipkart in India? Alibaba? All these have come forward in their areas. So I am basing this on the knowledge economy. Knowledge economy is a deadly combination today because of IT. If you want to do something you can do it in real time. We are using drones, CCTV cameras, sensors, devices, and automatically data will come in real time. Predictive and data analytics will be in real time, anything for that matter.

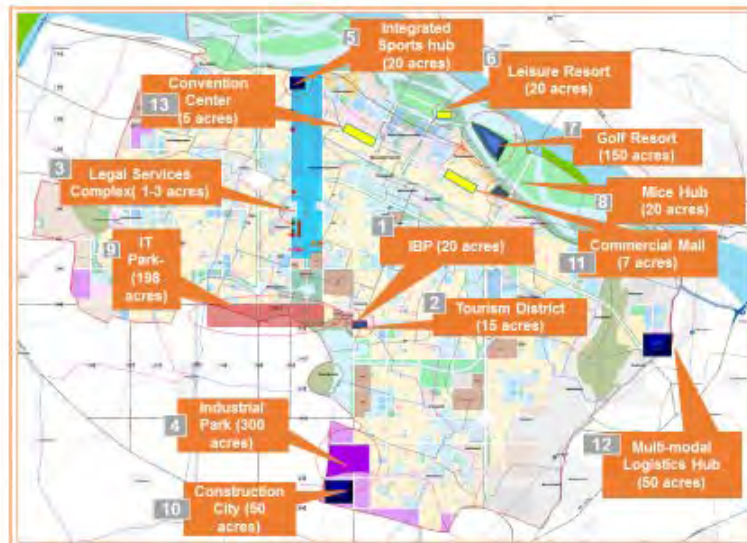
Singapore is in an advanced state in IT and adoption of technology. Now we are having one more advantage: Aadhaar. Aadhaar is a big advantage for India. Any beneficiary authentication will be done through it. Biometrics, fingerprints, iris and facial recognition. There is not even one government program that has done this today. I want to go one step that ahead, that is People's Hub. People's Hub is a thing in which all members of a family are in one entity. Automatically, I can plan at a macro state level as well as execution at a micro level, which is the family level. That is the beauty of that. What Singapore has done, you are doing land records well. Now we following with Bhoodhar. We are having Bhoodhar, with a unique identity number for the land with geotagging, so that I can sell or buy land easily without any disputes. All transactions will be perfect. Even all government expenditure and income is online today. Revenue expenditure and research, everything is real time is on that platform. That is also something that we have done. Even all my files are online. Government of the village. So in real time, even if my chief secretary is here and my planning secretary is there, they can just post files from wherever they are. There is no delay at all. This is a new type of policy in terms of IT and Internet of Things. We will make use of all these things for the wellbeing of all people.

This is the big experiment in land pooling, farmers have given to the government roughly 33263 acres of land. There are 26,933 farmers involved. I have given them a message that we are having very good relations with Singapore and we will build a city like Singapore. If you give me land, I will give it back to you with proper infrastructure, and it will fetch you four to six fold additional money. They believed me, and without any litigation they gave it over. Nowhere in India or any democratic country has this happened because people trust me. Now they are very happy about it because their returns and valuations have increased tremendously. In terms of construction, 30 million square feet and 284km of road networks will be constructed by April 2019. Planning and design, the development master plan developed by Surbana Jurong and today, the administrative capital is being designed by fosters and partners who are working with us.



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In economic development, even Singapore and other partners are working with us. Ultimately, Amaravati is not only an administrative capital, it will be an economic capital with employment generation and also the best place to live. That is how we are working. Total electrical vehicles and also greenery in a big way, and we are also going to control pollution totally. I want to maintain CO2 neutral. That is how we are working here and I am confident it will happen now.



This is our plan now. It will have an integrated sports hub. Different concepts we are taking into consideration for this city. Nine cities with 27 townships. It is all self-sufficient. On specialisation, you will see here, tourism district, industrial park, construction city, multi-model logistics hub, even a commercial mall. We are earmarking everything. We are learning from Singapore and other destinations and ultimately, everybody should be happy and get some form of employment. That is how we are conceiving this. Amaravati will be a global benchmark and the best city to live in. Ultimately, what I am requesting from all of you, Singapore is very near to our hearts. Our close relationship has been built over a period of time. I like the sincerity, honesty, and the integrity of Singapore. We want to follow all these things in Andhra Pradesh. Earlier, we developed. Now, we are developing the type of ecosystem. Now so many people are here, SMEs, manufacturing. I am assuring you one thing: Singapore, you have done extremely well. There are opportunities in the knowledge economy you can expand in. Whenever you need land, you will naturally have to go outside

Singapore. For that, Andhra Pradesh is the best destination. If you prefer Andhra Pradesh, I am with you, we will provide you with cooperation and all the clearances will be done in real time. You can ask the Singaporean government also, they can tell you. Now they are working with us to promote not only developing one seed capital, ultimately they want to help with the rural development also. That is the commitment they have shown to me and I am very happy for that.

Now, what I am requesting you, you are at an advanced stage. Singapore, you have excellent connections. If you want to reach any part of the world, you can reach it at any time. Everybody wants to come to Singapore, so networking is very easy. What I am assuring you is that in Andhra Pradesh, I can give you water, land, labour – very qualified labour – and also trouble-free government in the future also. Logistics-wise, on the east coast you can export and also meet domestic markets – the Indian market is a big market – all these things are available. With technology, you can sit here and you can monitor your factory through CCTV cameras, videos, and all these things that can monitor. We can do business, have an office here and a manufacturing facilities in Andhra Pradesh and market networks around the world. It is not far away. Make Andhra Pradesh an investment and manufacturing hub for Singapore, and I will be with you and will extend all the cooperation for you.

With this, I would like to thank all of you. Ultimately, I am requesting you to make Andhra Pradesh a second home for Singaporeans. I am not asking you to leave your homes. Even in Andhra Pradesh there are so many people that want to be in Singapore because of its advantages – security, happiness, and also qualitative life. But in five or six years or ten years' time, we provide equal quality of life in Amaravati and other places. So I will request all of you. Every day, some people from Singapore are visiting Andhra Pradesh and coming back and are having very good relations now. With this, if anybody is having any doubts you can ask me. Otherwise, after this you can come to Amaravati, start an industry, then you will have a first-hand experience and once you are totally convinced, you can expand. With this, I am thanking all of you. Thank you.

Question and Answer Session



Professor Tan Kong Yam: You described the bifurcation from four years ago and you made reference to the Malaysia-Singapore separation 53 years ago because at the time, it gave an urgency to the Singapore narrative on the development of the country and the importance of economic prosperity. Do you see that same urgency and enthusiasm that is firing up your state as part of this bifurcation?

Answer: As I mentioned, this bifurcation has caused, in some ways, ten to fifteen years lost if you develop every year, number one in the country with double digit growth. Only then can we meet Telangana's state of development in ten years' time. In ten years' time, that will be us, and people are very eager, and also they are very ferocious and will develop at any cost. That is what Singaporeans have gone through. It is the same feeling and spirit they have. We are growing very fast. If we don't do now, our per capita income is very low. All of our infrastructure, we have already made up. In another two or three years, we will be ahead of

everybody. In six years' time, that is our vision to be, in 2029, the number one in state India. Before that, we will become the number one state in India and preferred destination globally.

Question: To add on to the Chief Minister's comments, he is a person who has built up Hyderabad on a global scale. I am from Hyderabad. I wish the Chief Minister luck in building a new Hyderabad and for future success. I just want to add on that the Andhra Pradesh, before bifurcation from Telangana, he had built the new capital of Hyderabad. So I think that of Telugu are proud to have such a Chief Minister. Now there is a new platform for him to build a new capital of Amaravati. He is the personal fit for the job of building a new capital. One question I want to ask you. You said that a lot of land was requisitioned from the farmers for the development of the state. What are the steps that you are taking to build the rural economy of Andhra Pradesh?

Answer: About the rural economy, there will be industrialisation in all different parts of the state, not only in Amaravati. By giving water, I am taking so many steps for water security. One is rain water converting into ground water, and learning how to harness it. Another is linking of rivers. I am completing canals. If you see in India, in terms of linking of rivers, nothing has been done. Within one year, I passed legislation and used existing infrastructure to link the Goda and Krishna Rivers. This year, we are lifting 200 tls of water from Goda to Krishna for irrigation. This a very good experiment we are doing. If I manage to link all the rivers, nearly 20 million acres of land can be used for irrigation. That is a big land chain that I can use for agriculture purposes. Also, KIA Motors is in a remote area in Anantapur that is prone to droughts. Because of KIA, that area has been totally transformed. Earlier, nobody used to ask for the land there, people were afraid Anantapur would become a desert. Today, it has become very prosperous and the land value there has significantly increased. Earlier, it was one lakh, now it is 20 to 50 lakhs. The Hyderabad story was repeated in Anantapur now. Hyderabad, at the beginning, with 100000 rupees in a high-tech city. After six to eight years, it has become 30 Cr's. That means an appreciation of 3000 times. That is the wealth creation.

“Conversation with Singapore Industry Captains”



**Moderator from ACI-LKYSPP-NUS (centre):
Associate Professor Tan Khee Giap, Co-Director, ACI-LKYSPP, NUS**



**Dr Jimmy Koh
Managing Director, Antara Koh Pte Ltd**



Mr Lennon Tan
Chairman, Jing King Tech Group



Dato' Seri Dr Derek Goh
Founder, Executive Chairman and Group Chief Executive Officer, Serial System Ltd



Mr Ron Sim
Executive Chairman and Chief Executive Officer, V3 Group Ltd

Associate Professor Tan Khee Giap: The reason why we are doing this is because we would like to hear first-hand experiences of SMEs and from industry captains on how government can connect and facilitate more effectively with the government. For the four Singaporean industry captains present in the forum today, I have several questions. The first question being your company used to be an SME but now they have made it big internationally. There is an important question because our government is always talking about industry transformation and internationalisation where high cost for labour and limited manpower are the given reality in Singapore. Let me begin with Mr Ron Sim. Given Singapore's limited in size, what are the considerations and circumstances that made you ventured your business outside Singapore as you had decided so much earlier than others?

Mr Ron Sim: The fact is that I did not leave, I was forced to expand. I had no choice because in 1985 when there was a recession and I learned two things: First, the Singapore Market is very small and if you stay there alone you will die. In 1986, we expanded to Hong Kong, in 1987 to Taiwan, in 1990 to Malaysia and in 1993 to China. So these five key countries became my external domestic markets. Without these markets we would have been gone and dead long ago and that is a fact. This market is so small and if you divide by multiracial lines, it's even smaller and then you have a lot of government-linked companies that are very well run and it is very hard to compete with them. That is why you have to go to and create external domestic markets to survive and now we are doing very well with 90% of my business are located overseas. We need to be specialized.

In 1985 I realized that you cannot just buy and sell. If you just stay as a trader, you will never make the margin. If you compete on price you will never make good profit. I can understand, we were traders when we started the business. So the three fundamentals that we did was to create consumer demand, then to create a captured market, and finally to create a wellness or life style experience. Creating demand means creating your own brand and products that you can control. If you create your own designs you can control margins which enable you to expand. Regardless of whatever business you have, it is true that if you are manufacturing, it is much easier. But if you are manufacturing and supplying by competing on price alone you will die. Frankly Speaking Singaporean manufacturers cannot beat Chinese manufacturers.

I have partnered the Japanese for about 36 years. I used to work with Japanese manufacturer in the early 1980s until 1994, so I told them either you follow me to China or I have to go and they followed me to China in 1995 to build a second factory in Singapore's Suzhou Industrial Plant. After 25 years in China, they are still very happy because, the yuan, when I started buying was 300 yuan per dollar, but now its 100 yuan per dollar. How do you compete? Fluctuation of currency exchange rate can impact you in many ways. So that if you do create demand or a captured market with a wellness experience, you can then control the market and determine your margin. You got to create new markets and I felt these five key markets are important because of they are of Chinese base. If you are Indian or from ASEAN, you might think of other ways to carve out your niches.

Creating the experience is important because we are brand builders. I am a cash guy where I do buy cash and sell cash. I can give you discounts, lower prices, but I cannot give you credit because I am not a banker. So I learned that in my early days where we used to leverage a lot on borrowing from banks and then we sell credit. We borrow from banks which put a risk on us and then we sell credit, how stupid I was? This model did not work for me. If it is in your early days of business, you need to build credit I do understand, but you need to get out of it as it is very dangerous. Always try to be cash-rich, I believe that if you create a demand you will get cash. If you do not create demand, you will only get credit. And more credit does not mean cash. So the bottom line is that I operate on a function of getting cash flow and operating profit or else I would not be interested.

Associate Professor Tan Khee Giap: Now Ron, I need to ask you this question. In our earlier forum today with successful young Singaporean entrepreneurs, they seemed to suggest that the Singapore brand name helps. You know whenever I tell people that TWG is a Singapore brand, most foreigners will not believe me. They will always argue that it is a French or that it is a British brand. So if you say you need to create brand, create market, create experience, but they don't seem to identify your company with Singapore. Many Singapore companies are like that too some VIPs tried to convince me that Charles & Keith is an American brand and not Singaporean. So that is the question: Does it mean that Singapore does not give you advantage or mile-ledge as a brand?

Mr Ron Sim: I don't think that is the case. I think if you want to ask for reputable brand, I think Singapore does build trust. If you want to market as a consumer brand, do not think of Singapore first. Do not even tell people you are a Singapore brand, to me that is silly. You go to foreign countries, you are so small. You see, in America you can build such a big market, you are so forceful. You go out and say that you are an American brand, because you are a big giant, you can use that reputation to your advantage. If you go to Malaysia and say that you are a Singaporean brand, Malaysians would say that they don't like Singaporeans. It is important that when you build the brand, you want to establish what this brand represents to the customers. Who are your target customers? How would you want to position your products? How do you want to create the experience for them to take it personally as a good brand, good experience, good service, good product and then they take it away? Over time, that repetition and association will resonate forward. It is great that when you become big, people will say "oh this is a Japanese brand" or "this is an American brand", without knowing it is actually a Singapore brand, you win! So, it is not important to immediately state that your product is a Singaporean brand. If you go to Hong Kong, and say this is a Singapore brand, I can guarantee you that you are killing yourself. So thoughts like this are very important. Singapore is great, but we are too small. Even for today, if you go to China and say that you are a Japanese brand, you might not win. So, what is most important is the relative positioning of the products and the services that you give to your customers. These are top considerations.

Associate Professor Tan Khee Giap: So here, you have a billion-dollar company having a contrarian view that using Singapore's name can be a liability. Now, to the second panellist, Mr Lennon Tan, in response to the first question, how did you decide to go abroad given Singapore's limited market size? Lennon is so successful in artificial intelligence and have since secured data handling including those microchips you find in credit cards although he failed to make entry into the Singapore's market but he is doing very well with banks outside Singapore. Why banks in Singapore does not use your product but banks outside Singapore do? Can you share with us this ironical situation please?

Mr Lennon Tan: Thank you Prof, my experience is a little bit different from Ron Sim. I had the benefit of working at a multinational corporation (MNC) before starting my own business. In the 10 years of my business travels around the region, China was always my top performing country because of the growth and market. So I told myself that if I wanted to start my own business, I should start from there, and you know but always maintain that Singapore link. So opportunity came in 2001 and I started my own business. So what Ron said just now was very resounding for me. When we started off, we didn't have the chance to produce our own product. So we marketed our manufactured products to MNCs. It was exactly like Ron said, very soon we had no margin, and very soon their principals took over the business. So as I went off on my entrepreneurship journey, I started to realize that you must produce something of your own, you must produce your own intellectual property (IP). So many Singaporeans think that they want to start a business by reselling something. But if you do not own the IP, what do you have? You have something that is not permanent. So we started looking at how to produce our own product. Then came the decision to decide on what product? What product and who is your customer? With our experience, we know that we will focus more in providing security services. So like Ron said, we could rely on the banks as a receiver, because they seldom go bad on payment in my experience. So we began to take that path. What was a little bit different for my experience was that we were a Singapore company in China, that brand name was okay. Singaporeans were widely regarded as honest, having good moral values and being very responsible. So that kind of brand name brought us business with more banks. That was my experience which is a little different, where a Singapore brand name does bring some benefit when I started my business.

Associate Professor Tan Khee Giap: But are you doing well in Singapore?

Mr Lennon Tan: Taking about Singapore. In general, I think it is a kind of business whereby, unfortunately, if you are Singaporean company trying to sell to Singapore banks or even the government, they tell you that you are too small. They tell you that you are not like the MNCs. My friend Melvin here will tell you, Singapore's volumes demand for smart cards are only two days of production in my plant. What I am trying to say is that Singapore is a country that I want to supply to but it is not as easy. We supply to the largest banks in the world, ICBC, Bank of China, Culture Bank, but we do not qualify to supply to banks in Singapore!

Associate Professor Tan Khee Giap: That is very interesting. What I first heard about this I could not understand. The third panellist, Dr Jimmy Koh, also had a very interesting career. Tell me, your projects took you almost everywhere outside Singapore and in Singapore too. Does it help your company Antara Koh to be known as a Singapore company?

Dr Jimmy Koh: I am a contractor, I build harbours, bridges and many infrastructure projects in Singapore, Malaysia, Vietnam, and Cambodia, very active in Myanmar too. But for all these big projects, when I worked overseas, they respect me except when I come back to Singapore to try to qualify for local projects, they said I am too small. Singapore civil servants despise Singaporeans companies when tendering for local projects!

Associate Professor Tan Khee Giap: That is a sweeping statement.

Dr Jimmy Koh: Now your first question here: The Singapore market is limited in size, yes, but is it too small for small businessmen to cut their teeth? I would say no. the Singapore market is small, but a Singaporean government must allow small businesses to establish their experience with all companies. We are not that small though. Recently, I was trying to qualify for a project to build the rail line between Singapore and Johor. I have done jobs in various countries including the highway in Vietnam which I had just completed with six kilometres of road across the sea. However, there this short one kilometre project in Singapore, but they said during the interview that my company is too small! Singapore government prefers to work with big companies. The China Communications and Construction Company with an annual turnover of \$150 billion USD, half the GDP of Singapore. When they apply for pre-qualification, our civil servants looked at me and told me that you are too small. My turnover may be less than 100 million dollars. When you compared American Air Force to Singapore Air Force, the Singapore Air Force is nothing, and we got a few old re-conditioned planes from America. So my point is, is Singapore Air Force capable of protecting Singapore?

Yes, right? Then my company is capable of doing a job in Singapore. But why is the Singapore government so contemptuous about our own people? I do not feel any ownership in this country. We should look at this very critically. My point is that the government must be an agent in providing an environment for our careers and our businesses. We cannot say that we are too small. To bring forward Lennon's point, when we come to Singapore we are sort of looked down upon, we are told we are not big enough, we are not high-tech. When I go overseas to do a project, I was asked to come to the front.

Associate Professor Tan Khee Giap: Singapore government deals with many big international companies and quite naturally if they prefer big companies over the smaller ones because they must be relatively better qualified.

Dr Jimmy Koh: Then we should get the American Air Force to protect us. I can tell you that I started work in 1964. Over the last ten years, whenever I come back to Singapore I feel very sad. Previously, each time I come back to Singapore after negotiating overseas, because those companies that I worked overseas ten, twenty, thirty years ago, they were so small at that time and today they are so big. Now I look at our Singapore companies, they have not grown as much relatively. There is not much fertile soil in Singapore and we have not managed to grow our local companies.

Associate Professor Tan Khee Giap: No, but a company like V3 including OSIM, TWG and GNC is very big, so please ask Rom Sim.

Dr Jimmy Koh: He said that it was not Singapore, he is not saying that TWG was grown in Toa Payoh!

Associate Professor Tan Khee Giap: Now the final panellist, Derek Goh, your business is very international with about a billion dollars' turnover. What made you get out of Singapore and what were your considerations?

Dr Derek Goh: There is no doubt that Singapore is very small, but I believe that even though it is very small, it is a place for you to learn. If you cannot survive here in Singapore what makes you think you can do well overseas? Of course, people like Lennon is a different breed, speaks in different ways and grows in different ways. I R.O.D-ed from the navy in 1988, they said join the Navy to see the world. But I was only stationed at the South China Sea to catch pirates. Singapore is a small country so of course the market is small. I started in Singapore then expanded to Malaysia, then went on to Thailand, Taiwan, and China. China is now my largest market constituting 60% all of my market shares. What Rom Sim said everything is about distribution, I was not so lucky to be able to go into other businesses. I have done business for almost 30 years, if you say that distributors cannot survive, companies like Aero, Fnet, with turnover of 26 billion here would have collapsed. In every part of the world, you can still survive, there are just three things you need to do to stay alive. First, distribution gives you a very small margin, suppliers and customers will always be trying to squeeze you on prices. What are you going to do? You must innovate by increasing your suppliers, increasing your customer base, and of course, increase the spread of your geographical areas. You can also improve your service, improve your system, processes, and many other things to do. This is how we expanded, grew, and improved our business. At this point in time we are still surviving.

Associate Professor Tan Khee Giap: I had a few stressful and sleepless nights when I could not confirm on the Guest of Honour for the event until last Friday. Looking at these industry captains present here today, I would like to ask the second question: What are some of the most difficult challenges and obstacles you confronted when venturing abroad? Do you lose your sleep during those most serious situations? Do share with us what you considered your worst disaster throughout your entire career please?

Mr Ron Sim: We have had many crises. Certainly, you don't learn if you don't have crises. Mentally, it is really about your attitude towards those words "risk", "change", "adversity" and "crisis". In my experience, the terrible moment took place in 1985 when Singapore experienced economic recession. In my 39 years of business, 1985 and 1986 were the only two years where I suffered losses. I was lucky to make profits during the remaining 37 years! I think it is all about embracing the need for change. We learnt through the first crisis

in 1997 during which the consumer market just disappeared for the first few months! When you have hundreds of shops in many countries, it is scary. We took a position by insisting that we still have to continue to improve our products, experience, and our services. So we were actually doing quite well especially since 1997 when, everyone was running from Hong Kong and Taiwan especially because of changes in China. We took the opposite position that it is the right time to go deeper and expand more in those markets.

The most challenging experience for me was in 2008 where I encountered my biggest crisis. I bought into a US company worth five hundred million dollars called Brookstone in 2004, which I leveraged a little bit too high with debts. Although the company was doing well for four or five years, but suddenly when the US financial tsunami hit us in 2008 it was quite scary. Share price of my company dropped from \$2.90 to 0.5 cents. Market observers said I was finished but that wasn't true and I wasn't worried about it. The reason being that when there is a tsunami, you are okay if you are well prepared. The reason for the plunge in my company share price was because should Brookstone go bust, my company OSIM would be severely affected. However, the truth was we had already reinforced OSIM so that the hundred million investment that I borrowed and invested in the US at most would have just have been a write-off. So when the stock market is volatile you have to learn how to make money on the way up and on the way down. The financial Market is a zero-sum game.

We were told to defend the market price through the share buy-back strategy. In a big tsunami, how could you buy back shares as you did not know the bottom? I stood back and let the market attack take place until it hit the low of five cents. I did not buy back my company shares straight away, I was slowly collecting my shares instead. I also did the right issues because with 100 million dollars in debt, after I paid back \$60 million, there was still 40 million left. Of course banks asked us to pay back. To buy the shares back, I did the right issues as the capital base to the company and I underwrote it. If the bank did not want, I was willing to take all shares if there were no takers, this way is fine because you enriched the company. Straight away, you are no longer under attack from banks for a 40 million dollar debt. Once the company is liquid you can tell banks to back off. You got to be conscientious, you got to know your financial numbers.

I learnt in my 39 years of business that you got to understand at least 70 percent of the Chief Financial Officer's job scope or you can face bigger risks. You should guide the CFO as you should know those financial implications better. After I did the right issues, those who believed me joined me, they gained after subscribing to the right issues. Some did not blame me because I was helping the company first by me deciding against the market share buyback strategy in the middle of financial tsunami? During the announcement of the first quarterly results, we told shareholders that I need to write-off one hundred million dollars, and we were still profitable for that year. After the write-off, then I started the share buyback. So if you didn't believe me, that's too bad because there was no choice but to make decisions that are important to the company.

Associate Professor Tan Khee Giap: Ron Sim spoke about a hundred million dollars like it is \$100. Of course I followed his case very closely over the newspaper. Many friends I spoke to seemed to agree that market analysts did not get it right. He had already written-off \$100 million, why OSIM's share price still gone down so much? So they said the plunge of the share price was due to market speculative trading and not driven by fundamentals of the company.

Mr Ron Sim: Market speculative trading is wrong because short sellers followed some kind of a herd instinct. Let me tell you if there's a bigger crisis today because of the trade extrapolations, this market will go down another 20%. One has to ride that wave and you cannot go against the tide. Frankly speaking, our property prices today are pretty high, our salaries are also quite high. So if we don't face the reality, we cannot win. Market-wise, the moment you are an owner or founder or the major shareholder, you are the trend setter. If you go up or down, I would follow. If you don't learn this game, you lose. In order to learn this game, you got to get to the fundamentals of your business and your cash flow. When my stock got written-off by me, I did the right issues. Some of them said I will kill the company, but by paying the bank first prevented OSIM from going burst.

Associate Professor Tan Khee Giap: Earlier on in the session, remember that we said, that if you are family owned-business, your considerations will be different from the professional Chief Executive Officers, so is there a difference in the management style?

Mr Ron Sim: This I can share with you. The psychological mind-set for financial players is about the zero-sum game. The problem with the US for example, 95% of the US listed companies are owned by who? They are owned by hedge funds, mutual funds, pension funds, but not owners themselves. These funds, in some way are run by good people, but they are mercenaries. They will take a short-term perspective of the company, and will only prioritize their pay package and bonuses as the most important. Come what may, they will leave, because they will still have money in their pockets. There is a difference between what you call an institution-owned company, a state-owned company versus a family-owned company or an entrepreneur-owned company. Each of these companies have different vested-interests and mind-sets. I am grateful to this government because coming from the last 50 years, I can see changes from Singapore. It is not perfect, but it is very good. I go to other countries I cried. Of course, there are some shortfalls that we are not happy about, we should voice them out because the government will listen.

Associate Professor Tan Khee Giap: Thank you Ron and Lennon, share with us any serious crisis encountered during your long period of business dealings please?

Mr Lennon Tan: Again, I started my business from a different place and at a different time. Working from China shielded me from the crisis in 2008 because China was not affected that much during that time. But my crisis came from a very different way. The number one crisis took place in 2012 when the People's Bank of China announced that five billion bank cards in the market will be converted to smart-chip cards, this was music to our ears! To tell you what that means, a max-stripe card we sold to the bank at about 150 RMB A smart-chip card is 20 RMB, and at that time there were only about 11 certified plants to do that, so there was simply not enough capacity in the market. So my job at that time was very strange, because I had to push away business, to politely tell the customer that I could not take their business or do it at a reduced capacity. But during that time, I got very worried because when this kind of thing happens especially in China, it won't last. It was during that time that my peers and our competitors increase their capacity two or three times to milk the market as much as possible. But we chose during that time to invest and diversify our business to other areas. My shareholders and management did not understand why I was doing that, why I was not focusing on this while business was very good? Looking back, it was a difficult decision but a necessary one because today the 40-something number of card plants and the unit price had dropped from 20 RMB to about 3 RMB. So fortunately, since 2012 we have diversified into Big Data areas. If not, I would not be sure what company I would have left to run. I think crisis comes in many forms, if it comes when you are at your peak. If you don't realize it, then you may miss out a lot!

Associate Professor Tan Khee Giap: I told you this morning that Singaporean entrepreneurs have something in common: They never talk about those awards they received! I understand that Jing King Tech Group is now ranked globally among the top 10 smart card producers. In 2017, Lennon won the Earnt and Yong Entrepreneur of the Year Award. However, I think it is a bit unusual that a company ranked among top 10 smart card producers in the world is not being utilised in Singapore. Now, let us turn to Dr Jimmy Koh, what has been your biggest crisis?

Dr Jimmy Koh: My business is in crisis every day. I do construction work, so every time as a project comes to an end, there is always a crisis. I have about 10 projects on-going and every two or three months a project would come to an end. When you want to build a jetty, there will be about two to six international companies bidding for it, in order to outbid these companies, you have to be very innovative. We are the best engineer for designing because we are continuously innovating. When the new code of practices like Eurocode came in, we studied and sent our people to capture what advantages would be in this new code. We also invest heavily in equipment amounting to about 10 to 20 million dollars per year even if we don't make money. This is not so much a crisis as it is inherent in our line of work. It is a continuous process in looking at your competitors and figuring out how to outbid them. In tendering, you may win or lose it like in racing. So in our business, the challenge is to manage the crises well on a daily basis, thank you.

Associate Professor Tan Khee Giap: So it is no longer a crisis. You turned risks into opportunities. So Derek Goh, you also have to deal with crisis. So tell us your worst crisis and what you had to do to overcome it.

Dr Derek Goh: I am not sure crisis is the right word but whenever I encountered crisis, my profit went up. There are reasons for it. For us, we are in distribution. We are on the 20-80 percent rule where 20% of your customers give you 80% of your revenues, so you are in danger. For us, we have to manage our suppliers and customers. So, the more supplies you have, the less risk you have. But of course, you must get good suppliers. In terms of customer base, we would try to expand into more segments as we expanded to automotive, consumers and others. So managing risks as we move forward, we also look at areas where shortages were. For example, if we do not have something in the industrial sector, we will quickly look for new suppliers that are able to supply. In the past 30 years, we never had any serious kind of risk. The only risk is the bank not lending you money. As customers asked for longer credit terms, we bought insurance too. When you are small, insurance fees and interest rate can be very high, so you have to grow bigger so that you can manage the mass and the volume, and in turn make your insurance cheaper.

Associate Professor Tan Khee Giap: So we are coming to the most important part of the session. Four of your companies today are no longer qualified as SMEs, you are too big now and should be renamed as Promising Local Enterprises (PLEs). We want to seek your views as to the best policies that the government can adopt to help grow SMEs? The 2009 Strategic Economic Committee made it a target to grow 1000 companies with \$100 million annual turnover into PLEs. If you were to look back, given today's environment, what do you think the government can do to help these companies? Derek, can you go first please?

Dr Derek Goh: In the 1990s, the Singapore EDB looked out for growing 100 PLEs, but now they are looking out for promoting 1000. In Singapore, there are many MNCs, so there are many qualified managers and directors who have overseas exposure. I think the government could set up schemes to employ these professional qualified people who are out of jobs. So for SMEs that wish to grow overseas, you can tap on those ranged 45 to 55 years old who are now unemployed but have good international exposure, experience of good corporate governance and professional management skill. They are very employable. For SMEs which would like to venture overseas, they need mentors and businessmen, these people can thus serve as consultants for three months to a year to be paid by the government.

Associate Professor Tan Khee Giap: This is precisely what we said in the morning about our PTM index for SMEs. We need an advisory panel of industry captains to advise SMEs. Of course, our four industry captains today here have automatically qualified as best candidates. This is part of ACI's Enterprises Future Initiative. Dr Jimmy Koh, you may have the floor now.

Dr Jimmy Koh: Firstly, I think the government should not always say that we are small, therefore we have no place for you. As Ron and Lennon were saying, we are a small place, let us work together. The government should be part of us and we should be part of the government. If I did not establish my company locally, I have nothing to go overseas. So this is very important. We must establish ourselves in Singapore first with the help of the government or at least give us a conducive environment to grow. Secondly, Singapore must reward people who make things but instead Singapore now is a place for the middlemen. We pay our middlemen more than the people that actually work to produce goods. In the construction sector, the consulting engineers' fee is 1% of the project and he has lifelong liability. The architect gets 2-3%, and the estate agent's fee is 2% including the land. So the equitable remuneration of the effort is not reflected here. The government should make sure that engineers are paid more equitable compared to other professions. My good friends recently asked me to go to the junior colleges to entice the young people to become engineers. I said no, unless I can convince the government to pay engineers as well as accountants and other professional disciplines.

Associate Professor Tan Khee Giap: The government is doing that now. They are raising the salaries of qualified engineers working in the public sector.

Dr Jimmy Koh: But they are 20 years behind. We need to develop our own technical people, our scientists and our engineers. For me to go overseas, I need local people to help out especially now when technologies are becoming more important, so I support this policy initiative.

Thirdly, the government should help create a conducive business environment. When I go overseas to Malaysia and Indonesia, politically, their governments make sure that registration of companies from overseas is not completely owned by foreign countries. In Malaysia, you cannot have a wholly-owned Singaporean company in construction. It needs to be 51% Malaysian and 49% Singaporean. So, government should help and make sure that the regulation for commerce and registration are fair. In Singapore, anyone can come here and register their own company to trade and compete equally. In Indonesia, tax for construction projects for foreign company's withholding tax is 30%. You cannot compete and such is the bureaucratic obstruction for us going overseas, the government should look at it. In Vietnam, it is also not easy. At least among ASEAN countries. At least we can leverage on the commitment that we are ASEAN for eternity, we must therefore have more equitable registration rules and regulations for foreign companies in their own domestic market, and I think that would be helpful.

Associate Professor Tan Khee Giap: Thank you. Moving on to Lennon Tan, what do you think the government can do to help SMEs?

Mr Lennon Tan: I think our government can play the role of aggregating Singapore companies who are already there. We do have things like that such as various trade missions but I must comment that our trade missions are one of the weakest. For example, I know of the different trade missions done by the Koreans, Japanese, and even the French. When there is a project, they will just get connected with each other to move together, and the mission overseas will be the one supporting them. As an observer for some of my friends who do business overseas, we do not see that kind of like-mindedness or cooperation overseas. I think to a certain extent the government can also help to sniff out opportunities in various areas for them because they would know better.

Associate Professor Tan Khee Giap: That is a very good and important point. Under ACI's Enterprises Future Initiative, we will try to do that. To get Singaporean companies overseas in as a pact. We will get the last word to Ron. He always has something unusual to say. What can the government do for SMEs which are looking to transform and internationalise. High business costs and limited supply of manpower are the two main factors you have to always deal with. But other than that, how can the government help with that?

Mr Ron Sim: I would think there are three key points: Be targeted, to educate, and to incentivise. When I said target, I mean, Singapore Business Federation (SBF) and Singapore Manufacturing Association (SMA) which are amongst the best platforms because all Singaporean companies have to be registered so there must be an alignment with SBF and SMA.

Secondly, SMEs are largely family-oriented entrepreneur. They might know Singapore, but they do not have enough confidence and capital to really understand markets, their own industry, customers, and details regarding goods and services that they provide. So everything is done for survival. I think you got to go beyond that to ensure they are built with real capabilities. So education is important. For us, we had learnt the hard way ourselves, there was no choice. We were lucky.

The third way is incentivizing which I do not mean giving them money. I do not believe in giving people more money will mean they will do better. If you want to incentivize through money, it should be 50-50 co-funding. If there is no skin in the game, it does not work. It is important that incentives help the company to further propagate their business and hopefully expand their more than 50% of their business overseas. We have to gain territory. To gain territory, we have to gain it through economic means. So if we own our IP rights, we own what we created, then we would own what we create in terms of demand. We are small, but since we are small, we do not appear as a threat.

Question and Answer Session



Question: I am interior designer, I owned my company called the Plush and I want to make a comment instead of asking question. I am very much in agreement with Dr Jimmy Koh. As a professional designer here in Asia in particular, I feel that we are not as well respected as compared Italian designers. For example, my company has been approached by quite a few Italian companies who like our designs and asking us to design for them. I rejected their requests because I have a dream of making a Singapore brand instead of an Italian brand. But a lot of times, when compared to a lot of German companies, the materials we used are a lot more lasting, but at the end of the day, people will pay 30-40 thousand dollars for a German or Italian design but we work really hard to create something that is original, we do not copy any design, but we are still seen as contractors. So, the amount of time we have spent creating an original design is usually not compensated according to the effort we made. I agree with Dr Koh because he highlighted the fact that we are not as well compensated as well as sales staff. Sales staff can actually generate money for themselves. I am thankful to the Singaporean government despite everything. I think it is not just a Singapore issue but also for the whole of Asia. We treasure Italian designs a lot but we sometimes fail to turn around and look at our own. A lot of Singaporeans can do a lot of good designs, but they will not get the same respect.

Question: I run a cybersecurity business. I am fortunate enough to do business with the Singaporean government as one of my main customers. I have two questions. First, are we lacking a platform to express the sentiments about our industries, or do we already have one? I am not too sure. It seems like we need something like this at the national level. Next question is for Derek and Ron. I understand that Ron's business is more intellectual property (IP) centric where Derek's side is more distribution. I have a question about Derek's business model. I hear that in his business model, if you do well, principals may come in. If you do not, they will change distributors. With this in mind, will you share more about your mitigation strategies? Is IP your ultimate objective?

Dr Derek Goh: For simplicity, I say I am a distributor. We also have IP. In my case, there are four things that involve IP, we do it in the mass market and give it to the manufacturer using our IP. On the cosmetic side, like the cover or packaging, what they want to do is up to them. But even with that, we are not the sole distributor of components, which means other people can also supply and those people will undercut you because if I supply the engineering and costs at \$1.30, then they will send it to everybody to quote. Then they bargain to see if can do it for \$1.10. But I had already spent so much on the engineering process, so I am not being rewarded well. Of course suppliers will always want you to put in additional resources at your own expense. You then have to keep on improving on ways to managing your business and risks. In our kind of business, suppliers will go direct, which means if a company grows big like Ron's, the customer will want to go direct and bypass the distributor. This is part and parcel of business as you have no choice because it applies to Apple too. So you just provide the logistics for that in order to survive in this industry, you have to increase your supplier base as behaves just like 7-11. I am near to you and whatever you want I can supply to you at reasonable prices. I am everywhere, so my customers can come in to buy. You also need to improve your efficiency, productivity, logistics, warehousing and system. Anything you can automate you should automate it because if you depend on people, you will die miserably because we have millions of products. You also need to increase your geographical coverage. For big MNCs that have international presence, if you

serve them good, they will want you to help them make inroads in places like China. That is why I have 26 offices in China.

There are many ways of doing businesses. Just like Lennon, he worked outside Singapore first before coming back to domestic market. For me, big cities are very competitive like Shanghai and Beijing. If you go in direct, you will clash directly with the big players. Your margins will be very low. I did not do that first. I went to the second and third tier cities where not a lot of people were willing to serve because it was too far or expensive to go to. Since these customers were not being taken care of, I can sell to them at a higher price to cover my costs. So after I had businesses in the second and third tier cities, then I went into first tier cities with volume to back it up. There is this mentality that Singapore civil servants would have to change. Very often they consider Singapore companies too small and the chances are slim for them to award your business contracts.

Associate Professor Tan Khee Giap: Now Ron, your response please?

Mr Ron Sim: First and foremost, when I said that the distribution model does not have margins, I am not saying that the systems that Derek Goh is running is not right. Every business model has its strengths. In terms of margin, it tends to be small but one can certainly build and create capabilities to create demand. If he, for example, strengthens his logistics and networks in terms of making sure that those big guys have to utilise him, then you are creating demand. However, if you are just subscribing to the needs and supplies of what they want, obviously your margins will deteriorate. Creating demand is really a function of what are you creating to control. If you can create and control, you are creating demand. Even if you are a manufacturer, today you can be manufacturing anything. Let us consider products A and B. If you are creating, product B which has high-volume but low-margin such as plastics, of course your margin will be squeezed. But if you are creating product A like Foxcom for example, will Apple run away? They will never run away because Foxcom already understood that if it is able to continue to create certain capabilities that Apple will never want to own or cannot own, Apple obviously will need Foxcom. So it is really the function of where is the component of your demand creation, be it IP, be it distribution or be it manufacturing.

For us, we started very small. I want to share this with you. My company only started with \$1,500 back in 1979. Nobody wanted to support us. It is expected as no one owes you a living! We then slowly climbed up. I targeted clients by creating demand and creating controls, knowing that you will come to me because you have to. If I cannot create a reputation, you will not come to me. My point is that every business has to find its own niche. It can be done. For example, in my business, we were also traders. From 1979 to 1985, I bought everything and sold everything, but up to a point it did not make sense. Somebody always had me by the neck. So I started to move differently. I started from buying from other people, then I moved to OEM, meaning using other makers as makers. Then I moved to ODM, meaning with original designs and manufacturing. Then I moved to OTM, which is to buy stakes in factories. I did not want to buy a majority stake on purpose, so in most factories we only had 30%. We gave them 70% share because we want mechanical engineers and manufacturing experts to focus on their interest to build things they want, but we control them because I control 70% of manufacturers and their productions. By that I meant that of what they produce, I shall buy 70% of it.

This is a 30 year-long process of evolution process in pain and gains, not as simple as creating demand in a day. It was not straightforward. That is what you have to do if you want to build something. Traders do not care, they just buy and sell. But builders, they will own it. If you own it, you control it. However, even as an owner, the situation can always change. You think IP marketing is easy? It is not easy anymore because in the past marketing is controlled by traditional media (TV, press, radio). Today, everybody can create their own new media. Digital technologies have disrupted many businesses. We need to embrace the technology, and we need to spend time and effort to learn how to utilise it and how to make this our tool. Making the offline and online similar in a way to attract people to your business in some way. There has to be a fundamental change in attitude towards risks or you can cry until the cows come home, nobody is going to help you!

Closing Remarks



Mr Douglas Foo
President, Singapore Manufacturing Federation

Distinguished speakers,

Distinguished guests,

Ladies and gentlemen,

Good afternoon. As the final speaker to wrap up today's forum, I would like to share my observations. Today we have been treated to an awesome intellectual feast on a variety of subjects. This ranges from Singapore's productivity and competitiveness discussion by the LKY School of Public Policy, Asia Competitiveness Institute, our SME's challenges and transformation, success stories of our young entrepreneurs and our industries captains, to investment opportunities in Andhra Pradesh in India. At one point there that was highly-noted, was that Andhra Pradesh wants to be a happy state by 2029.

Many of you may not know there that there were three places in the world that was identified by National Geographic last year in their November issue that are the happiest places in this world. In the Americas, the place was Costa Rica. In Europe, Denmark. And guess where in Asia Pacific? Singapore. This is the usually the reaction that I get, but it is Singapore. They did not just decide on that. The research study was a longitudinal study of almost 10 years before they made that report. So do check it out

In addition, two ACI books were launched today. Given the breadth and depth of today's program, I believe all of you could have gotten rich pickings from the smorgasbord of ideas, views, and learnings. In particular, I hope that our Singapore SMEs have found this forum inspiring, useful, and beneficial. I also urge the business owners and CEOs to review and consider how they could apply all these invaluable insights to their own organisations.

In my mind, this should be done with a sense of urgency and seriousness. The writing is on the wall for Singapore's SMEs. They are grappling with many challenges. The key ones being technological disruptions,

which many of the speakers have spoken about, and business model changes that are caused by digitalisation. Hence, SMEs are now on the cusp of transformation and change. They have to innovate and transform so as to raise productivity and enhance their competitiveness, both locally and internationally. Singapore SMEs should explore investment opportunities in new emerging markets such as India's Andhra Pradesh state which is blessed with strong leadership, transparent governance, and best-in-class policies. As a member of the Andhra Pradesh-Singapore Business Council, I believe there is a lot of exciting market potential to be tapped in Andhra Pradesh. I strongly encourage our SMEs to look at business opportunities in this market as the government of Andhra Pradesh, as you heard from the Chief Minister, has undertaken multiple forward-looking initiatives to facilitate investments in their state. I was extremely impressed with how the Chief Minister has spoken about happiness as one of their KPIs going forward by 2029.

In the past few years, SMF has been spearheading the drive for transformation and change to our manufacturing SMEs. The arduous of transformation begins with an important first step. It is also the biggest obstacle in the change process that is, a mind-set change at the top. It is tough to change mind-set but we are pulling out all the stops in our continuous effort to educate and support our members during this period of transition. Massive changes require multifaceted and orchestrated efforts by all stakeholders in order to succeed. The government, the enterprises, the industries, and workers must all work together and in tandem to piece together this messy jigsaw puzzle of transformation and change. We are all aware that our government has been working hard to implement the Industry Transformation Maps to offer assistance to SMEs through grants, subsidies, and other schemes.

However, as a game-changer and catalyst, there is only so much the government can do. The SMEs must also do their part by making the brave step forward to change and transform. Besides innovating their business model, they have to change their mind-set; they need to be far-sighted and invest in the development of human capital. In other words, the up-skilling and the re-skilling of the people within the company. As we know, the future of manufacturing and industry impacts directly on the future of work. Therefore, SMEs must roll our initiatives to secure a pipeline of skilled talent pool and prepare their workers to be future-ready.

Finally, I hope that the forum has a catalytic influence on some of our industry captains and CEOs here today. I have learnt much and I hope all of you have done too. Kudos, also to our business captains and thought leaders who have contributed to the lively and stimulating discussions at this forum. We would also like to thank you, our audience, for making today's forum a vibrant event. Wishing you all health, happiness, and greater success.

Thank you all very much!

Programme

2018 Asia Policy Forum: Transformation Change and Health Checks for Singapore Small and Medium Enterprises

Jointly organized by
Singapore Business Federation (SBF),
Singapore Manufacturing Federation (SMF)
 and

Asia Competitiveness Institute (ACI) at Lee Kuan Yew School of Public Policy (LKYSPP),
National University of Singapore (NUS)

9 July 2018, Lobby of Oei Tiong Ham Building, LKYSPP, NUS

FORUM PROGRAMME

Targeted conference participants:

Members of Business Chambers and Trade Councils including Singapore Business Federation, Singapore Chinese Chamber of Commerce and Industry, Singapore Malay Chamber of Commerce, Singapore Indian Chamber of Commerce, Singapore Manufacturing Federation, Food and Beverage Association

Programme	
0930 – 1000	Registration, Reception and Business Networking Session
1000 – 1015	Welcome Remarks Professor Danny Quah Dean and Li Ka Shing Professor in Economics, LKYSPP, NUS
1015 – 1030	Opening Remarks Mr Kurt Wee Chairman, Singapore Business Federation SME Committee
1030 – 1115	"ACI Productivity Tracking and Efficiency Monitoring (PTEM) Index and Internationalization for Singapore Small and Medium Enterprises" Moderator: Professor Tan Kong Yam Co-Director, ACI-LKYSPP, NUS Presenters: <ul style="list-style-type: none"> • Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS • Ms Nursyahida Ahmad Research Assistant, ACI-LKYSPP, NUS Question & Answer Session
1115 – 1200	"Conversation with Young Singaporean Entrepreneurs: How You Did It?" Moderator: Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS Panellists <ul style="list-style-type: none"> • Mr Tan Jit Khoon Chief Executive Officer, Winson Press Pte Ltd • Mr Ben Lim Managing Director, iwa Design Pte Ltd • Mr Melvin Tan Managing Director, Cyclelect Holdings Pte Ltd Question & Answer Session
1200 – 1345	Luncheon Talk: "Singapore as an Asia Infrastructure Hub: The Role of Financial Institutions"

	<p>Distinguished Luncheon Speaker Dr Ray-Beam Dawn Chairman, First Commercial Bank Limited, Taiwan, ROC</p> <p>Moderator: Dr Zhang Xuyao Research Fellow & Deputy Director (Research), ACI-LKYSPP, NUS</p> <p>Question & Answer Session</p> <p>Lunch</p>
1345 – 1355	<p>Remarks by Guest of Honour (GOH) Dr Tan Wu Meng Senior Parliamentary Secretary for Trade and Industry and Foreign Affairs, Singapore</p>
1355 – 1405	<p>Witnessed by GOH Dr Tan Wu Meng, Senior Parliamentary Secretary for Trade and Industry and Foreign Affairs, Singapore and Shri Nara Chandrababu Naidu, Chief Minister of Andhra Pradesh, India:</p> <p>A. Signing of Memorandum of Understanding between ACI-LKYSPP, NUS and Government of Andhra Pradesh, India, by Professor Danny Quah, Dean, LKYSPP and Mr Anil Chandra Punetha, Chief Secretary of Andhra Pradesh, India</p> <p>B. Ceremony for Donation to ACI-LKYSPP</p>
1405 – 1410	<p>Launch of two ACI books by GOH Dr Tan Wu Meng with Shri Nara Chandrababu Naidu, Chief Minister of Andhra Pradesh, India, Mr Anil Chandra Punetha, Chief Secretary of Andhra Pradesh, India, Dr Vu Tien Loc, Chairman and President, Vietnam Chamber of Commerce and Industry & Member of Parliament, 14th Legislature, Vietnam, Professor Danny Quah, Dean, LKYSPP, and Co-Directors, ACI-LKYSPP, NUS</p> <p>A. “Balanced, Sustainable and Competitiveness Enhancement (BSCE) Study for Vietnam: A Critical Evaluation with Development Potentials”</p> <p>B. “Productivity Tracking and Efficiency Monitoring of Singapore’s Small and Medium Enterprises”</p>
1410 – 1430	<p>Keynote Speech: “Potential Investment Opportunities and Dynamic Economic Development for State of Andhra Pradesh” Shri Nara Chandrababu Naidu Chief Minister of Andhra Pradesh, India</p> <p>Moderator: Professor Danny Quah Dean and Li Ka Shing Professor in Economics, LKYSPP, NUS</p>
1430 – 1440	<p>Question & Answer Session</p>
1440 – 1530	<p>“Conversation with Singapore Industry Captains”</p> <p>Panellists:</p> <ul style="list-style-type: none"> • Dr Jimmy Koh Managing Director, Antara Koh Pte Ltd • Mr Lennon Tan Chairman, Jing King Tech Group • Dato’ Seri Dr Derek Goh Founder, Executive Chairman and Group Chief Executive Officer, Serial System Ltd & The Chairman of Senate, Marketing Institute of Singapore • Mr Ron Sim Executive Chairman and Chief Executive Officer, V3 Group Limited <p>Moderator: Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS</p> <p>Question & Answer Session</p>
1530 – 1540	<p>Closing Remarks Mr Douglas Foo President, Singapore Manufacturing Federation</p>
1540 – 1630	<p>Networking Session and Coffee/Tea Break</p>
End of Forum	

Profiles of Speakers, Discussants and Moderators

(In alphabetical order)

TAN Wu Meng

Dr Tan Wu Meng was elected as a Member of Parliament for Jurong GRC on 11 Sep 2015. He was appointed Senior Parliamentary Secretary in the Ministry of Foreign Affairs and the Ministry of Trade and Industry on 1 May 2018. He is also a Member of the Government Parliamentary Committee for Social and Family Development. Dr Tan previously was a Member of the Government Parliamentary Committees for Finance and Trade and Industry; Home Affairs and Law; and Health. He also sat on the Estimates Committee of Parliament. Prior to joining the Government, Dr Tan worked as a Physician and Medical Oncologist specializing in the care of cancer patients. He read Medicine at Trinity College, University of Cambridge, during which he also completed a PhD in Molecular Biology. His post-graduate training was at the Singapore General Hospital and National Cancer Centre Singapore. From 2015 to 2018 his medical practice was in the private sector.

Nara Chandrababu NAIDU

Nara Chandrababu Naidu was born on April, 20, 1950 to Nara Kharjura Naidu and Ammanamma in Naravaripalli Village, Chittoor dist., Andhra Pradesh. Chandrababu Naidu belonged to middle class agricultural family in Naravaripalli village. He has one elder sister and one younger brother. His parents were very hard working and toiled in their small agricultural land of 5 acres. Since childhood, he was a very observant and hardworking man. He did his primary education in the nearby Chandragiri town and subsequently completed his Masters in Economics from Sri Venkateswara Arts College, Tirupati. Naidu was drawn to politics at an early age, and joined Youth Congress as a student leader in Chandragiri, near Tirupati. Naidu received an Indian National Congress (INC) nomination in 1978 under the 20-percent quota for youth to run for the office of the member of the legislative assembly (MLA) in Chandragiri constituency. He was appointed as technical education and cinematography minister in T.Anjaiah's government at the age of 28. He was the youngest minister in the Congress cabinet. As the cinematography minister, Mr Naidu came in contact with N. T. Rama Rao, popularly known as NTR, a popular film star in Telugu cinema. In 1980, he married Bhuvanewari, NTR's third daughter. In 1982, NTR formed the Telugu Desam Party (TDP) and swept the assembly polls held in 1983. Mr Naidu, who was then still in the INC, joined the TDP soon after. In the 1989 assembly election, Chandrababu Naidu contested from Kuppam and won by 5,000 votes. In 1995-2004, as a Chief Minister, he introduced many market-based reforms while at the same time formulating many populist schemes which none of his predecessors ever launched. IT and ITES sectors boomed during his tenure, giving rise to a separate state level IT policy. Heaps of files in government offices were cleared regularly and he brought about revolutionary changes in the solving people's problems. He always believed in walking the talk and modernized administration by computerizing a number of government operations. He made the administration run professionally as an efficient organization and came out with a Vision-2020 policy document for the all-round development of the state and implemented it with passion, be it in IT, bio-technology or tourism. Mr Naidu's vision includes making Andhra Pradesh another Singapore. He launched initiatives which aim at achieving excellence in all walks of life and focus on community building through teamwork. In 2014 Elections, the Telugu Desam Party returned to power, in the state of Andhra Pradesh winning 102 seats out of 175 seats. Chandrababu Naidu led TDP to an outright majority in the state of Andhra Pradesh and took oath as the first Chief Minister of the residuary state of Andhra Pradesh on June 8th 2014 at mangalgiri in the grounds of Acharya Nagarjuna University near Guntur. Naidu is married to N.T.Rama Rao's third daughter, Bhuvanewari. The couple has a son, Lokesh, who is married to Brahmani (eldest daughter of Nandamuri Balakrishna, N.T. Rama Rao's son).

Ray-Beam DAWN

Professional Experience

Chairman, First Financial Holding & First Commercial Bank Corporation (2017.11~)
Chairman, Taipei Rapid Transit Corporation
Dean, College of Business, China University of Technology (Taiwan)
Chairman, Central Deposit Insurance Corporation
Chairman, Bank of Kaohsiung Corporation
Director, Division of Financial Research, Taiwan Institute of Economic Research

Education

PhD in Economics, Vanderbilt University, Tenn., USA
Bachelor in Economics, National Taiwan University

Douglas FOO

Mr Douglas Foo, President of Singapore Manufacturing Federation and Vice Chairman of Singapore Business Federation is a recipient of numerous illustrious accolades and awards which are testament of his long standing service and contributions on many Government, non-profitable organizations, NGOs and public service. His public service covers unions, trade associations, hospitals, community and social services, business organizations, universities, National Committees, Singapore Business Councils with various countries and numerous other institutions. Mr Foo is also the Founder and Chairman of Sakae Holdings Limited, a public listed company that he has led from a humble company to be listed on Singapore's stock exchange and with overseas presence and business in more than 10 countries including Vietnam, USA, Australia, Thailand, Indonesia, India, China, Japan, Malaysia, Philippines, Chile, South Africa and other countries. He continues to spearhead the overall strategic direction and diversification of Sakae's

global strategic plans and also its philanthropic initiatives. For his entrepreneurship, Mr Foo was awarded Top Outstanding Young Person Award in 2002, Entrepreneur of the Year 2002, Singapore Youth Award in 2003, prestigious ASEAN Youth Award in 2004, International Management Action Award in 2007, ASEAN-China Young Entrepreneur Award in 2011, Rotary-SME Entrepreneur of the Year 2012 and others. He was also awarded the Public Service Star Award in 2013 by His Excellency the President of the Republic of Singapore for his tireless efforts in his philanthropic and voluntary contributions to the society.

Derek GOH

Dato' Seri Dr Derek Goh Bak Heng, BBM founded Serial System as a sole proprietorship in 1988, incorporated Serial System Ltd in 1992 and was the founding Chairman and CEO when the Company was listed in 1997 and achieved a turnover of US\$1.49 billion in 2017. Serial System Ltd is the largest electronic component distributor listed on the Singapore Exchange and has an extensive regional coverage with 50 sales offices, 13 warehouses and more than 1000 employees in key markets, namely, Singapore, Cambodia, China, Hong Kong, India, Indonesia, Malaysia, Philippines, South Korea, Taiwan, Thailand and Vietnam. Dr Derek is currently the Executive Chairman & Group CEO of Serial System Ltd with overall management responsibilities for the Group. As Executive Chairman, Dr Derek leads the Board in charting the future direction for the Group. As Group CEO, Dr Derek travels extensively in the region to meet up with the local management team on strategic and operational matters, suppliers and customers to foster stronger relationship, as well as developing new products and markets. His abilities to assess market conditions and read market trends have proven to be extremely invaluable. Dr Derek holds an honorary MBA degree from the American University of Hawaii and an honorary Doctor of Business Administration in marketing degree from Wisconsin International University. He was also conferred the honorary degree of Doctor of Philosophy in Business Administration by the Kennedy - Western University. Dr Goh was conferred the Darjah Indera Mangku Sultan Mahmud Badaruddin III – (D.I.M.S) which carries the title Dato' by KDYMM Sultan Mahmud Badaruddin III (D.K.T., D.K., D.K.II., S.S.M.S., S.P.M.S., S.S.S.M., S.S.P.M., S.P.T.M., S.J.N.) Sultan Negeri Palembang Darussalam on 2 May 2014. He was conferred the Seri Pangeran Temenggong Sultan Mahmud Badaruddin III which carries the title Dato' Seri by the Sultan of Palembang, Sultan Mahmud Badaruddin III on 27 April 2015.

Jimmy KOH

Name : JIMMY KOH (许仁美)
Date of Birth : January 8, 1940

University : Bachelor of Engineering, University of New South Wales (Australia) in Electrical Engineering (Applied Electronic & Automation) - 1963
: Doctor of the University, honorus causa, University of New South Wales – 13-07-07

Language Spoken : English, Mandarin, Malay, and Thai
Written : English / Chinese

1964 – 1965 Site Agent for Messrs Koh Han Kok for Construction of Foundation of Prai Bridge (Tungku Abdul Rahman Bridge), 820' long Prestressed Concrete Bridge for PWD in Butterworth, Malaysia.

1965 – 1967 Site Agent for Wing & Company as Site Agent for Construction of Muar and Batu Pahat Bridges, 388 m long and 232 m long respectively. The bridges are of prestressed concrete and belong to PWD, Malaysia

1967 – 1968 Project Manager for Messrs Koh Han Kok for Construction of Foundation for BangPakong Bridge, 457 m long in Thailand for Highway Department. The bridge has middle steel swing spans and generally prestressed concrete.

1969 – 1971 Founder & Managing Director of Thai Concrete Product Company Limited. Produce spun concrete pipes and precast concrete components in Thailand.

1972 – Todate Founder and Managing Director of Antara Koh Private Limited. Civil and Marine Engineering Contractors.

1987 – 1991 President of Singapore Contractors Association Limited.

1988 – 1990 Member – School of Civil & Structural Engineering Advisory Committee - NTU

1989 – 1991 Board Member – Centre for Advance Construction Studies - NTU

1989 – 1992 Board Member - CIDB

1999 – 2001 Founder President - University of New South Wales Alumni, Singapore Chapter

2007 – 2009 Chairman of Yuhua Citizens' Consultative Committee

2007 – 2009 Vice-Chairman, School Management Committee,

- Chung Cheng High School (Main)
- 2007 - 2009 Vice-Chairman, School Management Committee
- Chung Cheng High School (Branch)
- 2007 – 2009 Vice-Chairman, School Management Committee,
- Nanyang Junior College
- 2007 – 2009 Chairman of Yuhua Inter-Racial Confidence Circle

Academic Awards / Public Awards

- 2004 Public Service Medal in 2004 National Day Awards
- 2015 SG50 Outstanding Chinese Business Pioneers Awards

When he was President of Singapore Contractors Association, he relentlessly promoted Productivity, Safety & Quality in the Construction Industry. Antara Koh Pte Ltd specialise in the design and construction of marine facilities, such as jetties, harbours and also heavy foundation for bridges. Antara Koh has successfully completed major projects in Singapore, Malaysia, Thailand, Indonesia, Vietnam, Myanmar, Cambodia, China, UAE, India and Bangladesh.

Ben LIM

Ben Lim is the second-generation leader of home grown design and fit-out company iwa Design Pte Ltd. Taking over the lead of an established and reputable company, he has the tremendous task to steer iwa towards the next peak - the next glorious 30 years. Ben loves life and puts his heart and soul in everything he does. He sets high standards for himself and people who work with him. Deeply passionate about design and the work he does for his clients, Ben is keen to groom the new generation of designers and project leaders. Amidst his busy schedule, he will always block out time to spend with his staff, transfer his experiences and help speed up their development. Ben literally grew up in iwa. As a young boy, he would hang around the office after school and during school holidays to observe his dad at work. He developed a great passion for design when his curiosity was piqued seeing how a design became reality when it was finally built. He started to work in iwa during the school holidays since he was 15, and received the best hands-on training by the expert and forerunner of this trade, none other than his father - the senior Mr Lim. The senior Mr Lim had very high standards and was extremely strict with Ben in order to hone his skills and train his tenacity. Ben is also a perfectionist by nature. As a result, at an early age, Ben was already well equipped with the rudiments of the industry and developed unique business acumen, foresight and an eye for details and aesthetics. Ben has always been passionate about this industry. Furthermore, seeing how hard his dad was working, Ben joined iwa full-time immediately after his national service at age 23, as he wanted to be the support for his dad. The senior Mr Lim insisted he start from ground – first as a driver, then in the workshop, to site installation, and only got to meet customers as a project coordinator after 2 years. Again, this was done to build Ben’s character, as the future leader of iwa. In addition, working up from the levels allowed Ben to quickly grasp the entire production chain and understand the importance of how each department is connected to one another. By 2007, Ben has already acquired a loyal clientele and was being prepared to take over the leadership of the company. He started leading the company under the advisory of the senior Mr Lim and Mr William Ho (Vice-Chairman). The baton was officially passed to him when iwa celebrated her 25th anniversary. Ben holds an Executive Master from SIM University. In 2012, Ben won Entrepreneur of the Year Award in Innovation demonstrated excellence in his field of business. And in 2016, Ben won Prestige Award of The Teochew Entrepreneur Award (TEA). The biennial Award takes pride in building a platform that not only creates an international network for business opportunities but also cultural and social engagement for Teochews across the globe.

Nursyahida Ahamd

Nursyahida Ahmad is a Research Assistant at Asia Competitiveness Institute (ACI) at the Lee Kuan Yew School of Public Policy, National University of Singapore. Nursyahida graduated from Nanyang Technological University, with a Bachelor of Arts (Honours) in Economics. At ACI, Nursyahida is actively involved in Indonesia’s competitiveness analysis at the provincial and regional level, as well as other thematic studies such as the impact of real exchange rates on trade and investment. For her involvement in research on Indonesia, Nursyahida has co-authored several of ACI publications on Indonesia’s provincial development and policy options. She is also heavily involved in a research on firm productivity and efficiency. Her research interests include development economics and socioeconomic studies.

Danny QUAH

Danny Quah is Dean and Li Ka Shing Professor in Economics at the Lee Kuan Yew School of Public Policy, NUS. His current research takes an economic approach to world order, studying the supply and demand of world order: on the one hand, what international system the world’s superpowers provide, and on the other, what world order the global community needs. Quah uses this to recast analysis of global power shifts, the rise of the east, regional order, and models of global power relations. Quah is a member of the Spence-Stiglitz Commission on Global Economic Transformation. He is the author of “The Global Economy’s Shifting Centre of Gravity”. Quah gave the third LSE-NUS lecture in 2013, and TEDx talks in 2016, 2014, and 2012. Quah was previously Assistant Professor of Economics at MIT, and then Professor of Economics and International Development, and Director of the Saw Swee Hock Southeast Asia Centre at LSE. He had also served as LSE’s Head of Department for Economics, and Council Member on Malaysia’s National Economic Advisory Council. Quah studied at Princeton, Minnesota, and Harvard.

Ron SIM

Ron Sim is the Executive Chairman and Chief Executive Officer of V3 Group Limited and is responsible for the formulation of the strategic direction of the group. As a brand creator and developer, V3 Group Limited is an Asian luxury group in the lifestyle and wellness markets (OSIM, TWG Tea, GNC), targeting a broad and affluent consumer demographic. He began in 1979 with a trading company selling general household items and later branched into home healthcare products. Mr Sim then expanded this business under the OSIM brand overseas, to Hong Kong in 1986 and Taiwan in 1987. By the early 1990s he had grown the OSIM brand into an Asian household name. Under his leadership, OSIM was publicly listed on the main board of the Singapore Exchange (SGX) in July 2000. Today the V3 Group operates a wide point-of-sales network, through the 3 specialty retail brands of OSIM, TWG Tea and GNC, with more than 663 outlets in 140 cities, across 23 countries in Asia, Oceania, the Middle East, Europe and North America. The group continuously innovates, accelerating growth within its existing bands and utilizing its expertise to penetrate new markets and acquire new brands and businesses. Over the years, Mr Sim has won several awards and has been recognized for these personal achievements through the Ernst & Young 'Entrepreneur of The Year 2003', the Business Times 'Businessman of the Year 2003' award and the Singapore Corporate Awards (2012) 'Best CEO Award'. Mr Sim continues to lead the V3 Group in setting and realizing its vision, goals and direction. Besides his corporate role, Mr Sim also participates actively in public service:

- Committee member of NTU Enterprise Committee (Jun 2008-2014)
- Advisory Board of Lee Kong Chian School of Business, Singapore Management University (2004-2014)
- Board Member, International Enterprise Singapore (2006 – 2008)
- Board Member, Sentosa Development Corporation (2004 – 2009)
- Investment Approvals Committee of SPRING SEEDS, an initiative of SPRING Singapore (2005 – 2007)
- National University of Singapore Business School Advisory Board (2004 – 2007)
- Economic Review Sub-Committee (2001)
- Board of Trustees, Tan Tock Seng Hospital Community Charity Fund (Apr 2012 to Feb 2014)

TAN Jit Khoon

Tan Jit Khoon graduated from National University of Singapore with B. Eng (Mechanical) Hons in 1992. He started his career with Hewlett Packard as a Process Engineer before joining his family business Winson Press in 1995. He started as production operator, moved on to various functions from production planning, costings, customer service and business development before taking over the business. Under his leadership, Winson Press has transformed into a Gold Award winning printer providing innovative solutions for the health supplement, pharmaceutical, cosmetics, skin care, education, property development and F & B industries. Over the last 14 years, Winson Press has won 8 Singapore Packaging Star Awards and a total of 11 Gold, 10 Silver and 8 Bronze in print excellence awards organized in Asia, Europe and America. Embracing "Continuous Improvement" as one of the core values, the company believes strongly in constantly raising the bar for all aspects of the company including employee engagement, customers' experience, operation and manufacturing excellence. Together with his team of committed people, Jit Khoon is confident of bringing Winson Press to greater heights. Since 2014, Winson Press has moved beyond print into e-commerce, cloud computing solutions, anti-counterfeiting solution and innovative marketing campaigns. Our innovative solutions include: 1 to 1 cross media personalized marketing, personalized packaging marketing campaign, referral and perpetual brochure campaign to increase loyalty, support customer acquisition, fund raising and more. Jit Khoon is passionate about learning and self-development. He is an avid reader and student. He is currently attending online course on Business Model Generation and Value Proposition Design. Jit Khoon is currently the Honorary Treasurer of the Young President Organization (Singapore Chapter), Honorary Secretary of Print Media Association of Singapore, Member of SBF led SME committee on Innovation. He is also an active member of the Entrepreneurs' Organization Singapore Chapter, Business Leader Alumni Club and Packaging Council of Singapore.

TAN Khee Giap

Tan Khee Giap is a Co-Director of the Asia Competitiveness Institute (ACI) and Associate Professor at the Lee Kuan Yew School of Public Policy, National University of Singapore. He is also the Chairman of the Singapore National Committee for Pacific Economic Cooperation. Upon graduating with a PhD from University of East Anglia, England, in 1987 under the Overseas Research Scheme awarded by the Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom. He joined the banking sector as a treasury manager and served as secretary to the Assets and Liabilities Committee for three years, there after he taught at the Department of Economics and Statistics, National University of Singapore, 1990-1993. Dr Tan joined Nanyang Technological University in 1993 and was Associate Dean, Graduate Studies Office, 2007-2009. Dr Tan has consulted extensively with the various government ministries, statutory boards and government linked companies of Singapore government including Ministry of Finance, Ministry of Trade & Industry, Ministry of Manpower, Housing & Development Board, Civil Aviation Authority of Singapore, Singapore Tourism Board, Trade Development Board, Maritime Port Authority, Ministry of Information, Culture & Arts, Economic Development Board, Ministry of National Development, Media Development Authority, Ministry of Environment and Water Resources, Singapore Design Council, Ministry of Community Development, Youth & Sports, Singapore Press Holdings, Yayasan Mendaki, StarHub, CapitaLand and Great Eastern Life. He has also served as a consultant to international agencies such as the Asian Development Bank, Asian Development Bank Institute, United Nations Industrial Development Group, World Bank Group, World Gold Council, ASEAN Secretariat, Central Policy Unit of Hong Kong, Kerzner International, Las Vegas Sands and Marina Bay Sands. Dr Tan is the lead author for more than 20 books, serving as journal editors and published widely in international refereed journals. He is the associate editor of the journal Review of Pacific Basin Financial Markets and Policies (US) and is on the editorial advisory board of the journal Competitiveness Review (UK). His current research interests include Cost of Living and Purchasing Power Index for World's 105 Cities, Global Liveable Cities Index, Ease of Doing Business Index and competitiveness analysis on sub-national economies of China, India, Indonesia and Association of South East Asian Nations. Dr Tan was Deputy President of the Singapore Economic Society, 2004. He served in the 2002 Economic Review Committee (ERC), served as

Chairman of the Task Force on Portable Medical Benefits (PMB), served as the Deputy Chairman of the IPS Forum for Economic Restructuring (IFER) in 2003 and served as a member of the Resource Panel of the Government Parliamentary Committee for Transport and Government Parliamentary Committee for Finance and Trade & Industry and Government Parliamentary Committee for Defence and Foreign Affairs since 2007. Dr Tan is currently an Independent Director of the publicly listed BreadTalk Group, Boustead Projects, TEE Land and Chengdu Rural Commercial Bank.

TAN Kong Yam

Professor Tan Kong Yam is presently the Co-Director of the Asia Competitiveness Institute. He is also Professor of Economics at the Nanyang Technological University. From 1985-89, he was the chief assistant to the late Dr Goh Keng Swee on his consultancy to Mr Deng Xiaoping on China's development strategy. From June 2002 to June 2005, he was a senior economist at the World Bank office in Beijing. In 2004, he was a member of the World Bank expert group on the eleventh five year plan (2006-2010) for the State Council in China. The expert group provided analysis and policy recommendations on urbanization, regional inequality, innovation policy, energy and water policy as well as strategy on banking reform to the Chinese government. Prior to that, he was the chief economist of the Singapore government (1999-2002), Head, Department of Strategy and Policy, Faculty of Business Administration at the National University of Singapore (NUS). He is a graduate of Princeton (1975-79, class of 1931 scholar, Paul Volcker Thesis prize) and Stanford University (1980-83), where he completed his Master and PhD in three years. Prior to joining NUS, he has worked at the Hoover Institution at Stanford University, World Bank, the Monetary Authority of Singapore, and was the Director of Research at the Ministry of Trade and Industry in Singapore. His research interests are in international trade and finance, economic and business trends in the Asia Pacific region and economic reforms in China. He has published ten books and numerous articles in major international journals including American Economic Review, World Bank Economic Review on economic and business issues in the Asia Pacific region. He served as board member at the Singapore Central Provident Fund Board (1984-96) and the National Productivity Board (1989-90). He has also consulted for many organizations including Temasek, GIC, Citigroup, IBM, ATT, BP, ABN-AMRO, Ikea, Bank of China, China Construction Bank, People's Bank of China, EDB, Areva, Capitaland, Samsung, Mobil, etc.

Lennon TAN

Mr Lennon Tan is the Group Chairman of Jing King Group. Lennon started his career as an engineer in the Petrochemical industry before spending 10 years with the American Multinational 3M. His last assignment was managing and developing business for 3M, covering 14 countries in the Asia-Pacific. In 2001, he decided to pursue his dream of being an entrepreneur and started Able Group. Being China-focused, he lived there to develop his businesses. As a startup, he started his business through distributions and professional services in the area of document security products and gained modest success. Armed with his affinity for Technologies and Innovation, he decided to go into product development and manufacturing. Through the years and support by top private equity investors, the company made significant achievements. Today, Jing King employs 2000 employees globally. It is now ranked Global Top 10 Smartcard Producer, Top trusted BPO provider for Singapore & Hong Kong Banks and provide solutions in Artificial Intelligence (AI), Secured Data Handling, Data Analytics and Smart Technologies for many banks and financial institutions, including the world's largest bank. He aims to continually develop and transform his company to be a significant global player in Financial Technology and Trusted Services. In 2017, Lennon was named EY Entrepreneur of the Year Award (Financial Technology Enablement) from global professional services firm Ernst & Young.

Melvin TAN

As the Managing Director of the Cyclect Group, Melvin undertakes the overall management, strategic planning and business development functions. Since his appointment as MD in 2005, the company had grown several fold and now operates in 10 countries providing engineering, construction, maintenance and operations services for infrastructure, industrial and marine sectors, energy solutions and automation-robotics solutions. The company has won numerous awards such as WIPOIPPOS IP Awards, Enterprise 50 Awards, Singapore Sustainability Awards, Asean Best Electrical Contractor Awards, Singapore Prestige Brand Awards and Asean Business Awards. Melvin holds various positions as the Vice-Chairman of the SBF's SME Committee, Executive Council member of Singapore Manufacturing Federation and Association of Process Industry, Vice-President of the Enterprise 50 Association and a member of the Young President's Organization. He earned a bachelor's degree in business administration from Simon Fraser University, Vancouver, Canada. Melvin is married with one son.

VU Tien Loc

Dr Vu Tien Loc has been President and Chairman of the Vietnam Chamber of Commerce and Industry (VCCI) since 2003. He is a senior Member of the National Assembly since 2002, and is a member of its Economic Committee. Dr Loc is also President of ASEAN Chamber of Commerce and Industry. Born in the northern coastal province of Thai Binh in 1960, Dr Loc holds a number of important positions. These include, but are not limited to: Chair of the Central Council for Vietnamese Businesses, Co-Chair of the Vietnam Business Forum (VBF), Vice Chair of the Prime Minister's Advisory Council for Administrative Procedures Reform, and Head of National Research Project on Improving Vietnam's Competitiveness. Dr Loc has been at the forefront of establishing formal business associations and having business and entrepreneurship recognized by Government and the Party as a praiseworthy sector. Such has been Dr Loc's centrality to business advocacy is that in 2013 he proposed to – and convinced – the National Assembly that business and entrepreneurship be recognized in the Constitution of Vietnam. Dr Loc is Founder and Chair of the National Program on Improving Vietnam's Competitiveness. He has overseen creation of the Provincial Competitiveness Index (PCI) and the Ministerial Effectiveness Index (MEI) in order to motivate the reform process and improve authorities' governance. He has chaired and directed the implementation of first development programs for Small and Medium Enterprises for almost two decades. Besides, Dr Loc is a champion of creating favourable conditions for micro-enterprises and start-ups. Dr Vu Tien Loc has a PhD in Economics. He has chaired many research projects and lectured at several major universities in Vietnam and abroad.

Kurt WEE

Mr Kurt Wee has spent his career spanning the last 18 years in the investment and private equity industry. He is invested in medical and biotechnology fields of human stem cells, immunotherapy and gene therapy. He is also consulted by enterprises for turnarounds, recovery and corporate restructuring situations. Mr Wee is the President of the Association of Small and Medium Enterprises (ASME). He also serves in a number of committees in various government ministries, charity and academic institutions.

ZHANG Xuyao

Zhang Xuyao is a Research Fellow at the Asia Competitiveness Institute (ACI) at the Lee Kuan Yew School of Public Policy, National University of Singapore (NUS). Dr Zhang received his PhD in Economics from NUS in 2016 and obtained his Bachelor (Honors) degree in Applied Mathematics from NUS as well in 2012. During the PhD candidature, he worked as teaching assistant in conducting undergraduate tutorials, such as Microeconomics, Macroeconomics and Managerial Economics. His research focuses on Industrial Organizations, Applied Game Theory, and Public Economics. In particular, he is interested in technology transfers and anti-trust policies. He studies the optimal environmental taxation on the pollution problems in the presence of corruption. He also works on the beneficiary of research joint ventures with technology transfer. He also studies the Qualcomm's anti-trust case in China. At ACI, he is the coordinator for the Welfare Spending and Budget Sustainability project and Shandong Urban Composite Development Index project. He is also the co-coordinator for the project studying the impact of exchange rate on trade at provincial level of Mainland China. Dr Zhang is also working on the methodology of applying the concept of Shapley values to index ranking analysis. This method will subsequently serve as a robustness check to all the competitiveness ranking studies in ACI. Additional projects he is working on include the construction of the Special Economic Development Area index, the construction of Infrastructure index and the Independent Review and Efficiency Monitoring (IREM) of Real Time Outcome Monitoring System (ROMS) for the Government of Andhra Pradesh (GoAP), India.

THE HINDU

ANDHRA PRADESH

State signs MoU with LKY school

STAFF REPORTER

VIJAYAWADA, JULY 10, 2018 00:17 IST

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For cooperation in research, training to improve competitiveness

The State government on Monday entered into an MoU with the Singapore-based Lee Kuan Yew School of Public Policy (LKYSPP) for cooperation in research and training to improve competitiveness in administration. The MoU was signed by the LKYSPP Dean Professor Danny Quah and Special Chief Secretary and CCLA Anil Chandra Punetha in the presence of Chief Minister N. Chandrababu Naidu in Singapore.

Mr. Naidu said Singapore had turned crises into opportunities and grew from adverse conditions into a world economic power. He said **Andhra Pradesh** had similar features. It also faced problems associated with bifurcation four years ago and was navigating through all the initial obstacles. Singapore lent a helping hand when Andhra Pradesh had no capital. It helped us prepare a master plan for our capital in the initial days and we would be forever indebted to them, he said.

Opportunities

“We request cooperation from the LKY Institute in making Andhra Pradesh as one of the top three States by 2029 vision of the State government,” he said. The partnership would help in training the AP bureaucrats.

Explaining the opportunities in investing in Amaravati, he said the State government was attracting a lot of FDI and it was number one in the ease of doing business.

AP had a large traction in the automobile sector. Huge investments in food processing by companies like Mondelez International Inc., Pepsi, ITC were flowing. Tirupati had become hub for electronics and manufacturing. Foxconn too, had a large manufacturing facility. Our single desk bureau had been very effective in granting early clearance for industries. All investments were tracked real time and followed up efficiently by officials, he said.

Books released

Mr. Naidu released two books including 'Balanced, Sustainable and Competitiveness Enhancement (BSCE) Study for Vietnam: A Critical Evaluation with Development Potentials' by Minister Heng Swee Keat with Dr. Vu Tien Loc, Chairman and President, Vietnam Chamber of Commerce and Industry. The second book was "Productivity Tracking and Efficiency Monitoring of Singapore's Small and Medium Enterprises" by Professor Danny Quah, Dean, LKYSPP.

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<https://www.thehindu.com/news/national/andhra-pradesh/state-signs-mou-with-lky-institute/article24374433.ece>

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中小企业调查: 物流业整体生产力和效率最高

周文龙 报道
 chewb@leah.com.sg

一项中小企业调查显示, 本地物流业在人力和投资方面表现, 是整体生产力和效率最高的领域。生产力和效率最低行业, 则为精密工程。

这项调查是新加坡国立大学李光耀公共政策学院亚洲竞争力研究所, 针对中小企业推出全新“生产力与生产效率”指数 (Productivity Tracking and Efficiency Monitoring Index, 简称 PTEM 指数) 所得出的结果。

调查旨在了解中小企业的生产力和效率表现。初步调查涵盖本地的物流、交通工程、食品制造、零售、餐饮和精密工程等六个领域的中小企业, 并从四个指标, 即金融与商业统计、人力资源投资与生产、国际化、营销、品牌建设和与同行等, 比较各领域中中小企业表现。

根据初步调查, 物流业整体 PTEM 指数为 1.071, 在六个领域中获最高分。这是因为该行业的人力资源投资与生产表现突出, 这在全融与制造业统计指标也有优异表现, 排名第

二。不过, 物流业在企业治理、管理与执行方面排名倒数第二, 显示它在这方面还有待改进。

排在物流业之后的为交通工程业和食品制造业。整体 PTEM 指数分别为 0.786 和 0.451。调查还, 交通工程业在金融与制造业统计以及公司治理、管理与执行这两个指标, 分别排名第第一和第二。食品制造业优势是其公司治理国际化, 这方面得分排名第第一。

整体 PTEM 指数最低的是精密工程业, 仅得 -1.864, 说明它的生产力远低于一般企业来得低。这个行业在四个指标的分数都

后, 特别在国际化、营销、品牌建设和与革新这方面指标, 得分倒数第一。

亚洲竞争力研究所所长陈耀杰表示, 发起这项调查的动力来自其他和愿意先行首肯, 发现后者会定期为中小企业提供生产力检测, 让企业了解它们的相对优势与劣势。

“这让我意识到我们也有必要为本地中小企业做‘体检’, 并与行业专家一起合作, 提供企业如何提升优势, 降低各领域的常规化咨询费用。”

他强调, PTEM 指数排名不是是选谁比谁, 而分数比排名重要, 因为即便排名没有变化, 各领域的企业仍可努力改善不足之处, 提高分数表现。

陈企业也说: “作为研究所, 我们的强项并不是做生意, 所以我们不会叫人家怎么做生意, 只是利用我们的研究成果, 让企业知道它们有哪些问题, 要吃什么药, 并让劳动

力及发展局设计更切合中小企业需求的培训课程。”

该领域表现, 陈企业表示, 物流业整体生产力和效率最高, 是因为该行业本必须国际化方向发展, 在国际竞争压力下, 物流企业必须迅速转型和提升, 无形中提升了它的生产力和效率。

相比之下, 精密工程业由于缺乏国际化, 在国际化的营销、品牌建设和与同行的竞争, 往往不如其他行业, 其生产力和效率因而起尾。

PTEM 调查是亚洲竞争力研究所与标商局合作研究项目, 300 多家中小企业参与了初步调查。陈企业透露, 他计划将来将调查研究对象扩大到 2000 家中小企业, 甚至推广到印度、印度尼西亚、越南、台湾和泰国等中小企业的地区。本地中小企业利用这项调查平台, 与其他地区企业合作互补。



本地企业在印度拓展业务 日后可通过包机直飞安得拉邦

在印度拓展业务的本地企业, 日后可以通过包机直飞安得拉邦 (Andhra Pradesh)。

安得拉邦的航空港, 这是由印度贸易部长曼塔巴 (Chambala Naidu) 前次会非探讨合作项目之一。进展, 胜安航空公司 (SIRAJ) 将提供从新加坡直飞维杰亚瓦达 (Vijayawada) 的包机服务。达日前还在讨论包机直飞安得拉邦。

此外, 社会及家庭发展部长曼塔巴 (Chambala Naidu) 前次会非探讨合作项目之一。进展, 胜安航空公司 (SIRAJ) 将提供从新加坡直飞维杰亚瓦达 (Vijayawada) 的包机服务。达日前还在讨论包机直飞安得拉邦。

除了贸易项目, 两国也在教育方面合作, 双边设立的合资公司

安得拉邦捐50万元 李光耀公共政策学院基金会

另一方面, 李杜昨天也出席了由新加坡国立大学李光耀公共政策学院亚洲竞争力研究所、新加坡工研院 (SBF) 及新加坡制造业总会 (SMF) 联合举办的一项亚洲政策论坛, 并在他和安得拉邦亚洲竞争力研究所和安得拉邦政府签署了谅解备忘录, 安得拉邦也捐了50万元给研究所作为合作研究基金。

谈到选择亚洲竞争力研究所为合作对象, 李杜表示, 李光耀公共政策学院亚洲竞争力研究所是公共政策研究的主要学术中心。就学术而言, 政策制定者的许多政策构思都来自研究所, 而且研究所拥有完善制度, 不仅重视研究, 也重视实践。任何好点子, 如果没有成功落实, 它充其量也只是一个小点子罢了。



在工研院海外交流部副部长陈有明 (后排左二) 和安得拉邦首席部长曼塔巴 (Chambala Naidu) 的见证下, 新加坡国立大学李光耀公共政策学院亚洲竞争力研究所和安得拉邦政府, 昨天签署了谅解备忘录。后排左一和右一分别为亚洲竞争力研究所所长陈金博士和陈光美博士, 后排右二为安得拉邦政府执行部门首席秘书曼伊伊·古普塔。 (亚洲竞争力研究所提供)

李杜这次来新加坡, 不仅与曼塔巴 (Chambala Naidu) 会面, 也与印度发展部长曼塔巴 (Chambala Naidu) 会面。曼塔巴 (Chambala Naidu) 前次会非探讨合作项目之一。进展, 胜安航空公司 (SIRAJ) 将提供从新加坡直飞维杰亚瓦达 (Vijayawada) 的包机服务。达日前还在讨论包机直飞安得拉邦。

除了贸易项目, 两国也在教育方面合作, 双边设立的合资公司

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