

Enhancing Competitiveness of APEC SMEs

Speaker :

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Chief Executive of SPRING Singapore

Chair of APEC SME Working Group from 2009 to 2010

Importance of SMEs in APEC Economies

90% OF ALL
BUSINESSES IN THE
APEC REGION ARE SMES
99.4% (Singapore)



SMES EMPLOY **60%**
OF THE WORKFORCE
70% (Singapore)



CONTRIBUTING
30% OF EXPORTS
48%[^] (Singapore)

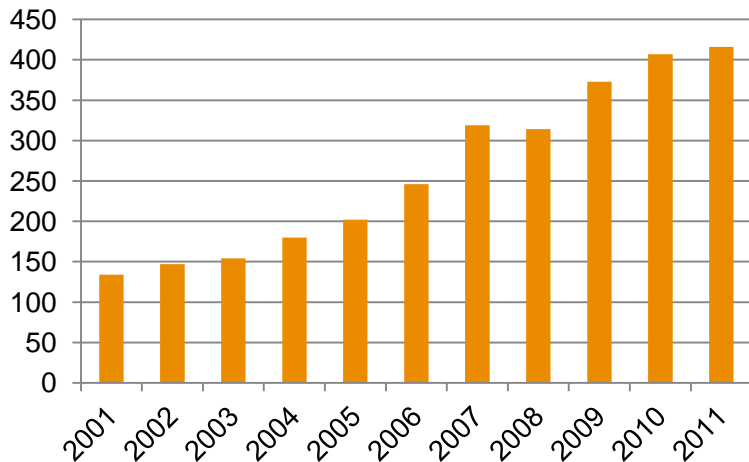
Source: APEC website and SPRING, 2010/2011 estimates

[^]Source: IE Singapore Internationalisation Survey 2011 (Overseas revenue contributes 48% of SMEs total revenue)

Significance of Trade for Singapore

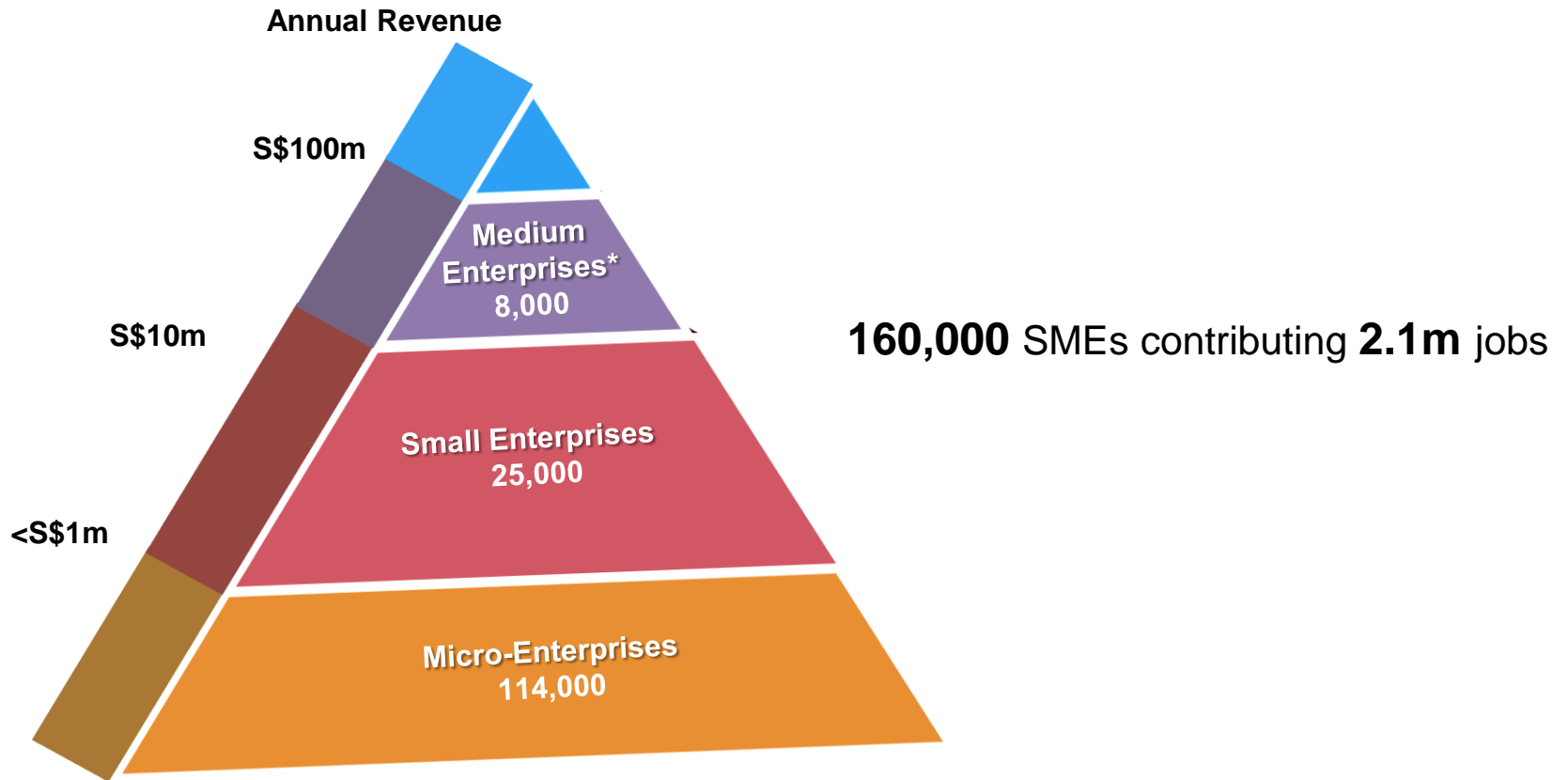
Direct Investment Abroad

S\$ billion



Source: Department of Statistics Singapore and IE Singapore

- Singapore's trade is nearly **3 times** its GDP (S\$346b) at **S\$985b** in 2012
- Trade has grown at a CAGR of 9% p.a. since 2002
- Singapore companies' investment overseas tripled in the last 10 years

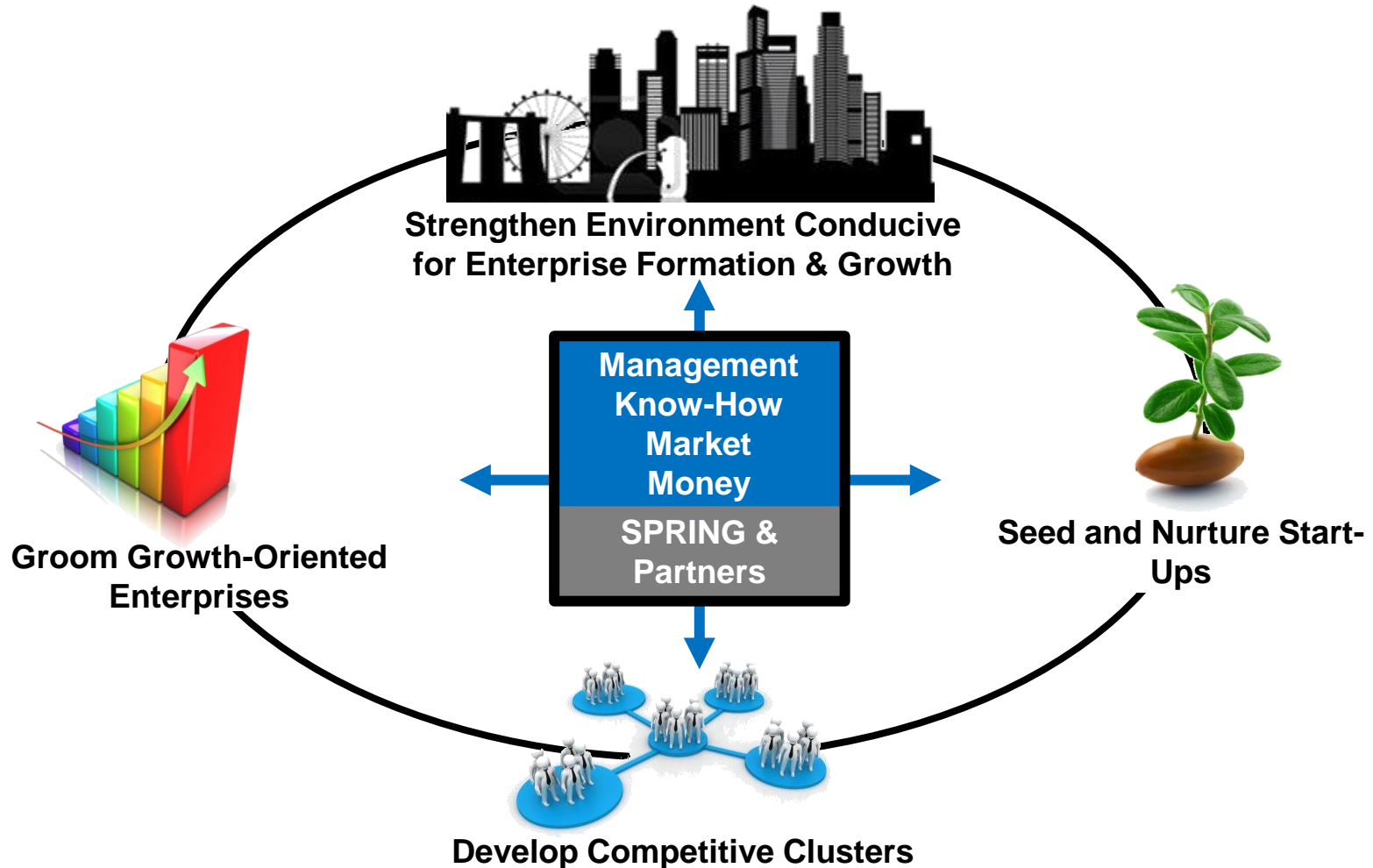


Source : Computed by SPRING with data from EDB and DOS

Includes manufacturing and services sectors only, excludes construction, mining, agriculture & fishing, utilities, etc.

Medium enterprises include SMEs with more than S\$100m sales but less than 200 workers

Singapore SME Development Strategies



Assistances to SMEs

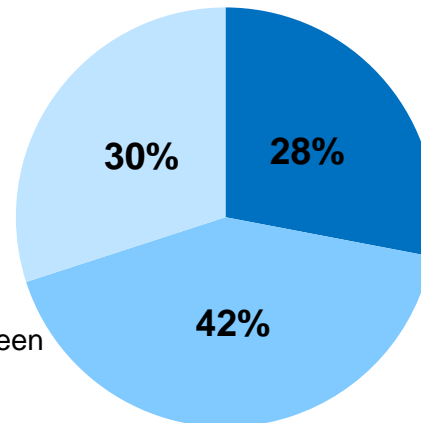
	2011	2012	Types of Upgrading	
No. of SMEs Supported for Upgrading Projects through grants	4,700	5,600		Productivity Improvements
No. of SMEs Assisted through Business Advisory and Outreach	112,400	117,300		Human Capital Development
				Technology Innovation
			Business Capability Enhancements	

In addition, more than 30,000 SMEs were supported through tax incentives to enhance productivity and innovation

72% of SMEs Supported for Upgrading Projects were Micro & Small SMEs

Micro SMEs
(annual revenues less than S\$1 mil)

Small SMEs
(annual revenues between S\$1 mil & S\$10 mil)



Medium SMEs
(annual revenues between S\$10mil & S\$100mil)

Through Loans

Government-backed loans accounted for 1.2% and 1.1% of Singapore's total commercial loans in 2011 and 2012 respectively

Source: Monetary Authority of Singapore

Government-Backed Loans

Bridging Loan Programme (BLP)

Recessionary measure (2009 – 2011) to provide working capital loans in times of crisis

Microloan Programme (MLP)

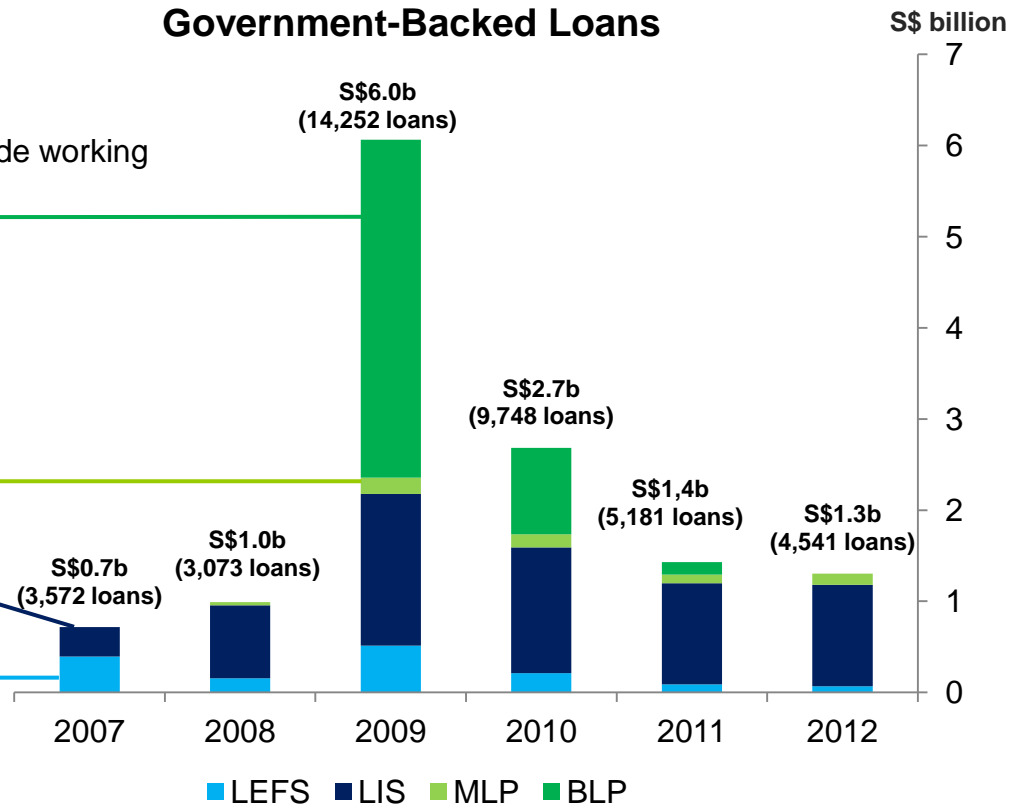
Working capital loans for micro enterprises

Loan Insurance Scheme (LIS)

For working capital and trade financing

Local Enterprise Finance Scheme (LEFS)

For purchase of equipment and assets



Through Partners

Enterprise Development Centres (EDCs)

- Services include:
 - 1-to-1 **Business Advisory**
 - Workshops** on productivity
 - Outreach** and education sessions for SMEs on Government Schemes



Trade Associations and Chambers (TACs) Local Enterprise & Association Development Programme

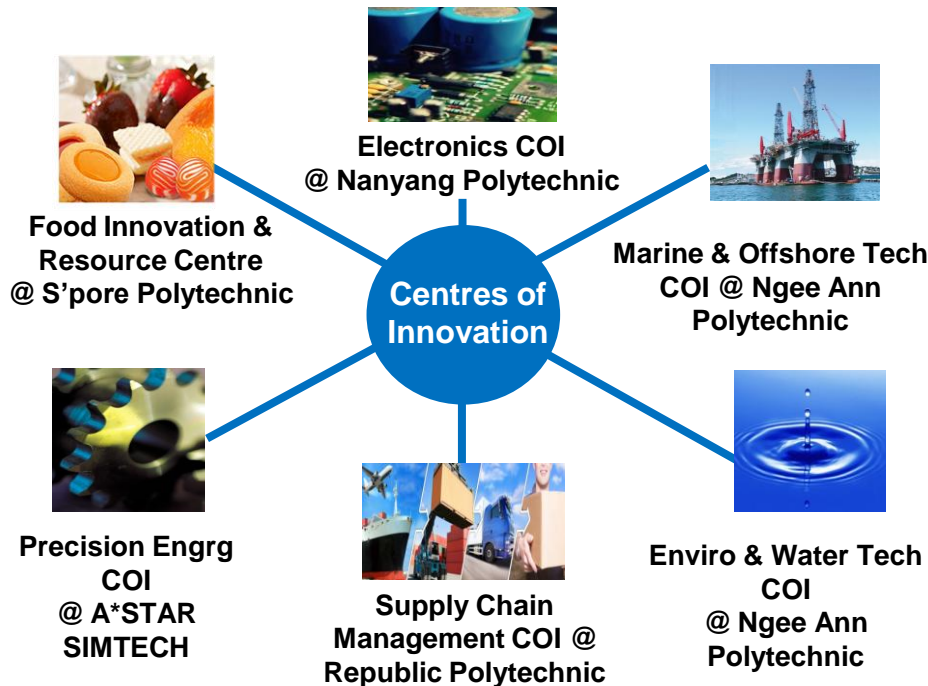
- Supports industry-led initiatives that enhance industry and enterprise competitiveness
- 43** projects by 28 TACs to date



Through Infrastructure

Centres of Innovation (COIs)

One-stop centres offering technology consultancy and advice



Productivity Centres

One-stop centres offering productivity consultancy and advice

- Set up **Food Automation Unit** in the Food Innovation & Resource Centre (FIRC)
- Supported the set up of the **Singapore Innovation & Productivity Institute (SiPi)** by the Singapore Manufacturing Federation (SMF)

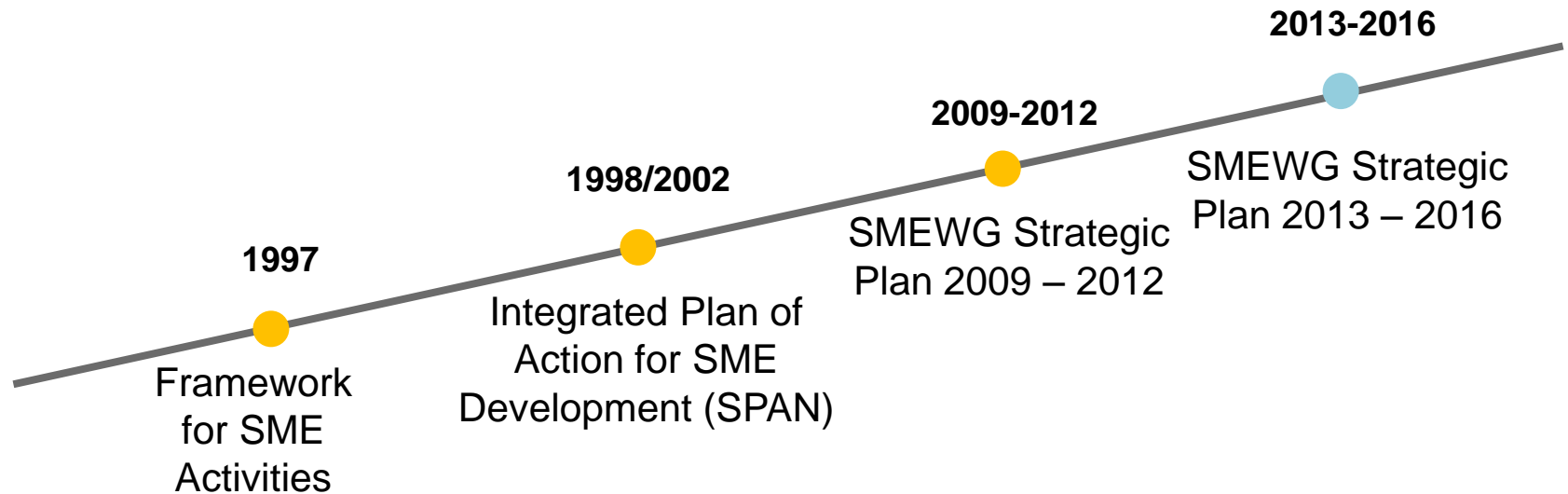


Food Automation Unit at FIRC



Background of APEC SMEWG

- Established in 1995
- Guided by the following to promote SME development and enhance effectiveness of APEC work



SMEWG Strategic Plan Priority Areas (2009 – 2012)

Six Priority Areas

1. Business Environment



Malaysia, Mexico

2. Build Management Capability and Promoting Entrepreneurship



Chinese Taipei, Thailand

3. Market Access and Internationalisation



Singapore, China

4. Foster Innovation



Korea, Peru, USA

5. Access to Financing



Indonesia, Japan

6. Raise Awareness of Sustainable Business Practices

SMEWG Chair:

2009-2010 (Singapore), 2011-2012 (Chinese Taipei), 2013-2014 (Thailand)

Projects Spearheaded by Singapore

- Led priority area on Market Access and Internationalisation

Study on APEC SME Internationalisation Best Practices – 2010 to 2011

Study on APEC Export Technical Assistance Model (Singapore) – 2010

APEC Business Fellowship (Singapore) – 2010

Current Chair of SMEWG (2013 – 2014): Thailand

- Drive SMEWG Strategic Plan 2013 – 2016

SMEWG Strategic Plan (2013 – 2016) Priority Areas

1. Build Management Capability, Entrepreneurship and Innovation

2. Business Environment, Market Access and Internationalisation

3. Access to Financing

Internationalisation & Market Access

- Businesses and supply chain more globalised
- Economies more inter-connected
- Aided by improved transportation and communication infrastructure and FTAs
- Presents significant opportunities for SMEs
- But SMEs have limited reach and resources to do so
- SMEs would need more assistance



Governments and the private sector can play a bigger role in facilitating the internationalisation of APEC's SMEs

Some Ideas

- SMEWG must continue to **promote policy best practices** amongst APEC economies
- Consider developing a **common benchmarking tool** to measure effectiveness of SME policies and performance of SMEs in each economy. Such information would enable policy-makers to fine-tune policies to address SMEs' needs.
 - Possible partners: Universities, Leading Research Institutions such as **Asia Competitiveness Institute (ACI)**
- SMEWG should encourage economies to organise **networking and business matching** activities for SMEs from various economies to facilitate market access and foster partnerships amongst SMEs.
- SMEWG could support initiatives to train SMEs and their executives on **market knowledge and doing business in specific markets**
 - Similar to the **International Business Fellowship** programme (conducted by International Enterprise Singapore) and the **APEC Business Fellowship** programme (conducted by Singapore in 2010)

Question & Answer