

SPEECH BY SECOND MINISTER FOR TRADE AND INDUSTRY DR TAN SEE LENG AT MINISTRY OF TRADE AND INDUSTRY'S COMMITTEE OF SUPPLY DEBATE 2023 ON 28 FEBRUARY 2023

“Supporting a Thriving Enterprise Landscape”

Mr Speaker Sir,

Introduction

1. Last year, I announced the Enterprise 2030 strategy, to build and sustain a vibrant ecosystem of Singapore enterprises that are future-ready and able to compete globally.
 - a. Minister Gan shared our plans to groom the most promising local enterprises into Singapore Global Enterprises.
 - b. I will elaborate on how we are helping these and other local enterprises to thrive.
 - c. We will do so by supporting firms to maximise their human capital and develop innovation capabilities.

Maximising Human Capital

2. First, maximising human capital.
3. Singapore has consistently invested in our human capital, through upskilling our workforce and remaining open to world-class talent.
4. This strategy has paid off well, it has allowed us to grow a vibrant business and trading hub, with competitive Singaporean enterprises and good jobs for Singaporeans. Look at the data over the last 10 years.
 - a. From 2012 to 2022, real resident median income grew by 2.6 per cent per annum. This translates into a cumulative growth of almost 30 per cent over 10 years. This is real income growth, with the effect of inflation already accounted for.
 - b. Real resident household incomes have also risen across the same period.

- c. Benchmarked against OECD countries, our resident employment rate is among the highest, while our resident unemployment rate has remained among the lowest.
5. These are results that we celebrate. These have arisen because of the policies which we have put in place over the years. By investing in ourselves and our people, while remaining open to global talent and global businesses, we have grown the pie and created good outcomes for Singaporeans.
6. Ms Jessica Tan and Mr Shawn Huang asked about the tight labour market and what businesses can do to adjust to manpower challenges. I would like to reassure them that we have a suite of policies in place to support businesses.
7. Let me give an update on four of these policies today. These are targeted at various levels of talent within our enterprises, all the way from the intern to the CEO.
8. First, the Enterprise Leadership for Transformation (ELT) programme. ELT is targeted at the senior leadership of our promising SMEs – the owners, founders or successors, and key members of their management.
 - a. ELT supports these business leaders to achieve the next bound of growth, by helping them develop their business strategies and leadership capabilities.
 - b. The ELT was first announced at COS 2020 as a three-year pilot. Since its launch in Oct 2020, more than 400 business leaders from 300 companies have been onboarded.
 - c. One such example is 1-Group, a homegrown lifestyle, F&B, and hospitality group with over 30 brands under its portfolio. Through the ELT programme, the company sharpened its Southeast Asia internationalisation strategy. Leveraging new contacts made from an ELT market immersion trip to Vietnam, 1-Group has successfully partnered an in-market hospitality solutions company to expand into Vietnam.
 - d. To support more firms like 1-Group, I am happy to announce that the ELT programme will be extended till FY2025. This will allow more SME business leaders to benefit from the programme.
9. Second, the Tech@SG pilot.
 - a. Launched in 2020, the Tech@SG pilot is targeted to support high-growth tech startups as part of their expansion in or foray into Singapore.

- b. Under Tech@SG, they can secure up to 10 new Employment Passes (EP) for their core team members.
- c. The Tech@SG scheme has served Singapore well. In the past three years since launch, over 100 companies have come onboard. These companies span across 13 different countries, and across domains such as FinTech, E-commerce and Cybersecurity.
- d. Together, these Tech@SG companies have created more than 1,500 local jobs.
- e. This, is in spite of the COVID-19 pandemic. This is a testament to Singapore's continued attractiveness to global talent.
 - i. SpeQtral is a local startup founded in 2018 that has benefited from Tech@SG. It is a spin-off from the Centre for Quantum Technologies at NUS. SpeQtral specialises in Quantum Key Distribution.
 - ii. This is a nascent technology that enables users to establish secure communications networks with an additional quantum-secured encryption layer.
 - iii. SpeQtral came onboard as a Tech@SG firm in December 2021 and has since tapped on the programme to bring in external experts in this nascent field. At the same time, it has also hired locally to expand its footprint here in Singapore.
- f. With the positive results from Tech@SG, I am happy to announce the mainstreaming of the Tech@SG pilot. There will be no change to the qualifying criteria to ensure selectivity. Schemes like Tech@SG must be complemented by training of local talent, which we will continue to support through schemes like the TechSkills Accelerator (TeSA) programme operated by IMDA. In time, locals will be able to take on these technology jobs.

10. Third, the Singapore Global Executive Programme (SGEP).

- a. This scheme is targeted at fresh and recent local graduates. This programme will support such young local talent to pursue structured career progression pathways in high-growth companies, including rotations to core functions and global attachments.
- b. I had announced this at COS last year. I am glad to share that the programme was launched last December.

11. Fourth, the Global Ready Talent Programme, or GRT.
 - a. Launched in 2019, the GRT programme aims to build a talent pipeline to support Singapore enterprises with their overseas expansion. It does so by co-funding local young talent to take on both local and overseas internships.
 - b. To date, the programme has supported over 19,000 internships in over 2,500 local companies, despite the disruptions brought about by COVID-19.
 - c. Now that countries across the world have reopened their borders, EnterpriseSG is further curating the GRT to ensure it remains relevant and nimble in the post-COVID new normal.
12. In summary, the four schemes I described – the ELT, Tech@SG, SGEP and GRT – all these schemes will allow our enterprises to maximise their human potential and human capital at all levels – from the intern to the CEO.
13. These enterprise-specific schemes complement the broader manpower schemes which we have in place - for example, ONE Pass and COMPASS – and which I will give an update on in my MOM COS speech tomorrow.
14. My hope is that this suite of policies which MTI and MOM have worked closely together on will help us to unlock the human capital that Singapore requires for our next phase of growth.
15. To realise our Singapore Economy 2030 vision:
 - a. We need to continue to invest in our collective human capital.
 - b. We must be willing to learn, to imbibe from the best, by remaining open to global talent.
 - c. And we need to push boundaries and not be afraid to take risks.

Developing Innovation Capabilities in our Locally-Based Enterprises

16. This brings me to my second point on innovation. Ms Janet Ang and Mr Shawn Huang have asked about MTI's efforts in developing innovation capabilities in our enterprises.

17. In Research, Innovation and Enterprise (RIE) 2025, we are striving towards expanding the base of innovative enterprises, and enabling the creation of globally competitive products and services out of Singapore.
18. This involves three pivotal moves:
 - a. First, we are working with enterprises to strengthen their capability and capacity for market-oriented innovation;
 - b. Second, we are scaling up and strengthening Innovation and Enterprise (I&E) platforms to enable enterprises to better tap on our public research institutions and other innovation ecosystem players;
 - c. Third, we are forging strong connections to major innovation hubs and key demand markets.
19. We have been making steady progress.
20. As Members have heard from DPM Wong in his Budget speech, under the Enterprise Innovation Scheme (EIS), tax deductions will be enhanced to support businesses to engage in R&D and innovation-related activities.
 - a. In particular, innovation conducted through our polytechnics and the Institute of Technical Education (ITE) will now benefit from tax deductions.
 - b. The same will also apply for innovation conducted through our existing Centres of Innovation (COIs) set up in partnership with selected polytechnics and A*STAR's SIMTech.
 - c. Previously, some of these innovation activities may not have qualified for tax deductions for R&D.
 - d. This new provision will encourage our businesses, especially SMEs, to kickstart their innovation journey by tapping on the technical know-how and capabilities within these partner institutions.
 - e. Hence, I look forward to even more translational outcomes from such private-public collaborations.
21. Beyond financial support, many companies are also looking for advice and strategic direction to guide their investments in innovation.

22. While big companies can set up distinguished Boards comprising leading industrialists and luminaries to provide such direction, many SMEs do not have such luxury.
23. This is why we launched the Innovation Advisors Programme, or IAP, four years ago in 2019, and have been refining it consistently.
 - a. This programme supports companies in partnering industry veterans, to develop and to bring to market differentiated product offerings.
 - b. This programme is run by IPI, which is a subsidiary of EnterpriseSG.
 - c. I am happy to report that to date, IPI has onboarded 31 advisors and facilitated 88 projects under this programme.
 - d. ProfilePrint is a local agrifood tech enterprise that has benefited. ProfilePrint engaged the assistance of Innovation Advisor, Mr Phey Teck Moh, a seasoned mentor and angel investor, to help review their business model and go-to-market plans.
 - e. With Mr Phey's help, the company closed its Series A1 funding round in August last year and added Cargill, one of the world's leading global food suppliers, to its panel of strategic shareholders.
24. Beyond these enterprise-centric programmes, we also have broader programmes to develop the innovation and enterprise ecosystem.
25. Last October, I was happy to launch the Technology for Enterprise Capability Upgrading or T-Up Eagles Award.
 - a. This recognises our students' achievements and their contributions to our SMEs during their work attachments under the T-Up Integrated Work Study Programme (IWSP).
 - b. Under this IWSP, seconded A*STAR researchers work closely with students from the Singapore Institute of Technology (SIT) attached to the same SME.
 - c. Since the programme's launch about two years ago, 24 SIT students have benefitted from this mentorship.
 - d. I hope this will address Prof Hoon Hian Teck's questions about how we are developing young talent.

26. For mid-career professionals, we have the Innovation & Enterprise Fellowship Programme, or IFP.
- a. Launched in 2020, the IFP is a 12 to 18-month training programme administered by SGInnovate and is aimed at developing local talent, or Fellows.
 - b. Mid-career professionals, including Researchers, Scientists and Engineers (RSEs), who are selected as Fellows will be trained to become “ambidextrous” – or familiar with both the technology and business aspects – in areas such as cybersecurity, robotics, and biomedical sciences.
 - c. IFP has achieved positive results in the past three years. More than 90 Fellows from academia and industry have been onboarded to the IFP, with many of them joining deep-tech startups and taking up technology commercialisation roles upon graduation from the IFP.
 - d. Dr Yvonne Koh, who holds a PhD in Microbiology, is one of the Fellows who benefited from this programme. Under the IFP, Dr Koh joined Lightstone Singapore, a venture capital firm that invests in life sciences technologies and companies.
 - e. The experience provided her with exposure to a global venture investment team.
 - f. After Dr Koh graduated from the IFP in November 2021, Lightstone Singapore offered her a position as an investment professional, where she continues to source and assess global investment opportunities, and also support new company creation in Singapore.
27. Following this successful pilot, and to support more Fellows like Dr Koh, I am happy to announce enhancements to the IFP.
- a. We are expanding the programme to include three public sector partners – namely, the National Additive Manufacturing Innovation Cluster (NAMIC), the Experimental Drug Development Centre (EDDC) and the Diagnostics Development Hub (DxD Hub). This means an increased capacity to take on and benefit more local talent.
28. These are significant moves that underscore our commitment to support firms in innovation.

Navigating the energy transition for a more sustainable future

29. Let me now turn to energy.
30. Last year, I explained the various emergency measures we took to manage the energy crisis. These measures have stabilised the electricity markets for now, but this is unlikely to be the last energy crunch that we will see, as the world embarks on its energy transition.
31. Mr Saktiandi Supaat, Ms Mariam Jaafar and Ms Jessica Tan asked how Singapore would safeguard our energy security with increased volatility in global energy markets, and advance our energy transition at the same time. MTI is adopting three key strategies to support the critical transformation needed:
- a. First, developing new energy supply sources to diversify and decarbonise our energy supply;
 - b. Second, strengthening our energy market structure so as to ensure that the market continues to function well under volatile conditions; and
 - c. Third, building strong international collaborations to secure our energy supply and energy technologies.

Developing new energy supply sources

32. Currently, Singapore relies on natural gas for about 95 per cent of our power generation. We will improve the energy efficiency of new and repowered natural gas power generation units through new emission standards. This will be introduced later this year. However, further abatement and diversification of our energy supply will need to be achieved through tapping on renewable energy both within Singapore and beyond our shores, and through the use of new low-carbon alternatives.
33. First, Singapore is tapping on regional power grids to access cleaner energy sources from abroad. Singapore plans to import up to 4 GW of low-carbon electricity by 2035. This will constitute around 30 per cent of Singapore's electricity supply then.
- a. To date, EMA has received more than 20 proposals under its Request for Proposal, or RFP, to import electricity to Singapore. EMA remains on track to meet our imports target.
 - i. Over the last two weeks, several companies have submitted their final proposals for large scale electricity imports from various countries.

- ii. Projects which received support from the source countries and meet our requirements will receive EMA's conditional approval.
 - iii. We expect to grant the first conditional approval soon.
 - b. To prepare for the large-scale imports, EMA is also conducting small-scale trials. Such projects will help us learn, build confidence, and pave the way for our larger scale electricity import projects.
 - i. These include the Lao PDR - Thailand - Malaysia- Singapore Power Integration Project, which commenced on 23 June last year.
 - ii. In addition, YTL Power Seraya and Tenaga Nasional Berhad Pasir Gudang Energy intend to export 100 megawatt of electricity from Malaysia to Singapore. Last month, I witnessed their exchange of agreement ceremony with Malaysia's Minister of International Trade and Industry. We hope to see this project commence this year.
34. Second, MTI launched Singapore's National Hydrogen Strategy which sets out plans to develop hydrogen as a major decarbonisation pathway for our power and industry sectors, to support Singapore's commitment to achieve net-zero by 2050. Like LNG, hydrogen can be imported from various sources around the world, which enhances our energy security and resilience. It is also a potential alternative to fossil fuels in the maritime and aviation sectors.
- a. A key prong of our strategy is to experiment with the use of advanced hydrogen technologies on the cusp of commercial readiness. EMA and MPA have launched an expression of interest for utilising ammonia for power generation and to support maritime bunkering needs. Since then, we have received strong interest from industry players as well as international partners.
35. Third, we are accelerating, as we speak, solar deployment. And, we are deploying energy storage systems to store and dispense intermittent solar power at different times to maintain grid reliability. As of end 2022, we have deployed 800MW peak compared to around 500MW peak in 2021. As of the first half of last year, Singapore is already one of the most solar dense cities in the world. Members of the House, we are on track to achieving our solar panel deployment target of at least 2GW peak by 2030.
- a. Earlier this month, I officially launched a 285-megawatt hour (MWh) energy storage system on Jurong Island, which can meet the electricity needs of around 24,000 4-room HDB households for one day, in a single discharge.

36. Lastly, we are also exploring if other forms of low-carbon energy supply such as nuclear and geothermal are suitable for Singapore.
37. Mr Abdul Samad asked what job opportunities will arise from new energy solutions and what we are doing to prepare our workforce for these jobs.
- a. New energy solutions such as solar, energy storage systems and smart grids, will create more skilled jobs for our workforce, including Power System Integration Engineers, and Energy Storage System software developers.
 - b. As Ms Poh Li San has rightfully pointed out, Singapore should invest more in talent development for our energy transition. EMA is working closely with government agencies, institutes of higher learning, training providers and the Union of Power and Gas Employees (UPAGE) to develop and deepen core skills required by workers for the more imminent energy transition areas like solar energy and energy storage systems. The new Green Skills Committee that Minister Gan mentioned will identify and develop more programmes for newer forms of energy technology like hydrogen and carbon capture as they become ready. Speaking in both my capacities as Second Minister for MTI and Manpower Minister, we are aligned, and I urge all of our workers to join these programmes to reskill and upskill in clean energy areas.
38. I would also like to join and echo Mr Samad in extending our acknowledgement and appreciation to our workers in the power and gas industries, who worked hard to ensure that we had uninterrupted gas and electricity supply during the COVID-19 pandemic. Mr Samad suggested a one-time reward for power and gas workers. During the pandemic, many of our essential workers stepped forward to play their part. Our healthcare workers, in particular, served at the frontline against COVID-19. The COVID-19 Healthcare Award announced in November 2021 was in recognition of our healthcare workers' contributions and dedication during the pandemic. I would encourage employers in the power and gas industries to consider the contributions of their workers and to recognise and reward their workers.

Strengthening our Energy Market Structure

39. The global energy market will be turbulent in the coming years because of geopolitics and climate action. But, based on what we have learnt from the recent energy crisis, we will update our regulatory approach to strengthen the foundations of our energy market.
40. First, to ensure that there is sufficient power generation capacity to serve demand, the government will call for competitive tenders for new generation capacity and

we will build the required new capacity if there is insufficient interest from private generation companies.

41. Second, EMA had put in place the Standby Fuel Facility during the recent energy crisis. We will institutionalise this as a permanent feature. I hope that this will address Ms Poh Li San and Mr Lim Wee Kiak's query if Singapore has a fallback plan should there be disruptions to our energy supplies. We are also exploring ways to centrally aggregate gas procurement to obtain more secure and longer-term contracts.
42. Lastly, EMA intends to enhance the regulatory requirements on electricity retailers to strengthen consumer protection and the retailers' ability to withstand market volatility. EMA is now seeking feedback on the proposed enhancements and plans to announce the final changes later in the year.

Building Strong International Collaborations and Partnerships

43. The energy transition is challenging, given the increased volatility in global energy markets. No one country can do it alone, and we need to work together to advance our collective interests.
44. Singapore has partnered with like-minded countries to support one another in our decarbonisation efforts. Last year, we signed Memoranda of Understanding (MOUs) on energy cooperation with Indonesia, Brunei, Cambodia, Lao PDR, and Viet Nam. We have also signed Memoranda of Cooperation with Japan, and a Green Economy Agreement with Australia.
 - a. These G2G partnerships have helped to facilitate commercial collaborations, which demonstrate the interest and viability of renewable energy co-development projects for cross-border electricity trade.
 - b. Such projects are beneficial for our region. Not only will they help to unlock the region's renewable energy potential, which can serve the domestic demand of source countries, they can also catalyse economic growth, by stimulating clean energy investment flows and generating new green jobs in source countries.
45. To boost the viability of clean energy trade projects, Singapore is also partnering the US on a Feasibility Study on Regional Energy Connectivity. This is part of the US's Net Zero World Initiative. The US will collaborate with Singapore and Southeast Asian partners to explain the benefits of greater connectivity, as well as assess the technical, legal, and commercial steps that we need to take to realise ASEAN's vision of a regional power grid network.

46. We should not forget the role that international organisations also play. They shape our understanding of the dynamism in global energy markets and help us to seize opportunities in the energy transition. Last year, we announced that Singapore and the International Energy Agency, or IEA, are exploring the possibility of establishing a regional cooperation centre here in Singapore. This will help broaden the IEA's outreach to the Asia-Pacific and accelerate the region's low-carbon energy transitions.
47. Singapore also has strong partnerships with the International Renewable Energy Agency, or IRENA. We will continue to strengthen and broaden our relationship with them.
48. The global energy transition is a challenging but critical undertaking that the world will need to manage the existential climate crisis. MTI will work closely with all of our industry stakeholders and our international partners to enhance our energy resilience in a low-carbon world.
49. Ms Janet Ang asked how we will help business through this transition. I have shared at length how we are transforming the way we produce electricity and energy. But managing demand is also key to achieving a more sustainable future. There are multiple schemes such as the Energy Efficiency Fund and Energy Efficiency Grant, which will help our businesses to become more energy efficient. Business and individuals will have to play their part to use more energy efficient equipment and conserve energy in their daily lives.

Conclusion

50. Sir, let me conclude with a few words in Mandarin.
51. 正所谓“穷则变，变则通，通则久”。新加坡缺乏天然资源，我们能今天的繁荣离不开我们善于变通，在逆境中寻找机遇的精神。我们要立足当下，放眼未来，才能确保我们继续在这个瞬息万变的世界保留新加坡的一席之地。
52. We must constantly keep an eye on the future and think and reinvent for the long-term about how we can grow sustainably.
53. Together, with all of your support, we will continue to build a better, more resilient and an even more vibrant Singapore.