

**ADDRESS BY MR DOUGLAS FOO,  
PRESIDENT, SINGAPORE MANUFACTURING FEDERATION  
AT WORLD OPPORTUNITIES FORUM  
BY SUN MEDIA PTE LTD  
FULLERTON HOTEL SINGAPORE ON 22<sup>ND</sup> MAY, 2019**

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Your Excellencies;

Esteemed Ambassadors and High Commissioners,

Distinguished Speakers,

Ms Nomita Dhar, Managing Director and Editor-in-Chief of Sun Media Pte  
Ltd,

Distinguished Guests;

Ladies and gentlemen,

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1. A very good morning. I am indeed honoured to be here today at the World Opportunities Forum organised by Sun Media Pte Ltd. On behalf of everybody here and the Singapore Manufacturing Federation, I would also like to congratulate and wish Sun Media a joyous 20<sup>th</sup> Anniversary! May you continue the journey of success and look forward to many more good years ahead!

## **Singapore as a Hub for World Opportunities**

2. My topic today is on Singapore as a Hub for World Opportunities. What then is a hub? Dictionary defines a hub as “the central or main part of something, where there is most activity<sup>1</sup>”. This year, Singapore celebrates its bicentennial founding in 1819, when Sir Stamford Raffles established Singapore as a British trading port. Since then, Singapore has been a central location for trading, attracting traders from the East to the West. Strategically located at the tip of the Malayan Peninsula, Singapore has been running a busy sea port and airport, connecting to all corners of the world. Today, Singapore continues to enjoy being a leading global transportation hub. Singapore’s port is the second busiest in the world, connecting more than 123 countries and 600 ports<sup>2</sup>. In addition, our Singapore Changi airport serves more than 100 airlines flying to some 400 cities worldwide<sup>3</sup>. Singapore’s trading climate has also been robust. In 2018, Singapore’s total merchandise trade reached S\$1,055.9 billion, an increase of 9.2 percent from 2017<sup>4</sup>.

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<sup>1</sup> <https://dictionary.cambridge.org/dictionary/english/hub>

<sup>2</sup> <https://arcb.com/blog/10-busiest-seaports-in-the-world>

<sup>3</sup> <http://www.changiairport.com/corporate/our-expertise/air-hub/traffic-statistics.html>

<sup>4</sup> <https://www.singstat.gov.sg/modules/infographics/singapore-international-trade>

3. To promote stronger economic ties, Singapore has been entering into bilateral investment treaties (BITs) with other countries since the mid-1970s. Although many of these earlier treaties have now been superseded by more complicated and sophisticated trade agreements such as double taxation agreements and other bilateral mechanisms, BITs remain important for Singapore and its smaller trading partners, and particularly so for investors from emerging nations with tax laws and regulatory frameworks in its infancy stages.
  
4. To encourage trading with overseas counterparts, Singapore has also signed free trade agreements or FTAs with other nations. To date, Singapore has entered into 23 bilateral FTAs with 31 trading partners<sup>5</sup>. The most recent FTA that enters into force, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), is purportedly one of the world's largest free trade agreement which covers 14% of the global economy. As we speak, there are still some FTAs which are concluded and signed and awaiting roll-outs, as well as some which are still undergoing negotiation. This includes the European Union-Singapore Free Trade Agreement (EUSFTA), which will provide Singapore greater access to the EU markets.

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<sup>5</sup> <https://www.edb.gov.sg/en/why-singapore/discover-the-singapore-difference.html>

5. Through the EUSFTA, Singapore and EU companies, in particular our small and medium-sized enterprises, can look forward to significant benefits from the reduction of tariff and non-tariff barriers to trade, improve market access for trade in services, and open up more government procurement opportunities for businesses.
  
6. The EUSFTA also signals the EU's commitment to step into the ASEAN market. Under a concept within the EUSFTA known as "ASEAN cumulation", components or parts that are sourced by Singapore businesses from other ASEAN Member States, will be considered as "made in Singapore". This will thus cement Singapore as the centre of this trade activity and be a pathfinder for the EU's FTAs with other ASEAN Member States.
  
7. These BITs and FTAs allow for reciprocal trading and other benefits between parties and smoothen the sometimes bureaucratic processes for companies and businesses to enter into each other's markets, allowing for businesses to channel their focus on their business and not on administrative or other ancillary matters.

8. Singapore is also one of the top global financial centres in the world<sup>6</sup>. As a major financial hub, Singapore is well positioned to support the Belt and Road Initiative (BRI), which was introduced by China President Xi Jinping in 2013, with the aim of connecting about 80 countries across three continents to China. In September 2017, Singapore and China had reaffirmed their collaboration to the BRI – infrastructural connectivity, financial connectivity and third-country collaboration<sup>7</sup>. With regards to financial connectivity, research statistics in 2018 showed that 33 per cent of all outward investments related to the BRI flows through Singapore, while 85 per cent of inbound investments for the initiative makes its way into China through Singapore<sup>8</sup>.
  
9. The Singapore government has also established high level country to country business councils, with participation from private sector business leaders. Such unique establishments allow for the business community to exchange views with their respective counterparts in other countries and to be supported by their respective governments whose leaders may not be as well accustomed to commercial realities on the ground as compared to the businessmen themselves.

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<sup>6</sup> <https://www.insurancebusinessmag.com/asia/news/breaking-news/singapore-and-hong-kong-remain-among-top-global-financial-centres-111368.aspx>

<sup>7</sup> <https://ie.enterprisesg.gov.sg/venture-overseas/browse-by-market/asia-pacific/china/about-obor>

<sup>8</sup> <https://www.straitstimes.com/world/europe/china-can-show-the-world-the-kind-of-power-it-wants-to-be-through-belt-and-road>

10. I myself am honoured to be one of the three Singapore Representatives on the ASEAN Business Advisory Council. The ASEAN BAC with the support from our respective governments have rolled out and implemented many initiatives to help to forge partnership among the enterprises in the ten countries of ASEAN for collaborations that will promote economic growth in ASEAN.
11. Such collaboration also allows for the more efficient formulation of strategies, promote business cooperation and remove impediments to doing business globally. Thus far, business councils have been set up in numerous countries including India, Russia, Thailand, Malaysia and Indonesia and China and within China alone, Singapore has set up at least 7 Business Councils with various provinces in China.

### **SMF's Efforts to Connect to the World**

12. What role then can a trade association like the Singapore Manufacturing Federation (or SMF) play to attract world opportunities to Singapore Businesses?
13. The SMF, established in 1932 over 87 years ago is a leading federation representing Singapore's manufacturing sector. The manufacturing sector in Singapore is one of the main contributors to Singapore's GDP accounting for about 20% and is expected to continue to be a significant driver of Singapore's economy. The SMF has a membership of over 3,000 members consisting the world's Fortune 500 companies, multinational corporations, SMEs and leading local companies in a wide

and diversified range of industries, including oil and gas, automation, life sciences, medical, metal, machinery and engineering, F&B and others representing the entire spectrum of Singapore's manufacturing sector.

14. The SMF strongly believes in collaboration. Collaboration with and amongst its members. Collaboration with government agencies in Singapore. Collaboration with trade associations and government agencies from other countries.
15. Over the years, the SMF has been helping Singapore's small and medium enterprises (SMEs) to grow and expand their businesses through trade and collaboration and guiding the SMEs to embrace digitalization and technologies to grow their businesses. Our multi-faceted initiatives and programmes on this front include the following:
  16. First, consistent outreach to forge alliances with overseas trade associations & chambers (TACs) so as to facilitate the collaboration of Singapore businesses with overseas organisations in production and business ventures. To date, the SMF has inked more than 120 memoranda of understanding (MOUs) with strategic TACs in more than 100 countries worldwide.
  17. Second, business missions and international trade exhibitions. Through encouraging and leading delegations for such activities, the SMF has been helping a wide spectrum of industries venture overseas in search of opportunities for investments, strategic alliances and partnerships.

During the last fiscal year, the SMF facilitated the participation of 600 enterprises in 41 trade exhibitions. Exhibiting companies secured total sales of over S\$222.3 million for the financial year.

18. Third, B2B, or, business to business matching. The SMF provides this platform and the opportunity for Singapore's business community to meet with one another, as well as with visiting foreign businesses in finding the right business partners and customers for their businesses.
19. Fourth, we have targeted initiatives to help the Singapore companies to grow and expand. For companies in our Food and Beverage Industry Group for example, we have a Working in Partnership (WIP) program to enable Singapore F and B companies to be connected to potential trade buyers world-wide through digitalisation and e-commerce. I am happy to inform that SMF will be rolling out a mobile app shopping cart to facilitate trade buyers to source from Singapore F and B companies through one point consolidation.
20. Fifth, Enterprise Europe Network (EEN) Singapore, a platform which aims to specially facilitate the matching and partnering of Singapore SMEs with EU SMEs in joint business and technology collaboration for ASEAN or EU markets or third countries or third Regions. As mentioned earlier about the EUSFTA, our EEN platform has started initialising B2B matching between local and European Union entities in preparation for the FTA. To date, over 1,000 local companies has signed on with EEN Singapore.

21. Sixth, Nest@SMF, is an initiative that aims to create an ecosystem to enable Singapore and foreign start-ups to collaborate. The objective of NEST@SMF is to build a vibrant community so that aspiring entrepreneurs from Singapore or any other countries can be equipped with education, skills, tools, smart money and networking contacts to succeed. The primary aim is to help Singapore companies to collaborate with foreign enterprise to pool resources together to innovate and create unicorns of tomorrow. Through Nest@SMF, these start-ups will be provided with free desking and space for up to six months.
  
22. The above are merely some of the main initiatives that the SMF have embarked on in its mission to champion the interests of the manufacturing community in Singapore. Many other efforts are undertaken behind the scenes by my team in the SMF in searching, exploring and implementing new methods and initiatives for the advancement of the business community. To us, we subscribe to the ethos that continuous innovation, advancement and adaptation is key to the survivability of manufacturing and production.

## **Conclusion**

23. Initiatives by global trading partners and each individual country's government seek to bring opportunities to the foot of businesses. However, companies and businesses must take the active step of reaching out to grab these opportunities.

24. How would I recommend companies and businesses do so in today's dynamic digital age? I say that businesses must be willing to work harder at working smarter – making more effort to digitise and digitalise so as to harvest the use of technology to enable them and their workforce to work smart in this new age. Let's us collaborate together to share our experiences and grow together to achieve prosperity and economic growth for our countries and people.
25. In conclusion, I would like to applaud Sun Media for organising this event. Through this forum, participants will be able to gain new insights and explore further how countries and companies can connect, create and cross invest. In recent times, the global economy has been subject to headwinds in the form of barriers to trade such as protectionism and global political uncertainty. However, this forum proves that there are other markets that are open to overseas investments. I hope that through this forum, you will be able to gain new insights and explore the possibility of using Singapore as a hub for World Opportunities. I also sincerely extend my heartiest congratulations to Sun Media on your 20<sup>th</sup> Anniversary and I wish you prosperity and success in your journey to leapfrog to greater heights and achievements.
26. May I wish all of you a fruitful and successful forum and more importantly good health and wealth to each of you present here. Thank you.

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