

THE STRAITS TIMES

New programme launched to help manufacturers grow footprint in region, diversify supply chain



Trade and Industry Minister Chan Chun Sing (third from left) at the launch of the SEA Manufacturing Alliance at Bridge+ on Feb 3, 2021. ST PHOTO: GAVIN FOO



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UPDATED FEB 3, 2021, 3:42 PM ▼

SINGAPORE - Global manufacturers will be able to tap a network of industrial parks in Singapore and the region under a new programme that aims to help them expand their business in South-east Asia and diversify their supply chain.

The South-east Asia Manufacturing Alliance (SMA) will also see small and medium-sized enterprises (SMEs) and suppliers in Singapore gain access to working with these manufacturers. This will help SMEs and suppliers expand their opportunities in the region as well.

The programme – an agreement between the Economic Development Board (EDB), Enterprise Singapore (ESG) and private sector partners to promote the network of industrial parks to manufacturers interested in investing in Singapore and the region – was launched on Wednesday (Feb 3).

The SMA's first three strategic partners from the private sector are real estate and development players CapitaLand, Sembcorp Development and Gallant Venture, which together operate over 10 industrial parks across Indonesia, Malaysia and Vietnam.

Speaking at the launch, Trade and Industry Minister Chan Chun Sing said the alliance will play an important part in Singapore's vision to become a global business, innovation and talent hub for advanced manufacturing by 2030.

He added that the SMA will offer a “Singapore plus one” strategy that enables local and global firms to tap Singapore’s ecosystem, capabilities and networks to move into the region, especially in the areas of financial capital mobilisation, talent aggregation and protecting intellectual property.

Manufacturing is a key pillar of Singapore's economy, contributing to about 21 per cent of its gross domestic product (GDP) and employing about 450,000 workers.

"We hope that through the SMA, we will strengthen our support for companies who invest here and want to partner our strategic partners... to enable companies to evaluate the feasibility of siting their operations in different locations across South-east Asia," Mr Chan said at the event held at CapitaLand's co-working space Bridge+ in Robinson Road.

"Ultimately, we will enable and offer global companies an effective and decentralised model that harnesses the best of what Singapore and South-east Asia can offer."

Mr Chan said that Singapore, as part of the South-east Asia region, is well-positioned to capture a significant share of global shifts as more firms look to diversify their production base and supply chains amid the Covid-19 pandemic.

He noted how the pandemic has exposed the vulnerabilities of depending on a few markets for supply and demand, and how firms have moved to re-shore and diversify to hedge against trade and travel restrictions. Singapore must situate itself at critical nodes in different global entities to preserve and strengthen its relevance, he said.

The Asean region's strong fundamentals and global economic connectivity, among other factors, put it in good stead to seize the opportunities arising as a result of these shifts, added the minister.

EDB chairman Beh Swan Gin said that South-east Asia is an ideal manufacturing location for companies looking to strengthen the resilience of their supply chains and reduce reliance on a single source.

"The SMA will make it easier for manufacturers to learn about the advantages and strengths of the participating industrial parks and their respective ecosystems, and simplify the process for companies to establish their operations there," he added.



Trade and Industry Minister Chan Chun Sing speaking at the launch of the SEA Manufacturing Alliance at Bridge+ on Feb 3, 2021. ST PHOTO: GAVIN FOO

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Opportunities for firms

Eligible companies intending to invest in Singapore and the CapitaLand-owned Nusajaya Tech Park in Iskandar Malaysia will also be able to tap support provided by the EDB, ESG and respective strategic partners, under a separate collaboration agreement formalised on Wednesday.

It covers differentiated tiers of logistics prices, grants for setting up innovative activities in Singapore and support to identify potential Singapore suppliers for a firm's industrial activities.

CapitaLand Group senior executive director Manohar Khiatani noted that given the 210ha Nusajaya Tech Park's proximity to Singapore and its offerings, the industrial park serves as an ideal base for companies seeking to enjoy the complementary strengths of both the Republic and Malaysia.

Over 85 per cent of the park's tenants already have a presence in both countries today, he added.

Mr Chan said the programme will help Singapore gain early insights into market needs and challenges faced by potential manufacturing investors, providing an opportunity for firms here to compete as a team and give them a better shot at entry into global supply chains.

He added that the SMA also complements existing support to local enterprises, such as the Global Innovation Alliance, a network of Singapore and overseas partners which helps connect Singapore firms to overseas business communities.

ESG chief executive Png Cheong Boon said that the SMA will offer Singapore firms a platform to partner with global manufacturers looking to grow their presence in the region.

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"It creates growth opportunities for Singapore companies to offer their products and services to these global manufacturers and work with them in areas such as co-innovation, joint product development and joint investments."

EDB and ESG are welcoming applications by companies interested in participating in the SMA as a strategic partner.

Firms interested to expand their businesses in both Singapore and the broader Asean region through the SMA programme can contact EDB for more details.

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