

**SPEECH BY ENTERPRISE SINGAPORE CHAIRMAN
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AT ENTERPRISE SINGAPORE'S ANNUAL MEDIA BRIEFING 2025
ON THURSDAY, 23 JANUARY 2025**

1. Good morning, everyone, and to all our guests online as well.
2. Thank you for joining us today at our Annual Media Briefing. I will begin by looking back at what we have done in 2024, then turn to what we will be focusing on in 2025.
3. As you all know, our GDP growth rebounded to 4% last year, significantly higher than the 1.1% in 2023. But it was uneven:
 - a. Manufacturing and wholesale trade had a cyclical rebound. Construction continued to grow strongly.
 - b. However, consumer-facing sectors such as retail and food services saw slower growth due mainly to more Singaporeans going abroad and a more gradual recovery in visitor arrivals.
4. Despite the rebound in growth, businesses were beset with concerns about higher business costs, particularly manpower, rental and utilities¹, as well as geopolitical uncertainties. In addition, they are grappling with ongoing technology disruptions, like AI, and decarbonisation. These challenges could have dampened companies' appetites to transform and grow.
5. So not surprisingly, the number of companies undertaking transformative projects dropped from 3,000 in 2023 to 2,300 last year. If we take a broader lens, the years impacted by Covid were an anomaly in terms of the total number of companies we supported and within that, the number of companies we supported for transformative projects. During that period, there was a surge in requests for e-commerce, automation and work-from-home projects. In terms of the overall number of companies supported, this has normalised to close to pre-Covid levels. In terms of companies taking on transformative projects, this is still lower than pre-Covid levels but not that far off. I will

¹ Singapore Business Federation's National Business Survey (NBS) 2024

share more later about how we will continue to encourage more companies to transform and grow.

6. **What is really encouraging is this. Notwithstanding the challenging global business environment, the 2,300 companies are projecting strong outcomes.** They expect to add S\$14.5 billion in annual revenue and create 12,300 skilled jobs in Singapore. This works out to be an increase of S\$8.6 million in annual revenue per company in 2024, significantly higher compared to S\$5.7 million in 2023. Let me share a few examples.
7. **Productivity:** We worked with companies to automate and optimise operations, resulting in cost savings. On average, each enterprise will save about S\$230,000 per year when projects are fully implemented.
 - a. For example, we worked with **Kimly Group** to improve efficiency in their coffeeshops. We supported Tenderfresh Group, a subsidiary of Kimly Group, to automate its seasoning mixing and packing processes. Tenderfresh Group is projected to save an estimated 16,000 or 40% of manhours annually.
 - b. We also supported **PSA Singapore** to develop and pilot an automated scheduler and asset pooling (ASAP) module for container trucking. The ASAP module will enable more hauliers to share jobs and reduce unladen trips.
8. **Internationalisation:** Companies that pursued internationalisation saw a projected increase in annual revenue of S\$8.8 million per company last year, compared to S\$7.7 million in 2023.
 - a. While Southeast Asia remains the top market of interest, more are also going further afield like to the Middle East, Europe and the US.
 - i. For example, **ST Engineering**. Through EnterpriseSG's introduction, ST Engineering teamed up with one of Qatar's largest real estate developer Qatari Diar to design, build and operate a smart city platform for Lusail City. This project has deepened ST Engineering's presence in Qatar and positioned it to garner even more projects in the Middle East.

- b. More smaller companies are also making their first foray overseas.
 - i. One such company is **Lim Kee**, a local steamed buns manufacturer. With support from EnterpriseSG, the company ventured into the Philippines for the first time. We helped them source for potential distributors. Lim Kee is currently in negotiations with two major retailers in the Philippines to distribute their products.
9. **Innovation:** We continued to support companies to develop new products and processes. Those that undertook innovation projects saw a boost in projected increase in annual revenue of S\$10.2 million per company last year; about double that of 2023 (S\$5.2 million per company).
- a. An example is **CoNEX Healthcare**, which developed an AI-powered patient monitoring system in collaboration with Tan Tock Seng Hospital. The system, which predicts falls through thermal imaging, machine learning and predictive algorithms, has been adopted in more than 15 hospitals and nursing homes across Singapore and Thailand. Operators in Hong Kong are also expressing interest. We are now working with CoNEX Healthcare to develop a similar solution for residential homes. Because of this, CoNEX expects its revenue for FY2024 to be nearly double that of FY2023.

AMPLIFYING OUR SUPPORT THROUGH KEY PARTNERS

10. With over 300,000 small and medium enterprises in Singapore, it is impossible for EnterpriseSG to reach and support them all on our own. Our industry partners are key in helping us engage them effectively.
- a. EnterpriseSG has been working closely with our Trade Associations and Chambers (TAC) partners to enhance their capabilities.
 - i. Just yesterday, the Singapore Business Federation (SBF) launched a TAC sectoral transformation map, supported by EnterpriseSG, to look at redefining TACs' roles, aggregating resources and fostering further

collaborations between TACs. This is to better support the growth of SMEs and their member companies.

- ii. We also supported other initiatives to upgrade TACs' capabilities. For example, in August last year, we worked with the Singapore Chinese Chamber of Commerce and Industry (SCCCI) to launch the Trade Association Committee (TACOM) Transformation Centre. This will help TACs upskill staff and strengthen their secretariat capabilities.
- b. Our TAC partners also work with us to run our network of SME Centres. The SME Centres provide dedicated assistance through the Partners for Business Growth (PBG) programme.
- i. **Happy Fish Swim School** participated in the PBG programme by the SME Centre run by the Singapore Malay Chamber of Commerce and Industry (SMCCI). Through this, Happy Fish partnered GenAI Sandbox vendor, Voltade, to onboard its GenAI chatbot to the company's website. The company was able to handle enquiries more efficiently, reducing workload by more than 10 manhours per week.
11. Beyond the TACs, we worked with various private sector partners to help companies level up their capabilities in areas such as sustainability and AI.
- a. For example, we rolled out programmes with partners like DBS Bank, OCBC Bank, UOB and City Developments Limited (CDL) to enhance enterprises' ability to measure, report and abate their carbon footprint.
 - b. We also partnered Google and Microsoft to enable more SMEs to incorporate AI into their business.

FORWARD LOOKING PRIORITIES TO DRIVE GROWTH AND ENGAGE COMPANIES

12. Let's move to 2025. Like I said earlier, we want to continue to encourage more companies to grow and transform even in this challenging environment. The business outcomes that I highlighted show that it is worthwhile to push ahead with such efforts.

We need to be creative in how we help companies and employ different strategies for different types of businesses.

13. In 2019, we launched **Scale-Up** for high-growth companies. This has performed remarkably well.
 - a. We're now on the tenth run. To date, more than 100 companies have participated.
 - b. The first five cohorts saw a combined S\$2 billion or 36% increase in revenue three years after joining Scale-Up. Within that period, they also generated more than S\$600 million in value-add and created close to 800 good jobs.
 - c. Overall, around 70% of companies on Scale-Up² have entered new markets, 80% of them have launched new products and services, and close to half of them have expanded their business via mergers and acquisitions (M&A) or joint ventures (JVs).
 - i. One such example is **Chye Thiam Maintenance (CTM)**, an integrated cleaning and waste management company. CTM participated in the Scale-Up programme to sharpen its growth strategy to diversify into new business streams. After Scale-Up, CTM successfully expanded into e-waste recycling and set up an automated e-waste recycling facility. The facility has the capacity to recycle 13,000 tonnes of large household appliances and electronic equipment annually. It also created 22 new skilled roles for CTM. Post-Scale-Up, CTM has seen strong financial growth, recording a 40% increase in revenue, from 2021 to 2023.
14. Last year, we explored helping SMEs through **collaborations with larger enterprises**. Together with EDB, we have forged 17 such partnerships.
 - a. For example, we supported a collaboration between **Corning Incorporated**, and local glass fabrication company **Singapore Safety Glass (SSG)**. Corning will transfer its proprietary ion exchange technology to SSG, to enable the finishing of Corning® Gorilla® Glass in Singapore. Gorilla® Glass is used by

² Scale-Up Runs 1 to 7

leading smartphone makers, such as Samsung, in their products. The collaboration enables SSG to grow its product suite and revenue. Through this, SSG's revenue is projected to nearly double by 2027.

- b. We also supported **New Bahru**, a project by **The Lo & Behold Group (TLBG)** to showcase Singapore's lifestyle offerings and local brands. TLBG provides guidance to local businesses, gives them marketing support and enhances their brand visibility. TLBG is also facilitating collaborations between companies. Since its opening in June 2024, about 6 out of 10 tenants have achieved a 12% increase in revenue growth at their New Bahru outlet.
15. For **nascent deep tech areas** like precision medicine and climate tech, our focus is on **building bridges to markets, investors and technologies outside of Singapore**. This will accelerate the growth of Singapore companies that have solutions in these spaces.
 - a. For example, in precision medicine, we have collaborations with **Mayo Clinic** in the US, and with **Charité Hospital** and the **Berlin Institute of Health (BIH)** in Germany, to help our biomedical companies penetrate those markets. Just two weeks ago, with our facilitation, Mayo Clinic Laboratories announced that it is working with Singapore precision medicine diagnostics startup **Lucence** to expand the access to its cancer detection liquid biopsy test in the US.
 - b. For climate tech, we have a partnership with **Breakthrough Energy** and **Temasek** to conduct a Southeast Asia Fellows programme. The programme connects the participants to Breakthrough's global network of accelerators, investors and experts.
16. We don't just work with larger companies. Our heartland enterprises form an integral part of Singapore's social fabric. Here, we also need to adopt a creative approach. We aim to encourage our heartland enterprises to embark on more placemaking activities, innovate and develop new capabilities, starting with initiatives like Sprout@AMK³. You can expect to hear more of what we will be doing in the year at the upcoming Budget and COS.

³ Sprout@AMK is an incubator of innovative lifestyle businesses in the heartlands

17. Finally, we want to continue to **improve the experience for all SMEs** in their interaction with the Government.
- a. We are setting up the **SME Pro-Enterprise Office** within EnterpriseSG to help SMEs better navigate Government regulations and reduce compliance burden, especially in areas that involve multiple public agencies or relate to a new business concept. We target to launch within the next few months.
 - b. For business advisory, we are **strengthening the service and offerings of our 10 SME Centres**. SMEs will be able to receive personalised guidance based on a comprehensive set of tools and resources developed for Business Advisors.
 - c. For financial support, we have already **streamlined and automated several grant processes**. For instance, the approval process for **our Productivity Solutions Grant** applications has seen an 80% improvement from almost 3 months down to 2 weeks. But I think we can do more. We want to differentiate grant applications according to their complexity. Applicants who are prepared to accept pre-approved solutions (which is the vast majority) should be able to get results within a shorter timeline. Those who require substantial customisation for larger projects might face a longer wait time.
 - d. **Adopting a digital approach** is key. I previously spoke about our ambition to deliver more personalised support to businesses digitally. Over the past year, we have begun the development of a new digital platform for EnterpriseSG to provide programmes, contacts, tools and resources tailored for each enterprise. This way, SMEs will be able to access both financial and non-financial government resources more easily, and in a holistic manner that supports business growth and transformation. We will begin user tests on a beta version later this year (2H2025), starting with content related to internationalisation. Following this, the subsequent phases will explore other areas to support and onboard more enterprises.

CONCLUSION

18. The global environment for businesses will continue to be challenging for the foreseeable future. Amidst the turbulence, one trend is certain: International trade and investments will be increasingly regulated and taxed. The only questions are to what extent and when.
19. Enterprises will need to adapt to this new reality. In EnterpriseSG, our job is to help companies navigate these challenges and continue to transform and grow. In this, we will never tire.
20. Thank you.