

# 1 | A VIBRANT ECONOMY WITH OPPORTUNITIES FOR ALL

Singapore's economy is ranked among the world's most competitive. Productivity levels continued to rise, with some variation across sectors. We are supporting our industries' efforts towards greater productivity, innovation, and internationalisation. Lifelong learning, such as through the national SkillsFuture movement, will equip our people with the skills to thrive in the changing global and domestic environment.

## Transforming Our Economy



Launched 23 Industry Transformation Maps covering 80% of the economy



Supported the overseas ventures of 45,000 companies in 2017



Helped companies strengthen their competitive edge through research and development and technology adoption

## Providing Opportunities amidst an Evolving Landscape



Sustained growth in real income at 20<sup>th</sup> percentile and median levels; unemployment remained low



Emphasising adaptability and experiential learning for all students



Supported over 285,000 Singaporeans in upskilling and reskilling through SkillsFuture



Helped more than 25,000 jobseekers secure jobs in 2017 through the Adapt and Grow initiative

# DEVELOPING A VIBRANT ECONOMY

The global economic outlook is expected to be clouded by uncertainties. In particular, the risks of a further escalation in ongoing trade tensions between major economies, as well as disorderly capital outflows from some emerging market economies, could weigh on global growth if they materialise.

Against this backdrop, Singapore's Gross Domestic Product (GDP) is expected to grow by between 3.0% and 3.5% in 2018. Growth is supported primarily by outward-oriented sectors such as manufacturing.

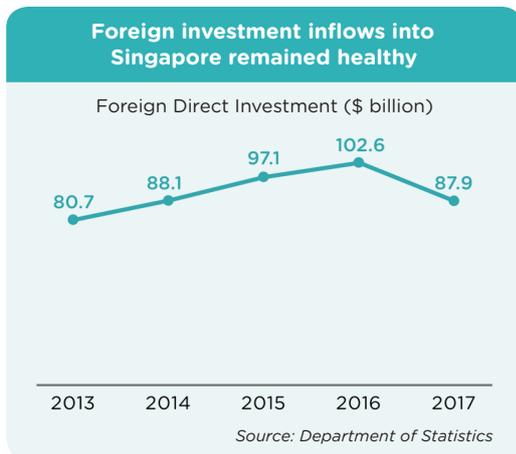
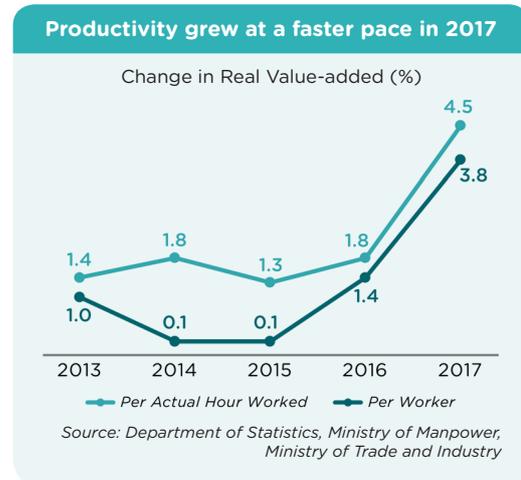
Singapore remains highly ranked among the world's most competitive economies:

- 2<sup>nd</sup> out of 140 economies in the World Economic Forum's Global Competitiveness Report 2018;
- 3<sup>rd</sup> out of 63 economies in the International Institute for Management Development's World Competitiveness Yearbook 2018; and
- 2<sup>nd</sup> out of 190 economies in the World Bank's Ease of Doing Business Ranking for 2018.

Singapore's push for productivity has seen results, but gains have been uneven across sectors. Growth in real VA per actual hour worked increased from 1.4% in 2013 to 4.5% in 2017, while growth in real VA per worker picked up from 1.0% to 3.8% over the same period. In terms of real VA per actual hour worked, the productivity growth of outward-oriented sectors (6.8%) continued to outperform domestically-oriented sectors (-0.1%) in 2017.



Foreign investment levels in Singapore remained healthy in 2017. The Economic Development Board brought in \$9.4 billion of fixed asset investment commitments in 2017. Total business expenditure commitments amounted to \$6.5 billion. These projects are expected to create 22,500 jobs and contribute \$17 billion of value-added (VA) per annum to our economy.



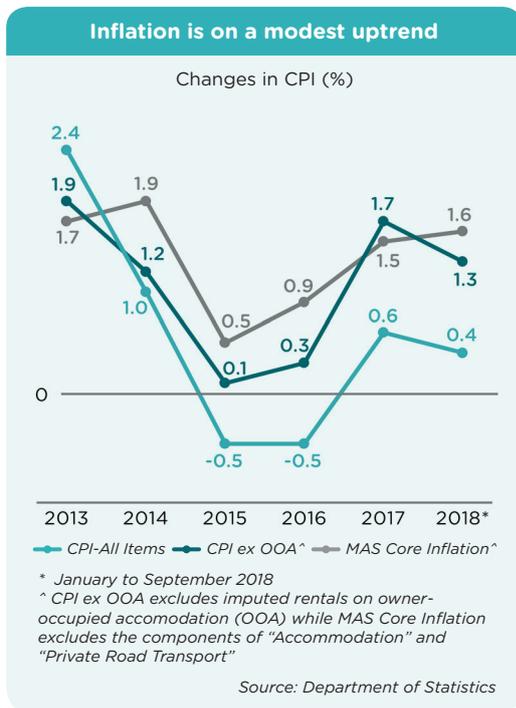
Growth in the Consumer Price Index (CPI)-All Items turned positive in 2017, after two consecutive years of negative inflation. The headline inflation rate in 2017 was mainly driven by price increases in transport and food, but was partially offset by declines in the costs of housing and utilities.

The Monetary Authority of Singapore (MAS)'s Core Inflation measure, which excludes the costs of accommodation and private road transport, rose from 0.9% in 2016 to 1.5% in 2017 and 1.6% over January to September 2018. With the projected modest increase in core inflation amid continued economic expansion, MAS undertook a slight tightening of monetary policy in April and October 2018, after keeping to a zero percent slope of the Singapore dollar nominal effective exchange rate policy band for two years. These measured adjustments to the policy stance took into account the uncertainty surrounding the global trade outlook while ensuring medium-term price stability.

## Industry Transformation and Renewal

We have launched 23 Industry Transformation Maps (ITMs) across six clusters - Manufacturing, Built Environment, Trade & Connectivity, Essential Domestic Services, Modern Services, and Lifestyle - covering about 80% of the economy. The ITMs set out how sectors are expected to grow and transform, seize opportunities, and address challenges by working with industry stakeholders to drive transformation at the firm-level.

Beyond individual sectors, we are also looking between and across industry boundaries for synergies and opportunities, by building stronger partnerships between businesses and trade associations. For instance, we supported the Singapore Chinese Chamber of Commerce & Industry in setting up a Trade Association Hub at Jurong Town Hall. More than 30 trade associations and chambers share facilities and resources at the Hub, enabling them to collaborate with and support each other.

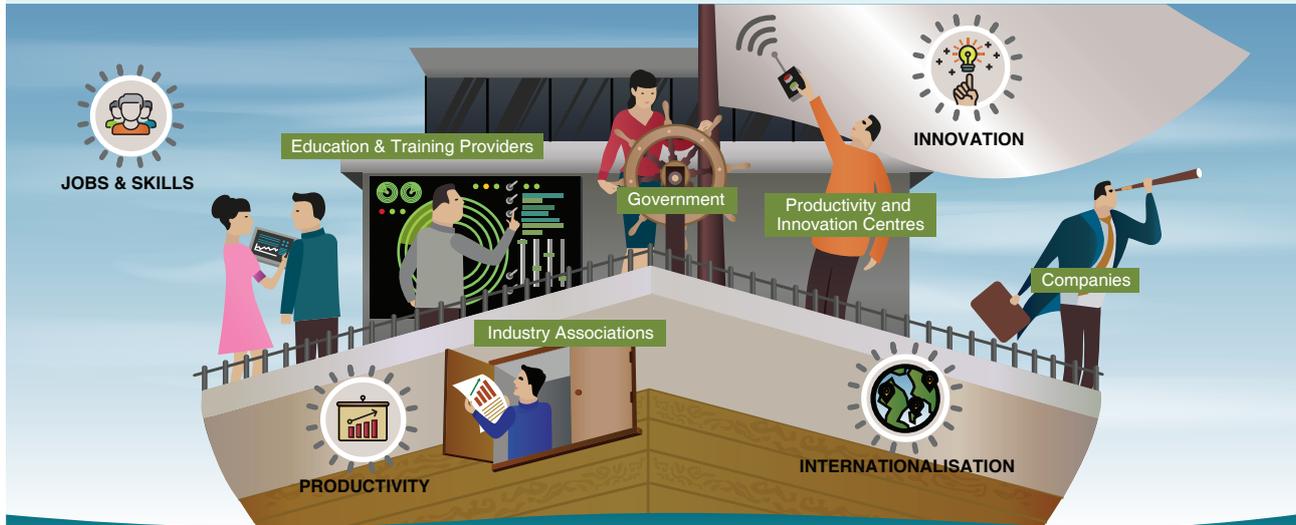


For Singapore to maintain its competitiveness and be prepared for future challenges, we need to transform our industries by building deep capabilities, forge strong partnerships locally and abroad, and foster innovation in the economy.

## SIX INDUSTRY TRANSFORMATION MAP (ITM) CLUSTERS

All 23 ITMs have been launched, with the plans for each industry guided by four key pillars – Productivity, Jobs & Skills, Innovation, and Trade & Internationalisation.

The ITMs have also been grouped into six clusters. The next phase of transformation will look at synergies within clusters of industries.



## DESIRED OUTCOMES



### Employers

- Strategies that provide integrated assistance across domains
- Stronger support for innovation and internationalisation
- Single government agency to integrate transformation efforts



### Employees

- New and re-designed jobs with better wages
- More opportunities overseas
- Stronger support for upgrading and skills deepening



### MANUFACTURING

- Precision Engineering
- Energy & Chemicals
- Marine & Offshore
- Aerospace
- Electronics



### BUILT ENVIRONMENT

- Construction
- Real Estate
- Security
- Environmental Services



### TRADE & CONNECTIVITY

- Wholesale Trade
- Land Transport
- Sea Transport
- Air Transport
- Logistics



### ESSENTIAL DOMESTIC SERVICES

- Healthcare
- Education



### MODERN SERVICES

- Professional Services
- Financial Services
- ICT and Media



### LIFESTYLE

- Food Manufacturing
- Food Services
- Hotels
- Retail

Each ITM is tailored to the needs of the industry to systematically raise productivity, develop skills, drive innovation, and promote internationalisation.

**PRODUCTIVITY**

Support companies to become more efficient in their operations and move to higher value-added activities.



**FOOD SERVICES ITM**

**Enterprise Singapore's Pilot Tender System for Productive Coffee Shops**

The pilot tender system supports coffee shop operators to innovate and transform from traditional formats into more efficient ones by streamlining key processes, such as food preparation, ordering and payment, and dishwashing.

Enable R&D efforts to develop new products and services.

**INNOVATION**



**ELECTRONICS ITM**

**Nanyang Polytechnic's IOT Open Innovation Community**

The network enables SMEs to connect with technology and commercialisation partners, research institutions, and other industry players to jointly develop new IoT solutions.



**INTERNATIONALISATION**

Facilitate companies to expand and enter into overseas markets.



**FOOD MANUFACTURING ITM**

**Tasty Singapore Initiative**

Enterprise Singapore worked closely with the Singapore Food Manufacturers' Association to launch "Tasty Singapore", an online Singapore Shop, on China's top e-commerce platforms to help Singapore food manufacturers to better reach the vast consumer market in China.

Invest in people to upskill and reskill them, equipping them with the skills necessary to thrive in the future economy.

**JOBS & SKILLS**



**WHOLESALE TRADE ITM**

**International Trading Professional Conversion Programme (ITPCP)**

Developed by Singapore Management University in partnership with Enterprise Singapore, Workforce Singapore and the International Chamber of Commerce Academy, the ITPCP aims to equip mid-career professionals with the skillsets and experience in international Trading.



# SUPPORTING BUSINESSES TO TRANSFORM, INNOVATE, AND INTERNATIONALISE

## Promote R&D and Technological Adoption

- **SMEs Go Digital** to simplify digitisation with pre-approved solutions, Industry Digital Plans, pilot projects, and SME Digital Tech Hub - over 1,000 SMEs have adopted digital solutions
- **Tech Depot** for plug-and-play productivity solutions - 45 solutions adopted by 370 companies
- **Tech Access** to provide advanced equipment and expertise - 61 firms helped as at June 2018
- **Productivity Solutions Grant** to support the adoption of IT solutions

## Build Enterprise Capabilities

- **Enterprise Development Grant** to support projects related to upgrading, innovation, and venturing overseas



## Develop a Start-up Community

- **LaunchPad@one-north** for knowledge sharing and collaboration within the start-up ecosystem
- **Action Community for Entrepreneurship** to provide community support for start-ups and youth entrepreneurs in areas such as networking, mentorship, grants, and funding

## Support Trade and Internationalisation

- **Trade Infrastructure Development Fund** to support new and innovative trade solutions
- **Market Readiness Assistance Grant** to facilitate overseas expansions
- **In-market Assistance and Networks** to support expansion into new markets

## Support Collaborations and Global Linkages

- **Startup SG** to showcase Singapore's start-up ecosystem and connect entrepreneurs
- **Global Innovation Alliance** to build connections with overseas innovation hubs and technology companies
- **Local Enterprise and Association Development (LEAD)** to support projects led by trade associations and chambers
- **Partnerships for Capability Transformation (PACT)** to support collaborations in business and capability development

## Enhance Equity Co-financing Parameters

- **Startup SG Equity** to catalyse deep tech start-ups in key growth sectors through co-investment

## IMPROVING EASE OF DOING BUSINESS WITH THE GOVERNMENT

- The Business Grants Portal was launched in 2018. Companies can use the portal to directly apply for six grants from five agencies. The application forms have also been shortened and simplified based on feedback from businesses, streamlining the process by at least 15%.
- The LicenceOne portal was developed to simplify the application process for 114 licences from 20 agencies. Businesses only need to fill in the application form once to apply for multiple licences, saving time and effort.
- Other solutions include the Simplified Filing of Annual Returns and the New Company Start-up Kit by the Accounting and Corporate Regulatory Authority and the Inland Revenue Authority of Singapore to help businesses in regulatory reporting and compliance. 150,000 companies are expected to benefit from the simplified filing.

### Internationalisation: Strengthening Singapore's Links to the World

We supported 45,000 companies and 450 projects in their overseas ventures in 2017. Some of these were for entry into new markets. The stock of direct investment abroad has increased at an average of \$80 billion annually over the past three years, to \$784 billion in 2016.

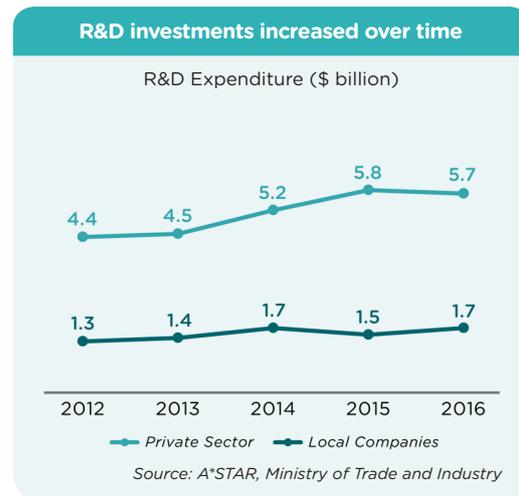
We set up Infrastructure Asia to support the growing demand for infrastructure in the region. Infrastructure Asia will bring together local and international partners across the value chain, facilitate financing and investment, promote information exchange on opportunities in Asia, and enable players to tap on these opportunities.

### Innovation: A Key Driver for Our Economy

We have sustained our commitment to Research, Innovation and Enterprise (RIE), investing about 1% of GDP in RIE – comparable to the public spending of other small research-intensive economies. Businesses have responded positively to our efforts, spending

\$1.50 for every dollar that the Government spent on research and development (R&D) in 2016.

Business R&D expenditure by local enterprises increased by 13% from 2015 to 2016. R&D investments have created high-value jobs, with R&D manpower in Singapore growing from 25,200 in 2001 to more than 50,000 in 2016. Jobs for research scientists and engineers have doubled since 2001 to more than 35,000 in 2016.



Our R&D spending has helped businesses across different industries in their technology adoption:

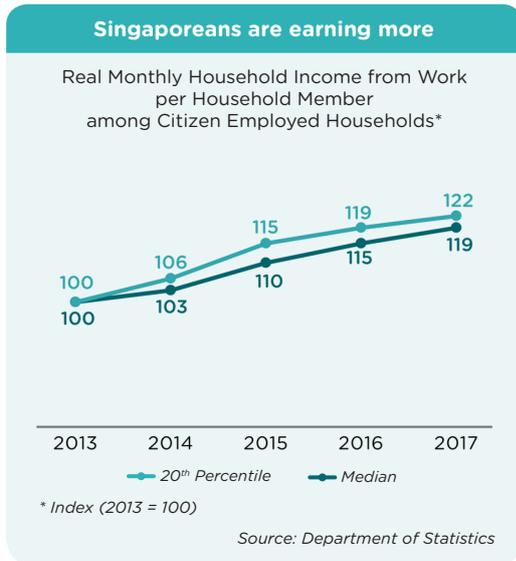
- Corporate laboratories and technology consortia help to translate and transfer our universities' research into practical applications for companies. For example, the Surbana Jurong-Nanyang Technological University Corporate Laboratory supports the development of sustainable urban and industrial solutions.
- AI Singapore and the Singapore Data Science Consortium help companies adopt cutting-edge artificial intelligence and data analytics.
- The FinTech regulatory sandbox allows financial institutions and start-ups to test their innovations within a well-defined space and duration, and with appropriate safety guidelines in place.
- The Open Innovation Platform connects problem owners and solvers via a virtual crowd-sourcing platform to co-create solutions to real business challenges.

We have worked towards creating a more conducive environment for start-ups in support of entrepreneurship. Venture funding activity and amounts in Singapore grew from 80 deals worth US\$0.14 billion in 2012 to 174 deals worth US\$1.37 billion in 2017.

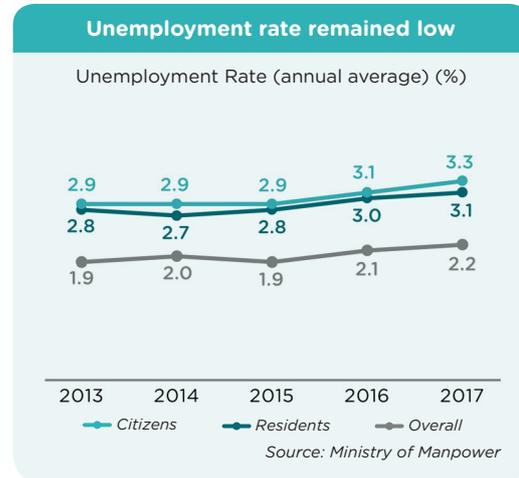
# GROWING OPPORTUNITIES FOR OUR PEOPLE

Sustaining productivity growth is necessary to keep wages growing in the medium to long term. Singaporeans are earning higher incomes – full-time employed Singaporeans at the 20<sup>th</sup> percentile and median income levels earned \$2,095 and \$4,050 respectively in 2017<sup>1</sup>. After accounting for inflation, both groups have seen income grow by about 4% per annum since 2013.

Households also saw their monthly incomes rise. Singaporean households<sup>2</sup> at the 20<sup>th</sup> percentile and median income levels earned \$1,225 and \$2,535 per household member respectively in 2017. This represents a cumulative increase of about 20% in real terms since 2013<sup>3</sup>.

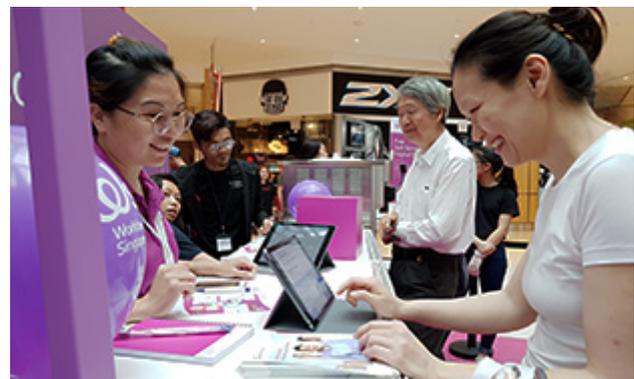


While unemployment rates were higher in 2016 and 2017 as compared to previous years, they remained low compared with those of Organisation for Economic Co-operation and Development (OECD) member countries. Of the 9,120 Singaporeans and permanent residents (PRs) laid off in 2017, about three in four were Professionals, Managers, Executives and Technicians (PMETs). The annual average rate of re-entry into employment of retrenched residents was 65% in 2017, similar to the previous year<sup>4</sup>.



We have helped workers secure jobs and stay employable in various ways:

- The Adapt and Grow initiative has helped more than 25,000 jobseekers successfully secure jobs in 2017, about 20% more than in 2016.
- With over 100 Professional Conversion Programmes (PCPs) in more than 30 sectors, up from 50 PCPs a year ago, close to 3,800 PMETs received training and wage support to move into new occupations or sectors.
- MyCareersFuture portal – a national job bank – enables faster and smarter job searches, taking into account jobseekers’ skillsets and highlighting jobs supported by the Adapt and Grow initiative.



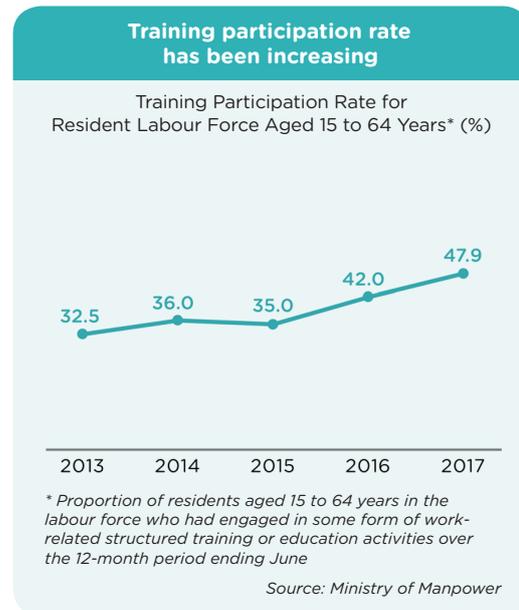
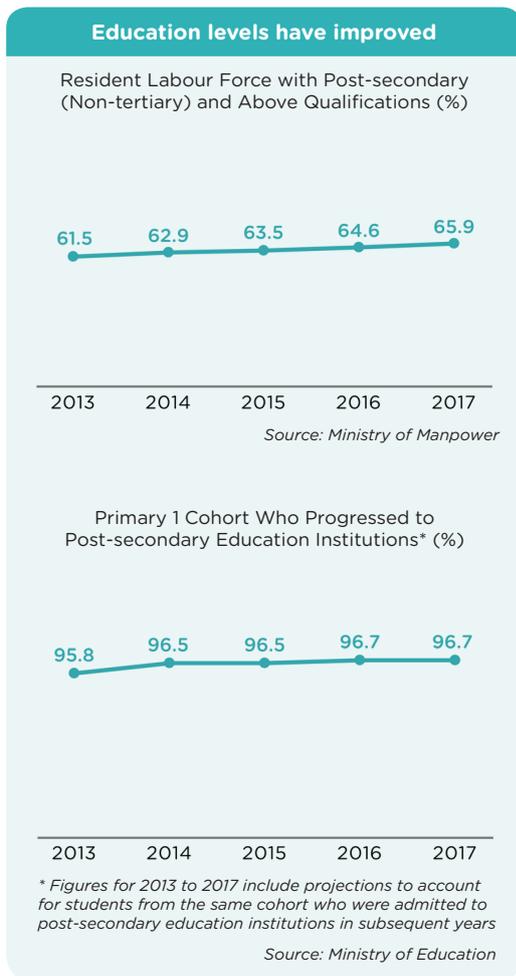
<sup>1</sup> Gross monthly income from work including employer Central Provident Fund contributions.  
<sup>2</sup> Refers to households headed by a Singapore citizen and with at least one working person.  
<sup>3</sup> Based on CPI-All Items for households in the lowest 20% and middle 60% income groups respectively.  
<sup>4</sup> Average over four quarters, based on Central Provident Fund records.

## Lifelong Learning and Employability

Our education system remains highly regarded globally. It ranks among the top internationally for its ability to equip Singaporeans with the knowledge and skills to meet the needs of a competitive economy.

With our investments in education and training, a higher proportion of the resident labour force now has post-secondary education.

We will continue to support Singaporeans in upskilling and reskilling. Overall training participation rate was 47.9% in 2017. Over 285,000 eligible Singaporeans have used their SkillsFuture Credit as at end 2017. The number of Earn and Learn Programmes has increased to 97 as at July 2018, covering more than 33 sectors and benefitting about 2,400 polytechnic and Institute of Technical Education (ITE) graduates. Of these, about 110 are enrolled in the ITE Work-Learn Technical Diploma, a dedicated apprenticeship-based pathway.



### Our education system is highly regarded globally

		2013	2014	2015	2016	2017	2018
<b>World Economic Forum's Global Competitiveness Report</b>	Quality of Education System	3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	N.A.*
<b>International Institute for Management Development's World Competitiveness Yearbook</b>	Education System Meets Needs of a Competitive Economy	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	6 <sup>th</sup>	7 <sup>th</sup>
	University Education	2 <sup>nd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	Joint 2 <sup>nd</sup>	6 <sup>th</sup>	5 <sup>th</sup>

\* The World Economic Forum has removed "Quality of Education System" from its Global Competitiveness Report 2018. It now measures the quantity and quality of education as part of a basket of indicators under the pillar "Skills". Singapore ranked 20<sup>th</sup> out of 140 countries for this pillar.

Source: World Economic Forum, International Institute for Management Development

The SkillsFuture Series was launched in October 2017. Institutes of Higher Learning (IHLs) took the lead in offering modular courses for emerging and critical areas such as data analytics and cybersecurity. About 1,000 courses have been launched since October 2017 and more than 16,000 individuals have signed up. The IHLs will progressively expand their offering of micro-credentials and recognise individuals' learning achievements in focused and industry-relevant niches.

We are also empowering all Singaporeans to use technology actively, meaningfully, and safely in their daily lives. The Digital Readiness Blueprint was rolled out in June 2018 to strengthen Singapore's ability to become an inclusive Smart Nation. One initiative is the Digital Clinics, which have provided 2,500 seniors with one-on-one assistance in using their mobile devices from November 2017 to September 2018.

## RECENT KEY INITIATIVES SUPPORTING EDUCATION AND LEARNING

### Nurturing the Joy of Learning

- Increased the cap for non-Integrated Programme intake through Direct School Admission to 20% for all secondary schools. This allows more students to nurture their strengths and interests through distinctive programmes.
- Offered Subject-based Banding in all secondary schools by 2018, to better cater to the strengths of students in different subjects.
- Launched the Singapore Student Learning Space, an online learning portal providing quality curriculum-aligned resources for self-directed learning.
- Support all primary schools to set up an Applied Learning Programme by 2023, for students to learn through authentic settings and see the relevance of what they learn in a real-world context.
- Introduce "Learn for Life" measures in phases from 2019, including removal of weighted assessments and mid-year examinations for some primary and secondary school levels.

### Empowering Individuals

- Enhanced financial support for students in need:
  - Raised the income cap for the Ministry of Education (MOE) Financial Assistance Scheme by about 10%.
  - Increased meal provision under the School Meals Programme from seven meals to 10 meals per school week for secondary school students on the MOE Financial Assistance Scheme.
  - Raised the annual bursary quantum for pre-university students from \$750 to \$900.



### Supporting Aspirations

- Introduced Early Admissions Exercises at polytechnics and ITEs, with an intake allowance of 15%.
- Increased annual intake for Nanyang Technological University, National University of Singapore, and Singapore Management University's Discretionary Admissions Scheme from 10% to 15% in 2017.
- Offered experiential learning opportunities at all IHLs, including industry attachments, overseas exposure, and entrepreneurship options.
- Launched four inaugural ITE Work-Learn Technical Diplomas offering about 110 placements across 32 companies and 16 SkillsFuture Work-Study Degree Programmes in collaboration with about 30 partner companies.
- Established the Singapore University of Social Sciences in 2017. There are now six autonomous universities to offer Singaporeans more diverse higher education pathways.

### Developing Lifelong Learners

- Launched the SkillsFuture Series, MySkillsFuture portal, SkillsFuture Advice, and SkillsFuture for Digital Workplace, for a more comprehensive approach to lifelong learning.

# List of Abbreviations

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<b>APIs</b>	Application Programming Interfaces
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>BTO</b>	Build-To-Order
<b>CPF</b>	Central Provident Fund
<b>FY</b>	Financial Year
<b>GDP</b>	Gross Domestic Product
<b>IMH</b>	Institute of Mental Health
<b>IoT</b>	Internet of Things
<b>MRT</b>	Mass Rapid Transit
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PR</b>	Permanent Resident
<b>RTS Link</b>	Rapid Transit System Link
<b>R&amp;D</b>	Research & Development
<b>SMEs</b>	Small and Medium Enterprises
<b>UN</b>	United Nations

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