

It's a fact that has been posited time and again: The global economy is unpredictable. Singapore is inevitably subjected to its fluctuations, and faces a great risk of being engulfed by rapid changes – unless it stays ahead of the game.

This has never been felt more keenly than today, according to a recent report by the Committee on the Future Economy (CFE). “Being in an era of rapid technological change means global value chains and production patterns are changing rapidly,” the report states.

“We have to develop the agility and adaptability to cope with change and to seize new opportunities,” said Mr Heng Swee Keat, Minister for Finance at the launch of the report. Minister Heng co-chaired the CFE, together with Mr S Iswaran, Minister for Trade and Industry (Industry).

Digital capabilities, innovation, and empowering the Singapore workforce with skills to support future needs are some of the critical aspects that will help local enterprises power on into the future.

What is the CFE?

In January 2016, the 30-member CFE was tasked with charting out strategies to ensure Singapore's economy remains competitive. After a year-long study, where it consulted 9,000 stakeholders, it released its report on 9 February, which comprises seven strategies (*refer to sidebar on page 6*).

The strategies, which are meant to set the direction for Singapore's economic development, will help keep the city-state open and connected to the world, while building deep capabilities in people and creating opportunities for businesses, said Minister Heng.

Deepen and diversify international connections

Casting one's net wider to bigger markets is an important aspect of growth. But it is only with market knowledge and exposure that Singapore businesses can effectively expand into new markets, suggests the report, adding that companies should also refine their marketing strategies so they would be better positioned to access opportunities in Asia.

An example is Skin Inc, a home-grown skincare company. Leveraging technology, the company disrupted the

global beauty industry with its range of customisable skincare products.

Today, it has market presence in 100 cities worldwide, with more than 350 distribution outlets across Asia, Europe, the United States, as well as online, such as through iloveskininc.com and sephora.com.

Digital marketing and e-commerce played a key role in this rapid expansion, with the company citing e-commerce as a solution to reaching different markets. Through data obtained from its e-commerce transactions – such as average order size and repeat purchase rate – Skin Inc is able to assess a market's potential, including customer behaviour, buying habits and preferences, before expanding there. (*See full story on page 10*)

Acquire and utilise deep skills

A rapidly changing world means that workers will have to develop new skill sets to stay relevant. The CFE suggests that training providers and institutes of higher learning should offer modularised and technology-enabled training programmes. The Government can set up an online one-stop portal to help Singaporeans plan their long-term education and training.

Employers should also play a bigger role, and pay greater attention to in-house training efforts and ensure staff are equipped with the relevant skills to keep up with changing job requirements.

Strengthen enterprise capabilities to innovate and scale up

It's not enough to simply think of great ideas, they must be organised effectively to create a product of value.

The CFE suggests establishing commercially oriented entities that have the necessary technical expertise, business networks and acumen, so that they can better commercialise the research findings and intellectual property (IP) of local research institutions, and strengthen Singapore's IP ecosystem.

Wangi Industrial is an example of how having an IP strategy could potentially help break new ground and help companies in traditional industries achieve a competitive edge. The company's first innovation is a tetrahedral amorphous carbon (TAC) coating for glass (a variant of the diamond-like

carbon coating commonly used for scanner glass), which provides harder protection and is scratch resistant.

Its second innovation is the use of nano-imprint technology – a collaboration with the Agency for Science, Technology and Research – to develop anti-reflection, and water- and grease-repellant screens. Wangi has filed two patents for its second innovation – both co-inventorships with A*STAR's Institute of Materials Research and Engineering. Wangi has exclusivity over the use of one of the patents.

The third and most recent innovation involves the integration and development of its TAC coating and nano-imprint technology to create a consumable (a disposable single-use product, similar to blood testing kits) for the biomedical sector, which is set to be launched in July.

For Wangi, obtaining patents is crucial, as it means that its clients buy with more confidence, knowing that the product is unique. (*See full story on page 12*)

Build strong digital capabilities

Digital technology is a great enabler in helping companies seek new revenue opportunities, become more manpower-lean and scale up.

The Government should provide more support, in terms of expertise and financing, to help SMEs adopt digital technologies. Deep capabilities in new growth sectors, such as analytics and cyber security, should also be honed, says the CFE. This can be done through supporting the development of applied data analytics capabilities.

Some local companies have already embarked on this route. Take Ninja Logistics, for example. The founders of the last-mile delivery startup decided to incorporate technology into each step of its logistics process to increase productivity.

For instance, there's real-time tracking of parcels, and automated routing algorithms designed by their engineers that take into account operational constraints, such as maximum working hours per day, vehicle size and weight restrictions, and a driver's preferred areas for delivery. Drivers get to pick three preferred locations, allowing them to follow an optimised route, deliver more parcels, reduce fuel costs and save time. (*See full story on page 8*)