



SME COMMITTEE

RECOMMENDATIONS FOR BUDGET 2016

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EXECUTIVE SUMMARY

The world economy is expected to enter a turbulent time in 2016, triggered by falling oil and commodity prices, slowing of large emerging markets, notably China, and tepid recoveries in the developed economies. Domestically, Singapore enters a new phase in our development with challenges that include a rapidly aging and shrinking workforce, close to zero productivity growth, and declining cost-competitiveness compared with many OECD and regional countries. In the midst of economic restructuring, small and medium enterprises (SMEs) have been struggling to cope with the transformation to new operating norms of a tight labour market and rising business costs.

Since its inception in 2011, the SBF-led SME Committee (SMEC) has continually engaged and given feedback to government on the struggles faced by our SMEs. In these recommendations for Singapore Budget 2016, the SMEC urges the government to help SMEs with immediate term growth challenges while adopting a new paradigm for enterprise development going forward.

Specific measures could be introduced in Budget 2016 in the following areas:

Helping SMEs with immediate term growth challenges

- Cost management through reduction of foreign worker levies and rental costs
- Transportation and logistics
- Adoption of lean manpower
- Financing issues
- Internationalisation

New paradigm for enterprise development

- Establish a single agency empowered to drive SME development across whole-of-government
- Develop a vibrant innovation environment for SMEs

Some of these recommendations have been surfaced before in previous years' Budget Recommendations, but they are still relevant to give our SME sector a push to emerge stronger from the ongoing economic restructuring.

1. INTRODUCTION

Background

- 1.1 Small and medium enterprises (SMEs) are a significant pillar of Singapore's economy making up 99% of all businesses, employing seven out of ten workers and contributing nearly half of national gross domestic product (GDP). A strong and growing SME community is essential to building a resilient and competitive Singapore economy.
- 1.2 The Small and Medium Enterprises Committee (SMEC) was formed in December 2011 under the auspices of SBF as a single, consolidated and strong voice to advocate SME issues. SMEC members comprise business leaders representing a broad spectrum of industry sectors and businesses. Since its inception, SMEC has actively engaged in outreach and advocacy activities, continually giving feedback to government on SME issues and challenges in particular how SMEs are coping as economic restructuring continues.

SMEC Budget Recommendations

- 1.3 SMEC has submitted Budget recommendations to government over the past four years. The themes and main considerations of the recommendations are outlined below¹:

Budget 2012

SMEs were impacted by slowing external demand arising from weak growth in the developed economies, and concerns over fiscal sustainability in the Eurozone. Recommendations were put up to address four immediate issues affecting SMEs – cost of doing business, manpower and productivity, financing, as well as internationalisation and market access.

Budget 2013

Taking into account the impact of diminished local capacity on SMEs amidst restructuring efforts, SMEC's recommendations were aimed at urging the government to put greater urgency on the development of the SME sector. The recommendations were formulated to help SMEs cope with rising cost of doing business, mitigate impact on foreign manpower policies, help SMEs raise productivity, gain better access to financing, and support for internationalisation and innovation capacity.

Budget 2014

Recognising the differing needs of SMEs, SMEC proposed a targeted approach for three main groups: (i) SMEs seeking growth, (ii) SMEs struggling for survival, and (iii) SMEs in specific sectors requiring special needs. SMEC

¹ SMEC Budget Recommendations 2012–2015 <http://www.sbf.org.sg/business-advocacy/budget-recommendations>

underscored several key considerations for the Budget, including SMEs' eroding competitiveness due to global factors, high costs and restructuring, the impact of rising business costs on SMEs' restructuring and business expansion efforts, and the inability to achieve targeted national productivity growth of 2-3% per annum for 10 years until 2020.

Budget 2015

As restructuring efforts continue, SMEC called on the government to place greater priority in ensuring that SMEs remain core to Singapore's economy. SMEC's recommendations were underpinned by three key considerations: (i) restructuring pains experienced by SMEs in the face of weak productivity growth, tightening manpower and escalating costs, (ii) an increasing impetus for adopting overseas expansion as a key growth strategy, and (iii) developing a pro-SME ecosystem where the government is more responsive to SMEs' needs across a spectrum of areas. Specifically, SMEC asked for a more holistic approach in SME development, targeted measures to help SMEs that were still grappling with transformation challenges, and helping SMEs grow through internationalisation, innovation and collaboration.

- 1.4 SMEC appreciates the attention that the government has given to SMEs, and is encouraged by the adoption of several of its recommendations in the respective Budgets. However SMEC recognises that some of the recommendations needed greater consideration for adoption, and have resurfaced those that are still relevant for Budget 2016.

SBF Business Position Paper

- 1.5 Singapore celebrated its 50th Anniversary of independence last year. The country has done well, with GDP jumping from \$1,580 in 1965 to \$71,318 in 2014², the third highest GDP per capita globally today³. However we face a vastly different and a more competitive environment going forward, with an uncertain external environment coupled with internal challenges such as a shrinking workforce, an ageing population and a comparatively high cost base.
- 1.6 In June last year, before the 2015 General Election, SBF gathered some 70 business leaders, economists and academicians and 29 trade associations and chambers to develop a position paper laying out the business community's views, and recommendations essential to support business and economic growth for Singapore in the longer term. With a vision for Singapore to be a global city plugged into the global economy and supported by a highly skilled workforce, the Business Position Paper urges the government to address the following concerns⁴:

² At current market price. Source: *Department of Statistics*

³ [https://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(PPP\)_per_capita](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(PPP)_per_capita)

⁴ SBF Business Position Paper for a Vibrant Singapore, *SBF*, Jan 2016

In the immediate-term:

- Help businesses on cost and manpower issues to overcome near-term economic headwinds

In the medium to long-term:

- Create an economy that is not constrained by our geographical boundaries
- Develop Singapore as a strong home base for nerve centre, thought leadership, innovation and growth activities

1.7 The SBF Business Position Paper was presented to government on 12 Jan 2016.

1.8 Several SMEC and sub-committee members participated in the Steering Committee and Focus Groups to give inputs from the SMEs' perspective to the Business Position Paper. Thus many of the recommendations in the Position Paper are aligned with and reinforced SMEC's Budget Recommendations for SMEs over the past four years.

Committee on the Future Economy

1.9 On 1 Oct 2015, Prime Minister Lee Hsien Loong announced the formation of a Committee on the Future Economy (CFE) to review policy measures that have been in place since 2010. Chaired by Finance Minister Heng Swee Keat, the Committee aims to help create more good jobs and pathways for workers, and help businesses, especially SMEs adapt to a lean workforce and build links regionally and globally⁵.

1.10 On 21 Dec 2015, 30 members from government, unions and a diverse mix of business leaders have been appointed to the CFE. The CFE is tasked to address five areas crucial to Singapore's future economic development⁶:

- Future growth industries and markets
- Corporate capabilities and innovation
- Jobs and skills
- Urban development and infrastructure
- Connectivity

1.11 The SBF Business Position Paper is a timely initiative that will provide valuable inputs to the work of the CFE. SBF Chairman Mr SS Teo is one of the members of the CFE, co-chairing the Sub-committee on Future Corporate Capabilities and Innovation with Minister Heng. This group will explore how firms and industry clusters can create value using technology as well as new business models⁷. With SBF as a partner to CFE, SMEC looks forward to providing feedback and inputs on the challenges and opportunities facing SMEs, and how SMEs can play an active role in developing Singapore's economic future.

⁵ <http://www.gov.sg/news/content/singapore-economy-in-need-of-review-pm-lee#sthash.tx8vkmsm.dpuf>

⁶ "Committee on the future economy to review Singapore's economic strategies and position us for the future", *Government Press Release*, 21 Dec 2015

⁷ <http://www.businesstimes.com.sg/government-economy/four-principles-to-guide-future-economy-panel>

2. BUDGET CONSIDERATIONS

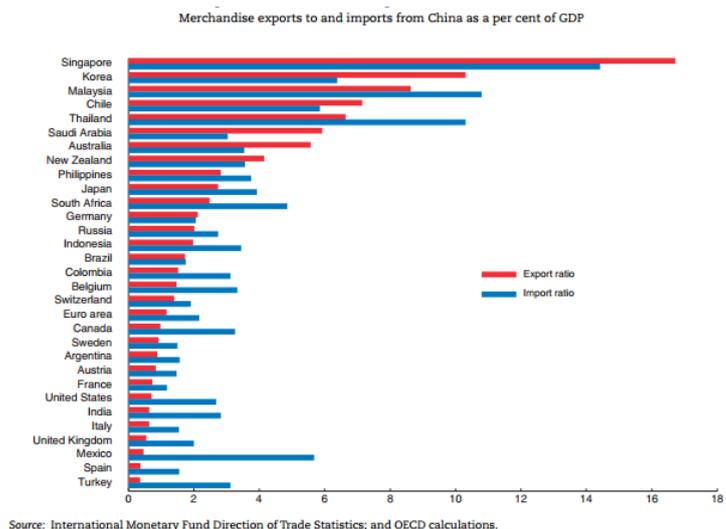
Global Economic Outlook 2016: Substantial Downside Risks

“The simultaneous slowing of four of the largest emerging markets – Brazil, Russia, China, and South Africa – poses the risk of spill-over effects for the rest of the world economy.” - World Bank (2016)⁸

- 2.1 In a report published in January 2016, the World Bank cautioned that there are substantial downside risks to global growth. These include a disorderly slowdown in major emerging market economies, financial market turmoil arising from sudden shifts in borrowing costs amid deteriorating fundamentals and heightened geopolitical tensions.
- 2.2 The report said that global growth was below expectations in 2015, slowing to 2.4% from 2.6% in 2014. Growth prospects remain cloudy in 2016, and is estimated to trend around 3%, below its long-run average of 3.66% from 1999 to 2013. Deep recessions have emerged in Brazil and Russia, whilst the ongoing slowdown in China and the associated weakness of commodity prices, such as petroleum and mining, are impacting commodity exporting economies and increasing financial market uncertainties. In particular, China’s efforts in economic reforms and ensuring financial stability, whilst avoiding a sharp fall in growth, present challenges to global growth. The continued sharp slowdown in emerging market economies would exert headwinds on global activities and trade.

Impact of China’s Slow Down to Singapore

- 2.3 There is a strong correlation between China and Singapore’s growth. Singapore grew at 2.1% in 2015, the slowest pace in six years, mirroring the slowdown in China. According to estimates from Australia & New Zealand Banking Group (ANZ), China’s slow down would have a significant impact on Singapore’s growth⁹. A 1% fall in China’s economic growth would subtract 1.4% from Singapore’s. Furthermore, a more significant slowdown in Chinese domestic



⁸ “Global Economic Impact – Spillovers amid weak growth”, *World Bank Group*, Jan 2016

demand could hit financial market confidence and growth prospects of many economies, including the advanced economies.

- 2.4 The SBF National Business Survey (NBS) 2015/2016 has revealed that 53% of SMEs have been negatively impacted by the current climate of the global economy in 2015, up from 37% a year ago¹⁰.

Company Category		Impact of Current Climate of the Global Economy				Total
		Positive	Negative	No Change	Not Sure	
SME	2014	18%	37%	45%		100%
	2015	9%	53%	26%	12%	100%
Large Company / Enterprise	2014	23%	30%	47%		100%
	2015	7%	53%	30%	10%	100%
Overall	2014	19%	35%	46%		100%
	2015	8%	54%	27%	11%	100%

Source: SBF NBS 2015/2016

Prolonged period of slow growth

- 2.5 Sentiments among SMEs in Singapore continue to decline, with the SBF-DP SME Sentiments Index for the six months from 1Q16-2Q16 falling for the fifth consecutive quarter and recording an all-time low in three years¹¹. Overall turnover expectations, profitability and business expansion plans have all fallen across most sectors. With lower turnover and profit expectations, there will be lower hiring expectations in the SME sector that could lead to a further slowdown in job creation.

Overall Index (out of 100)	2Q12 - 3Q12F	3Q12 - 4Q12F	4Q12 - 1Q13F	1Q13 - 2Q13F	2Q13 - 3Q13F	3Q13 - 4Q13F	4Q13 - 1Q14 F	1Q14 - 2Q14 F	2Q14 - 3Q14 F	3Q14 - 4Q14 F	4Q14 - 1Q15 F	1Q15 - 2Q15 F	2Q15 - 3Q15 F	3Q15 - 4Q15 F	4Q15 - 1Q16 F	1Q16 - 2Q16 F	QoQ Change (%) by Sector
Commerce / Trading	55.1	58.2	54.4	53.9	54.6	53.7	55.1	56.1	55.2	54.8	55.0	54.0	53.9	53.0	51.6	51.1	▼ 1.0
Construction / Engineering	48.1	52.1	54.0	54.5	55.4	56.1	57.4	55.3	54.4	54.9	56.0	54.2	53.6	54.0	51.7	51.7	▲
Manufacturing	54.1	54.9	54.0	50.8	54.1	54.0	54.6	54.8	54.9	55.1	55.4	54.3	53.9	53.4	51.4	50.6	▼ 1.6
Retail / F&B	-	-	-	-	-	-	-	-	-	-	-	54.7	51.5	51.0	51.2	50.9	▼ 0.6
Business Services	54.5	56.6	52.0	51.1	55.3	54.6	55.1	55.3	54.9	54.8	56.5	54.9	54.4	54.4	54.8	53.6	▼ 2.4
Transport / Storage	48.1	51.8	54.0	51.3	54.7	54.0	53.3	54.2	54.3	56.6	55.0	54.2	54.1	53.3	53.5	53.1	▼ 0.7
Overall	52.4	54.4	53.0	51.6	54.8	54.1	54.7	55.0	54.4	54.9	55.5	54.4	54.0	53.5	51.9	51.1	▼ 1.5
Percentage change q-o-q (%)	▲ 3.2	▲ 3.8	▼ 2.6	▼ 2.6	▲ 6.2	▼ 1.4	▲ 1.1	▲ 0.5	▼ 1.1	▲ 0.8	▲ 1.1	▼ 2.0	▼ 0.7	▼ 0.9	▼ 3.0	▼ 1.5	

Outlook for 1Q16 – 2Q16F (January 2016 to June 2016)

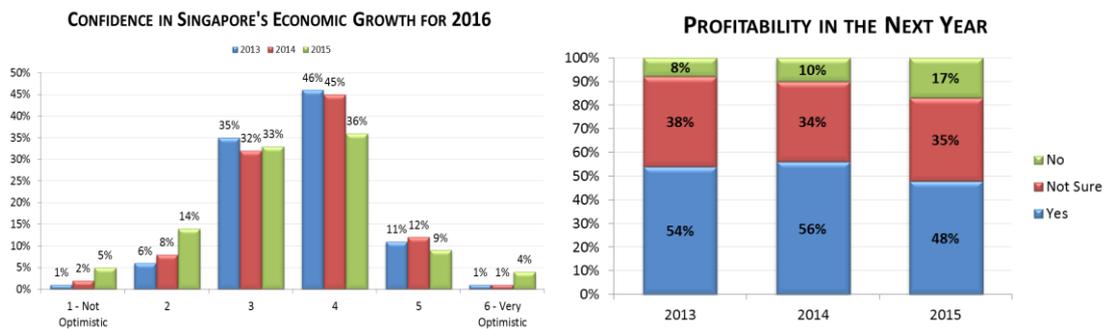
Source: SBF-DP SME Sentiments Index

⁹ <http://www.bloomberg.com/news/articles/2016-01-10/china-slowdown-to-hurt-export-heavy-singapore-the-most-in-southeast-asia>

¹⁰ SBF NBS 2015/2016, SBF, Jan 2016

¹¹ SBF-DP SME Sentiment Index, Outlook for 1Q16-2Q16, SBF and DP Info Group, Dec 2015

2.6 In the NBS 2015/2016, more companies are cautious about Singapore's economic growth and worried about their profitability in 2016. Less than half (48%) of the companies surveyed expect to make a profits this year.

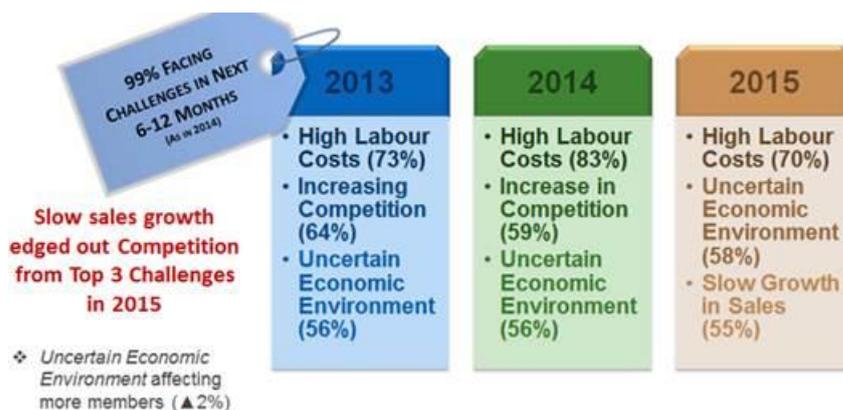


Source: SBF NBS 2015/2016

2.7 In one of the most pessimistic projections in at least 15 years, the government has forecast the economy to expand by only 1-3% in 2016¹². The lower than expected forecast would mean that Singapore would be experiencing low growth for four consecutive years. This prolonged period of slow growth is a new unknown and the impact on SMEs will need close monitoring.

Survey on Budget wish list

2.8 When polled what are the key challenges over the next six to twelve months, respondents to the NBS 2015/2016 indicated *high labour cost* (70%), *uncertain economic environment* (68%) and *slow growth in sales* (56%). The latter edged out *increasing competition* from the top three challenges in 2015.



Source: SBF NBS 2015/2016

2.9 A survey within the NBS 2015/2016 found that 73% of respondents were aware of at least one Budget 2015 initiative. The level of awareness is highest for *SkillsFuture Earn & Learn* (50%), *Enhanced Subsidies for Mid-Career Singaporeans* (47%) and *SkillsFuture Leadership Development Initiatives* (43%).

¹² Third Quarter 2015 Economic Survey of Singapore, Ministry of Trade and Industry, 25 Nov 2015

2.10 On the other hand, few see relevance in the *Increase in Co-Investment Cap of Start-up Enterprise Development Scheme (SEEDS)* (39%), *Top-Up & Increase in Co-Investment Cap of Business Angels Scheme (BAS)* (39%) and *Extension of the Angel Investors Tax Deduction (AITD) Scheme* (38%).

New Initiatives or Enhancements	Not Aware	Aware	Not Applicable	Not Answered
SkillsFuture Earn and Learn Programme	28%	50%	17%	5%
Enhanced Subsidies for Mid-Career Singaporeans	29%	47%	18%	6%
SkillsFuture Study Awards	31%	41%	21%	7%
SkillsFuture Leadership Development Initiative	34%	43%	18%	5%
SkillsFuture Mentors	34%	39%	20%	7%
Enhance Tax Allowance for Mergers & Acquisitions	34%	27%	33%	6%
Extension of Internationalisation Finance Scheme to Cover M&A that will Aid a Company's Overseas Expansion	34%	24%	35%	7%
Enhancement in Support Level for SMEs for IE Singapore's Grant Scheme	26%	36%	32%	6%
Enhancement of Double Tax Deduction for Internationalisation Scheme to also Include Qualifying Manpower Expenses Incurred for Singaporeans Posted to New Overseas Entities	27%	32%	34%	7%
New International Growth Scheme	41%	20%	30%	9%
Simplified Application Process & Extension of Enhanced Funding Support Level for Capability Development Grant (CDG)	31%	38%	25%	6%
Extension of Collaborative Industry Projects (CIP) to All Sectors	35%	29%	29%	7%
Enhancement of Partnership for Capability Transformation (PACT) Scheme	39%	26%	29%	6%
Increase in Co-Investment Cap of SPRING Startup Enterprise Development Scheme (SEEDS)	36%	19%	39%	6%
Top Up & Increase in Co-Investment Cap of Business Angel Scheme (BAS)	39%	16%	39%	6%
Extension of Angel Investors Tax Deduction (AITD) Scheme	41%	15%	38%	6%
Venture Debt Risk-Sharing Programme	41%	15%	37%	7%
Overall	17%*	73%**	8%***	2%****

Table 45: Awareness of Schemes in Budget 2015

* answered Not Aware for all schemes

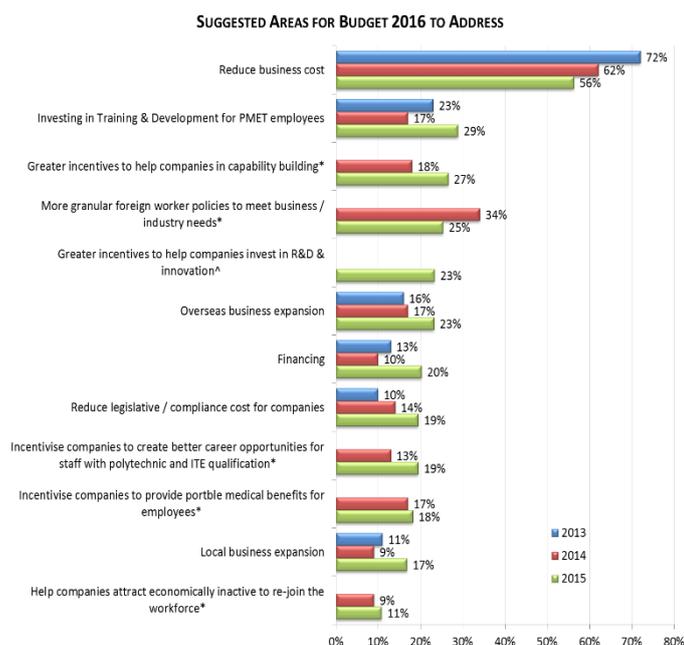
** answered Aware for at least 1 scheme

*** answered Not Applicable for all schemes

**** did not answer this question

Source: SBF NBS 2015/2016

2.11 For Budget 2016, most respondents in the NBS 2015/2016 asked for assistance in reducing business costs (56%). More members are also hoping that Budget 2016 will help them invest in the training and development of their PMET employees (29%, up 12% from 2014). In addition, calls for greater assistance in overseas business expansion (up 6%), financing (up 10%) and capability building (up 9%) were also observed.



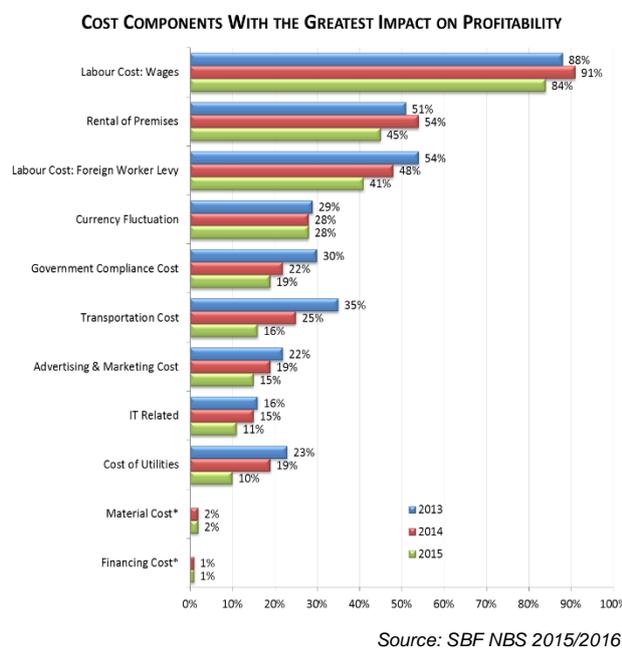
Source: SBF NBS 2015/2016

3. OVERCOMING GROWTH CHALLENGES

Cost management

3.1 Consistent with past findings since 2012, the NBS 2015/2016 has again identified business cost as having the greatest impact on profitability and growth. High manpower cost continues to be the top cost-related issue followed by high rental costs.

3.2 SBF’s Business Position Paper asks government to help businesses on cost and manpower issues to overcome near-term economic headwinds. A similar call was made by the Singapore Chinese Chamber of Commerce and Industry (SCCCI) in its Pre-budget Survey 2016



Source: SBF NBS 2015/2016

wish list. In one of its four recommendations, SCCCI suggested the government set up a cost review committee to look into major rising costs faced by businesses, such as rental, manpower and government fees¹³.

Foreign worker levy

3.3 In Budget 2015 Recommendations, SMEC highlighted that the increase in foreign worker levy is a huge cost burden to businesses. While introduced to curb businesses’ reliance on foreign manpower, the combined measures of levy, quota and minimum salaries over the years have stabilised the number of foreign workers in Singapore. The levies have risen to a point where it is severely impacting business costs without real gains in productivity particularly for the sectors that are more heavily reliant on foreign manpower such as those in the construction, retail, and food and beverage (F&B).

3.4 SMEC’s 2015 Budget Recommendations also restated a recommendation made for Budget 2013 that the levy for S Pass holders can be removed since they are also subjected to qualifying salary and Dependent Ratio Ceiling (DRC) quota.

Work Passes	DRC	Minimum Salary	Levy
Employment Pass		x	
S Pass	x	x	x
Work Permit	x		x

¹³ “SCCCI’s Pre-budget Survey 2016 Wish List : Strengthening Government-Business Collaboration to Transform Economy”, SCCCI, 11 Jan 2016

The objective of regulating the number of S Pass holders while providing wage-parity between foreign workers and locals would still be met. Thus, the levy for S Pass holders is unnecessary and leads to higher cost of doing business.

SMEC recommends that government

- a) Hold back on any further planned increases in foreign worker levies**
- b) Conduct a review to reduce the foreign worker levy taking into consideration the latest inflow of foreign workers**
- c) Remove the Foreign Worker Levy for S Pass holders as they are already subjected to minimum salary and quota restriction.**

Rental

- 3.5 In response to feedback from SMEs especially those in the retail and F&B businesses, SMEC set up a Rental Practices Working Group (RPWG) to address perceived unfair practices of landlords. In January 2015, SBF published the Fair Tenancy Framework (FTF) as a business initiative to raise awareness of fairness in business tenancy agreements for all contracting parties. While rental prices have eased somewhat due to a combination of softer demand and increased availability of various types of business space, rental is still a major cost item for many businesses.
- 3.6 The government is a major landlord of commercial and industrial space. While latest statistics are not available, Knight Frank estimated that the public sector owns about 30% of retail space and some 12% of industrial space. Government should adopt the Fair Tenancy Framework in their tenancy agreements. This will send a signal to the market. In addition, government should also call on more private sector landlords to adopt the FTF.
- 3.7 One of the key components of the FTF is rental data transparency. RPWG has worked with MTI, JTC and URA to publish regular data on rental of business spaces. Such data of other government owned business premises should also be made available.

SMEC recommends that

- a) Government landlords consider adoption of the Fair Tenancy Framework in their tenancy agreements**
- b) Rental data of other government owned business premises be made available together with those from JTC and URA.**

Building development control

- 3.8 One of the major contributors to high business costs is land and building. Recognising Singapore's land constraint, the Economic Strategies Committee recommended in 2010 that this "*will continue to serve as the impetus for us to make*

strategic shifts towards higher value-added and more land-efficient economic activities, and to think up more productive ways of using land to support future growth”.

- 3.9 Under existing URA Development Control Guidelines, common corridors, loading/unloading bays, among others are classified as and form parts of a building's gross floor area (GFA). In the interest of maximising lettable areas and enhancing variation for their developments, many developers and building owners tend to make minimal provisions for such common spaces, leading to suboptimal design of such spaces, causing queues and congestions at loading bays, narrow common corridors that meet only the basic requirements laid down by the relevant authority for circulation and fire safety. The building then becomes less efficient and productive for its users.
- 3.10 Changes in the Development Control Guidelines such as exempting these common spaces from the GFA of a building would help incentivise developers and building owners to make optimal provisions. An example is in Australia where common corridors and wet areas are exempted from GFA for hotel developments.

SMEC recommends that government review existing Development Control Guidelines to encourage developers and building owners to make optimal provisions of common spaces that would promote efficiency and effectiveness in overall building design.

Transportation and logistics

- 3.11 Transportation of goods and services is part and parcel of business operations. It provides the essential service link between a business and its suppliers and customers. Aside from its service ramifications, transportation can also represent a substantial cost for businesses. A UK study showed that transport congestion costs the UK economy some £31.9 billion (approx S\$67 billion) per year, with road freight held up by traffic jams, accidents and bad weather¹⁴.
- 3.12 With a view for a more efficient logistics and goods transportation system, SMEC would like to make the following proposals, which have the support of the Singapore Logistics Association (SLA), the Singapore Retail Association (SRA) and the Restaurants Association of Singapore (RAS).

Subterranean goods transportation and movement system

- 3.13 In land-scarce Singapore, there is a limit to the road network that can accommodate the growing population of vehicles. Goods vehicles share the same infrastructure with other road users. Studies of overseas systems show that UK, Germany, Italy, the Netherlands, USA, Japan and China have or are planning a freight pipeline

¹⁴ Mole solutions <http://www.molesolutions.co.uk/>

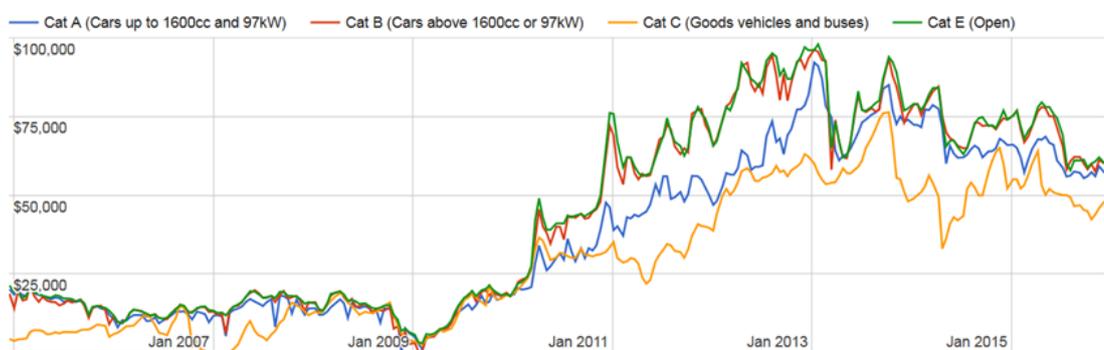
concept that uses customised capsules to move goods around. Pipelines would be created beside or under existing and new transport infrastructure. Underground freight capsules would be electric powered and under full automatic control.

- 3.14 In May 2015, JTC Corporation called a tender for feasibility studies for an underground goods movement system in Singapore. The system would facilitate the movement of goods without relying on roads, potentially relieving traffic congestion. In the tender, JTC is asking for at least three tunnel alignments to link the future mega-container port in Tuas to industrial estates at Tanjong Kling, Jurong West and Gali Batu. Experts believe the system will be automated, with conveyor belts and self-driving cars as possible options. If constructed, such a system would be a boon to logistics and transportation that will help businesses reduce manpower requirements, reduce fuel cost and have greater efficiency in deliveries.

Off-peak commercial vehicle

- 3.15 Over the years the Certificate of Entitlement (COE) quota premium has increased dramatically in tandem with increasing demand as the number of quotas remain tightly controlled. Statistics from the Land Transport Authority (LTA) show that the population of goods vehicles and buses increased by only 15% while there was a 30% rise in population of all vehicles.

COE prices of cars (All categories except D)



Source: SGCharts (<http://coe.sgcharts.com/>)

Vehicle population increases over 10 years from 2004-2014

	All vehicles	Cat C*
Vehicle population as at 31 Dec 2004	707,651	133,814
Vehicle population as at 31 Dec 2014	915,524	154,524
Increase (% rounded)	30%	15%

*Cat C: Goods vehicles and buses

Source: LTA

- 3.16 Currently the bulk of movement and delivery of goods are carried out during normal working hours. A potentially effective and efficient way of transporting goods would be to make better use of the off-peak periods. This would help alleviate congestion on the roads and near commercial buildings and shopping malls in the daytime while reducing travel time for goods deliveries.

- 3.17 To encourage greater use of off-peak hours for transportation of goods and services, an off-peak COE scheme could be introduced over and above existing COE quotas. However while this could help reduce vehicle ownership cost, it would require businesses particularly those in the logistics, transportation, retail and food & beverage (F&B) sectors to make corresponding adjustments to their operations.

Regional logistics hubs

- 3.18 As a city state, delivery by road is the only mode of logistics and courier services within Singapore. This could range from the simple motorbike rider to a fully loaded container truck. Some of these services could be better organised to improve efficiency and reduce costs with the setting up of regional logistics hubs in a hub-and-spoke mode e.g. in the east, west, north and central parts of Singapore. With deliveries centred at these hubs, pan and cross-island deliveries could be better coordinated, leading to fewer vehicular movements on our roads.
- 3.19 This proposal would tie in well with an off-peak commercial vehicle scheme as these hubs could have extended, staggered or overlapping hours to take advantage of smoother traffic during off-peak hours. However businesses would need to re-model their operation hours to maximise productivity. But the potential is there to help businesses reduce cost and improve efficiencies in the overall supply chain activities.

Underground linkages and centralised loading/unloading bays

- 3.20 It is common to see separate queues of commercial vehicles lining up to load and unload their goods at shopping malls, leading to congestion and inefficiencies, increasing idling time and reducing the number of delivery trips that otherwise would have been achievable. The government could impose conditions for new commercial developments to have underground linkages and centralised loading/unloading bays. For existing developments, the government could provide incentives and facilitate building owners to construct such underground linkages and centralised loading/unloading bays. This would not only help improve land usage, ease congestion above ground, improve efficiencies in the transportation of goods but also reduce vehicle population on the roads.

SMEC recommends that government examines the following measures for more efficient transportation and logistics infrastructure supporting businesses:

- a) Implement subterranean goods transportation and movement system**
- b) Introduce off-peak COE for commercial vehicles**
- c) Build regional logistics hubs**
- d) Create underground linkages and centralised loading/unloading bays for commercial developments**

Lean manpower

Extending Job Flexibility Scheme (JFS)

- 3.21 Currently the Job Flexibility Scheme (JFS) applies to the services sector only where work permit holders (WPHs) may be deployed to other occupations within the same business. WPHs are allowed to multi-task but are subject to all applicable registration and licensing requirements for the alternative occupation they would be undertaking.
- 3.22 JFS is useful to allow cross deployment of foreign workers, hence maximising manpower utilisation. SMEC's Recommendations for Budgets 2014 and 2015 suggested that the JFS should be extended to the other sectors as well, and with the flexibility to deploy workers across companies as long as they are under the same group of companies or management. To minimise risk of abuse, a prescribed job list that details which occupations are suitable for cross-deployment could be developed under the scheme.

SMEC recommends that JFS eligibility be expanded to other sectors, with the flexibility to allow cross deployment between companies that are under the same group of companies or management.

Foreign workers source countries

- 3.23 In SMEC's Recommendations for Budgets 2014 and 2015, it was highlighted that the hospitality, retail and F&B businesses are by nature service-oriented that requires a minimum number of staff to maintain service level. Figures by MOM continue to reveal that there are fewer job seekers and more job vacancies in the *Accommodation & Food Services* sectors, which include retail and F&B services¹⁵.
- 3.24 It was highlighted that the supply of suitable work permit holders from approved source countries for the services sector – currently Malaysia, People's Republic of China (PRC), Hong Kong, Macau, South Korea and Taiwan – has drastically reduced given the improved economic, social and employment conditions in these countries. It was recommended that the list of source countries be updated to include other countries, e.g. Philippines and Myanmar.

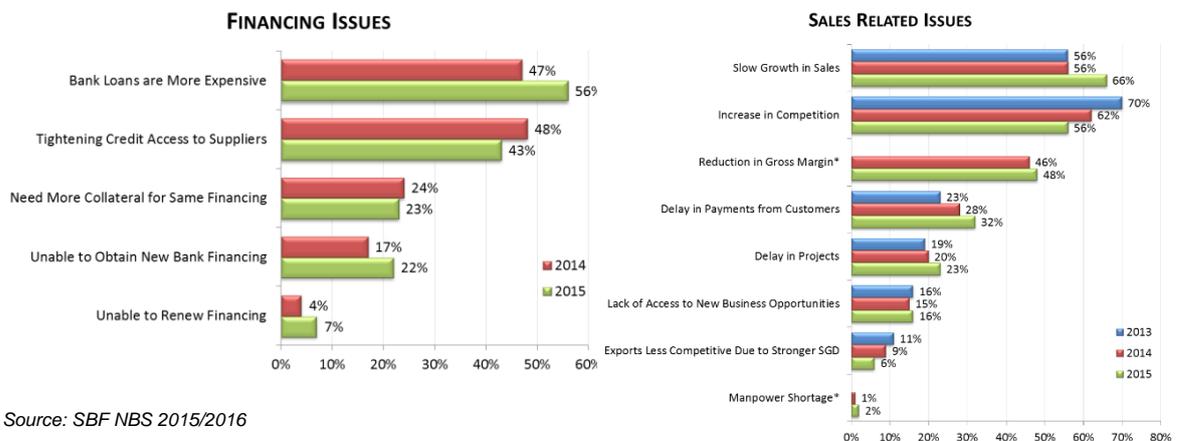
SMEC recommends updating the source countries for work permit holders for the hospitality and tourism industries to include other countries, e.g. the Philippines and Myanmar.

¹⁵ Job Vacancies 2014, *Ministry of Manpower*

Financing issues

3.25 According to the NBS 2015/2016, 53% of respondents faced financing issues in 2015, up 7% from a year ago, with 56% (up 9%) affected by more expensive bank loans. The number of companies unable to obtain new bank financing has also gone up 5% to 22%, while there was a 3% increase in companies unable to renew financing.

3.26 At the same time, the survey also saw 66% of respondents indicating slow sales growth as the top sales related issue, up 10% from 2014. About a third of respondents (32% up from 28%) expect delay in payments from customers and about a quarter (23% up from 20%) reported delay in projects.



3.27 In another area of concern, the SME Development Survey 2015 is reflecting a declining credit rating trend over the past five years. In 2010, 30% of SMEs were rated as high risk under DP Credit Rating methodology. By 2015, this figure had increased to 46%. The survey also showed that average cash reserves of SMEs have been decreasing from \$1.297 million in FY2011 to \$704,000 in FY2014. It appears that the weak economy is impacting SMEs, and could potentially increase their vulnerability to cash flow issues.

DP Credit Rating	2015	2014	2013	2012	2011	2010
Investment Grade (DP1 - DP4)	20%	23%	22%	21%	18%	23%
High Yield (DP5 - DP6)	34%	32%	35%	40%	44%	47%
High Risk (DP7 - DP8)	46%	45%	43%	39%	38%	30%
Total	100%	100%	100%	100%	100%	100%

Source: SME Development Survey 2015

3.28 In SMEC's Recommendations for Budgets 2014 and 2015, it was proposed that a Working Capital or Restructuring Loan scheme be introduced to help SMEs tie over financing needs for working capital or investments for restructuring.

3.29 SMEC also recommended that government-backed financing schemes adopt interest rates pegged at a more competitive rate compared to commercial banks.

SMEs had highlighted that countries such as Taiwan and Germany, which have strong SME support structures, offer loans at much lower rates, even to the extent of charging subsidised interest rates.

SMEC recommends that government:

- a) Introduce a Working Capital or Restructuring Loan scheme to help SMEs in their working capital needs or transformation and restructuring process**
- b) Adopt interest rates pegged at more equitable rates compared to commercial banks for government-supported financing schemes, and enhance the risk-sharing by government so as to lower the financing cost for SMEs.**

Leg-up for internationalisation

3.30 The SME Development Survey 2015 showed that the number of SMEs venturing overseas has been increasing steadily, with more than half of SMEs indicating that they have an overseas presence in 2015. This trend is similarly reflected in the NBS 2015/2016 which indicated that close to 70% of businesses are doing business abroad. One of the main strategies in SBF’s Business Position Paper is to create a Singapore economy that is not constrained by our geographical boundaries. With this strategy, we need to do more to encourage local companies to expand overseas but with their home bases firmly anchored here.

Overcoming obstacles overseas

3.31 The NSB 2015/2016 has revealed that when companies venture overseas, they face increasing challenges with unclear rules and regulations, with 39% indicating so in 2015 compared with 33% a year ago, compliance issues (29% from 25%) as well as the bureaucracy (up 2% to 18%).

Rank No.	Key Obstacles Faced Overseas	2013	2014	2015
1	Competition From Companies Already Established	55%	50%	47%
2	Unclear Rules & Regulations	32%	33%	39%
3	Compliance Issues	24%	25%	29%
4	Lack Of Overseas Business Knowledge & Information	25%	33%	24%
5	Manpower Issues	30%	28%	23%
6	Lack Of Business Contact	21%	21%	19%
7	Bureaucracy	21%	16%	18%
8	Funding	11%	17%	14%
9	Custom Related Issues	21%	21%	13%
10	Political Instability	18%	14%	12%

Source: SBF NBS 2015/2016

3.32 IE Singapore has done well to support companies with networking, business contacts and market information overseas. Their services in areas such as understanding and complying with rules and regulations, and overcoming

bureaucracy could be further strengthened. Recognising the extent and complexity of this task for various markets and sectors, this support could be provided either by IE's overseas centres or through business groups on the ground.

- 3.33 In Budget 2013 Recommendations, SMEC had identified that Singapore businesses do not have a formal structure that represents their interests in overseas markets, such as AmCham, AustCham and EuroCham. There are various Singapore business communities in overseas markets such as the Singapore clubs in Dubai and Vietnam. These are often informal groups led mainly by volunteers to organise activities and events for Singaporeans in those locations. Generally they do not have the capacity to champion Singapore businesses' interests in that country.
- 3.34 It was proposed that a *SingCham* could be set up to represent Singapore businesses overseas. Government funding would be needed to set up a professional secretariat to support Singapore businesses in the selected countries. Such an entity could provide on-the-ground advisory and support in areas such as regulatory environment, business culture, recruitment and employment policies, contacts with government officials and agencies, and networking opportunities with potential business partners, suppliers and customers.

SMEC recommends that government strengthens on-the-ground support for companies overseas to overcome rules, regulations, compliance and bureaucracy through funding to set up *SingCham* business support groups in selected overseas markets.

Partnering SMEs in overseas ventures

- 3.35 In its recommendations for Budget 2015, SMEC had highlighted findings from a 2013 research commissioned by Fujitsu on some 500 UK SMEs, showing evidence that 70% of SMEs were successful in tendering for large contracts when they partner with a larger partner¹⁶. SMEC has persistently called for greater role of government-linked companies (GLCs) and Temasek Portfolio Companies (TPCs) to help local SMEs venture overseas. These include providing tax incentives such as tax credits or special tax rebates to induce collaboration.
- 3.36 There is huge potential for greater collaboration among enterprises to leverage on each other's strengths when venturing overseas. Enterprises have different competencies and local SMEs can offer new perspectives or even new solutions to larger companies, resulting in a win-win scenario for all parties. In complementary roles, the larger companies could outsource supporting functions to SMEs.

SMEC recommends that government encourages large local enterprises such as GLCs and TPCs to partner SMEs for overseas projects. Incentives could be provided through tax credits or special tax rebates to induce collaboration.

¹⁶ Collaboration Nation: Creating an environment for growth, *Fujitsu Limited*, Aug 2013

Training for foreign staff

- 3.37 One of the top challenges SMEs face when internationalising is getting the right people with the right capabilities to manage their overseas operations. At a SBF dialogue with the Ministry of Manpower in October 2015, businesses gave feedback on their difficulties in finding suitable local employees who are willing to be posted overseas. A viable alternative is to recruit locals in that country. However they often need to be brought back to Singapore for short-term training so that when they return to their home country, they can help set up and run the operations there.
- 3.38 Under MOM's Training Employment Pass (TEP) and Training Work Permit (TWP) schemes, such overseas trainees are granted passes for up to six months, but are subjected to conditions of minimum salaries and foreign worker levy¹⁷. These defeat the purpose of internationalisation to lower business costs and gain greater market access. The minimum salary criteria is also a paradox as the overseas trainee should not be paid as a full-time staff and receiving a salary that is way above what he will get upon returning home after completing his training.
- 3.39 SMEC's Recommendations for Budgets 2013 and 2015 suggested for these conditions to be reviewed. Such trainees should be brought in without the levy and/or minimum salaries being imposed. However understanding MOM's concern of abuses by employers, a cap could be set and clear terms be spelt out. The companies applying for these passes should also show evidence that they have bona fide overseas establishments or have concrete plans to do so.

The SMEC recommends a review of conditions for minimum salary and foreign worker levy under the TEP and TWP schemes.

¹⁷ Factsheets on Training Employment Pass (TEP) and Training Work Permit (TWP), MOM

4. NEW PARADIGM FOR ENTERPRISE GROWTH

Economic priorities

- 4.1 In Budget 2015, DPM Tharman highlighted the five growth clusters that government will give focus on to drive Singapore's economy forward. These are:
- (b) Advanced Manufacturing
 - (c) Applied Health Sciences
 - (d) Smart and Sustainable Urban Solutions
 - (e) Logistics and Aerospace
 - (f) Asian and Global Financial Services
- 4.2 In his speech at SBF's Semi-Centennial Leadership Conference held on 4 November 2015, Minister Heng reiterated the need for Singapore to shift from a value-adding to a value creating economy. As a small nation limited by size and resources, SMEC concurs that Singapore may have reached a plateau in value-adding. However not all sectors are equal in their value creation potential. Our resources will need to be channelled to those sectors that we have greater chances of doing well and succeed.

The missing piece

- 4.3 Over the past 50 years, Singapore has been a successful model with our policy on foreign direct investments (FDIs) to attract multinationals (MNCs) that created jobs for Singaporeans as well as elevating our technological and skill levels through transfer of technology and knowhow. The government has also been successful in developing GLCs and TPCs into global players.
- 4.4 However there is a general feeling of what the Chinese would describe as "*mei zhong bu zu*" (美中不足) which means *the lacking of something in an otherwise perfect situation or the missing piece in an equation*. The *missing piece* here is the lack of home-grown local companies (excluding GLCs and TPCs) in the global scene.
- 4.5 The speedy growth in the number of foreign global companies coupled with our own domestic constraints are threatening the relevance and survival of our SMEs. There has to be a greater focus and resource allocation to help SMEs grow and become global players, particularly with our economy transforming from value add to value creation.
- 4.6 SMEs play an important role in forming the pipeline of growing companies through innovation and entrepreneurship. This calls for a new paradigm for enterprise development in which the government places priority on developing the SME sector.

More effective help and resources will need to be channelled to nurture innovative and entrepreneurial local companies to their full potential.

- 4.7 In its Recommendations for Budget 2015, SMEC urged the government to adopt a more holistic approach to SME development, where the interests of local enterprises are at the centre of our economic strategies. To this end, the SMEC also recommended that the government study the need for the establishment of a single SME authority empowered to champion SME development and drive the SME agenda across whole-of-government.
- 4.8 These recommendations are aligned with the suggestions raised in SBF's Business Position Paper to place priority to develop local enterprises, and to appoint a Minister to provide political leadership for a whole-of-government approach to the development of local enterprises, such that there is a concerted and coordinated effort as well as a clear roadmap to develop local enterprises into global players.

SMEC recommends that government:

- a) Review enterprise development policies where SME development is at the centre of our economic strategies**
- b) Establish a single SME authority empowered to drive SME development headed by a Minister.**

Developing a vibrant innovation environment for SMEs

- 4.9 The NBS 2015/2016 found an increase in start-ups among the respondents (from 5% in 2014 to 9% in 2015), suggesting a healthy increase in entrepreneurship and start-up activities. To encourage greater growth, there is a need to help these companies with intellectual property (IP), access to technologies, incubator and test bedding facilities.
- 4.10 The government has announced that under the Research, Innovation and Enterprise (RIE) 2020 plan, \$19 billion will be set aside for science and technology over next five years, with the health and biomedical sciences sector getting the largest share with \$4 billion, or 21% of the overall amount. The other areas are *advanced manufacturing and engineering* (\$3.3 billion), *urban solutions and sustainability* (\$0.9 billion) and *services and digital economy* (\$0.4 billion)¹⁸.

Intellectual property evaluation and financing

- 4.11 In SMEC's Recommendations for Budget 2013, it was proposed that an IP Bank be set up to catalyse innovation financing. Subsequently under the IP Hub Master Plan, the government announced an IP Financing Scheme in April 2014 to encourage acceptance of IP and patents as collateral to obtain bank loans. While no official

¹⁸ <http://www.channelnewsasia.com/news/business/singapore/govt-commits-s-19b-to-new/2409426.html>

statistics are available, we understand informally that the take up of the scheme is very low. This could be due to its relatively new concept as financial institutions adjust their risk assessment knowhow that has traditionally been based on “brick and mortar” assets as collateral. A critical component of the scheme is a robust and reliable evaluation system to provide the confidence in the assessment of the IP value.

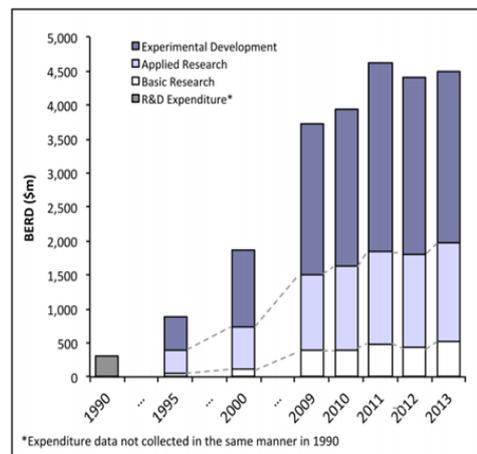
4.12 Korea and Taiwan had launched national-level IP Banks to promote innovation-based businesses. The Korea Technology Finance Corporation (KOTEC) was set up in 1989 by the Korean government as a non-profit credit guarantee institution to provide full scale support to Korean SMEs and entrepreneurs with competitive technology, innovation, and other knowledge-based business contents. This includes technology guarantees and assessments for new companies. KIBO helps to streamline the funding process for newcomers in the technology field and strengthen the capacity of technological innovation. During a visit to KIBO by SMEC Chairman Mr Lawrence Leow in April 2015, they reported having given out about US\$6 billion in loan guarantees in 2014.

SMEC recommends that government studies and consider the adoption of the Korean KOTEC model for IP valuation and loan guarantee to support SMEs.

Test bedding for SMEs

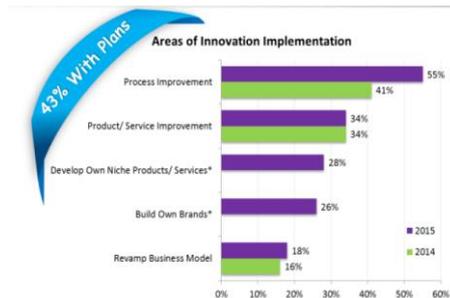
4.13 According to A*STAR’s National Survey of R&D in Singapore 2013¹⁹ growth in R&D expenditure among local enterprises increased by S\$60 million from 2012 to register S\$1.36 billion in 2013. While basic research expenditure increased by 19.2% from S\$429.5 million in 2012 to S\$511.8 million in 2013, *applied research expenditure* grew slightly from S\$1.4 billion to S\$1.5 billion, with *experimental development* contracting by 3.0% from S\$2.6 billion to S\$2.5 billion over the same period. These are research activities that SMEs are more likely to be involved in.

Business expenditure on R&D



Source: A*STAR

4.14 According to the SME Development Survey 2015, 55% of SMEs implementing innovation projects are focused on process innovation, a healthy increase from 41% in 2014. About a quarter wanted to build their own brands.



Source: SME Development Survey

¹⁹ National Survey of R&D in Singapore 2013, A*STAR

- 4.15 In Budget 2014 Recommendations, SMEC highlighted the challenges SMEs face gaining access to various resources for their innovation projects because of perception of their higher risk profile and lack of track record. SMEs reportedly faced difficulties in navigating the processes and conditions when working with public research institutes (RIs).
- 4.16 On the other hand, SMEs often look to recoup tangible benefits for the time, manpower and other resources invested when co-developing new innovative ideas with the research institutes. They need direct and outcome-driven information to make an investment decision whether to licence an existing technology from the RIs. However, they often face barriers from overly complex jargons and researchers who work on a different time track from businesses.
- 4.17 SMEs have also given feedback that existing technologies that reside in RIs are often not geared towards industry-specific applicability. While each RI's technology transfer office (TTO) tries to facilitate the licensing process, they may lack sufficient industry understanding to implement the translation effectively.
- 4.18 Singapore has a reputation for R&D infrastructure and capabilities. We have good infrastructure and programmes to offer as test beds in areas such as urban solutions, healthcare and clean energy²⁰. However while these programmes are actively promoted to attract MNCs and foreign companies, a similar focus could be directed to raise awareness and make such facilities more readily accessible to local SMEs. While A*STAR provides advice, SMEs are generally not aware or know where to turn to when they need incubator or test bedding facilities.
- 4.19 For example, a local company gave feedback that it could not find any facility that could help in providing tainted blood samples for experimenting with blood testing. Yet another company had wanted to try out a system for generating energy from moving vehicles but could not locate a suitable test bedding facility. It was only after multiple attempts involving considerable time and effort making enquiries that they managed to get JTC to test bed the system on Jurong Island.

SMEC recommends that government:

- a) Review R&D programmes for SMEs to close the gap in understanding SMEs' needs for innovation**
- b) Enhance capacity and knowledge within TTOs for more effective translation of technologies into business solutions**
- c) Promote and make incubator and test-bedding facilities more readily accessible to SMEs**
- d) Consider setting up a contact point for SMEs seeking help to source for incubator and test-bedding facilities.**

²⁰ <http://news.asiaone.com/news/singapore/spore-offers-be-test-bed-urban-solutions>
<https://www.edb.gov.sg/content/edb/en/industries/industries/healthcare.html>
<https://www.edb.gov.sg/content/edb/en/industries/industries/clean-energy.html>
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5. CONCLUSION

- 5.1 This paper has highlighted the issues and challenges facing SMEs in the current restructuring process and the need for a new paradigm for enterprise growth.

OVERCOMING GROWTH CHALLENGES	
1.	<ul style="list-style-type: none"> a) Hold back on any further planned increases in foreign worker levies b) Conduct a review to reduce the foreign worker levy taking into consideration the latest inflow of foreign workers c) Remove the Foreign Worker Levy for S Pass holders as they are already subjected to minimum salary and quota restriction
2.	<ul style="list-style-type: none"> a) Government landlords consider adopting the Fair Tenancy Framework in their tenancy agreements b) Rental data of other government owned business premises be made available together with those from JTC and URA
3.	Review existing Development Control Guidelines to encourage developers and building owners to make optimal provisions of common spaces that would promote efficiency and effectiveness in overall building design
4.	<p>Examine measures for more efficient transportation and logistics infrastructure supporting businesses:</p> <ul style="list-style-type: none"> a) Implement subterranean goods transportation and movement system b) Introduce off-peak COE for commercial vehicles c) Build regional logistics hubs d) Create underground linkages and centralised loading/unloading bays for commercial developments
5.	Job Flexibility Scheme (JFS) eligibility be expanded to other sectors, with the flexibility to allow cross deployment between companies that are under the same group of companies or management
6.	Update the source countries for work permit holders for the hospitality and tourism industries to include other countries, e.g. Philippines and Myanmar
7.	<ul style="list-style-type: none"> a) Introduce a Working Capital or Restructuring Loan scheme to help SMEs in their working capital needs or transformation and restructuring process b) Adopt interest rates pegged at more equitable rates compared to commercial banks for government-supported financing schemes, and enhance the risk-sharing by government so as to lower the financing cost for SMEs
8.	Strengthen on-the-ground support for companies overseas to overcome rules, regulations, compliance and bureaucracy through funding to set up <i>SingCham</i> business support groups in selected overseas markets
9.	Encourage large local enterprises such as GLCs and TPCs to partner SMEs for overseas projects. Incentives could be provided through tax credits or special tax rebates to induce collaboration.

10.	Review conditions for minimum salary and foreign worker levy under the TEP and TWP schemes
NEW PARADIGM FOR ENTERPRISE GROWTH	
11.	<ul style="list-style-type: none"> a) Review enterprise development policies where SME development is at the centre of our economic strategies b) Establish a single SME authority empowered to drive SME development headed by a dedicated Minister
12.	Study and consider the adoption of the Korean KOTEC model for IP valuation and loan guarantee to support SMEs
13.	<ul style="list-style-type: none"> a) Review R&D programmes for SMEs to close the gap in understanding SMEs' needs for innovation b) Enhance capacity and knowledge within TTOs for more effective translation of technologies into business solutions c) Promote and make incubator and test-bedding facilities more readily accessible to SMEs d) Consider setting up a contact point for SMEs seeking help to source for incubator and test-bedding facilities

6. ANNEX

SME Committee

Advisor

Mr Teo Ser Luck	Minister of State	Ministry of Manpower
Dr Koh Poh Koon	Minister of State	Ministry of Trade & Industry

Chairman

Mr Lawrence Leow	Chairman & CEO	Crescendas Group
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Mr R. Ponnampalam	Vice Chairman	SICCI
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Mr Ernie Koh	President	SFIC
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Ms Nanz Chong-Komo	Founder	Nanz Inc Group Pte Ltd
Mr R Dhinakaran	Managing Director	Jay Gee Melwani Group
Mdm Cynthia Phua	Consultant	
Mr Glenndle Sim	Executive Chairman & CEO	Mencast Holdings Ltd
Mr Melvin Tan	Managing Director	Cyclelect Group

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Mrs Wong Sioe Hong	Vice-Chairman	Sub-committee
Dr Dora Hoan	Past President	ASME
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Mr Jeremy Fong Sue Fun	Chairman	SPETA
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Mdm Cynthia Phua	Consultant	
Mr Tay Hong Beng	Partner, Head of Tax	KPMG Singapore

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Ms Annabelle Tan	Council Member	SMF
Ms Susan Chong	CEO	Greenpac (S) Pte Ltd
Ms Foo Mee Har	Member of Parliament	Parliament of Singapore
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Mr Tan Jit Khoon	Chief Executive Officer	Winson Press Pte Ltd
Mr William Tay	Director	Capitalink Asset Management Pte Ltd
Dr Govindharaju Venkidachalam	Director	Hyflux Ltd
Ms Audrey Yap	Managing Partner	Yusarn Audrey

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Mr Abdul Rohim Sarip	Vice-Chairman	Sub-committee
Ms Donna Lee	President	FLA
Mr Douglas Foo	President	SMF
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Mr Gary Choy	Honorary Secretary	SPETA
Mr Low Ming Wah	Deputy Chairman	SPETA
Mr R Dhinakaran	Vice President	SRA
Mr Gurdip Singh	Chairman	Khalsa Association Board of Trustees

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Mdm Cynthia Phua	Chairman	RPWG
Mr Ang Yuit	Vice President	ASME
Mr Wei Chan	Asst Honorary Secretary	RAS
Mr Alan Goh	Asst Honorary Treasurer	RAS
Mr Abdul Rohim Sarip	Immediate Past President	SMCCI
Ms Frances Chang Yoke Ping	Property and Projects Director	Cold Storage Singapore (1983) Pte Ltd
Mr See Chern Yang	Associate Director	Premier Law LLC
Mr Tay Kay Poh	Executive Director	Knight Frank Pte Ltd
Ms Priscilla Yap	Manager, Real Estate	NTUC FairPrice
Mr Calvin Yeo	Deputy Managing Director	Colliers International (S) Pte Ltd

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Mr Lam Kong Hong	Director, SME Committee, SBF
Mr Lai Wei Bing	Senior Manager, SME Committee, SBF
Ms Serene Ho	Asst Manager, SME Committee, SBF

Abbreviations

Trade Associations and Chambers

ABS	The Association of Banks in Singapore
ASME	Association of Small and Medium Enterprises
FLA	Franchising and Licensing Association (Singapore)
RAS	Restaurant Association of Singapore
RPWG	Rental Practices Working Group
SBF	Singapore Business Federation
SCAL	Singapore Contractors Association Limited
SCCCI	Singapore Chinese Chamber of Commerce and Industry
SFIC	Singapore Furniture Industries Council
SHRI	Singapore Human Resources Institute
SICCI	Singapore Indian Chamber of Commerce and Industry
SiTF	Singapore Infocomm Technology Federation
SLA	Singapore Logistics Association
SMCCI	Singapore Malay Chamber of Commerce and Industry
SMEC	Small Medium Enterprises Committee
SMF	Singapore Manufacturing Federation
SNBA	Singapore Nightlife Business Association
SPETA	Singapore Precision Engineering & Tools Association
SRA	Singapore Retailers Association
TaFf	Textile & Fashion Federation (Singapore)

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