

## **TEO SER LUCK LED SME WORKGROUP STUDY MISSION TO HONG KONG AND KOREA**

1. Minister of State for Trade and Industry Teo Ser Luck led a delegation of SME Workgroup members on a study mission to Republic of Korea (ROK) and Hong Kong Special Administrative Region (SAR) from 7 to 10 April 2015.
2. The SME Workgroup Study Mission aimed to understand the policies and programmes that ROK and Hong Kong SAR had implemented to raise productivity and innovation, support capability development and internationalisation of their SMEs. They also looked at how these policies could be applied and adapted to Singapore's context. ROK was identified for its strong innovation culture<sup>1</sup> and Hong Kong SAR for the strong trade and productivity promotion services that it provides to its SMEs.
3. In ROK, the delegation met with representatives from Korea International Trade Association (KITA), Korea Productivity Centre (KPC) and Korea Invention Promotion Association (KIPA), among others. During the meetings, SME Workgroup members found Korea Technology Finance Corporation (KOTEC)'s Kibo Technology Rating System (KTRS)<sup>2</sup> particularly useful in evaluating the commercialisation potential of new technologies and suggested that Singapore could benefit from licensing this system to facilitate loans to technology companies.
4. While in ROK, Mr Teo also called on ROK's Ministry of Trade, Industry and Energy (MOTIE) 2<sup>nd</sup> Vice-Minister Mr Moon Jae-do and the Chairman of the Trade, Industry and Energy Committee of ROK's National Assembly Mr Kim Dong-cheol. Both sides discussed possible areas of SME collaboration and the review of the Korea-Singapore Free Trade Agreement.
5. In Hong Kong, the delegation met representatives from Trade & Industry Department (TID), Hong Kong Trade Development Centre (HKTDC) and Hong Kong Productivity Council (HKPC). They discussed the economic landscape and the various strategies and productivity measures that Hong Kong had put in place to assist local SMEs.

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<sup>1</sup> R&D investment in ROK was the highest amongst OECD countries in 2012, at 4.4% of GDP.

<sup>2</sup> The KTRS is a decision process tool that screens promising technology based on its business feasibility to assess the default risks of the firm.

6. Commenting on the trip, Mr Teo said, “The Singapore delegation had a fruitful and meaningful exchange with the Korean and Hong Kong government, agencies and trade associations. There is potential to learn from these countries which have competitive SME landscapes. We will study all the recommendations raised during the trip, and further refine and sharpen our SME development policies.”

7. Mr Douglas Foo, President of Singapore Manufacturing Federation, who was part of the delegation, added, “With the ASEAN Economic Community (AEC) taking off this year, there is significant potential to transform Singapore into the manufacturing hub of Asia. ROK has many effective policies to develop its manufacturing sector which we can study and adopt. In this regard, the potential to facilitate business matching between Singapore and ROK companies for investment into the ASEAN market was explored with the Small and Medium Business Administration (SMBA).”

8. Mr Teo was accompanied by officials from the Ministry of Trade and Industry, SPRING Singapore and IE Singapore.

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## ANNEX A

### Background of SME Workgroup

1. Led by Minister of State for Trade and Industry Teo Ser Luck, the SME Workgroup, which was formed in September 2013, comprises Advisors, government agencies and business representatives.
2. The SME Workgroup is part of the Government's continued efforts to build a strong and competitive SME sector, which will contribute to a vibrant and dynamic economy, providing good jobs and opportunities for Singaporeans.
3. Over the years, the Government has provided extensive support to help SMEs upgrade their capabilities. Several new assistance schemes have been introduced in recent years to enhance support for SMEs in the areas of productivity and capability upgrading, as well as tapping into regional markets for business expansion. Schemes have also been streamlined and the application process simplified to make it easier for SMEs to apply for government assistance.
4. The focus of the SME Workgroup is in three main areas. First, it oversees the implementation of the various government programmes and schemes related to SMEs. This is to ensure that the various schemes remain accessible and remain relevant to SMEs' needs.
5. Second, the SME Workgroup is responsible for strengthening engagement with the local business community, to deepen understanding of the respective sectors' concerns and challenges. This is done through outreach and engagement sessions, led by the Advisors. Through these sessions, the Advisors also help to raise awareness of the wide range of schemes and resources available to SMEs.
6. Finally, the SME Workgroup identifies gaps and makes recommendations to improve existing policies related to SMEs based on the feedback received. The business representatives on the Workgroup provide feedback on the concerns of SMEs and the recommendations of the Workgroup.
7. The structure of the SME Workgroup consists of two groups working in parallel – an Advisory Sub-Committee comprising Advisers to lead outreach and engagement efforts with the SME community, and a Business and Government Sub-Committee comprising government agencies and business representatives to review government policies related to SMEs.
8. Seven SME Workgroup members were part of the Study Mission delegation. They are:

- (i) Ms Foo Mee Har, Grassroots Adviser to West Coast GRC
- (ii) Ms Jessica Tan, Grassroots Adviser to East Coast GRC
- (iii) Er Dr Lee Bee Wah, Grassroots Adviser to Nee Soon GRC
- (iv) Mr Yeo Guat Kwang, Grassroots Adviser to Ang Mo Kio GRC
- (v) Mr Douglas Foo, President, Singapore Manufacturing Federation
- (vi) Mr Kurt Wee, President, Association of Small and Medium Enterprises
- (vii) Mr Lawrence Leow, Chairman, SME Committee, Singapore Business Federation

**ANNEX B**



The Singapore delegation met with members of Korea's Small and Medium Business Administration (SMBA)



The Singapore delegation at the Hong Kong Productivity Council (HKPC)