

# EDB working with more Swiss firms who want to come here

Agency's MD Yeoh Keat Chuan explains why the Republic is an attractive partner for companies from Switzerland that are looking to access the growing Asian markets. BY NARENDRA AGGARWAL

**T**HE Singapore government's investment promotion agency, the Economic Development Board (EDB), which opened an office in Switzerland in 2014, is working with a growing number of Swiss companies to support their business in Asia, says Yeoh Keat Chuan, its managing director.

"Switzerland and Singapore have enjoyed strong bilateral relations since 1967 and the relations have continued to strengthen in recent years. The visit of Swiss President Johann N Schneider-Ammann extends a series of high-level bilateral political exchanges in the last three years, including the visits of Singapore President Tony Tan Keng Yam and Deputy Prime Minister Tharman Shanmugaratnam to Switzerland, and visits of Federal Councillors Doris Leuthard and Eveline Widmer-Schlumpf to Singapore," notes Mr Yeoh.

Switzerland signed the European Free Trade Association (EFTA) agreement with Singapore in 2003 – its first with an Asian country. Following this, bilateral trade relations have grown significantly between Singapore and Switzerland. As of 2014, Swiss foreign direct investment in Singapore was an estimated \$343 billion, making Switzerland the Republic's seventh-largest investor globally.

"Given the cultural affinities – both being small, multi-cultural countries with a practical business-oriented approach and a commitment to transparency and efficiency – Singapore is an attractive partner for Swiss companies looking to access the growing Asian markets. The EDB is working with a growing number of Swiss companies to support their business in Asia," says Mr Yeoh.

## COMPETITIVE LOCATION

As a result of this increasing interest in Singapore, the EDB decided to open a new office in Switzerland in 2014 to strengthen relationships with Swiss companies and institutions.

According to the EDB chief, there are approximately 800 Swiss companies operating in Singapore in a number of key industries, including pharmaceuticals, food and nutrition, logistics and distribution, fashion, flavours and fragrances, engineering, infrastructure and electronics, as well as banking and insurance. "Singapore continues to be a competitive location for advanced manufacturing. For example, Novartis, Roche and Lonza own and operate five out of the nine biopharmaceutical manufacturing facilities

in Singapore. Novartis' US\$500 million manufacturing facility is its first in Asia and one of its largest globally, while Roche and Lonza have continued to expand their manufacturing operations in Singapore over the past two years. We have also seen growing interest from mid-sized pharmaceutical companies," notes Mr Yeoh.

Singapore is well-positioned as a hub for companies to conduct upstream R&D as well as market-oriented development for the Asian market. The continued urbanisation and industrialisation of Asia have prompted investments from infrastructure and engineering companies.

"LafargeHolcim, the world's largest cement and concrete manufacturer, not only established its Asia-Pacific commercial headquarters in Singapore, but signed on to the first Pre-project Innovation Consortium of companies to commercialise innovation solutions for green buildings. ABB also established a robotics packaging systems centre of expertise in Singapore to deliver automation solutions to the food and medical packaging industries."

In the consumer sector, brand owners such as Nestle have been growing their R&D activities in Singapore. This year Nestle announced the expansion of its R&D partnership with A\*Star, entering into new areas of research such as biotransformation and healthy ageing.

"In addition, the EDB has developed new partnerships with small- to mid-sized Swiss companies, such as Medela, a global manufacturer of breast pumps, which established their procurement hub in Singapore and Tectus, a diversified engineering company which set up an R&D centre in Singapore to develop next generation digital technologies in partnership with A\*Star," adds Mr Yeoh.

This year Switzerland's Ferring Pharmaceuticals also established its Asia supply chain hub and regional headquarters in Singapore, and committed more than \$510 million to R&D spending. "We continue to see a strong momentum of interest of Swiss companies in Singapore," says the EDB chief.

Asked how Mr Schneider-Ammann's visit to Singapore will help to grow bilateral relations, Mr Yeoh explains: "The Swiss president's visit and support for Singapore's SkillsFuture initiative is a timely boost to our bilateral relations. The education linkages between Switzerland and Singapore are already extensive with many partnerships between the Swiss and Singaporean institutions of higher learning including ETH Zurich which has established a Future Cities Laboratory in Singapore to conduct research into complex urban systems.



"The Swiss president's visit and support for Singapore's SkillsFuture initiative is a timely boost to our bilateral relations," says Mr Yeoh.

"Each year, students embark on exchange programmes in both directions between NTU, SMU, NUS and leading Swiss universities such as ETH Zurich, EPFL, Hochschule St Gallen and Hochschule Rapperswil."

As Singapore looks to build a culture of hands-on and life-long learning through SkillsFuture, Swiss companies and universities, which have a strong tradition of applied learning, could be strong partners to develop the skills of Singaporean workers. On the other hand, Swiss companies can attract and develop a pipeline of skilled talent in Asia who has the depth of expertise to further develop their business in Asia, says Mr Yeoh.

Asked how the already strong ties between Switzerland and Singapore could be strengthened further, the EDB chief replies that from an industry standpoint, a stronger collaboration on applied learning and training will be valuable. Additionally, there could be a greater scope for collaboration and partnerships between Singapore and Swiss enterprises to grow in Asia and Europe. Venture, a Singapore contract engineering and manufacturing company, is already partnering with Swiss companies to engineer and manufacture high-tech products such as medical devices. As for new business areas that hold promise for further Singapore-Swiss collaboration, the EDB chief notes that the development and adoption of digital and robotics technologies is an area of strong shared interest for Singa-

pore and Switzerland. "In manufacturing, the increasing connectivity and automation of production systems is prompting the transformation of traditional manufacturing models. There is a strong manufacturing base, good software development and digital analytics expertise, and a growing appetite to adopt such novel technologies to improve productivity in Singapore," says Mr Yeoh. "On the other hand, Swiss companies have strengths in manufacturing technologies, sensors, automation and control systems. There is an exciting opportunity for Singapore to partner with Swiss companies to develop, pilot and test new technologies."

## HEALTHY INTEREST

E-commerce is also growing rapidly in Asia and the EDB has been working to develop a comprehensive e-commerce landscape of companies in Singapore comprising brand owners, marketplaces, payment solution providers and logistics companies to serve the South-east Asian market. Swiss companies can tap into this ecosystem of partners to develop their e-commerce business, Mr Yeoh adds.

"The increased sophistication in digital technologies is also driving the growth of emerging industries, such as fintech, where we have seen Swiss SMEs such as Avaloq and Leonteq rapidly grow their operations in Singapore, as well as start-ups such as Netguardsians expanding to Singapore to tap the growing banking sector."

Mr Yeoh says that the EDB continues to welcome high-tech companies who wish to invest in high value-added activities in Singapore in a range of industries. These include sectors such as pharmaceuticals, medical devices, specialty chemicals, consumer, infrastructure, engineering and logistics, but increasingly as well in niche and specialised technology areas such as engineering plastics and sensors. "We have seen healthy interest from Swiss start-ups and SMEs in Singapore, as mentioned earlier. As the Asian market grows, companies – SMEs, startups or MNCs – all need a trusted base in Asia, from which they can better understand trends and develop the regional markets, innovate with and for their customers, and develop their supply chain and manufacturing strategy," points out Mr Yeoh.

"For Swiss SMEs or startups that may lack the resources or reach to make a direct entry into Singapore or Asia, there is greater scope to do so via strategic partnerships or joint ventures with relevant Singapore-based companies.

"There is also a growing number of incubators, accelerators and venture funds based in Singapore that are developing platforms to fund and accelerate the growth of startups in specific sectors such as ICT, health and medical technologies, and clean technologies in Singapore," Mr Yeoh concludes.