



EMBASSY OF DENMARK
Singapore

BUSINESS OPPORTUNITIES IN SINGAPORE

BY THE TRADE COUNCIL - YOUR GATEWAY TO NEW MARKETS

July, 2022

SINGAPORE IS A NATURAL HUB FOR BUSINESS ACTIVITIES IN SOUTHEAST ASIA

Singapore actively looks to attract investments, with a big part of the country's economy based on Foreign Direct Investments, trading and exports in the region.

Singapore is the gateway to ASEAN, a region comprising 10 countries in South East Asia, with an economic bloc of **GDP USD 3.1 trillion**. ASEAN is forecast to become the fourth largest economy by 2030. Leveraging on Singapore's geographical location, the country has established an efficient logistical hub and a financial center in the region.

Singapore prioritises to stay attractive for foreign enterprises to do business in. There are several attractive reasons why Singapore specifically is a interesting export market with great potential for Danish companies. A selection of these are:

- It is simple and convenient to do business in Singapore.
- The official language for business is English.
- The work force is highly-skilled.
- The country has pro-business legislations, including favourable tax rates.
- Political stability, with high compliance requirements for transparency and corporate governance.
- Effective protection of patents with world-class patent court.
- Singapore is ranked one of the most innovative countries in the world.
- Singapore is also ranked one of the most globalised and well-connected countries.
- And perhaps most important: Singapore has **free trade agreements with 26 countries**, including, among others, China, Korea, the US, Trans-Pacific Partnership and of course the EU.



WHY YOU SHOULD PLACE YOUR BUSINESS IN SINGAPORE

No. 2 in the world

for ease of doing business

World Bank 2020

No. 2 in the world

in international property rights rankings
IPRI 2021

No. 1 in the world

in political stability

The Global Economy 2020

No. 2 in Asia

for most innovative country
WIPO 2021

No. 2 in the world

for most connected country
DHL 2020

No. 3 in the world

for most competitive economy
IMD 2022



SINGAPORE'S ECONOMIC KEY FIGURES (2021)

- Singapore's has a **GDP of USD 383.4 billion.**
- Population of 5,3 million.
- The GDP per capita: **USD 70,298.6**
- Real growth rate in GDP is expected to be **7,4 pct.**; over the following two years real GDP is expected to grow at a rate of 3,0 pct. p.a.
- In 2020 the current account had a **surplus of 17,7 pct. of GDP.** The forecast towards 2023 is somewhat negative where the surplus is reduced.
- Singapore's import in 2021 was **USD 392.3 billion.**





EMBASSY OF DENMARK
Singapore

OUR FOCUS SECTORS



THE TRADE COUNCIL'S FOCUS SECTORS IN SINGAPORE



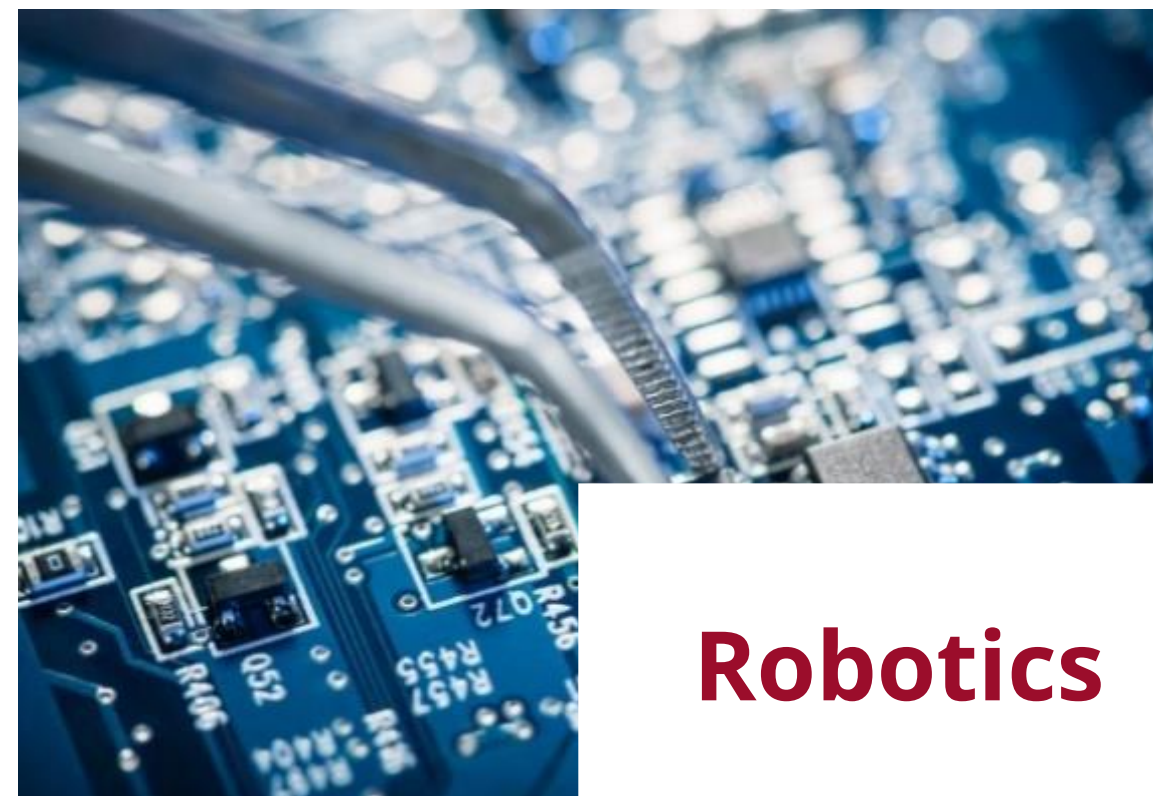
Fintech



**Energy, Water &
Environment**



Maritime



Robotics



**Food and
Agritech**

MARITIME AND MARITIME DECARBONISATION

Denmark has set high ambitions for accelerating its green development – including for its numerous maritime technology providers. Likewise, Singapore is advancing its maritime industry’s transformation - aiming to become the world's greenest city. Hence, in many ways, Singapore and Denmark are natural partners, as Singapore increasingly is scouting for climate-friendly, innovative maritime solutions.

Maritime trade between Singapore and Denmark is sizeable and has the potential to grow further, as Singapore is a globally important port for trans-shipment and bunkering as well as home to several large shipyards

The port in Singapore is one of the world’s busiest, and the maritime industry is expected to continue to grow in the near future. The sector has experienced a bigger focus on sustainability lately resulting in the newly created Global Center for Maritime Decarbonisation, which is a Singapore-based - yet global center - with the mission of reducing the maritime sector’s greenhouse gas emissions.

BUSINESS OPPORTUNITIES

- As one of the world’s busiest ports and a leading Maritime nation, Singapore represents both a significant market opportunity in itself and serves as a natural base for expanding into Southeast Asia.
- Maritime Port Authority of Singapore’s (MPA) decarbonisation blueprint comes with a DKK 1,5 billion investment over 10 years and includes seven key areas:
 - Port terminals (Tuas MegaPort)
 - Domestic harbour craft
 - Future marine fuels, bunkering standards and infrastructure
 - Singapore Registry of Ships
 - Efforts at IMO and other international platforms
 - Research & development and talent
 - Carbon awareness, carbon accounting and green financing



THE SECTOR IN NUMBERS

- The maritime industry is expected to have a CAGR of more than **2 pct** from 2021 to 2026
- There are **5000** maritime organisations in Singapore which accounts for approximately **7 pct** of GDP
- **160,000** is employed in the maritime sector
- Singapore is spending **DKK 1,5 billion** to reduce greenhouse gas emission in shipping in the next 10 years
- In **2050** all domestic ships must either be net-zero or electric.

ENERGY, WATER & ENVIRONMENT

A challenge for Singapore is its geographic location and size and limited natural resources, which means, that it is not suitable to build wind turbines or solar panels, that can contribute to the green transition. Hence, Singapore has a focus on finding alternative energy sources and increase the efficiency per. kWh used. This is to achieve the target of net-zero emissions 'by or around mid-century'.

In addition, Singapore is constantly adopting new technologies to improve the nation's water resilience and secure future water independence. Since 2014, Singapore and Denmark have collaborated in efficient water management through a partnership agreement, which, among other things, include knowledge sharing about technical solutions about loss of water. Singapore has also launched the so-called NEWater reclamation plants, which is a part of a project to achieve a closed water system. This solution is energy heavy, and thus Singapore wants to reduce the energy consumption of the plants, which leads to great potential for Danish companies to help optimising the process.

In line, Singapore aim to be a 'zero waste nation', which entails a prioritisation of CleanTech. Singapore already has an advanced and integrated waste management system, which maximises resource recycling, but the country is looking to further enhance recycling.



THE SECTORS IN NUMBERS

- 15 of the top 20 global engineering consultancies have their regional operations based out of Singapore. A similar trend is seen for other global players operating within the energy & environment sectors
- A Coastal and Flood Protection Fund (CFPF) was announced 2020 and is managed by Singapore's national Coastal Protection Agency under PUB, Singapore's National Water Agency and received an initial injection of DKK 25 billion to fund coastal protection measures and drainage infrastructure to enhance Singapore's flood resilience.
- Singapore plans to transform Jurong Island into a Sustainable Energy and Chemicals Park that operates sustainably and exports sustainable products globally.
- Singapore is an ideal location to develop and pilot new water technologies through grants and partnerships with key global players.

- **95 pct** of the electricity generation is done by natural gas, equivalent of 12.6 billion cubic meters
- **3.42 exajoules** of primary energy consumption
- **1.7 billion kWh** of piped gas sales
- **549 MW** total renewable power generation capacity
- Import of **4 GW** electricity from low-emission sources (**30 pct** of its total supply)
- Target of **35 pct** improvement of energy efficiency in 2030 compared to 2005 levels
- **80 pct** of the buildings will be 'greened' through the DKK 248.9 million Green Mark Incentive Scheme.
- The government has spend DKK **3.3 billion** to finance innovation and capacity building in the water industry since 2016.
- **150** pilots in the water sector have been lead by PUB since 2006.

FOOD & AGRITECH

Singapore's "30 by 30" goal entails ramping up local production of nutritional needs sustainably from less than 10 pct currently to 30 pct by 2030. Given Singapore's limited space for conventional farming (less than 1 pct land allocated to land-based farming), there is need for innovation. There is urgent need, coupled with incentives, for farmers to adopt Agritech to increase production of leafy greens, fish and eggs.

There are also initiatives to boost Agritech sourcing, product development and investments. Singapore is also attracting players in the future food industry to set up here with access to funding for research and development, and the world's first regulatory framework for the sale of cultured meat. The eco system includes availability of shared facilities for the production of safe future foods in small batches for the ASEAN market.

Singapore's current food imports are sourced from more than 100 countries. There are stringent food regulations in place to ensure food supplies are safe for consumption.

BUSINESS OPPORTUNITIES

Singapore's Agritech startup ecosystem consists of diverse players across the value-chain in farming and future foods, offering opportunities in:

- R&D collaboration in private and public partnerships.
- High-tech farming with automation and smart processes for farms in current and new farming zone in the north-west of Singapore (work commences in 2024). Includes circular economy concepts for sustainable farming.
- An AgriFood Innovation Park is being built in phases, with the aim of bringing together high-tech farming, R&D and food manufacturing for future foods.

Singapore is a gateway to the Asian food market where **3.2 billion** middle-class consumers could hit **DKK 392 trillion**. There are opportunities to:

- Use Singapore as benchmark, regional distribution hub to access ASEAN markets.
- Collaborate with **five** of the world's leading Flavour and Fragrance houses present in Singapore, to develop products for Asia markets.



THE SECTORS IN NUMBERS

- Import of key food products into Singapore: **DKK 21.5 billion** (2021, for eggs, meat, seafood, vegetables, fruits).
- Number of Agritech start-ups in Singapore: **96**.
- Singapore market alone received **DKK 1.2 billion** through 37 investment deals in Agritech, the highest investment in ASEAN.
- Another **DKK 452 million** worth of investments in the deep-tech and early-stage agri-food tech startups were catalyzed into disruptive solutions.
- Under the Agri-Food Cluster Transformation Fund, **DKK 300 million** allocated to support transformation of agri-food sector to one of high productivity, climate-resilient and resource-efficient.
- **DKK 738 billion** made available under Singapore Food Story R&D programme to enable R&D in future foods, food safety science and sustainable urban food production.

ROBOTICS AND FINTECH

Singapore is betting big on robotics. One of Singapore's biggest industries is advanced manufacturing, and thus there is great economic potential for the country, if the benefits of automation and robotics can be obtained. To achieve this, Singapore has initiated the Research, Innovation and Enterprise 2025 plan that will finance R&D in science and technology towards 2025 with DKK 124 billion.

Singapore has one of the world's finest Fintech hubs since Singapore is a financial center and is a top location to start a business. Fintech is seen as a key for Singapore to stay a financial center in South East Asia and, at the same time, Fintech is viewed as an integrated part of Singapore's ambition to become a smart nation. Singapore also has its eyes pointed towards Danish Fintech solutions, as seen in two partnerships agreements between Denmark and Singapore: the first is a *Sustainable Fintech Bridge* between Copenhagen Fintech and UNDP Global Centre for Technology, Innovation and Sustainability. The other agreement is the collaboration agreement between Monetary Authority Singapore and Finans-tilsynet to help companies expand into each others markets.

BUSINESS OPPORTUNITIES

Robotics and automation of processes are deployed in advanced manufacturing in key sectors. Government incentives of between **50-70 pct** are available for Singapore-registered companies for the adoption of automation and technology, to increase productivity.

- Design and integration of automation processes in advanced manufacturing.
- AI and machine learning enabled solutions for increased productivity.
- Solutions for unmanned vehicles for high-risk work.

Danish Fintech solutions are in high demand in Singapore as exemplified by Singlife with Aviva recently appointing Danish sustainability data provider Matter to provide a comprehensive view of its sustainability performance.

The Embassy has a long-standing close collaboration with Copenhagen Fintech and Danish Fintech companies will enjoy further support from a dedicated Trade Advisor focusing on Fintech opportunities in Singapore.



THE SECTORS IN NUMBERS

- The electronic sector has experienced **2-5 pct** growth annually in the last decade
- Singapore trains over **13.000** engineers and technicians annually
- Investments for DKK **124 billion** in R&D in science and technology
- Over **40** Fintech innovation labs
- Over **1000** Fintech companies
- Over DKK **5 billion** in Fintech investments in 2019
- **19 pct Y-o-Y** increase in investments in Fintech for H1 2020.

ECONOMIC TIES BETWEEN DENMARK AND SINGAPORE

- Singapore was Denmark's **13rd** largest export market, totalling **DKK 24 billion**, i.e. accounted for 1,9% of Danish exports (BOP, 2020).
- Singapore was Denmark's **26th** largest export market for goods totalling **DKK 4,6 billion** (0,6%); 7th biggest market for services grossing 19,3 billion DKK (3,9%) (BOP, 2020).
- The top export to Singapore in 2021 was petroleum products and related materials (DKK 2,85 billion) (FOS)
- Denmark's direct investments in Singapore were **DKK 104,3 billion** (2020).
- Singapore's direct investments in Denmark were **DKK 10,9 billion** (2020).
- **More than 240 Danish subsidiaries** employed **17.311 people** in Singapore (2019).



THE TRADE COUNCIL IS YOUR TRUSTED LOCAL PARTNER

The Trade Council is a natural partner for Danish companies looking to export and grow in Singapore and has a strong track record of creating tangible value through a wide range of services:

- Identify and shortlist partner candidates in Singapore
- Give advice about the local market
- Conduct market analysis and research
- Scope partnerships in dialog with selected partners
- Facilitate the process and dialog with local stakeholders
- Secure the opportunities for promotion on relevant and high-level platforms

GET INVOLVED

As an integral part of the Ministry of Foreign Affairs, The Trade Council has a strong presence in key markets, including Singapore, and offers export and business development counselling through customised solutions.

For a more detailed presentation of The Trade Council, the customised services, and how your business can enter the Singaporean market, please visit thetradecouncil.dk for more information or you can contact:

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