

BUILDING FOR THE FUTURE

Breathing life into CFE strategies

Top-up for productivity fund; plans to build capabilities under Global Innovation Alliance, SkillsFuture initiative

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FINANCE Minister Heng Swee Keat said on Monday that the government has earmarked S\$2.4 billion to put into action the strategies of the Committee on the Future Economy (CFE) in the next four years.

While not all seven of the CFE's strategies are targeted directly at it, they all in one way or another support the key recommendation to get Singapore more plugged into the global economy.

In presenting the government's Budget 2017 statement, Mr Heng said the S\$2.4 billion will be "over and above" the S\$4.5 billion put aside last year for the Industry Transformation Programme. The latter will get another S\$1 billion injection this year through a S\$1 billion top-up in the National Productivity Fund.

A central and novel idea in the recommendation to deepen and diversify Singapore's international links is the setting up of a Global Innovation Alliance (GIA) for Singaporeans to gain experience, build networks and forge tie-ups overseas. This was unveiled in the CFE report released nearly a fortnight ago.

Offering more details on Monday, Mr Heng said the GIA will have three programmes. The first, the Innovat-

HIGHLIGHTS

- The government will put aside S\$2.4 billion to support CFE strategies
- The National Productivity Fund will get a S\$1 billion top-up
- Another S\$500 million will go to the National Research Fund
- The government can suspend rules to facilitate regulatory sandboxes for innovation
- Over S\$100 million is earmarked to build capabilities under the Global Innovation Alliance and SkillsFuture Leadership Development Initiative
- The government will promote the acquisition and use of deep skills in jobs through targeted and short courses as well as tighter government-industry-union partnerships
- The remaining 17 Industry Transformation Maps will be launched in FY2017

ors Academy, will provide tertiary students with the platform to build connections and capabilities abroad. It will build on the NUS Overseas College programme which connects students to startups overseas, with many of them having gone to start companies or pursue interesting careers.

"The Innovators Academy will go

further by making these opportunities available to students from other Singapore universities," Mr Heng said. "We aim to grow the annual intake of students from 300 to 500 over the next five years."

The second programme is Innovation Launchpads, which will be put in place in selected overseas markets for Singapore entrepreneurs to hook up with mentors, investors and service providers.

The third is Welcome Centres, through which innovative foreign firms and Singapore partners can link up to "co-innovate, test new products in Singapore and expand in the region".

"The GIA is a novel collaboration among our educational institutions, economic agencies and businesses," Mr Heng said. "In the initial phase, we will launch the Alliance in Beijing, San Francisco and various Asean cities."

To develop capable leaders who have spent time in overseas markets and have the insights and connections to help scale up businesses globally, the SkillsFuture Leadership Development Initiative will be extended to more development programmes to groom such leaders. This includes sending promising Singaporeans on specialised courses and overseas postings.

The programme aims to develop 800 potential leaders in the next three years for a start.

Mr Heng said the government has budgeted over S\$100 million to build capabilities under the GIA and Leadership Development Initiative.



Innovation Launchpads will be put in place in selected overseas markets for Singapore entrepreneurs to hook up with mentors, investors and service providers. PHOTO: YEN MENG JIIN

Training will be boosted and made more accessible through targeted and shorter courses as companies innovate and digitalise, he said.

There will still be funding support. The government, for instance, has earmarked S\$150 million to match donations to the NTUC-Education and Training Fund.

Mr Heng said trade associations and chambers, union and the government must come together to ensure Singaporeans apply and use the new skills acquired.

The Industry Transformation Maps (ITMs), which systematically facilitate such partnerships, will be launched in all 23 targeted sectors in financial year 2017. Six have already taken off. The ITMs will cover about 80 per cent of the economy.

"The message is clear," the Singa-

pore International Chamber of Commerce said in a statement on Monday. "The government is doing, and will continue to do, all that it can to act as facilitator-in-chief. It is now up to each employee and employer to take advantage of all the various schemes to innovate, to learn, to collaborate, to grow and to internationalise."

Tan Chee Wei, a tax partner at KPMG Singapore, added: "The initiatives targeted at the individual level, such as the Global Innovation Alliance and SkillsFuture Leadership Development Initiative, will help Singaporeans skill up to gain experience in a global world."

Mr Heng said government agencies must also play enabling roles to give innovation a further push. The agencies can create more space for innovation through "regulatory sand-

boxes", which provide some rules to be suspended to allow greater experimentation.

Government agencies can procure products and services "in a way that builds capabilities in the economy and supports innovation", he said. Some S\$150 million has been budgeted to start a Public Sector Construction Productivity Fund.

"It will allow government agencies to procure innovative and productive construction solutions, which may have higher costs as they may be nascent and lack scale," Mr Heng explained. "The fund will allow these solutions to enter and gain traction in the market."

He also announced that the government will top up the National Research Fund by S\$500 million to support innovation efforts.