

MARKET WATCH – SINGAPORE

1. General background

For the time being, in ASEAN, only Singapore and Vietnam have free trade agreements with the EU.

Singapore is the **largest trading and investment partner of the EU in the ASEAN region** and the **EU-Singapore Free Trade Agreement and Investment Protection Agreement** signed in October 2018 are the cornerstones of its economy.

Singapore has rapidly developed as an **Asian Tiger economy**, based on external trade and its skilled workforce. It has so far maintained a high standard environmental quality.

The country has been regarded as one the **best places for doing business** for 15 consecutive years by the World Bank's Ease of Doing Business Report.

Today, Singapore boasts of a **market economy that is highly developed**, trade-oriented, and business-friendly. It has also been ranked as the most open and least corrupt global financial hub, attracting all types of investors locally and internationally.

Singapore and Luxembourg have **many similarities** and points of common in terms of doing business: openness, multicultural, innovation and a services-oriented economy.

2. Sectors to focus on:

Digital economy



Singapore ranks 3rd globally for talent as well as 3rd **largest digital economy**, despite having only 5.6 million residents. With Southeast Asia's tech start-ups predicted to be valued at \$1 trillion by 2025, Singapore is key to the region's success.

Singapore is recognized as the **leading smart city in Asia** in the Smart City Index 2023 published by IMD.

The country continues to explore new frontiers in innovation such as cloud computing, artificial intelligence, quantum computing, data analytics and other technologies that span healthcare, security, fintech, energy and space. There is also a strong effort to consolidate e-government services and to offer a robust legal framework for IP protection.

HealthTech



Singapore notably ranks among the best healthcare systems in the world.

Healthtech is one of the newest sectors in the city-state, but it has already drawn plenty of interest. The Singaporean government has allocated S\$4 billion (US\$2.95 billion) for **research and development in health and biomedical sciences**. There are 726 HealthTech startups in Singapore.

Launched in July 2019, the Singapore Health Technologies Consortium (**HealthTEC.SG**) offers a platform for interaction and collaboration between **industry and academia** to develop and translate disruptive technological innovations that will transform health and wellness. It focuses on the areas of health sensing technologies, health analytics and artificial intelligence to create personalised applications for health and wellness. The Consortium also acts as a national resource in R&D and commercialisation by facilitating licensing of locally developed technologies.

The government is taking steps to boost the health tech talent pool by offering **training and skills conversion programs**. Health IT provider Integrated Health Information Systems (IHIS), the Infocomm Media Development Authority and Workforce Singapore are collaborating in a broader programme called the **TechSkills Accelerator**, which will train 21,000 ICT professionals in Singapore.

GreenTech



A cosmopolitan city with limited natural resources, Singapore actively fosters sustainable innovation. The city-state's government launched a whole-of-nation sustainable development agenda: **Green Plan 2030** has clearly defined targets, like planting 1 million trees and producing 30% of Singapore's nutritional needs locally within the decade. Another objective is to promote homegrown innovation under the Research and Innovation & Enterprise Plan 2025 and attract companies to anchor their R&D

activities in Singapore to devise new solutions for a tenable human existence.

Singapore has identified the following five Green Growth Opportunities to develop Singapore as a **green growth hub**. Clean Technology, Test Bedding, Green ICT, Carbon Services and Climate Finance and Climate Risk Management. There are excellent opportunities for companies to sell **smart water technologies and wastewater recycling equipment** to the Singapore market.

Space



Singapore has a nascent but fast-growing space ecosystem that builds on the country's strengths in areas like microelectronics and advanced manufacturing.

Today, there are more than 60 companies in the local space industry engaged in a wide range of activities across the value chain, from **designing and manufacturing space components to providing satellite-based services**. These

companies comprise both local startups and SMEs, as well as international leaders such as Inmarsat, Planet and Thales. Singapore's space research ecosystem is also growing.

There are **satellite engineering research centres** as well as centres for remote sensing research at both the National University of Singapore and Nanyang Technological University. The **Agency for Science, Technology and Research** has a satellite cluster within its Institute for Infocomm Research, which focuses on research in satellite communications, tracking and data analytics.

There are also space-focused accelerator and venture building programmes, such as the **Singapore Space & Technology Ltd's Space Accelerator Programme**.