EDB SINGAPORE

Why Southeast Asia?

A guide to growing in the region for manufacturers

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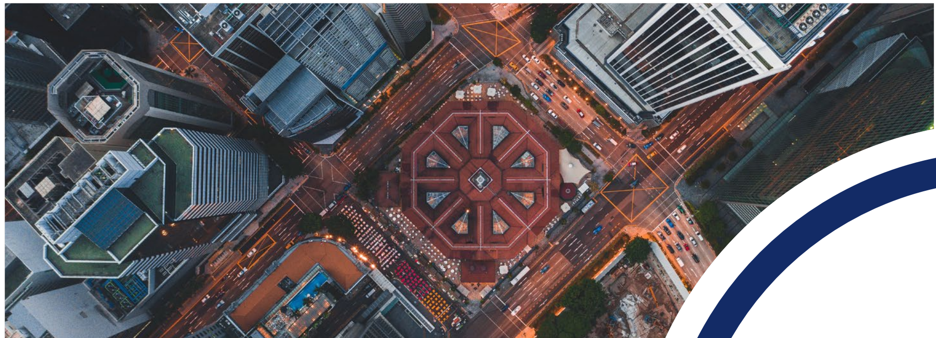
Strengthening Your Manufacturing Footprint in SEA

Southeast Asia (SEA) offers both land and maritime connections to key markets across the Asia-Pacific region, including China, India, Australia and Japan.

Companies with operations in SEA are able to tap into the region's fast-growing consumer markets and benefit from the region's young and skilled workforce, modern infrastructure and diverse capacities to support i4.0 transformation as they look to weather global disruptions by building supply chain resilience and operational efficiency.



Why SEA?

As an emerging manufacturing powerhouse and with a growing middle-class population, SEA presents tremendous growth opportunities for global manufacturers.

Leverage SEA's manufacturing capacities

134%
in manufacturing foreign direct investments worth **around S$66.6 billion** in 2022

S$627 BILLION
expected in productivity gains from i4.0

Integrated regional initiatives to enhance logistics connectivity and efficiency

Capitalise on a vibrant growth market

664 MILLION
Total population of SEA, with **more than half** under the age of 35

4th largest
economy in the world by 2030

65% of SEA's population will be middle class with increased purchasing power by 2030

Here's how global manufacturers can benefit by expanding into SEA:

01 Global Connectivity to Markets

SEA's key business hubs are located within a 3 hour flight radius of Singapore. The region's robust air and sea connectivity allows companies to easily access neighbouring markets for expansion, while ensuring smooth transportation of goods and resources from manufacturing sites to end markets.

- These close ties are further strengthened through enhanced economic collaboration within the Association of Southeast Asian Nations (ASEAN), as well as the signing of Free Trade Agreements with key economic blocs.
- ASEAN's active involvement in the Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement which covers 30 per cent of global GDP, provides access to an extensive network of deep economic linkages.

02 Leading Logistics Hub

SEA has emerged as a thriving logistics hub, offering cost-competitive logistics solutions that enable manufacturers to diversify their supply chains in a region experiencing significant global growth. With rising consumption, the region is actively enhancing its forecasting capabilities for more efficient supply chain management.

- Situated strategically at the heart of SEA, Singapore provides an ideal base for manufacturers, like apparel company VF Corporation, to oversee their regional and global supply chain operations. Two-thirds of logistics companies have chosen Singapore as their base to manage regional operations.

03 Greater Agility Through SEA's Digital-Readiness

SEA offers a wide range of i4.0 solutions that make it easy and cost effective for manufacturers to integrate. Regional industrial solutions firms like Auk Industries, which provide 'plug-and-play' Internet of Things (IOT) systems, enable manufacturers to access machine statistics and operations data with ease.

- Across the region, numerous manufacturers have also begun to adopt digital transformation by using real-time tracking systems for products, raw materials and logistics to optimise supply chain management.

04 Highly Skilled Workforce

With a strong emphasis on advanced education, research and innovation, SEA countries offer access to a tech-enabled workforce that is boosted by a steady supply of tertiary graduates equipped with digital skillsets. This is further supported by its young and growing workforce, set to increase by 40 million by 2030.

- Singapore, in particular, ranks 1st globally in high-level skills and talent impact. The country has strong capabilities in scientific and engineering research and development for specialised sectors like computer parts, pharmaceuticals, scientific instruments, and electrical machinery.

Find out how Singapore's open trading economy can benefit your business.

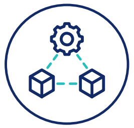
Explore Enterprise Singapore's Free Trade Agreement or Tariff Finder

Twin to Win:
SG+ Twinning Model

Singapore's pro-business environment, coupled with its proximity to cost, competitive manufacturing locations with high quality infrastructure, position the city-state as an ideal base for manufacturers to build their supply chains and enhance operational resilience in SEA.

The SG+ Twinning Model plays to this advantage, helping companies to combine Singapore's business advantages with the manufacturing strengths of nearby production bases — Johor in Malaysia, and the Batam, Bintan and Karimun (BBK) islands in Indonesia — to establish a holistic and integrated strategy for SEA.

With the SG+ Twinning Model, manufacturers can:

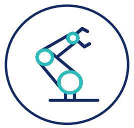


Access diverse supply chain offerings:

Customised end-to-end facilities and tech solutions, as well as plug-and-play industrial parks that can be tailored to businesses' manufacturing needs

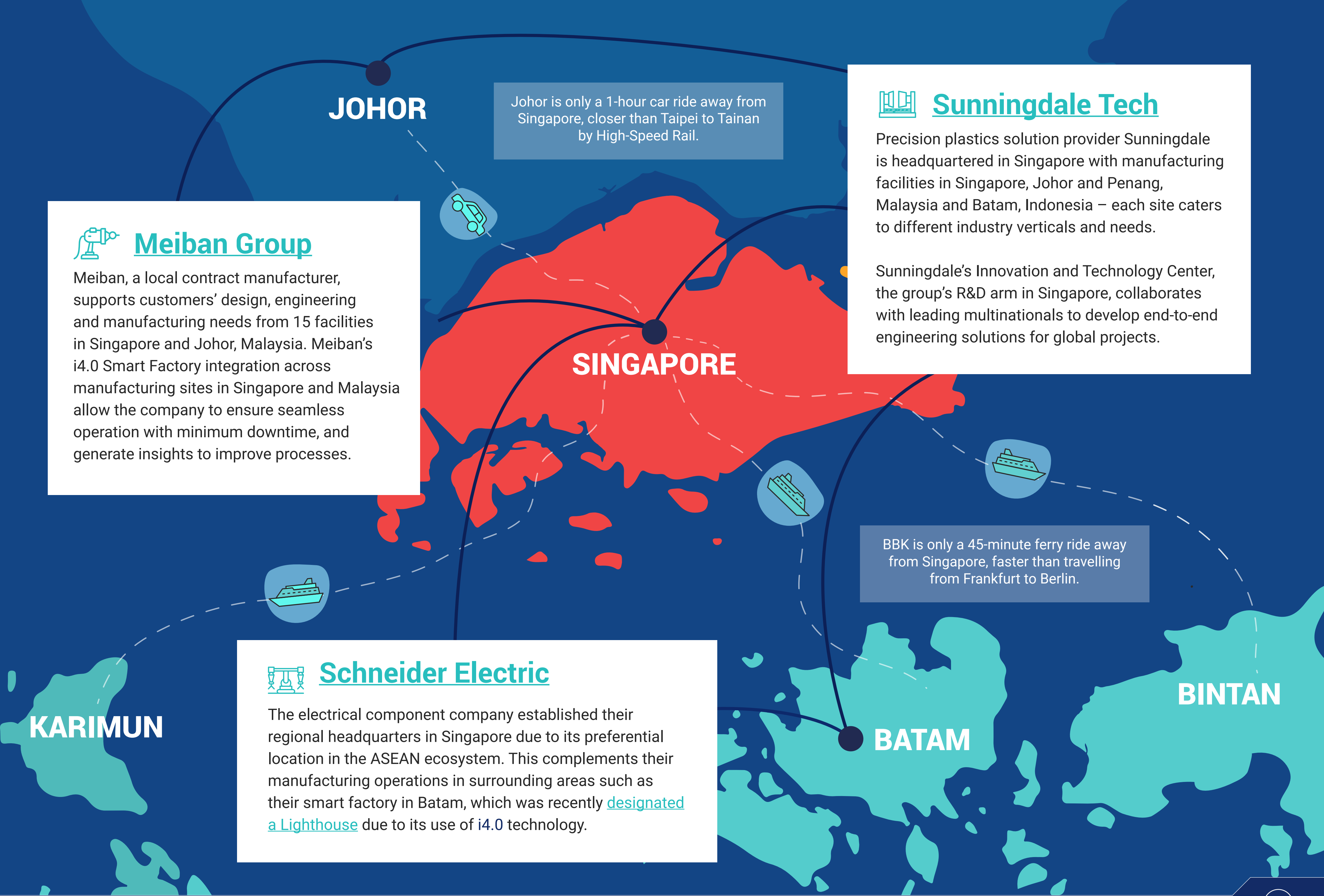
Keep production cost competitive:

An educated talent pool with specialised skills in tech, engineering and corporate functions, on top of lower rent and utility costs in Johor and BBK



Leverage high-quality infrastructure:

Strong ecosystem of partners to enhance operational resilience and innovation



Sunningdale Tech

Precision plastics solution provider Sunningdale is headquartered in Singapore with manufacturing facilities in Singapore, Johor and Penang, Malaysia and Batam, Indonesia – each site caters to different industry verticals and needs.

Sunningdale's Innovation and Technology Center, the group's R&D arm in Singapore, collaborates with leading multinationals to develop end-to-end engineering solutions for global projects.

Meiban Group

Meiban, a local contract manufacturer, supports customers' design, engineering and manufacturing needs from 15 facilities in Singapore and Johor, Malaysia. Meiban's i4.0 Smart Factory integration across manufacturing sites in Singapore and Malaysia allow the company to ensure seamless operation with minimum downtime, and generate insights to improve processes.

Schneider Electric

The electrical component company established their regional headquarters in Singapore due to its preferential location in the ASEAN ecosystem. This complements their manufacturing operations in surrounding areas such as their smart factory in Batam, which was recently designated a Lighthouse due to its use of i4.0 technology.

Southeast Asia Manufacturing Alliance

The Southeast Asia Manufacturing Alliance (SMA) is a partnership between EDB and strategic private sector partners to help businesses leverage Singapore as a gateway to harness the potential of manufacturing in SEA by tapping on the complementary strengths of different locations in the region. Under the SMA, manufacturers that establish and grow their operations in Singapore, while setting up new industrial activities in other SMA locations, can unlock differentiated benefits to aid their regional expansion.

Eligible businesses may apply for a differentiated tier of benefits from participating organisations.

EDB:

Offers grants up to S$1.5million for eligible R&D and innovation activities undertaken in Singapore.

Strategic Partners such as CapitaLand, Gallant Venture and Sembcorp Development will offer benefits including:

- Differentiated pricing for logistics services
- Complimentary business services, such as consultation on business set-up, supplier identification and matching services, and streamlined setup processes
- Support for eligible innovation and Industry 4.0 pilot implementation activities undertaken in Singapore

This is an extract from ***"Manufacturing the Future from Singapore"***, an all-you-need to know guide produced by the Singapore Economic Development Board for manufacturers seeking to leverage Singapore's innovation, R&D, talent and manufacturing ecosystem for growth.

Keen to tap on Singapore as a launchpad to expand in the region?

Download the full guide for a list of essential resources, government support and partners today.

https://go.gov.sg/ame-full-guide-2024

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