

OCT/NOV/DEC 08

[BUSINESS

PEOPLE

OPPORTUNITIES]

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QUOTIENT



SINGAPORE
BUSINESS
FEDERATION

DRIVING OUR COMMUNITY

SBF SHAPES THE NEXT DEVELOPMENT STAGE

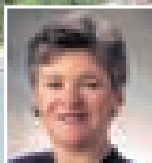
CONSTRUCTION CRUNCH

ROBUST GROWTH EXERTS PRESSURE
ON RESOURCES

SUN POWER

SINGAPORE EYES CLEAN ENERGY INDUSTRY

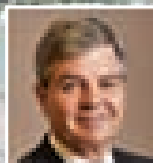
Hear what top leaders have to say about People Strategies in Asia.



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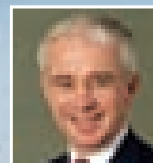
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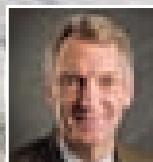
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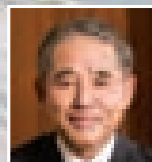
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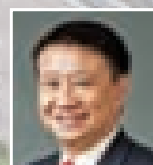
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Lee Tzu Yang
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Singapore

Guest-of-Honour: Prime Minister Lee Hsien Loong Closing Dialogue Session: Minister Mentor Lee Kuan Yew

The inaugural Singapore Human Capital Summit is a confluence of global and regional business leaders and human capital thought leaders to discuss latest trends, ideas and practices in managing and developing human capital in the Asian context. At the Summit, researchers will present their latest findings on people trends in Asia; leading academics in human capital will share their thoughts on leadership development and talent management; and CEOs and practitioners will share insights, experiences and best practices.

Organised by the Singapore Ministry of Manpower and Singapore Workforce Development Agency, this premier event is the first of its kind in Asia. The Summit provides a platform for the regional HR community to focus on leading human capital strategies as a competitive advantage for their companies.

For details and registration, visit www.singaporehcs Summit.com or email secretariat@singaporehcs Summit.com



The Singapore Human Capital Summit 2008 “People Strategies for Asia” 22 – 24 October Shangri-La Singapore

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Building on sound foundations



MAY I START MY TERM WITH THIS inaugural message to all members, and by expressing the gratitude of the new SBF Council to out-going Chairman, Mr Stephen Lee.

Stephen and his pioneering team have laid the foundations of the Singapore Business Federation. After a difficult start-up, the SBF has developed into a strong, active organisation, delivering over 220 activities last year to more than 22,000 participants.

Since the AGM in June 2008, a new Council and Management Team have taken office. We are looking forward to leading the Federation into the next phase of growth in SBF's exciting journey.

Over the next two years, the SBF Council will work closely with Management headed by CEO Teng Theng Dar to build on the existing foundation and deliver programmes and services that are relevant to your needs. We also aim to help you tap into new business opportunities at home and abroad.

The Federation's key priority will be to help companies expand their businesses through services such as EnterpriseOne Business Information Services (business information and intelligence), SBF Global Sourcing Hub (online procurement), Mentorship Program (facilitation of business skills and know-how) and other initiatives.

We will also introduce more business platforms, such as the SBF Middle East Business Group, to facilitate business between Singapore companies and their overseas counterparts.

These activities will encourage our companies to work together and venture overseas with confidence.

I seek your support in building a strong apex chamber that facilitates your business growth at home and abroad.

I look forward to working with you.

“ We are looking forward to leading the Federation into the next phase of growth in SBF's exciting journey. ”

TONY CHEW LEONG-CHEE
CHAIRMAN
SINGAPORE BUSINESS FEDERATION

CONTENTS]

BIZQ

QUOTIENT

OCT/NOV/DEC 08

Cover story

22] GLOBAL FUEL BOOM

The oil, gas and fuel-related industries are faring well, despite the current dark clouds hanging over the global economy. BiZQ reports.



01] SBF SAYS

Message from the SBF Chairman.

04] SBF UPDATE

News and happenings at SBF.

06] EYE ON SMEs

Helping SMEs grow their businesses.

08] EYE ON ECONOMY

Taking stock of emerging trends in Singapore.

10] BIZ COMMUNITY

Presenting a platform for the business community and chambers of trade and industry.

14] GLOBAL BUSINESS

SBF has been organising business missions and seminars on the investment opportunities in North Korea. BiZQ looks into how the country is slowly changing the way it does business.

18] COUNTRY INSIGHTS

BiZQ discovers that there are a lot of potential investment opportunities in Vietnam and long-term perspectives are needed when investing in the country.



28

INDUSTRY TRENDS

Construction industry hits high note



40

BOARDROOM TALK

NTUC Income's Tan Suet Chieh

28] INDUSTRY TRENDS

Construction activities have significantly risen in Singapore while other economic sectors have slowed down. BiZQ finds out if there are sunny days ahead for this sector.

32] TECHNOLOGY

Help! We are "hyper-connected" and we are addicted to sharing information every moment of every day.

34] MANAGEMENT GUIDE

More companies are putting hiring on hold as wages rise to keep pace with price increases.

36] IN BUSINESS WITH

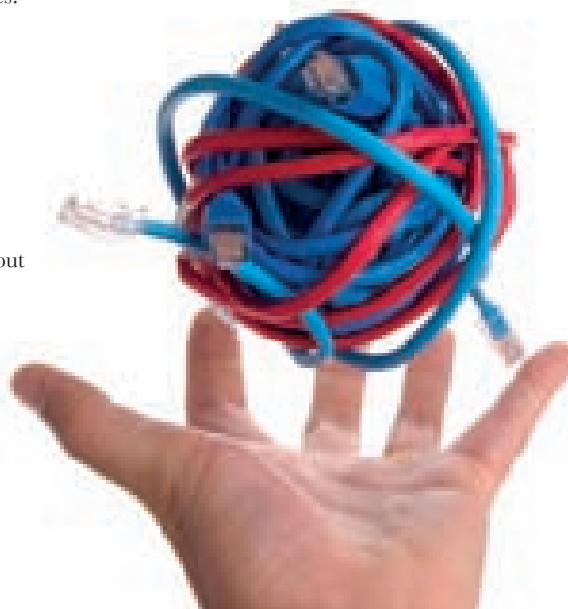
Dr Nilanjan Sen, Associate Dean, Nanyang Executive Education, Nanyang Business School.

38] LIFESTYLE & DINING

Let's toast with a glass of bubbly and find out what makes a good champagne.

40] BOARDROOM TALK

NTUC Income's Tan Suet Chieh.



32

BIZQ

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OUR VISION

As the APEX business chamber, the Singapore Business Federation (SBF) champions the interests of the business community in Singapore in trade, investment and industrial relations.

OUR MISSION

Nationally, SBF acts as the bridge between the government and businesses in Singapore to create and enhance a conducive business environment. Internationally, SBF represents the business community in regional, bilateral, multilateral fora for the purpose of promoting trade expansion and business networking.

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In-coming SBF Chairman Tony Chew heads new 2008-2010 Council

Aims to build on the existing foundation and take the federation into its next phase of development as Singapore's apex chamber.

SBF's sixth annual general meeting on June 25 witnessed the stepping down of Mr Stephen Lee as its chairman after six fruitful years. It also saw the election of eight Council Members to fill positions in the 20-strong SBF Council for the two-year term 2008-2010.

Mr Lee was succeeded by local entrepreneur Mr Tony Chew, a board member of Keppel Corporation Limited and Chairman of Duke-NUS Graduate Medical School, and who has been a committee member of the federation since its inception.

"I am delighted to accept the chairmanship of SBF," said Mr Chew. "I aim to work with my fellow council members to build on the existing foundation and take the federation into its next phase of development as Singapore's apex chamber."

His appointment followed Mr Teng Theng Dar's succession as SBF's Chief Executive Officer when former Executive Director, Mr Koh

Juan Kiat, stepped down earlier this year.

SBF has over the past six years accredited itself in helping businesses build capacity, tap into opportunities, and bridge between businesses and the government.

Growing organisation

SBF's programmes, services and activities have increased exponentially from 50 events during its start-up year in 2002 to more than 220 events in 2007, attracting 22,000 participants from over 7,000 active members.

Over the past six years, more than 94,000 participants of member companies have benefited from more than 870 SBF activities and events.

Initiatives such as the SBF Global Sourcing Hub, EnterpriseOne Business Information Services, SME HelpDesk, Mentorship Program, SBF Business EXchange and SBF Middle East Business Group have helped members to build capacity and capability. More



TONY CHEW
CHAIRMAN, SBF



TENG THENG DAR
CEO, SBF

than 6,000 participants from member companies benefited from these initiatives over the years.

Global outreach

SBF's outreach to world business chambers through overseas business missions and in-coming delegations from across the globe has enabled its members to secure deals particularly in emerging markets in Asia, the Middle East, Africa and Central & Eastern Europe.

The business chamber is the first point of contact for numerous world chambers and government agencies that visit Singapore to engage the business community here.

SBF has grown in strength and stature over the years and is recognised as Singapore's apex chamber by business communities in more than 50 capital cities across the globe. **+**

New SBF Council

Eight members were elected for the 2008-2010 SBF Council which comprises 20 representatives drawn from major business chambers, trade associations and businesses.

The eight members are:

- **Cheng Wai Keung**, Chairman & Managing Director, Wing Tai Holdings Ltd
- **Tony Chew**, Chairman, Asia Resource Corp Pte Ltd
- **Barry Desker**, Chairman, Jurong Port Pte Ltd
- **Edwin Khew**, Director, IUT Singapore Pte Ltd
- **Philip Ng**, Chief Executive Officer, Far East Organization Centre Pte Ltd
- **Bob Tan**, Chairman, Jurong Engineering Ltd
- **Tang Kin Fei**, Group President & CEO, Sembcorp Industries Ltd
- **Robert Yap**, Chairman & CEO, YCH Group Pte Ltd

The other members are:

- **Chua Thian Poh**, President, Singapore Chinese Chamber Of Commerce & Industry

- **Dato' Mohd Zain Abdullah**, President, Singapore Malay Chamber Of Commerce & Industry
- **Vijay Iyengar**, Chairman, Singapore Indian Chamber Of Commerce & Industry
- **Kristin Paulson**, Past Chairman, American Chamber Of Commerce In Singapore
- **Joachim Ihrcke**, President, European Chamber Of Commerce
- **Yasuhiko Kitagawa**, President, Japanese Chamber Of Commerce & Industry
- **Jung Young Soo**, Chairman, Korean Chamber of Commerce & Industry
- **David P. Conner**, Chairman, Association Of Banks
- **Lawrence Leow**, President, Association Of Small And Medium Enterprises
- **Simon Cheong**, President, Real Estate Developers' Association Of Singapore
- **Desmond Hill**, President, Singapore Contractors Association
- **Renny Yeo**, President, Singapore Manufacturers' Federation

Libya mission expedites S\$175 million contract among other deals

SBF and International Enterprise Singapore (IES) co-led a business mission to Libya in May, in conjunction with the official visit by Senior Minister Goh Chok Tong.

Jointly organised by SBF, IES and the Libyan Businessmen Council, the highlight of the business mission was the Libya-Singapore dinner and MOU signing ceremony with SM Goh as the Guest-of-Honour.

The networking dinner, in addition to seminars and networking sessions, was useful in profiling Singapore companies to Libyan government officials and the business community.

Market knowledge

The mission provided participants with business contacts and in-depth knowledge of the market conditions in Libya.

A key outcome of the mission was that it helped to expedite the process and conclusion of a three-year S\$175 million water and waste water infrastructure contract in Libya for one of the mission participants, Boustead Singapore Limited. The company had been negotiating the deal since 2007.

The other participants managed to secure deals worth an estimated S\$100,000 during the mission, while S\$30 million worth of contracts are still being negotiated.



“

We are grateful to SBF for facilitating the mission and networking sessions with the Libyan economic agencies and business community. We are of the view that your efforts to facilitate closer business ties and understanding between our two communities have helped expedite the process and conclusion of the contract.

My sincere appreciation to SBF and the proactive efforts of the SBF Middle East Business Group in assisting Singapore companies to venture into uncharted markets such as Libya. We look forward to participating in more business exchanges with Middle East countries organised by MEBG.

– Wong Fong Fui, Chairman & Group CEO,
Boustead Singapore Ltd

”

MEBG explores opportunities in Iran

SBF's Middle East Business Group (MEBG) recently organised a seminar on business opportunities in Iran.

New SBF Council Member Tang Kin Fei, group president and CEO of Sembcorp Industries Ltd, moderated the session with HE Dr Mohammad Nahavandian, President of the Iran Chamber of Commerce, Industries and Mines. In addition, a business-matching session held at the event gave the Iranian delegation the opportunity to meet up and explore potential business opportunities with SBF members.

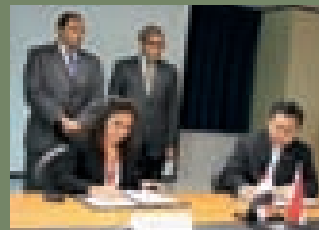
The Iranian delegation included representatives from the chambers and elite businessmen from the following sectors: Tourism and hotels, oil and gas, transport, petrochemical, construction and agro-industries.

SBF inks MOU with Egyptian agency

SBF recently inked a Memorandum of Understanding (MOU) with the General Authority for Investment and Free Zones (GAFI) Egypt.

The MOU, which was held at a seminar on Investment Climate and Business Opportunities in Egypt, is aimed at promoting bilateral trade and investments between the two countries.

The MOU, signed by Mr Teng Theng Dar, SBF's CEO and Ms Nevine El Shafee, Vice Chairman of GAFI, was witnessed by HE Dr Mahmoud Mohieldin, Egyptian Minister of Investment, HE Mohamed Elzorkany, Ambassador of the Arab Republic of Egypt to Singapore, and Mr Zainul Abidin Rasheed, Senior Minister of State, Singapore's Ministry of Foreign Affairs.



CHARTING NEW GROWTH

“The Action Community for Entrepreneurship (ACE) has come a long way since the organisation started promoting entrepreneurship in Singapore in 2003. Its BlueSky Festival recently marked the organisation’s 5th anniversary when it was held in July.”

The theme of the festival, “Charting New Growth Paths”, focuses on global market opportunities and business strategies. Many leading industry-leading entrepreneurs were invited to share their insights on breakthroughs in ideas, markets and business models at the event.

In his address, Prime Minister Lee Hsien Loong said that many of Singapore’s home-grown companies are carving out successful niches for themselves, both locally and abroad.

Citing several examples, he described how shoe retailer Charles and Keith started with a single neighbourhood shop but has since expanded all over Asia.

Restaurant chains like Thai Express and Dian Xiao Er have branches all over Singapore and franchises in the region. Local brands like Bee Cheng Hiang, Breadtalk and Food Republic are expanding in major Chinese cities.

To thrive overseas, PM Lee urged local enterprises to strengthen their networking and collaborate with one another to gain critical mass and enhance their value proposition.

Besides venturing overseas, PM Lee said that Singapore must develop an entrepreneurial hub, attracting people with the talent, passion and commitment to start, build and grow their own businesses here.

In addition, YCH Group chief executive Robert Yap explained that when embracing the entrepreneurial culture, entrepreneurs need to adopt a single-minded focus on their goals as many people give up too easily before reaping the fruits of their efforts.

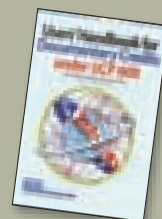
Mr Yap also emphasised the importance of marketing when competing with global players. He said that in a global environment, this will be a disadvantage if a company does not market its products and services.

The Singapore Business Federation SME Helpdesk service provides assistance to members in legal services, financing and government incentives. For more information, email SMEhelpdesk@sbfb.org.sg.

NEW EDITIONS

Handbook for documentary credits

This guide is designed to serve as an introduction to users of documentary credits. It explains the banking industry’s crucial role in these transactions in which commercial parties utilise the documentary credit.

**Letters of credit, bank guarantees**

The focus of this book is on international law and choice of applicable law, with comparison of the UCP, the UCC and selected national laws. International bankers, trade and finance attorneys will find this an invaluable guide.



Log on to www.sbf.org.sg for more books.

EMPOWERING BUSINESSES



EnterpriseOne Business Information Services (EBIS) aims to empower businesses with initiatives that include consultation services, seminars and workshops on the latest industry developments. For more information, visit www.ebis.sg.

EVENTS

Singapore Human Capital Summit
October 22-24
Shangri La Hotel

The Singapore Human Capital Summit is focused on “People Strategies for Asia” and aims to bring global and regional industry leaders, as well as government leaders from the region, to share ideas and practices in human capital management, and their application to businesses and organisations operating in Asia. The Summit offers presentations and plenary discussions involving global and regional CEOs, academics in human capital, as well as sharing of new research findings on strategic HR trends and best human capital practices for Asia. The event is organised by Singapore’s Ministry of Manpower and the Singapore Workforce Development Agency.

www.singaporehcs Summit.com

SME Financial Series: Fund Raising for Your Business
November 19-21
SBF Seminar Room, Keppel Towers

SBF’s Enterprise Development Mentorship Programmes, a member-help-member initiative, is organising a workshop on “Fund Raising for Your Business” as part of its Mentorship Programme. Participants will find out the different funding options available, your options and strategies and understanding the criteria set by banks and investors.

www.sbf.org.sg

SBF continues to drive Singapore-Malaysia investments

Apex chamber believes that greater business opportunities and mutual cooperation are crucial to strategic partnership between the two countries.

Malaysia and Singapore face common challenges arising from the global economic slowdown, high inflation, and hikes in fuel and food prices, said SBF Chairman, Mr Tony Chew.

The business communities in these two countries have seen how the two governments have been quick to recognise these challenges, and have since implemented sound policies and measures to stabilise these economies.

"We share many similarities with Malaysia in the areas of our business policies and investment climate," he said. Mr Chew was speaking at the recent Business Opportunities in Malaysia event which was co-organised by SBF and the Malaysian Industrial Development Authority.

Common bond

"We have also built up a strong common bond of people-to-people linkages through cultural exchanges and regional community projects," Mr Chew explained.

Indeed, SBF has been working very closely with its Malaysian counterparts to grow and strengthen existing business relationships.

Since the beginning of this year, SBF had organised four business related events on Malaysia, including a five-day business mission to Selangor and Negeri Sembilan.

In addition, the chamber received several business delegations from Malaysia, including the Selangor State Investment Centre, Iskandar Malaysia, and the Multimedia Super

Corridor Malaysia, or MSC Malaysia, for short.

In the coming months, SBF will be organising information sessions for the Singapore business community on MSC Malaysia, and the Northern and Eastern Economic Corridor developments.

Green Lane Project

One of the projects that Malaysia and Singapore have been jointly working on is the pilot Green Lane Project which aims to promote seamless cross-border flow of goods.

Originally mooted by the Malaysia-Singapore Business Council (MSBC), this initiative is currently being pursued as one of the key projects of the ASEAN Pioneer Projects Scheme, under the auspices of the ASEAN Business Advisory Council.

Once successfully piloted, the Green Lane Project will move to other ASEAN countries.

The aim is to achieve a single ASEAN market and an integrated manufacturing value chain.

"Frequent business exchanges such as these, enhance better understanding of the opportunities that both sides have to offer, and facilitate mutual cooperation," explained Mr Chew.

Malaysia continues to be Singapore's largest trading partner. This underscores the importance of both markets as strategic trade and business partners, as well as a reflection of the strong and close business ties that bind the two countries. +



FROM STRENGTH TO STRENGTH

Malaysia and Singapore continue to complement each other's economic and structural needs and have become important trading partners over the years, said HE Tan Sri Muhyiddin Yassin, Malaysia's Minister of International Trade and Industry.

Singapore remains Malaysia's second-largest trading partner after the United States in 2007, accounting for 14.6 per cent of Malaysia's total trade.

In 2007, Malaysia's total trade with Singapore recorded an increase of 6.3 per cent to US\$42.6 billion, compared with US\$40.1 billion a year ago.

In terms of export, Singapore continued to be Malaysia's second-largest export destination in 2007 with exports of US\$26.8 billion or 13.08 per cent of Singapore's total imports.

Major exports to Singapore in 2007 include:

- Electronic and electrical products
- Refined petroleum products
- Machinery, appliances and parts
- Manufactures of metal
- Crude petroleum



FOURTH QUARTER OUTLOOK

Silver lining ahead for Singapore economy

Economists say inflationary pressures are easing amid stabilising food and oil prices, BiZQ reports.

If one were to look at the spate of recently released economic data, one would inevitably be led to believe that more downside is on the horizon.

First, the Ministry of Trade and Industry said in mid-August that it is revising its full year 2008 gross domestic product forecast between 4% and 5% – narrowing the range from the earlier prediction of 4% to 6%.

It said that the sharp contraction in biomedical manufacturing and the stagnant performance of the electronics sector resulted in this adjustment.

The Economic Development Board recently announced that manufacturing output in July 2008 shrank 21.9% compared to the same month last year. It added that cumulative manufacturing output for the first seven months of 2008 dipped 0.9% compared with the same period in 2007.

Among this flow of negatives, some economists BiZQ spoke to say there is a silver lining on the horizon.

“...barring a large and unexpected shock, inflation (in Singapore) is set to moderate further as global growth slows.”

— Matthew Hildebrandt,
JP Morgan.



For one, there are signs that inflationary pressures in the Singapore economy are abating. JP Morgan's Matthew Hildebrandt explained that “barring a large and unexpected shock, inflation (in Singapore) is set to moderate further as global growth slows.”

With sequential trend inflation growth having slowed for several months now, and global food and oil prices off their highs compared with over a year ago, inflation in Singapore has likely peaked, he added. As a

result, with external demand and inflation likely to slow in the current half year, “we do not expect any further tightening from the Monetary Authority of Singapore,” he said.

One other economist who shares this view is UOB Group's Ng Shing Yi. “We also note that inflation in the food and transport segments are showing signs of stabilising from their first half peaks in 2008. With global oil prices correcting, we expect this to help bring second half 2008 inflation lower,” he said.

DBS Bank – which recently downgraded its 2008 forecast to 4.2% from an earlier 5.1% – expects a better performance in 2009.

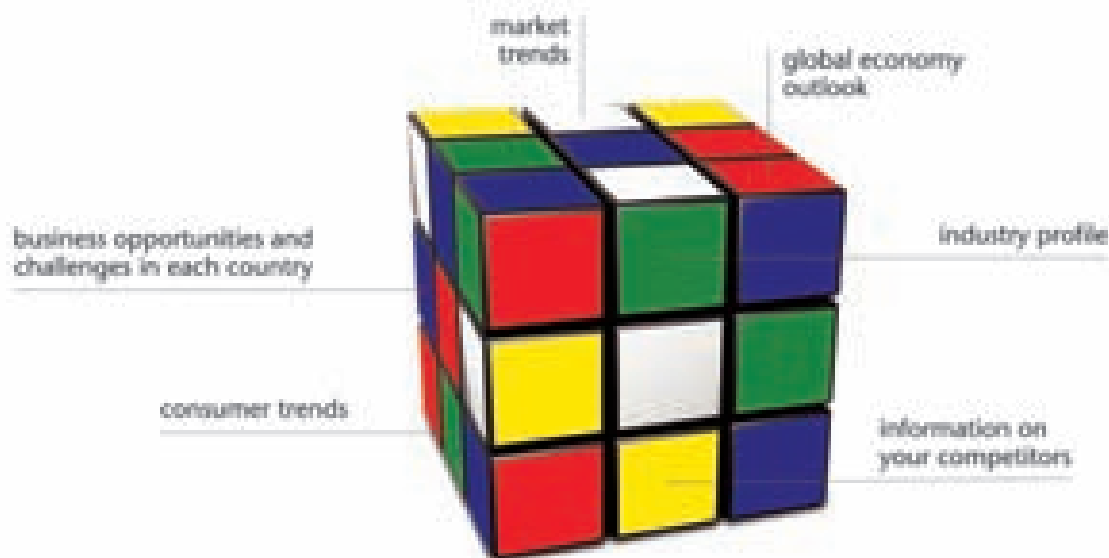
According to the bank, it expects 2009 GDP growth to be 5.6%. In the same vein, it predicts that Singapore's consumer price index will be posting 2.8%, down from its current estimate of 6.4% in 2008.

The current estimate by DBS is for the US dollar to trade around S\$1.42–S\$1.43 in the second half of 2008. Into the first half of 2009, the bank reckons the US dollar should trade higher between S\$1.44–S\$1.45. +

GDP forecasts for 2009

	GDP growth, % YoY				
	2005	2006	2007	2008f	2009f
US	2.9	2.8	2.0	1.8	2.5
JAPAN	1.9	2.4	2.0	0.7	1.4
EUROZONE	1.6	2.9	2.6	1.5	1.5
INDONESIA	5.7	5.5	6.3	6.0	6.3
MALAYSIA	5.0	5.9	6.3	5.1	5.8
PHILIPPINES	4.9	5.4	7.3	5.4	6.0
SINGAPORE	7.3	8.2	7.7	4.2	5.6
THAILAND	4.5	5.1	4.8	5.0	4.7
VIETNAM	8.4	8.2	8.5	6.4	6.9
CHINA	10.4	11.1	11.9	10.0	9.0
HONG KONG	7.1	7.0	6.4	4.4	4.2
TAIWAN	4.2	4.9	5.7	4.7	5.0
KOREA	4.2	5.1	5.0	4.5	4.7
INDIA*	9.2	9.7	9.0	8.3	8.3

* India data & forecasts refer to fiscal years beginning April; inflation is WPI
Source: CEIC and DBS Research



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APEC Business Advisory Council (ABAC) focuses on fostering SMEs' development.

The Asia-Pacific Economic Cooperation (APEC) Council will be hosting the next APEC CEO Summit 2009 in Singapore next year.

The APEC CEO Summit 2009 serves as a platform for prominent leaders from the region to address various issues affecting the 21 member countries. The summit is likely to focus on promoting economic integration in the region, sustainable development and the strengthening of the APEC structure.

In addition, there would likely be more emphasis placed on garnering the active participation and involvement of the private sector in shaping the direction of the APEC agenda next year. This bodes well for the business communities in Singapore as well as Asia Pacific.

Multilateral trade forum

The APEC operates as a cooperative, multilateral economic and trade forum. It provides a framework in which different issues can be discussed. It supports the development of business training programmes focused on small

and medium businesses, their formal establishment and access to finance.

ABAC spearheads community

The APEC Business Advisory Council (ABAC) was created by the APEC economic leaders in 1995 to spearhead the concerns of the regional business community.

As the ABAC reports directly to the APEC leaders, it is perceived as the voice of the business community within Asia Pacific. The ABAC International Secretariat is headquartered in Manila.

In Singapore, the ABAC Singapore Secretariat is served by SBF representing 15,000 companies from the business community.

Mr Teng Theng Dar, SBF's CEO, a long-time member of the ABAC, will take on the Chairmanship for ABAC in 2009 when Singapore becomes the host country.

In line with the main themes of the APEC 2009, the ABAC will also focus on regional economic integration and facilitating the growth of SMEs to drive the 'third wave of growth' of globalisation.

The previous two waves of growth have been boosted by the growth of MNCs, and the MNCs from supporting industries.

Next year, Singapore businesses can look forward to seminars and dialogue sessions which will provide insightful sharing by experienced speakers on current hot topics and capacity building for SMEs.

The summit aims to create a platform for Singapore businesses to share their interests and concerns towards shaping the APEC agenda for the region. +

For more information, visit APEC website www.apec.org and ABAC website www.abaconline.org.

In conjunction with APEC CEO Summit 2008 in Peru, the SBF and IE Singapore are currently organising a business mission to Peru, Brazil and Chile in November this year.

This is in response to the strong interests expressed by the Singapore business community.

Competition Act seeks to benefit buyers and sellers

Consumers stand to gain as competition among sellers brings about lower prices, increases quality and offers more choices.

Each one of us is a consumer, thus anti-competitive behaviour among sellers hurts all of us – even sellers who are themselves buyers of other goods and services.

Hence, there is a need for a competition law to protect the process of competition. Competition law achieves this by prohibiting certain types of anti-competitive behaviour.

In Singapore, the types of behaviour which are prohibited under the Competition Act (Chapter 50B) are anti-competitive agreements in which players

agree not to compete; abuses by a dominant player; and mergers and acquisitions that substantially reduce competition.

Competition ensures that sellers constantly seek ways to lower costs or provide better products or services for consumers. In turn, competition among sellers benefits consumers as it results in more competitive pricing and an increase in quality and choice.

In Singapore, the Competition Commission of Singapore (CCS) administers and enforces the Competition Act. +

SBF survey reveals rising costs, manpower issues

Companies are focusing on improving cost efficiency and tapping into overseas opportunities.

SBF recently released the results of a business survey of its 15,000 members which revealed that companies, especially SMEs, are looking to improve their cost efficiency, productivity and overseas expansion plans.

In the face of the current challenging economic and business environment, many companies are looking to SBF in order to benefit from greater business interaction, opportunities and networking.


However, there are companies who are not convinced that a brand strategy is essential to growth, although 62% of respondents saw the usefulness of a "Singapore brand".

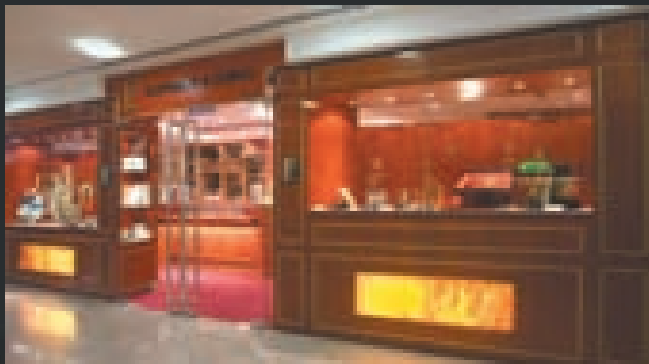
The SBF National Business Survey, conducted in the first half of this year by DP Information Group, showed that business concerns have shifted from competition to increasing costs and manpower issues. In fact, 64% of respondents cited operating cost as the key challenge this year while 50% were concerned about manpower issues.

Business strategies

The survey revealed that 41% of mature companies were focused on increasing cost efficiency and productivity; while 26% and 15% of companies in the "decline stage" were looking at overseas expansion and diversification respectively.

With regard to overseas activities, the survey revealed that the commerce (75%) and manufacturing (73%) sectors had the highest proportion of respondents who cited deriving revenue from overseas. Asia emerged as the most popular destination (81%) and the top two most preferred countries for overseas ventures as China (34%) and Vietnam (32%). India is third at 22% and the Middle East followed at 18%. However, 35% of respondents cited manpower issues as an obstacle to overseas expansion, whilst 28% said that lack of overseas business contacts was a hindrance.

Mr Teng Theng Dar, SBF's CEO, said, "In view of the challenging economic and business environment, SBF will step up the pace of its activities to help companies build capacity and facilitate business exchanges with overseas chambers and enterprises through the formation of business communities." 



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Keep an eye on opportunities in the Netherlands

More than 7,000 foreign companies have established operations in the Netherlands and the NFIA has assisted many of these companies in expanding their businesses in Europe and Africa.

Strategically positioned as the gateway to the European, Middle East and African markets, the Netherlands has helped many international companies in expanding their share in the global market.

Companies planning to establish, expand or re-organise their pan-European operations can look to the Netherlands Foreign Investment Agency (NFIA) for expert guidance on investing or doing business in the country.

The NFIA, a division of the Dutch Ministry of Economic Affairs, provides assistance to foreign companies wishing to take advantage of the dynamic Dutch business environment as a strategic base to cover Europe, free of charge.

Skilled workforce

The Netherlands offers international businesses a well-educated and motivated workforce that is innovative, flexible and responsive to ever-changing market conditions and trends.

Coupled with the country's pro-business environment, international outlook and openness to foreign

investment, the Netherlands boasts a wealth of world-class business partners who are equipped to deal with global business challenges in today's economy.

The Economist Intelligence Unit (EIU) recently declared the Netherlands to be the number nine country in the world (and number four in Europe) to do business in over the next five years (2008-2012).

Foreign direct investments

In 2007, the Netherlands was the EU's third top exporting country after Germany and France, underpinning the key role the country plays in the distribution of goods to the neighbouring European countries.

"Foreign Direct Investment (FDI) into the Netherlands increased by 40% with Asia accounting for 60% of the investments – quite a feat for a small country like the Netherlands," said Ms Linnie Mackenzie, Area Director of the NFIA, based in Singapore.

According to Ms Mackenzie, foreign investors pumped nearly half a billion Euro into the Dutch economy in 2007 through these projects to set up marketing and sales activities,

European distribution centres and European headquarters.

Leading business hub

As the leading business hub in Europe, the Netherlands' attraction lies in its strategic location, relative ease of doing business, favourable tax incentives, excellent logistics and distribution infrastructure.

To further attract knowledge-intensive activities of foreign companies, the NFIA facilitates the identification of a suitable technological partner in The Netherlands through a service called the Technology Matchmaking Service (TMS).

On the basis of the TMS questionnaire, the NFIA generates a selection of suitable technological partners using an extensive network of qualified parties in the field of technology, environment, energy, exports and international partnerships. **+**



Linnie Mackenzie,
NFIA

For more information on investing in the Netherlands, contact:
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THE NETHERLANDS

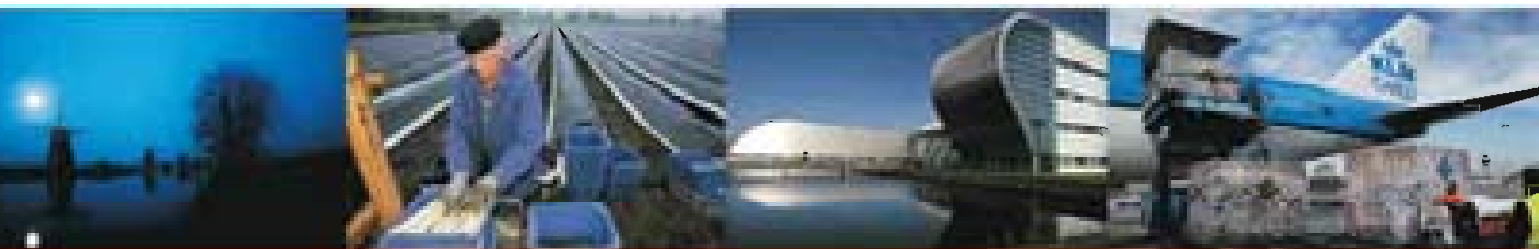
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Netherlands Foreign Investment Agency
Embassy of the Kingdom of The Netherlands
541 Orchard Road, #15-01 Lion Towers, Singapore 238881
Tel: +65 6736 1135 / 137, Fax: +65 6737 1943
Email: info@nfi-singapore.com or visit www.nfi-singapore.com



Be more in international business



DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

EXPLORING THE NORTH

During a recent business mission, supported by SBF, to the country, delegates discovered a skilled workforce and abundance of natural resources. BiZQ reports.

The Democratic People's Republic of Korea (DPRK) is a huge potential market with untapped opportunities and almost no competition.

The government is increasingly prepared to support foreign investments and open its economy with a series of measures and economic reforms that started in 2002 to increase its appeal to potential investors.

As the wave of economic liberalisation and free trade flow around the globe, there is a growing realisation among investors and economists that DPRK may well be able to emulate China's economic progress whilst keeping its political infrastructure intact.



SBF/IE organised round table

The Singapore Business Federation, the apex business chamber in the republic, is keen in helping members gain access to this emerging market. As a maiden effort, the Federation recently coordinated a business round table on the DPRK.

Well supported by about 25 Singapore-based companies, both MNCs and SMEs, the round table discussions enabled SBF members to gain valuable insights into the untapped market.

"With an abundance of natural resources and a highly educated and disciplined workforce, the DPRK is a market of promising potential" said

SBF's CEO Teng Theng Dar.

Like any other nascent market, there are many challenges. Mr Teng informed the Business Roundtable participants that SBF will continue to work with IE Singapore to support local companies' foray into DPRK through more fact-finding missions and business matching.

In this regard, SBF would be concluding a Memorandum of Understanding on Cooperation with its counterpart DPR Korea Chamber of Commerce either in 2008 Q4 or early 2009. A "Trade and Investment Opportunities in DPRK" seminar has been jointly planned by SBF and IE Singapore, in conjunction with the upcoming visit of the DPRK Foreign Trade Minister to Singapore later this year.

The forum will cover trade and investment policies of DPRK and the benefits of investing in DPRK. The forum will also highlight the opportunities available in different industries such as mining, processing of raw materials, manufacturing, chemicals, pharmaceuticals and port development.

The event is sponsored by the Korea Foreign Investment Association and representatives of enterprises, government and non-government agencies will be invited to attend.

Modern economic reform

Politics aside, the country is targeting both economic reforms and modernisation of infrastructure as key goals in order to drive business and investment growth.

The DPRK government recently said that it is committed to developing a "strong and prosperous state" by 2012. To achieve this, Pyongyang has identified economic prosperity as a key growth objective.

Specifically, the government said that it wants to further strengthen its coordination of the state's guidance for economic enterprises and ensure that businesses and economic enterprises will grow. It also said that the government is looking to establish a public finance regulation framework for investors.

Potential development growth

From an economic perspective, many studies on DPRK have indicated that the country is more developed than some African countries with gross domestic per capita standing at about US\$2,000. >



DURING THE DPRK ROUNDTABLE, SBF'S CEO TENG THENG DAR ASSURED PARTICIPANTS THAT SBF PLANS TO WORK CLOSELY WITH IE SINGAPORE TO SUPPORT LOCAL COMPANIES' FORAY INTO THE COUNTRY THROUGH FACT-FINDING MISSIONS AND SEMINARS.

Although many economists have a hard time forecasting DPRK's economic growth, accepted estimates report that its gross domestic product is around US\$21 billion.

At the SBF round table, Ted Tan, Deputy Chief Executive of IE Singapore, said that one of

the key attractions of the country lies in the good supply of natural resources, especially coal, oil, gas and zinc.

There is a "huge potential" for Singapore companies to invest in the computer animation business – largely because of access to a skilled workforce at competitive prices, he said. Apart from this, Singapore companies can also leverage on DPRK's well-developed textile and engineering industries, he said.

Tan echoed this feedback from an earlier IE-led, SBF-supported mission to DPRK in May this year when delegates were surprised at the high-tech capabilities and skill sets of Korean employees. The delegates also had the chance of observing the textile industry which has the potential of generating high returns on investments.

Senat Shipping Corp Managing Director Leonard Lai, who was also at the SBF round table, said that Singapore companies can leverage off the strong loyalty and relationship-driven aspects of Koreans. In this respect, he reminded that promises, when made, need to be delivered upon.

Xpress Holdings's CEO Poh Eng Seng observed that DPRK printing companies are starting to look for overseas print jobs so that they can improve their printing technology and capability as well as earning business profits. Air

and land transportation logistics at the moment are adequate but will need to be upgraded when trade and investments increase.

The government is encouraging foreign investors to set up light manufacturing factories in several cities earmarked for industrial parks in addition to Kaesong Industrial Park. The latter, popular with ROK investors, is located in Kaesong City about 70km northwest of Seoul and hosted more than 70 factories employing close to 25,000 workers engaged in production of textiles, watches and cosmetic cases.

Challenges ahead


According to South Korea's Unification Ministry, the flow of goods in and out of the industrial park accounted for 42% of the US\$881 million in trade between the two Koreas in the six months through June 2008.

One of the leading investors in driving this change is SJ Tech, a South Korean maker of car and cellphone parts which built a US\$4 million factory in the park in 2004.

Whilst opportunities may abound, companies prospecting in DPRK should also be mindful of the challenges involved.

Kelvin Chia, Managing Partner of Kelvin Chia Partnership, said that the lack of appropriate banking and financial services make money remittance rather challenging.

Some basic services, which are taken for granted in Singapore, may not be available or are restricted in DPRK. For example, bringing mobile phones into the country is not permitted and travel restrictions exist within the country.

For information on DPRK, please contact Boey Keng Chew, Director, China and North Asia at kengchew.boey@sbf.org.sg. 

LOOKING NORTH

Nuclear crisis and politics aside, the investment opportunities in DPRK include:

- Furnishing of the Ryugyong Hotel (105 stories under construction)
- Pyongyang airport upgrading
- Magnesite clinker production
- Copper refinery
- Manufacturers and miners – rare metal and mineral resources (eg. iron ore, granite)
- Energy sector – country is short of energy and needs longer-term energy solutions
- Truck assembly line
- Refrigerator assembly line
- IT industry – highly skilled but cheap labour
- Consumer goods such as food and clothing
- Infrastructure and Logistics – transportation and electric power grids

Enterprise Promotion @ SBF



The Enterprise Promotion @ SBF is an initiative by Singapore Business Federation to provide members with an opportunity to promote their products and services to other members and visiting delegations. At this point in time, it is free for all SBF members.

Located on the 21st floor of Keppel Towers, the business centre attracts thousands of participants who attend SBF-organised seminars, exhibitions and foreign delegation visits.

Members can display their products and brochures on a monthly rotational basis at no cost.

The centre showcases 'Made in Singapore' products, food and beverages, engineering products and IT products.

For further enquiry, please feel free to contact the Enterprise Promotion@SBF at 68276804 or email us at enterprisepromotion@sbf.org.sg



NEW!

In addition, we are launching a quarterly EP@SBF Catalogue starting August 2007 for all SBF members who participate at EP@SBF. This add-on service will further enhance members' business profiles and prospects.

EP@SBF Catalogue shall comprise :

1. Limited to a column size of 50mm (l) X 135mm (h)
2. A colour picture of your product(s).
Dimensions of picture 38mm (l) X 38mm (h)
* Please note that company logo will not be accepted. For service sectors, a generic picture is preferred.
3. A slogan for your company/product. Font size to be capped at Arial 10 for slogan and Arial 8 for other text.

Fax : 67202930

Attention : Enterprise Promotion@SBF

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SBF Membership number

Name (Mr/Ms)

Email

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For companies who want to put their products on display, please indicate a theme below.

Theme

Product description

Brochure Display

For companies who wish to put their brochures on display, please note the specifications of the brochure rack: 23cm (l) x 25cm (h) x 3.5cm (w).

Quarterly EP@SBF Catalogue

For companies who wish to opt in to participate in the quarterly EP@SBF Catalogue, please indicate your acceptance below:

☐ I am interested to take part in the quarterly EP@SBF Catalogue

* A copy of the Terms and Conditions shall be forwarded to you upon receipt of this Application Form. A signed copy of the Terms and Conditions must be submitted to SBF for processing.



VIETNAM

ON THE RIGHT TRACK

By virtue of what is happening in the global economic landscape, Vietnam's chips are down in the short term. However, [SP Foong](#) discovers that there is much potential to be explored and sought after in the longer term.

Vietnam is a paradox of sorts. A few decades ago, it had the ignominious description of its people being called "boat people". Communism still purveys in the political landscape alongside the fact that the country is a close friend of North Korea and Myanmar. In the 1970s, this country was on the brink of economic collapse.

But Vietnam has also bagged an award for being one of the fastest countries in the world to eradicate poverty. It has been widely reported that scores of Vietnamese people who fled this country about three decades ago are now returning in droves.

Economic growth has been so tremendous that the country is now facing problems in terms of indigestible growth. The economy has faced skyrocketing inflation levels with rates between 20% to 25% a year. Trade deficit has swollen to more than 50% of GDP.

But businesses and investors looking further ahead would do well to understand that the economy is still fundamentally strong.

Long-term perspectives

From Singapore's perspective, businesses continue to see tremendous long-term value in this economy, evident from the spate of exchanges between both countries, including a visit earlier this year by President S R Nathan.

In a speech to honour the Vietnamese Prime Minister late last year, Prime Minister Lee Hsien Loong said that the "strong and dynamic partnership between Singapore and Vietnam is an ongoing success story".

Diplomatic ties between Vietnam and Singapore date back to 1973. Since 1991, particularly after Vietnam joined the Association of Southeast Asian Nations (Asean) in July 1995, bilateral relations have soared. Comprehensive cooperation between the two countries has become increasingly efficient, especially in economics and trade.

And the numbers lend weight to the relationship between both countries.

Singapore has been one of the largest investors in Vietnam, after having committed more than 500 projects with capital expenditure amounting to US\$9.6 billion.

Trade between Singapore and Vietnam rose by 15% to S\$13 billion in 2007. Currently, Singapore stacks up as Vietnam's 18th largest trading partner. Exports rose to S\$9.8 billion in 2007, up from S\$8.7 billion in 2006. The key items that topped the list of exports included refined petroleum products, electronic valves, data processing magazines, and office and telecommunications equipment.

BiZQ spoke to analysts to get a feel of the pulse of the Vietnamese economy. DBS Bank economist Irvin Seah forecasts the country's GDP growing 5.4% in the third calendar quarter of 2008 and a further 6.4% in the final quarter of the year.

SBF helps drive investment ties

SBF led a business mission to Vietnam in April 2008 with a view towards fostering greater trade and investment ties.

The mission attracted close to 20 delegates from 15 businesses and was aimed at helping them understand better the business climate in Vietnam, as well as drive collaborations.

One of the key findings of the post-mission feedback was that 85% of the participating businesses felt that Vietnam had better growth prospects and market potential vis-a-vis other Asean markets and India.

Another interesting finding was that a greater proportion of respondents felt that Vietnam was more deregulated in terms of allowing foreign participants into the country compared with other Asean states and India.

The SBF survey also showed that Vietnam has several comparative advantages over other countries and regions. These include:

- Being a strategic location for investors
- Stable socio-political systems
- A stable and fast-growing economy
- Modernisation of infrastructure
- A strong record of being involved in regional and international economic integration, and
- The creation of policies and procedures for preferential investment treatment. >

“ I am very bullish about Vietnam. Vietnam is developing very, very rapidly... and I think we will continue to expand in Vietnam. This is a sure win-win from the private, public sectors' point of view.

— Low Sin Leng, SembCorp Parks Holdings **”**

Singapore's front runners

Despite the challenging economic climate that Vietnam is facing, a few Singapore companies are pushing on.

“The (Mapletree) group will continue to make in-roads into Vietnam to harness its rising development cycle, and to tap into the growing affluence of the middle-class segment of its population.

— Mapletree Investments said in its annual report.

In early August, several major Singaporean businesses committed themselves to investing hundreds of millions of dollars in investments into the country. These include SembCorp Industries and MapleTree Investments. They are investing in the third Vietnam Singapore Industrial Park (VSIP) project.

This is a major industrial development that was initiated by both governments. It was first proposed by Prime Minister Vo Van Kiet of Vietnam to then Prime Minister Goh Chok Tong of Singapore in 1994.

Since that effort, both countries have gone on to establish

VSIP I and VSIP II, the latter being a modern and fully self-contained industrial estate. The second park is located in the heart of the 4,200ha Binh Duong Township and offers tenants a world-class operating environment with reliable infrastructure and customer service support.

With a successful decade in managing these industrial parks, SembCorp and Mapletree signed an agreement in early August to collaborate for a project in the northern Bac Ninh province.

The companies said that they will start building the 700ha park next January.

Separate plans are also underway to develop a 1,200ha township project in Hai Phong, Vietnam's third largest city. There are some preliminary plans to step up its presence in the southern and central areas as well.

SembCorp Parks Holdings Executive Chairman, Low Sin Leng, said: “I am very bullish about Vietnam. Vietnam is developing very, very rapidly... and I think we will continue to expand in Vietnam. This is a sure win-win from the private, public sectors' point of view.”

VIETNAM ECONOMIC INDICATORS

	2007	2008f	2009f	1Q08	2Q08f	3Q08f	4Q08f	1Q09f	2Q09f
Real output and demand									
GDP growth	8.5	6.4	6.9	7.5	6.0	5.8	6.4	6.5	6.4
Real supply									
Agriculture & forestry	3.4	3.4	3.4	3.2	3.2	3.4	3.8	3.7	3.2
Industry & construction	10.6	6.6	7.4	8.0	6.1	5.9	6.4	6.4	6.6
Services	8.7	7.5	7.8	8.3	7.6	6.6	7.6	7.5	8.0
External (nominal)									
Exports (USD bn)	48.4	63.1	85.5	13.2	15.7	16.2	18.1	17.7	21.2
Imports (USD bn)	60.8	87.6	98.6	21.5	23.8	20.7	21.5	24.9	27.0
Trade balance (USD bn)	-12.4	-24.4	-13.1	-8.3	-8.2	-4.5	-3.4	-7.2	-5.8
Current account bal (USD bn)	-6.7	-11.7	-5.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
% of GDP (USD bn, yr-end)	-9	-14	-6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Inflation									
CPI inflation	8.3	26.3	15.0	16.4	24.8	31.5	32.3	25.1	16.6
Other									
Nominal GDP (USD bn)	71.4	82	92.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unemployment rate (% , sa, eop)	3.8	3.7	4.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

• % change, year-on-year, unless otherwise specified

• Figures may deviate from official sources due to differences in reporting format

Source: DBS Bank

SBF's strategic moves

At a recent SBF organised seminar, VSIP Senior Marketing Manager, Aloysius Chew, said that the company has adopted a five-pronged strategy.

The key strategy aims to deliver complete infrastructure; provide supporting amenities; offer a one-stop service; seek all necessary approvals from appropriate government authorities; and support companies with a logistics and customs hub.

In adopting this strategy, he said that manufacturing companies looking to locate their operations in Vietnam have a choice between custom-built and ready-made factories.

Million dollar fund

Mapletree Investments, a Temasek-linked company, is also planning a S\$682 million fund in Vietnam.

The company, which just released its annual report, said that Vietnam is one of its primary target markets in the coming year.


"The group will continue to make in-roads into Vietnam to harness its rising development cycle, and to tap into the growing affluence of the middle-class segment of its population. Once the group has seeded a sufficient size of projects in Vietnam, it will consider setting up a Vietnam fund," it added.

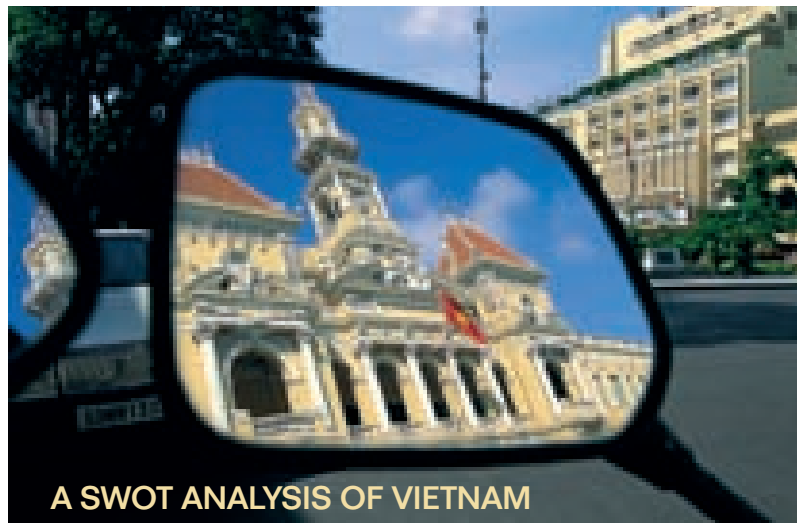
Petrochemical project

Coming from a different sector, SP Chemicals has just announced that it has increased its commitments in Vietnam.

The company, which makes and sells chlor-alkali products and related downstream products, has started a feasibility study for a 1,300ha petrochemical project in Phu Yen Province in the south-central region.

SP Chemicals said that when ready, it would execute its strategy in two phases. The first phase will involve the development and setting up of a naphtha cracker and utility plant. The commitment will result in capital expenditure of US\$1.5 billion and is scheduled to be ready in 2014.

In the second phase, the company aims to promote the petrochemicals park and invite investments for projects. It is targeted to be completed in 2024. 



A SWOT ANALYSIS OF VIETNAM

Strengths

Ongoing reforms by the bureaucracy in Vietnam, in a bid to speed up the approval regime for foreign investors and make it more transparent.

Weaknesses

Although Vietnam is now a member of the WTO, it will not be considered a market economy until 2018. The ongoing graft problem is reflected in Vietnam's score in the 2006 Corruption Perceptions Index by Transparency International of 2.6, which is lower than the regional average of 4.6.

Opportunities

Despite the threat of tariffs, Vietnam's exports to the US are booming, following the free trade agreement signed between the two countries in December 2001.

Warming ties with the US should offer a further source of loans and investment for Vietnam's growing economy.

Threats

The textile sector will continue to struggle following the phasing out of textile quotas for all WTO members on 1 January 2005. Even though Vietnam has joined the WTO, it faces intense competition from China.

Source: Business Monitor International

THE MENTION OF ENERGY AND FUELS

conjures up different images for stakeholders. The most immediate connect is usually pump prices and the high cost of transportation.

However, if one examines the other end of the spectrum, one finds that many Singapore companies are riding this surge. This boom spreads from rig builders, and oil and gas service and equipment players to actual beneficiaries in the direct product itself to the emerging biofuels and solar energy.

In the emerging area of solar research and energy, Singapore is going for the sun as evidenced from its Clean Energy Programme Office. The latter, called CEPO, is Singapore's key inter-agency programme office responsible for planning and executing strategies to develop Singapore into a Global Clean Energy Hub where clean energy products and solutions are developed for the global market.

Set up in April 2007, CEPO grows and nurtures local and foreign Clean Energy companies through comprehensive cluster development, targeted internationalisation efforts, fostering of world-class research and technology development, and long-term manpower planning. (Read more on page 25)

However, recent developments have certainly clouded the perception of future energy trends in the global marketplace.

Some of these factors include the recent recovery of the US dollar vis-a-vis global currencies, the correction in crude oil prices, uncertainties relating to inflationary trends worldwide, and the slowdown in major economies in the world.

But some analysts are casting this aside, believing that the longer term upward trend is intact. One such analyst is global investment bank Goldman Sachs which recently released its report on energy.

"We maintain that fundamental factors that are largely unaffected by a slowdown in mature economies and/or by US dollar movements will likely continue to drive oil prices. Specifically, we expect declining trend oil supply growth and supportive emerging markets oil demand growth to continue to offset demand weakness in OECD as it has done so far this year," said analyst Giovanni Serio.

Some may say that this is a global trend. But the recent earnings season reinforces the positive outlook for rig builders and oil and gas service and equipment suppliers.



Global fuel boom

Despite the current dark clouds hanging over the global economy, the oil, gas and fuel-related industries are faring well. **SP Foong** takes a closer look.



Further ahead, we look into various segments of the energy sector to examine the mid- to longer-term prospects, as well as how Singapore companies are positioning themselves for a slice of the action.

Strong offshore drilling sector

Most analysts say that the capital expenditure spending for offshore drilling activities continues to remain robust. This is in part caused by the stubbornly high rig utilisation rates due to equipment shortages combined with oil price levels over production break-even levels, explained DBS analyst Wee Lee Chong.

According to industry research experts EnergyFiles and Douglas-Westwood, the capital and operating expenditure for global offshore drilling activities in shallow water oil fields are expected to stay above US\$50 billion a year between 2008 and 2012.

They added that investment in deepwater oil fields is expected to rise 25% a year by 2012, from below US\$20 million per annum in 2007.

DBS's Wee added: "The current best-case scenario for the marine sector, including service providers, charterers, and rig builders, is for oil prices to stay above US\$60-70 a barrel,

and that Opec is unlikely to allow prices to fall below US\$80 a barrel — a level that global consumers who have earlier shown resilience in their spending and corporates could still see sustained good profit margins.

"In our opinion, Opec and Saudi Arabia, who intend to pump an extra 500,000 billion barrels a day of crude oil starting from July 2008 (which coincides with the recent oil price weakness), carry high weightage on global supply amid declining output from non-Opec countries, and are unlikely to allow steep deterioration in oil prices to below US\$80 a barrel."

Singapore players still in the game

Some of the biggest companies, who are global players in their own right, include Keppel Corp and SembCorp. Their key claim to the global spotlight lies in their dominant presence in the offshore and marine business segments, which have been fuelled by offshore drilling and energy exploration work.

For example, Keppel Corp who recently reported its quarterly results, maintained that the macro-environment for its offshore, marine and infrastructure business continued to be relatively favourable. >



In a related statement, the group said that the fundamentals of the offshore and marine industry remain robust with buoyant demand for offshore rigs and production system solutions. This is supported by higher exploration and production budgets of oil companies to meet global energy demand and replenish depleting hydrocarbons reserves.

In the last quarter up to June 30, its Offshore & Marine division achieved orders amounting to S\$2.9 billion whilst its net order book was S\$13 billion at end of June 2008.

Group Executive Chairman, Lim Chee Onn, said: "Deliveries for the group on this front will continue to extend into 2012. Prospects remain reasonable and will enable us to pursue further orders and build earnings visibility."

Sembcorp Industries, another large player in the offshore and marine sector, has also put up a formidable performance.

With its mid-year reporting season barely over, the group showed that the group's pre-tax contribution from the marine business jumped 37% to S\$134.4 million. This was driven in large part by higher operating margins from its rig building and ship repair businesses.

In addition, the group, like its industry cohorts, continues to have a strong order book by having secured more than S\$4.4 billion of new orders, bringing its year-to-date net order book to a record S\$9.6 billion, with completions and deliveries stretching till 2012.

Fundamentally strong sector

Further new orders will boost earnings visibility and support the thesis that the marine sector is still in a protracted cyclical upturn, said DBS' Wee. "We reiterate our view that this current industry upturn will have more legs after more than 20 years of offshore investment neglect

“...the outlook for palm oil industry remains positive with continued strong core demand from the edible oil market, particularly from China and India, and emerging demand from the renewable energy sector.

— Golden Agri-Resources.

till late 2004, supported by an asset replacement cycle that is driven by technological obsolescence, lengthened maintenance downtime and delivery bottlenecks,” he said. “The depleting world supply of crude oil and growing demand from the huge BRIC (Brazil/Russia/India/China) economies will also spur demand for more offshore activities, which will inevitably require additional investment in offshore equipment, vessels and personnel.”

Biofuels power on

Similar to the weakness shown in crude oil prices, crude palm oil prices have also eased, giving rise to the perception that the play may be over. Palm oil prices have fallen by about a quarter since mid-July and this is seen as a very significant sell-off considering that it has been a historically low volatile commodity.

This has led to the perception that the run in this fuels sub-sector for some Singapore-based companies may be over. Some Singapore companies which have large interests in the sector include the likes of Wilmar International and Golden-Agri.

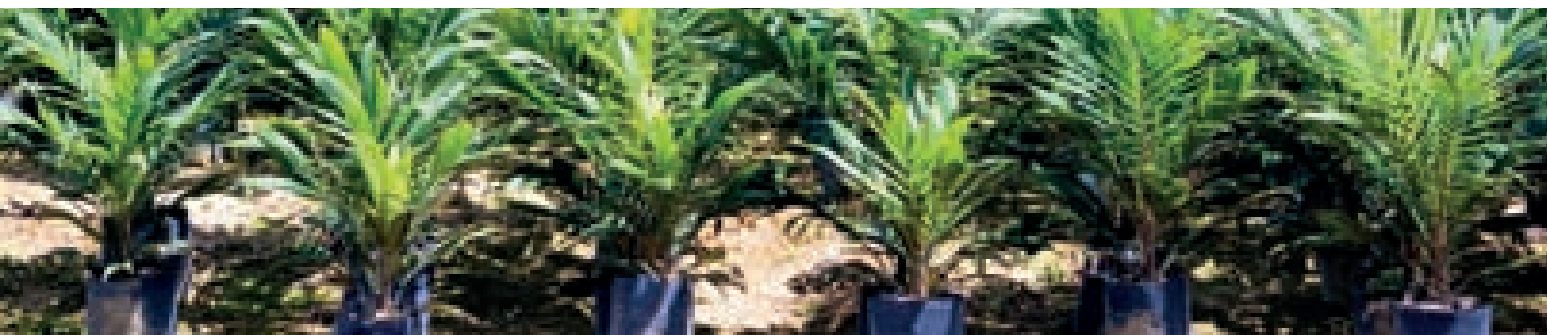
JP Morgan's Aditya Srinath said the fundamentals in this sub-sector look better than perceived and that some stability in the commodity prices should return shortly.

An important data point supporting this thesis that prices should recover later in the year is the fact that in each of the last six years, CPO prices have averaged higher in the fourth quarter than they have in the third quarter.

Seasonally lower production in the fourth quarter; the run-up to festive seasons; and potential lower output due to the Lebaran break in Indonesia; and the fasting month in Indonesia are the factors that could contribute to a fourth quarter recovery, he said.



PLANTATION COMPANIES ARE EXPANDING THEIR PLANTATION AND DISTRIBUTION NETWORKS IN ASIA.



However, what is likely to be a more significant development is the widely expected decree in Indonesia stipulating that factories are to use palm oil and other cleaner burning fuel for 2.5% of their total energy needs.

DMG & Partners' Selena Leong told BiZQ that the rationale is to help Indonesia reduce her dependence on imported crude oil amid persistently high prices. "In addition, the promotion of the biofuel sector is viewed as one of the means to create jobs and alleviate poverty."

Recent developments show that Indonesia is very keen to support the biofuel sector and signed an agreement with Brazil to share knowledge on biofuel technology. Brazil is the world's largest sugarcane ethanol producer.

Singapore-headquartered Wilmar, one of the largest plantation companies in the region, has finally consolidated its operations since its merger with the Kuok Group's oilseeds and edible oils business. Prior to the merger, the company had bottling operations in larger cities in China. It has since set up bottling facilities at its integrated processing plants in the second- and third-tier cities as well to directly supply domestic markets there.

Executive Director Chua Puay Hee said that despite "lower palm oil prices, (the) palm plantation (business) has attractive margins."

The group, which generates slightly more than half of its revenues from palm-related businesses, reported that its total planted area grew by 12% to 215,371ha by end June compared with the same period last year.

Distribution network in Asia

Chua says that Wilmar will continue to expand its plantation and distribution network in Asia, as well as further afield. Whilst many would see the current downturn in commodity prices as challenging, Wilmar sees itself as being well positioned to capture the market.

Another Singapore-based company that continues to remain positive on the palm oil sector is Golden Agri-Resources.

The company said that "the outlook for the palm oil industry remains positive with continued strong core demand from the edible oil market, particularly from China and India, and emerging demand from the renewable energy sector."

With its maturing plantation profile and growing crude palm oil production, the company expects yields to continue to improve in 2008. **+**



Singapore reaches for the Sun

Singapore recently launched the International Call for Research Proposals for Solar Energy Systems in the Tropics in its bid to conquer new ground on solar energy.

Singapore's Clean Energy Programme Office (CEPO) opened its call for research and development proposals to develop roof-mounted solar harvesting devices and systems for the tropical region. This is part of the CEPO's S\$50 million Clean Energy Research Programme (CERP) to kick-start R&D activities on Clean Energy in Singapore.

Under this programme, local and foreign R&D organisations, including institutes of higher learning (IHLs), public sector agencies, private sector companies and not-for-profit research laboratories are encouraged to bid competitively for the research funding. These projects would need to have potential for commercialisation of the new processes, technologies or products.

Solar adoption in Singapore

Singapore aims to develop expertise and know-how which can in turn contribute to the acceleration of solar adoption in the tropics. This tropical region holds exciting market potential for solar energy, especially with the many fast-growing urban centres and its rich solar energy radiation.

In addition, Singapore's excellent supply chain capabilities and connectivity give her easy access to the solar market in the tropics. With the urbanised landscape representative of many cities in the tropics, particularly in Asia, there is vast market potential for the export of clean energy solutions developed here.

Test-bedding sites

As part of CERP, winning proposals will have access to test-bedding sites in Singapore. These sites may include high-rise apartment blocks as well as industrial and commercial buildings in the city-state. This is in line with Singapore's intent to be a site for early adoption of new technologies.

The latest effort is part of CERP's second call for research proposals. In November 2007, CERP made its first call for research proposals in the solar domain. Eight of 60 proposals that were submitted were awarded grants totalling S\$10 million in July this year.

These proposals spanned a wide range of technologies in the solar energy field including purification of solar-grade silicon used in conventional wafer-based solar cells and thin-film photovoltaics (PV), as well as novel PV technologies such as dye-sensitised solar cells.

Climate change drives need for energy efficiency

High energy costs and climate change concerns drive energy efficiency in companies.



MORE COMPANIES ARE PURSUING energy conservation measures, according to the National Environment Agency (NEA). This trend is largely driven by rising energy prices, as well as the desire by an increasing number of companies to reduce their carbon footprint to mitigate climate change.

The NEA has approved more than 100 applications to co-fund energy assessments in buildings and industrial facilities under its Energy Efficiency Improvement Assistance Scheme (EASe). To date, the scheme has helped 113 companies identify annual energy savings in excess of \$28 million.

Climate change is a global phenomenon and Singapore is not spared from the effects of climate change such as warming temperatures and rising sea levels.

In Singapore, the primary greenhouse gas (GHG) from human activities is carbon dioxide that is released when fossil fuels such as oil and gas are burnt to meet our energy needs.

Our energy demand is expected to grow as the economy and population expand. This growth in energy demand can be moderated by using energy more efficiently.

E2PO's development strategy

According to the NEA, energy efficiency is the key strategy to reduce Singapore's GHG emissions. Energy efficiency is also cost-effective.

To drive energy efficiency improvement in Singapore, the Energy Efficiency Programme Office (E2PO) has been established. It is an inter-agency committee led by NEA and comprises the Energy Market Authority (EMA),

Economic Development Board (EDB), Land Transport Authority (LTA), Building and Construction Authority (BCA), and the Agency for Science, Technology and Research (A*STAR).

The E2PO has developed a four-pronged approach to a holistic energy efficiency strategy in Singapore.

First on the list is to promote the adoption of energy efficient technologies and measures by addressing market barriers such as the lack of information and capability.

Secondly, E2PO is driving energy efficiency efforts and developing the local knowledge base and expertise in energy management.

In addition, it is raising the awareness of the public and businesses so as to stimulate energy efficient behaviour and practices.

E2PO is also supporting research and development that will enhance Singapore's capability in energy efficient technologies.

EASe funding for companies

While energy efficiency makes financial sense because cost savings contribute directly to the bottomline, energy efficiency measures may not be implemented due to a lack of capability and information.

The NEA's Energy Efficiency Improvement Assistance Scheme (EASe) is a co-funding scheme to assist companies and organisations to carry out energy assessments and identify potential areas for energy savings. EASe can help companies with up to \$200,000 in co-funding to engage an expert consultant or energy services company to conduct energy assessments. +

EASe success stories

Singapore Post Ltd, Singapore Airlines and Wyeth Nutritionals Pte Ltd are some of the success stories funded by EASe. These companies have reaped significant energy and cost savings through implementing various energy conservation and efficiency measures identified by energy services firms.

Singapore Post

The company replaced three of its existing chillers with more efficient models and optimised the pumps and cooling towers by installing variable speed drives. Its chiller plant system efficiency improved from 1.1 kW/RT to 0.6kW/RT. While the cost to implement the project was S\$2 million, Singapore Post recouped this cost in 1 year and 8 months because it enjoyed annual savings of S\$1.2 million.

Singapore Airlines

By installing new more energy efficient condenser pumps and variable speed drives to chilled water pumps and cooling towers located in the SIA Airline House, Singapore Airlines achieved a 20 per cent improvement in the chiller plant system efficiency. Singapore Airlines spent S\$200,000 in implementation costs and achieved annual saving of S\$212,000 with a payback period of less than 11 months. Similar assessments with co-funding through EASe have been carried out for its SIA Training Centre and SIA Computer Centre. These have achieved good success as well.

Wyeth Nutritionals

Wyeth achieved significant annual energy savings of 1,546 MWh by implementing various energy conservation and efficiency measures identified by an energy services company.

Source: National Environment Agency

HOW **YOU** CAN REDUCE YOUR ENERGY BILLS

Energy Efficiency is a practical and cost-effective means of mitigating greenhouse gas emissions while sustaining economic development.

Led by the National Environment Agency, the Energy Efficiency Programme Office (E²PO), has been established to drive energy efficiency improvement in Singapore. As part of this effort, various schemes have been set-up to help corporations in making their organization or operations energy efficient.

ENERGY EFFICIENCY IMPROVEMENT ASSISTANCE SCHEME (EASE)

EASe is aimed at encouraging companies and organisations to carry out energy assessments and to identify potential areas for energy savings.

NEA co-funds up to \$200,000 of the cost of engaging an energy services company (ESCO).

The appointed ESCO can either be a foreign or local company that is accredited by the Energy Sustainability Unit (ESU), National University of Singapore (NUS).

** We recommend that you thoroughly assess the capability of the ESCO that you select to ensure that it matches your needs and requirements.*

CLEAN DEVELOPMENT MECHANISM (CDM) DOCUMENTATION GRANT

CDM Documentation Grant is aimed at encouraging companies to develop CDM projects in Singapore.

NEA co-funds up to \$100,000 of the cost of engaging a carbon consultant to either develop a new methodology and Project Design Document (PDD), or a PDD using an existing approved methodology.

The appointed carbon consultant must possess demonstrable experience and expertise in developing PDDs and CDM methodologies.

** The cost of implementing the CDM project is not supported under the CDM Documentation Grant.*

** We recommend that you thoroughly assess the capability of the carbon consultant that you select to ensure that it matches your needs and requirements.*

For more information on these and other NEA energy efficiency incentive schemes, please visit www.e2singapore.gov.sg.





CONSTRUCTION CRUNCH

Construction demand in 2008 seems to have hit a high note while other economic sectors have slowed down. Are there sunny days ahead for the construction sector? Li Cheng finds out.

Recent estimates from the Building and Construction Authority of Singapore (BCA) revealed that the total value of local construction activity could reach a high of S\$27 billion in 2008.

In the second quarter of this year alone, the sector saw employment figures rising by 22,100, according to preliminary estimates by the Ministry of Manpower.

In DP Information Group's annual 'Fastest Growing 50' ranking exercise, this recent boom in building activity also saw a surge in construction entrants to the list. This exercise ranks companies that grew their sales at least 10 per cent annually in the last four years while remaining profitable.

Thirteen companies from the construction sector qualified for the ranking exercise this year out of 350; with five in the top 50.

Take Jian Huang Construction, for example. Specialising in design-and-build industrial buildings and civil engineering works, it was placed eighth this year. It was also the best performer among the five FG50 construction winners and focuses on design-and-build projects in the industrial market.

Another company that has experienced growth in the recent boom is CSC Holdings Limited, a foundation and geotechnical engineering specialist listed on the Singapore Exchange. Posting a 69 per cent rise in net profit to S\$13.6 million for the three months ending June 30 2008, this is up from S\$8 million achieved in the same period last year.

Said See Yen Tarn, Group Chief Executive Office of CSC: "We have more resources today than we ever had before. Our capabilities have also expanded significantly. With the overall market fundamentals holding its strength, we can look forward to another good year in FY09."

A time for caution

However, the local economy is expected to slow down further in the coming months.

Industry veterans with longer memories remember how the 1997 Asian economic crisis gave birth to almost eight years of construction slowdown. Where there had been about 100 construction companies in the A1 category then, there are as few as 38 left today.

BiZQ spoke to Tony Tan, Chief Financial Officer and Choo Chee Onn, Executive

Chairman and Managing Director of KSH Holdings limited.

KSH Holding's principal activities in Singapore and Malaysia are in construction, with property development and management in the People's Republic of China.

They said that many contractors have a considerable amount of book orders in hand to be delivered over the next one to two years.

Although there are signs that the economy is slowing down in general, the company is cautiously optimistic on the outlook for the local construction industry moving forward over the next 12–24 months, they said.

Uncertainty, rising cost

While some companies like KSH are "cautiously optimistic", others have used the term "fairly insulated" to describe the sector in 2008. Given the softening property market, any insulation is likely to melt away in 2009.

"The construction industry is one of the key pillars of our economy," noted Mah Bow Tan, Minister for National Development at the BCA Awards 2008 earlier this year.

"Last year, the sector put up a sterling performance, achieving a double-digit growth of 20 per cent year on year."

However, he added: "But the robust growth which is expected to continue this year and the next has exerted pressure on our construction resources and caused prices to shoot up."

Surging material and labour costs are putting a squeeze on construction companies. Analysts warn that things could get worse.

Said Mah, "The government is monitoring the situation closely and has implemented measures to mitigate the situation."

The BCA then noted in its July statement that: "In 2007, building and construction costs are estimated to have risen by 30 per cent, and market players have estimated that costs are up another 35 per cent year to date."

So while construction companies may have their order books full the next few years, rising costs and resource constraints may mean cost pressures on margins, and this may negate growth prospects.

KSH's Choo noted that the impact from rising material and labour costs was inevitable. "Nevertheless, we have accumulated over 28 years of experience in managing our cost in the

past," he said. "This enables us to handle the situation of rising material and labour costs and bring the impact to a much lesser level that we are still comfortable with."

To relieve the crunch on resources and labour for the private-sector building segment, Mah said that the ministry has eased rules on the employment of foreign professional personnel, technical staff and workers in the construction industry.

Deferring government contracts

The government announced in July that it would postpone more public-sector projects. A total of S\$1.7 billion in public-sector projects, which included schools and a hospital, are being pushed back. Some of the delayed projects include the Ministry of Health's National Addiction Management Centre and part of the Changi Prison Complex.

All in, the government has deferred a total of S\$4.7 billion in public sector construction projects to 2010 and beyond.

The BCA said that "the additional deferment will allow existing construction capacity and resources to be channelled towards the timely delivery of big projects such as the integrated resorts, Marina Business Financial Centre and the Downtown MRT Line."

KSH's Choo noted that there are still a lot of ongoing construction projects with sizable contract value which would not be completed before the end of 2010.

"We believe the move will assist in releasing some of the pressure that contractors are facing caused by the shortage of resources and supplies," he said, "The industry will be better able to digest the orders in hand."

However, it is not clear at this time if the reduction in government spending may actually be coming at a time when the overall economy is already experiencing a slowdown.

Growth in the construction sector is levelling off. It slowed to 16.9 per cent in the first quarter of 2008 and to 15.2 per cent in the second >

“...the robust growth which is expected to continue this year and the next has exerted pressure on our construction resources and caused prices to shoot up.”

— Mah Bow Tan, Minister for National Development.



quarter. In comparison, the sector grew by 24.3 per cent in the last quarter of 2007.

That said, the importance of government contracts cannot be underestimated.

Geraldine Eu at Kim Eng Research, wrote in a report about engineering and construction company OKP Holdings that despite the S\$4.7 billion deferment of public sector projects to 2010 and beyond, their management still sees no slowdown of public project tenders.

"Management also revealed the possibility of more government projects available for tender in 3Q'08 onwards," she wrote. "These projects will likely include widening of major expressways and major road connections i.e phase two of the widening of CTE and joining of TPE to Seletar Airbase. Each project could significantly be larger than their previous contracts (estimated at \$70–\$80 million each), given OKP's recent upgrade to an A1 contractor status."

Strategies for coping

The relationship between the construction sector and property developers may at least for the moment, be described as symbiotic. While there is tight capacity in the construction sector, individual contractors may have some leeway in managing their costs.

KSH's Choo had this suggestion, "Always be selective and cautious when accepting new jobs and customers."

"Maintain a good relationship with the pool of sub-contractors, suppliers and business associates. Be mindful in delivering good services and quality even when orders on hand are full."

He added that it is important to continue maintaining and building on good track records by having a good mix of varied projects which enhance new skills and knowledge in construction.

"Strengthen fundamentals such as human resources, financial resources, goodwill, and technical know-how. Continue efforts to

“Strengthen fundamentals such as human resources, financial resources, goodwill and technical know-how. Continue efforts to improve in project management processes.”

— Choo Chee Onn, KSH Holdings Ltd

improve in project management processes," said Choo.

Another method may be to take advantage of the current economic circumstances. A case in point is the example of Chip Eng Seng, which started out as a key contractor for the Housing and Development Board (HDB).

When the market was quieter between 2004 and 2006, it went into property investment and development as land was relatively cheaper. For its financial year 2007 ending December 31, the company posted a 242 per cent leap in

earnings to S\$50.3 million from S\$14.7 million the year before. Group revenue grew 22 per cent to S\$201.2 million and this was largely due to earnings from properties sold.

With a construction order book of approximately \$755 million, the Group's construction division expects to be kept busy with new tenders and construction work.

This contractor-turned-developer is now going back to its roots in building public housing and winning HDB projects. This flexibility has kept the contractor in business even as the local property market

deflated in recent months.

In July, it won a S\$123.5 million contract to build HDB housing in Sengkang. This second contract follows one awarded back in January 2008, for 1,394 housing units in Queenstown.

Lim Tiam Seng, Executive Chairman of Chip Eng Seng, said, "With increasing demand for construction, we are confident of our prospects for the rest of 2008."

Overseas expansion

Even as the local construction sector is driven by a slowing economy compounded by rising material and labour costs, opportunities still exist in the region.

According to a survey by the BCA released in June, Singapore construction firms finished 2007 with a five-year high of S\$2.7 billion. This was largely in construction and engineering contracts and despite stronger domestic demand for construction.

In comparison, the industry chalked up S\$2.1 billion for 2006.

BCA Director of Business Development, William Tan, said that continuous efforts to establish an overseas presence by Singapore firms despite their current workload in the domestic market was "definitely an excellent business strategy to mitigate the effects of the cyclical nature of the construction sector."

The 2006 BCA survey revealed that Southeast Asia was a major export market for most companies and accounted for about one-fourth of the total construction export volume that year.

Malaysia was the largest export market, accounting for approximately one-third of exports, followed by Indonesia and Brunei at just under a fifth each.

Reflecting this trend, KSH's Choo said, "We entered the construction market in Malaysia in 2006 and have completed two projects since. We shall continue to seek other opportunities in enhancing our business there when the political outlook is more stable." He added that KSH Holdings was currently looking into expanding their construction business in China and the State of Qatar.

Impact of large projects

Major projects in the local economy, such as the upcoming Orchard Turn mall, the Youth Olympics village, and the two integrated resorts (IR) have yet to be completed.

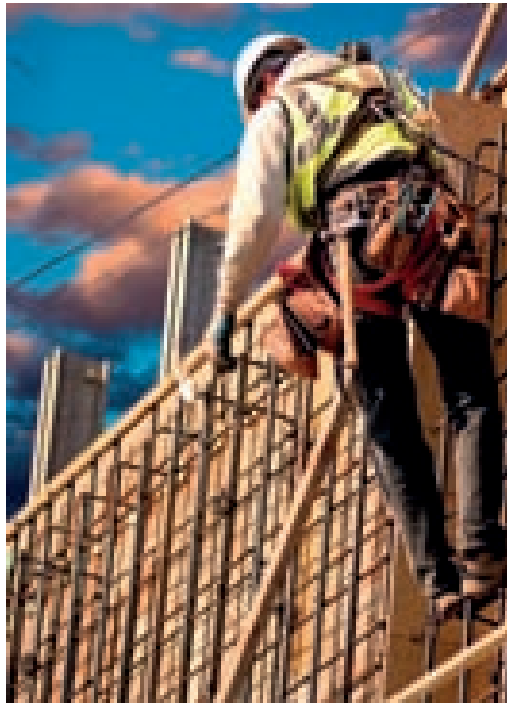
The S\$500 million Youth Olympics Village (YOV) was slated to be completed six months before the 2010 games.

Construction work started in January 2008 on the site of the National University of Singapore's University Town. Then, just six months later, the YOY site was moved to the Nanyang Technological University.

This alternative campus had more readily available facilities primarily requiring an upgrade, and the reason given for the move is the global surge in construction activities, and cost of building materials.

Integrated resorts on track

The Marina Bay IR was awarded to Las Vegas Sands in May 2006; and the Sentosa island IR a few months later in December to Genting International Ltd.



“With increasing demand for construction, we are confident of our prospects for the rest of 2008.”

— Lim Tiam Seng, Chip Eng Seng.

Work on each of the multi-billion dollar developments started well before the current construction boom reached its height.

While both companies have indicated that rising construction costs have inflated their total development budgets by as much as 40 per cent, no undue delays are expected.

The Marina Bay IR is on track to open for business by the end of 2009, according to the company's president William Weidner in a briefing to investors and analysts in July.

At the same time, Genting International has indicated that Resorts World at Sentosa is on target to open as planned in early 2010.

With most of these bigger construction projects expected to be completed by the end of 2009, the BCA hopes that more construction resources will be freed up and available for those earlier deferred public sector projects. +

The Web, broadband access, camera phones, voice-over-IP, instant messaging, social networking and video uploading have all increased the importance of communications and connectivity in our daily lives.

But what does all of this connectedness – this addiction to sharing information every moment of every day – mean for businesses and organisations? What decisions will companies have to make to ensure this “connectedness” becomes a competitive advantage?

Growth of applications

Research firm International Data Corp (IDC) recently conducted a global study, commissioned by Nortel Networks, on 2,400 working adults in 17 countries.

The study focused on quantifying the state of today’s connectedness, tracking its acceptance and use across devices and applications, as well as determining the pace of its growth and impact on the enterprise.

Here’s the essence of what was found – enterprises around the world are facing an exploding “culture of connectivity”. Not only is 16% of the

global information workforce already hyper-connected, more significantly, another 36% will be joining them soon!

This evolution towards increasing levels of connectivity will have a profound impact on enterprises, creating challenges in managing new tools while providing information securely and reliably, and ensuring that this connectivity is productive.

Impact on organisations

So CIOs and IT business managers should note that:

- 16% of the total information workforce currently hyper-connected may increase to 52%.
- The hyper-connected depend on the devices and applications that make them hyper-connected.
- The boundary between work and personal connectivity for the hyper-connected is almost non-existent.
- The migration to hyper-connectivity will create new devices, applications, and business processes.
- Tomorrow’s workforce expect to work in a hyper-connected communications environment and many will consider this a condition of employment.

- Connectivity tools in the hands of employees may increase productivity, but they also increase the risk of the release of sensitive information to the outside world.

Broader opportunities

It won’t be possible to ignore this new level of connectivity. Businesses can either manage it carefully or be on stand-by as it enters their enterprise.

What the report has revealed about the state of hyper-connectivity today is the pace of adoption. Its observable impact on organisations suggests a clear call to action.

And while the focus of the survey was on end users, it’s clear that the broader business opportunities come with tightly linked communications capabilities in business processes.

The trick will be to balance the risks of deploying and supporting these new communications tools with the risks of not supporting them.

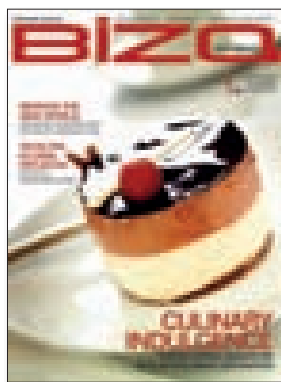
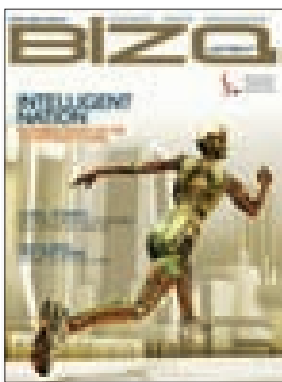
The former risk may never go away, but the latter will surely get bigger. +

SOURCE: EXCERPTS FROM INTERNATIONAL DATA CORP WHITE PAPER.

HYPER-CONNECTIVITY

What does connectivity among Internet, mobile and video devices mean for companies? BiZQ looks at how “hyper-connections” impact organisations.





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MANAGING WAGES WHEN THE ECONOMY SLOWS DOWN

More companies may put hiring on hold as wages rise to keep pace with price increases.

The Singapore government has said that the country must guard itself against another round of inflation if wages continue to rise in order to keep up with higher prices.

Finance Minister Tharman Shanmugaratnam's recent call for restraint is not surprising. Workers – especially those in manufacturing, transport and administrative jobs – see inflation eroding their wages, and this could lead to expectations for more pay.

Despite wages rising by close to 11 per cent in the first three months of this year, real wages in some sectors fell after accounting for inflation that has reached beyond 6 per cent, according to a recent Manpower Ministry report.

What does this mean to employers and employees?

Slowdown in hiring

Singapore's labour market is no longer as tight as before. This is because more employers are planning to slow down their recruitment process in the July-September quarter.

However, the asking salaries of new managers being recruited are not falling, even with the softening of the economy, according to recruitment firm Hudson. Yet more employers are showing restraint in hiring new staff.

Hudson's latest poll shows only 43 per cent of the 768 executives polled here intend to increase their payrolls in the third quarter, the lowest percentage in at least three years.

The comparative figure in Q2 was 49 per cent and in Q3 2007, it was 54 per cent. The cut-back is rather significant in the consumer sector where 32 per cent of the employers is looking to hire more staff, down from 49 per cent in Q2.

More employers are also scaling back expansion plans for recruitment in the banking & financial services sector (down from 53 per cent to 43 per cent) and the information technology & telecommunications sector (down from 46 per cent to 42 per cent).

The numbers are more or less steady in the media, public relations and advertising, and manufacturing sectors. Only employers in the health care and life sciences business are still upbeat about hiring. The number of those intending to grow their headcounts jumped from 41 per cent in Q2 to 53 per cent in Q3.

High pay expectations

Managers looking for jobs seem largely oblivious to the situation as there is no let-up in their asking salaries. A survey of 900 professionals by another recruitment firm, Robert Walters, found 95 per cent want a pay rise of at least 10 per cent, and 23 per cent are eyeing 30 per cent or more.

Part of the reason is the high cost of living. Another reason is that the job market is still buoyant despite the global slowdown.

A spokesperson for Robert Walters said job seekers should lower their expectations or they may price themselves out of the market. +

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**“ #1 Singapore
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Financial Times, Global MBA Ranking 2008

MOVING UP THE CORPORATE EDUCATION MARKET

Nanyang Business School aims to be among the top 25 Global MBA Rankings within the next five years. BiZQ speaks to Dr Nilanjan Sen, the school's Associate Dean for Executive Education.

The Nanyang Business School (NBS), part of the Nanyang Technological University, is undergoing a sea of change. It now has a new Advisory Board comprising distinguished names such as Philip Yeo, Chairman of Spring Singapore and Seck Wai Kwong, Senior Executive Vice President and Chief Financial Officer of Singapore Exchange Ltd.

According to the Financial Times's Global MBA Rankings of the world's Top 100 MBA programmes, NBS is ranked 46 and aims to be among the top 25 within the next five years. It was ranked 61 in the global rankings of top postgraduate business schools slightly more than two years ago.

BiZQ recently caught up with Dr Nilanjan Sen, the school's Associate Dean for Executive Education, Director of Nanyang Fellows Program and Associate Professor of the Banking and Finance Division.

With decades of experience in Virginia and Arizona, he moved to Singapore in 2005 to help take the school to greater heights.



Q What is driving NBS's ambition to reach among the top 25 Global MBA Rankings by 2013?

The school's origins date back to the 1950s when it commenced offering the Bachelor of Commerce (Accountancy) at the then-named Nanyang University.

In 1991, Nanyang Technological University emerged as a full-fledged University with a legislated mandate to award degrees. In that same year, the MBA programme was launched with a specialisation in accountancy.

In 2003, the Nanyang MBA made its debut at No. 93 on Economist Intelligence Unit's ranking for 100 best MBA programmes around the world, the only Singapore business school to make it on this list. Our goal now is to be among the top 25 schools or higher by 2013. We have ploughed in substantial efforts over the past few years and we will continue to become a globally recognised business school.

Q What has NBS done to achieve these accolades?

Today, we have about 160 members in our faculty and we are hoping to add another 10 in the next 12 months.

One of our key criteria in recruiting faculty members is to attract scholars who can bring a balance between rigour and relevance to our curriculum. We need to have rigour because the students need to familiarise themselves with new innovations and concepts.

Needless to say, the programmes also need to be relevant to this day and age. Our faculty members are very involved in the industry, in areas of consulting and joint research.

Being in the heart of Asia is also key to our success — our international faculty members complement their knowledge and expertise in the classes with their unique cultures and diverse work experiences.

In terms of students, we aspire to get a diversified group — country, cultures and socio-backgrounds. We strongly believe that not only do the students learn from the faculty, but there is also much peer learning and this has proven to be highly successful especially in

growing their own networks for their personal and professional development.

Today, there are about 350 to 400 students across our MBA and Executive MBA. About 60% to 70% of these are international students. The NBS alumni base is now over 24,000 and they are in more than 40 countries.

Q What is the value proposition of NBS vis-à-vis other leading graduate schools having an operational base in Singapore?

We are more Asian-centric than any other business schools in Singapore. It is our tradition and this has been the unique strength of the Nanyang Business School vis-à-vis the other graduate schools.

Since 2000, we have our own Asian Business Case Centre that encourages the use and development of Asian cases.

This extensive collection of cases on Asian management and Asian business experiences covers businesses from Singapore, Kazakhstan, Vietnam, India, China, Hong Kong, Indonesia, Thailand and Malaysia.

Q Can you tell us what are some of NBS's new programmes?

We have developed some exciting tracks and programmes which reflect our aspirations.

In January 2009, we will roll out the world's first Executive MBA in Shipping, Offshore and Finance. It is jointly developed with the BI Norwegian School of Management, Norway.

This programme is professionally oriented and designed to give the students an understanding of the key drivers, management challenges and different strategies in the shipping and offshore industry by combining the latest research and theory in a practical-oriented "hands-on" approach.

In July 2009, we will launch our EMBA Track in ICT and Design for Innovation. This is in collaboration with Politecnico di Milano, Italy. The curriculum covers courses in business, engineering and design, making it one of the most unique programmes to be offered in the world. +

Sparkling bubbly

By Serena Diraison

Champagne is the wine of celebration and it is not too early to think about this sparkling bubbly since the festive season is just round the corner.

Most champagne are made and sold by Champagne houses such as Bollinger, Charles Heidsieck, Taittinger, Krug, Laurent-Perrier, Moët & Chandon, Pommery and Veuve Clicquot Ponsardin.

By far the most powerful of these is Moët & Chandon, which is owned by parent company L.V.M.H. (Louis Vuitton Moët Hennessy) which also owns Krug, Mercier, Ruinart and Veuve Clicquot.

Sparkling vintage

Commodity markets may have dipped and stock markets may be bearish. But the champagne market is still bubbling along.

In fact, two bottles of bubbly alone could be worth the price of a luxury car, judging by the prices they recently fetched at wine auctions.

The Liv-ex Champagne 25 Index tracks the price of 25 of the world's most sought-after vintages. According to the London International Vintners Exchange, the index is up 27 per cent in the 12 months ended this June.

In New York, two bottles of Dom Perignon Rose Vintage 1959 sold for around S\$120,000 six months ago.

In Hong Kong, a set of three magnums of Dom Perignon Oenotheque 1966, 1973 and 1976, went for almost S\$128,000.

One should stick to the 'blue chips' when investing in vintage champagne, as with all kinds of investment. In this case, the world's most sought-after vintages include Krug, Louis Roederer Cristal and Dom Perignon.

Champagne region

So what makes a good champagne?

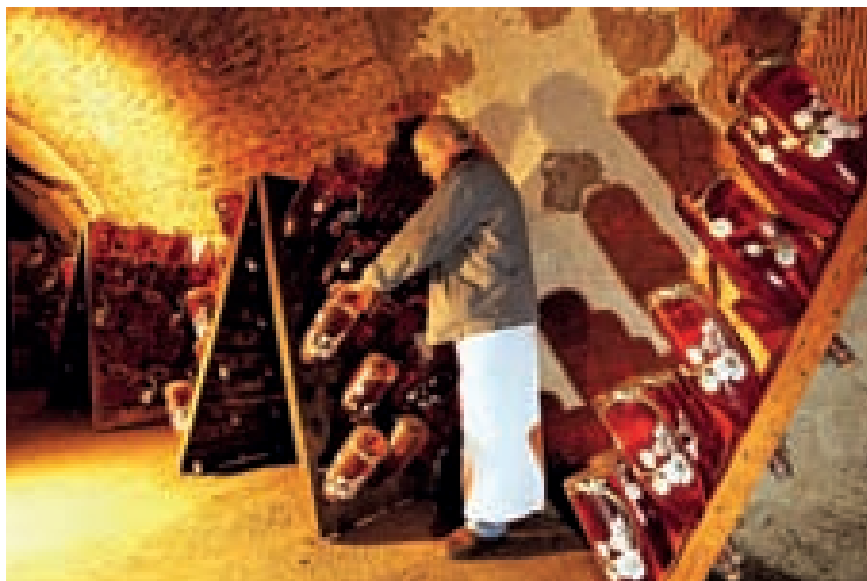
It is important to remember that only champagne produced in the region of Champagne in France will be labelled as such. Sparkling wine made in other countries will be simply termed 'sparkling wine'.

When considering which grapes to choose from, do bear in mind that White or Brut is a combination of Chardonnay, Pinot Noir or Pinot Meunier grapes. Rose is the same but with some still Pinot Noir added to the blend. Blanc de Blanc is exclusively made from white Chardonnay grapes, and is also termed as the Golden Cuvee.

And of course, vintage counts. So remember the names Cristal, Krug, Dom Perignon and the years 1985, 1989, 1990 and 1996.

Serving a perfect glass

Before serving, place the bottle of champagne in a mixture of water and ice in a bucket for 15 to 20 minutes. Otherwise, lay the bottle down on the bottom shelf of the refrigerator for three or four hours before serving.

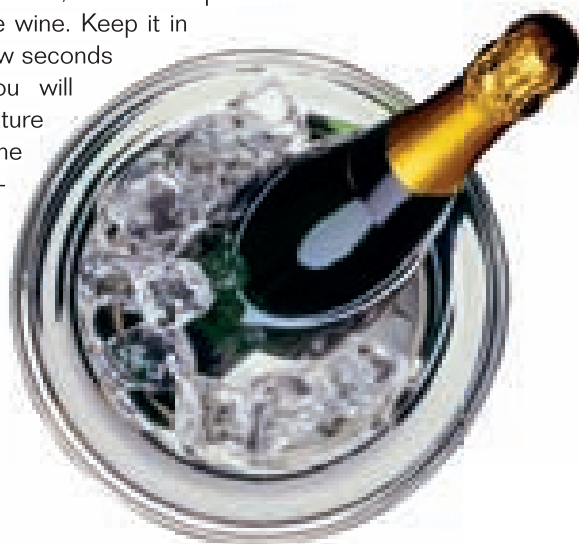


(TOP) PERRIER
JOUET CHAMPAGNE
CELLARS IN FRANCE

When it comes to glassware, your choice is very important – the ideal shape of your glassware is that of a tulip.

Pour the champagne so that the glasses are only half full. Look at the colour and admire the different shades of gold or pink. Then inhale its bouquet slowly and then start again. Do you recognise aromas of fruits or flowers, or richer smells like hot rolls, vanilla and spices?

Finally, taste the wine. Keep it in your mouth for a few seconds and savour it. You will discover the true nature of your champagne – smooth or full-bodied, delicate or complex. +



ON BEING A SOCIAL ENTERPRISE

“ Social enterprises that want to succeed need to have the discipline and focus to align their passion with their core competency and resource engine, or means of sustenance. ”



The term “social enterprise” has been around for many years. To some people, it conjures up an image of a charity. For others, it is no different from a cooperative.

NTUC Income Chief Executive Officer Tan Suee Chieh strongly believes in the unique role that social enterprise has in the full-fledged insurance company. BiZQ caught up with him and asked what the link is between Income and social enterprise.

Tan explained that as a local insurer, NTUC Income has to meet the needs of its customers. And that is to offer a wide range of products available through multiple channels such as financial consultants and online services.

“Our commitment to our social purpose, however, does not keep us from being professional and commercial in managing our business,” he said.

“We are mindful that having a well-defined social purpose does not make us similar to commercial businesses with a strong corporate social responsibility (CSR) programme. What sets us apart are our purpose and philosophy – that is our core reason of existence.”

Tan also said that there are many similarities between his personal values and pursuits and the values embodied in social enterprise.

“A people-first philosophy, which complements the core value of a social enterprise revolving around people, is at the heart of decision making. Focus and discipline are not just important for one’s personal and professional development; they are also instrumental in building a strong social enterprise,” Tan explained.

“Social enterprises that want to succeed need to have the discipline and focus to align their passion with their core competency and resource engine, or means of sustenance. This is why we have begun to transform, modernise and professionalise so that we can continue to attract both talent and customers. This will let us capture the hearts and minds of Singaporeans, and keep pace with their changing needs and aspirations to remain their most trusted insurer.”

“However, even as NTUC Income modernises itself to become a leading social enterprise, we will ensure that this will not compromise our social purpose.” +

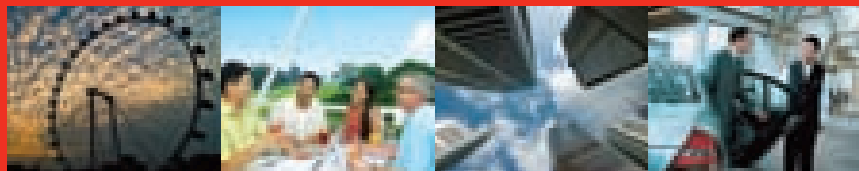


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