

# MEDIA RELEASE

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## IE SINGAPORE LAUNCHES NEW EXPORT PROGRAMME TO HELP SINGAPORE SMEs

**Minister of State for Trade & Industry, and Manpower, Mr Lee Yi Shyan, unveils new Exporter Development Programme to further equip SMEs with critical export capabilities**

MR No.: 035/09

Singapore, Thursday, 28 May 2009

1. The government has officially announced a new programme to support local SMEs to become better exporters. The new Exporter Development Programme (EDP) has an initial funding of \$6 million. Via partnership with trade associations and chambers, the Programme hopes to benefit more than 1000 SME exporters in the next three years.
2. The Programme is a timely boost for Singapore SMEs who are involved in exporting activity. The WTO has projected a drop of 9% in worldwide exports while developed economies such as Singapore which are dependent on trade for growth are expected to see exports shrink by about 10%<sup>1</sup>. Singapore's economy continues to rely on exports to grow and on our exporters to remain globally competitive. With the economic downturn, however, SME exporters face greater challenges including the slowdown in external demand and sales, reduction in overseas marketing budget, as well as the threat of protectionism.
3. Launched by International Enterprise (IE) Singapore, the key agency promoting overseas growth of Singapore-based companies and international trade, the Exporter Development Programme is designed to help SMEs with limited or ad-hoc exporting experience to develop their capabilities in exporting. The launch was officiated by Guest of Honour, Minister of State for Trade & Industry and Manpower, Lee Yi Shyan.

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<sup>1</sup> Source: World Trade Organization

### **The Exporter Development Programme**

4. The Exporter Development Programme features three key components to equip exporters with a sustained and systematic approach to penetrate overseas markets. These components are: Export Strategy Planning, Export Training Course and Overseas Market Visit. (See Annex 1 for full programme)
5. The Exporter Development Programme is also the newest addition to an existing suite of programmes and services by IE Singapore for our exporters. For one, IE Singapore has been actively promoting awareness and use of Singapore's FTAs to enable Singapore-based exporters to benefit from tariff savings, enjoy preferential access, faster entry into key markets, and investment and intellectual property protection.
6. IE Singapore also launched the Export Coverage Scheme, which is a short term trade credit insurance that guards against the non-payment risk of overseas buyers in March this year. In addition, the Loan Insurance Scheme (LIS) also assists Singapore-based companies to secure export-oriented loans by getting them insured against insolvency risks. These programmes all work towards assisting companies in their export ventures.
7. "It is in such turbulent times that companies with sound fundamentals and foresight will thrive. For exporters, it means taking stock of your growth strategy and strengthening your export capabilities in preparation for the economy upturn. Said Mr Chong Lit Cheong, CEO, International Enterprise Singapore.

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### **Benefitting More Singapore Exporters**

8. Mr Kelvin Lim, of Grenadier Press Pte Ltd, one of the 7 participants of the pilot programme was all praise for the programme. "The EDP is very useful in helping first timers like me kick-start the export process. Also, the EDP gathers like-minded business people, and provides a platform for informal interaction during the courses and an overseas field trip where I can apply my learning. It condensed the learning process, at least at the initial stages of learning how to export."

9. IE Singapore will partner trade associations and chambers to promote this new programme to a wider pool of companies. These trade associations and chambers include the Singapore Manufacturers Federation (SMA), Singapore Business Federation (SBF), Association of Small and Medium Enterprises (ASME), Singapore Precision Engineering and Tooling Association (SPETA), Singapore Furniture Industries Council (SFIC), Singapore Chinese Chamber of Commerce and Industry (SCCCI), Singapore Indian Chamber of Commerce and Industry (SICCI), Singapore Malay Chamber of Commerce and Industry (SMCCI) and the Textile and Apparel Fashion Federation (TAFF), who are keen to help their members tap on this new programme.

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Annex 1: Fact Sheet on Exporter Development Programme

Annex 2: Welcome Address by Mr Chong Lit Cheong, CEO, IE Singapore

#### **Note to Editor**

Please use 'IE Singapore' or 'IE' if an acronym for 'International Enterprise Singapore' is required. In addition, unless otherwise stated, the use of statistics cited in our media releases, website or Statlink, should be attributed to IE Singapore.

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#### **About International Enterprise Singapore**

International Enterprise (IE) Singapore is an agency under the Ministry of Trade and Industry spearheading the development of Singapore's external economic wing.

Our mission is to promote the overseas growth of Singapore-based enterprises and international trade. With a global network in over 30 locations and our 3C framework of assistance – Connections, Competency, Capital, we offer services to help enterprises export, develop business capabilities, find overseas partners and enter new markets. At the same time, we work to position Singapore as a base for foreign businesses to expand into the region in partnership with Singapore-based companies. Please visit [www.iesingapore.com](http://www.iesingapore.com) for more information.

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## Annex 1

### Fact Sheet on Exporter Development Programme

This programme by International Enterprise (IE) Singapore will equip companies with the skills and knowledge to develop their export competencies. With this programme, companies will gain adequate knowledge on how exporting their goods and services overseas can help them further grow their business. At the same time, participating companies will also learn how to reach their intended overseas audiences through a sustained and systematic approach to exporting.

The programme delivers three compulsory components aimed at guiding you approach overseas markets through exporting.

It helps you:

- Understand your export product or service
- Understand the needs of your customers and target market
- Learn how to gather market information from available resources
- Develop an export strategy for your product or service
- Acquire the fundamental knowledge of export
- Gather more opportunities to meet and network with business associates and potential clients in your export market

### 3 components at a glance

#### 1 Export Strategy Planning

This component provides you with a systematic approach to develop your export strategy for your target market. To guide you in your export strategy planning, you will select a suitable export coach from our panel of coaches.

This export coach will spend approximately 50 hours of contact time to guide you on how to strategically export your product to your target market.

The scope includes:

- Understanding your export product or service
- Exploring the business environment of your target export market
- Finding the fit for your product or service in your target market
- Developing your export strategy
- Refining your export strategy  
(after your market visit)

#### 2 Export Training Course & Workshops

This component equips you with the fundamental knowledge required for the export business. Participants will attend the export training at Kaplan Financial, and supplementary workshops conducted by IE Singapore. Topics include:

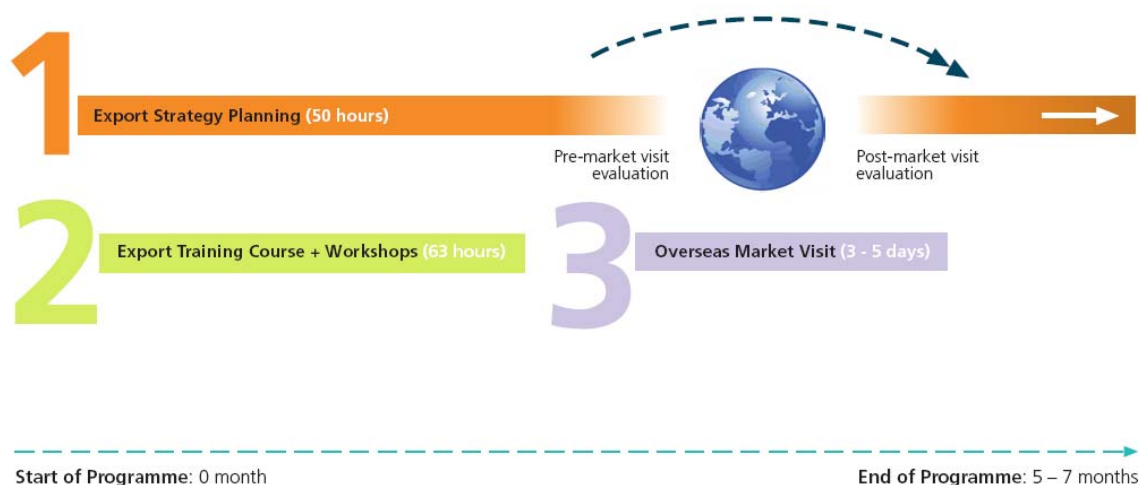
- Export Business Strategy and Planning
- Export Marketing, Branding and Intellectual Property
- International Distribution Channels
- Export Sales and Negotiation Skills
- What, Why & How to Market Research
- Leveraging on Free Trade Agreements
- Obtaining Market Intelligence at the IE Singapore Advisory Centre

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### 3 Overseas Market Visit

This component provides you with an opportunity to familiarise yourself with your target market and conduct market research. Through an overseas market visit organised by IE Singapore, you will get to:

- Gather market information and correspond with in-market business associates and potential clients
- Apply your export strategy
- Understand how to better negotiate and conduct business meetings in your export market



#### How are we different from other export related assistance?

##### • Comprehensive, Systematic and Flexible

This programme puts together 3 compulsory components needed to help grow your export competency. It saves you the hassle of having to source for the individual service providers to fulfill each component. While being comprehensive and systematic, the programme provides the flexibility by allowing you to place emphasis in areas of each component according to your needs.

##### • The Quality Assurance You Need

All participating companies will be presented with experienced and qualified experts from Kaplan Financial, our service provider for your export training course. Rigorously selected, all export coaches have fulfilled IE Singapore's stringent criteria and are strongly committed to help you venture overseas through exporting.

##### • No More Worries and Fuss Over Administrative Work

You no longer have to worry about dealing with endless stacks of paper work. The administrative work needed for programme participation and grant application are kept to a minimum to avoid cluttering your busy schedule.

##### • Grants & Support

IE Singapore supports 70% of the cost in the following areas:

- Export Coaching Service
- Export Training Course for up to 2 persons
- Overseas Market Visit, including return economy airfares, accommodation and participation fees for up to 2 persons



**Annex 2**

**Embargoed until delivery**  
**Please check against delivery**

**WELCOME ADDRESS BY MR CHONG LIT CHEONG,  
CEO, INTERNATIONAL ENTERPRISE SINGAPORE  
AT “EXPORTERS’ SEMINAR - EXPORTING EFFECTIVELY IN THE  
CURRENT ECONOMIC CLIMATE”  
ON 28 MAY 2009, 9.00 AM,  
GRAND HYATT HOTEL, GRAND BALLROOM (LEVEL 2)**

Mr Lee Yi Shyan, Minister of State for Trade and Industry & Manpower,  
Distinguished guests,  
Ladies and Gentlemen,  
Good morning.

1. On behalf of International Enterprise (IE) Singapore, I would like to welcome you to the Exporters' Seminar, entitled Exporting Effectively in the Current Economic Climate.

**EXPORT AS INITIAL STEP TOWARDS INTERNATIONALISATION**

2. Since Singapore's early years as a nation, exports have played a crucial role in our economy. Last year, our total export value reached S\$476 billion.

3. Exporting will continue to be one of the first steps for Singapore companies to internationalise. We are fortunate to be right in the middle of the growing Asian market. Based on last year's SME Development Survey<sup>2</sup> by DP Information, Asia is the largest export market for Singapore's SMEs, with Malaysia<sup>3</sup> and China<sup>4</sup> being the top two destinations.

**COMPANIES NEED TO STRENGTHEN EXPORT CAPABILITIES TO SAFEGUARD  
AND GROW THEIR RESOURCES FOR THE UPTURN**

4. Singapore exporters continually face challenges such as cost competitiveness and fast changing market demand. Today, exporters face yet another major challenge - a

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<sup>2</sup> A total of 10,000 companies were invited to participate in the DP SME Development Survey, of which 1,656 companies responded.

<sup>3</sup> In 2008, Singapore's total exports to Malaysia amounted to S\$57 billion.

<sup>4</sup> In 2008, Singapore's total exports to China amounted to S\$43 billion.

global economic slowdown that has rippled across all industries. Singapore's non-oil domestic exports in April 2009 fell 19 percent from a year earlier to S\$11.3 billion<sup>5</sup>.

5. Nevertheless, it is in such turbulent times that companies with sound fundamentals and foresight will thrive. For exporters, it means taking stock of your growth strategy and strengthening your export capabilities in preparation for the economy upturn.

## **IE SINGAPORE'S ASSISTANCE TO EXPORTERS**

6. IE Singapore has several initiatives to assist exporters at various stages of their exporting journey. Today's Exporters' Seminar aims to strengthen your understanding of the basics of exporting. You will learn from a line-up of experienced speakers on how to build a strong foundation for your export business. For example, you will learn how to build an efficient supply chain, protect yourself via trade financing plans and select trustworthy partners. The speakers will also share practical tips for exporting to Southeast Asia and China – the two top export destinations for Singapore SMEs.

7. Exporters can take advantage of Singapore's extensive network of free trade agreements (FTAs) to sharpen their competitive edge. Via the FTAs, exporters benefit from tariff concessions, thereby making their exports more price-competitive. They will also enjoy preferential access, faster market entry, and investment and intellectual property protection. To date, Singapore has 15 enforced FTAs with 23 trading partners. IE Singapore organises outreach events to promote FTA awareness and provides one-to-one company consultations to guide exporters and assist them in resolving export-related issues.

8. Exporters should also mitigate the counterparty risks of their overseas customers. In this regard, IE Singapore launched the Export Coverage Scheme in March this year as part of the government's Special Risk-sharing Initiative package. The Export Coverage Scheme is a short term trade credit insurance that guards against the non-payment risk of overseas buyers.

9. I am happy to announce that IE Singapore has developed a new initiative called the Exporter Development Programme (EDP) to help build your export capabilities. The EDP is a structured assistance programme that aims to develop the export competency of promising Singapore exporters. You will hear more about this later.

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<sup>5</sup> IE Singapore Trade Report April 2009.

## **CONCLUSION**

10. Ladies and Gentlemen, as the agency promoting overseas growth of Singapore-based companies and international trade, IE Singapore will continue to support all exporters in their internationalisation drive. Let's take a mid- to long-term perspective and harness our resources in preparation for the future.

11. In conclusion, I would like to thank our sponsors, our partners and all of you for making this seminar possible. I hope you will find the discussion fruitful. Thank you.

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