

8th Singapore-Guangdong Collaboration Council (SGCC) sees Singapore companies ink projects with Chinese counterparts

The SGCC affirmed the growing economic ties between Singapore and Guangdong and discussed future collaboration in services as the province advances in its consumer- and innovation-led growth strategies.

22/08/2017

By *Dean Koh*



Above image: Representatives from the various Singapore and Chinese organisations celebrate the official launch of the Singapore Manufacturing Innovation Centre (SMIC) on August 21 2017. Image credit: [IE Singapore Facebook Page](#).

With Guangdong's growing consumer market and focus on innovation, 20 Singapore organisations today signed 16 projects to participate in sectors involving consumer, logistics and technology. These were sealed at the eighth Singapore-Guangdong Collaboration Council (SGCC) meeting co-chaired by Minister for Education (Higher Education and Skills) and Second Minister for Defence, Ong Ye Kung, and Guangdong Governor Ma Xingrui, in Guangzhou.

Organised by International Enterprise (IE) Singapore, the Singapore secretariat for the Council, the council affirmed the growing economic ties between Singapore and Guangdong, and discussed future collaboration in services as the province advances in its consumer- and innovation-led growth strategies.

Said Minister Ong, “Guangdong is the starting point of China’s market reforms and opening up, and has experienced phenomenal growth over the last two and a half decades. The province has been Singapore’s top trading partner for 28 years, and will continue be a strong economic partner looking ahead. Singapore companies across manufacturing, IT, education, lifestyle, retail, logistics have set foot here, and will contribute to and tap on the province’s growth and dynamism. Beyond these areas, we are seeing stronger collaboration in R&D, and start-up activities. I had an in-depth discussion with Governor Ma Xingrui on our collaboration, and I hope this relationship will deepen and broaden meaningfully in the coming years.”

In 2016, Singapore’s actual investment in Guangdong reached around S\$463.8 million, with cumulative actual investments amounting to about S\$15.1 billion in 2,620 projects. 48% of the investments were made since the SGCC was set up in 2009, signifying its strong role in facilitating economic partnerships. Guangdong has been Singapore’s top provincial trading partner since 1988. In 2016, Singapore-Guangdong bilateral trade reached around S\$36.5 billion^[1].

Guangdong’s consumer growth and e-commerce boom

Guangdong is an economic powerhouse as China’s top GDP contributor. In 2016, Guangdong’s GDP grew 7.5% to about S\$1.63 trillion^[2], higher than the national average of 6.9%, and accounting for 10.7% of the country’s GDP.

It ranks among the top three provinces in China for individual disposable income and individual consumption expenditure in 2016^[3], with individual disposable income over S\$6,100 in 2016 (+8.7%)^[4]. The province is emerging top in cross-border e-commerce across China^[5]. The Guangdong government has been establishing policies to drive cross-border e-commerce, such as introducing the China (Guangdong) Pilot Free Trade Zone (FTZ) in 2015 to further liberalise trade.

These have resulted in opportunities for Singapore companies not only in consumer related areas, but also logistics, a key supporting service for e-commerce. Related projects signed at the council meeting include:

Sino-Singapore Guangzhou Knowledge City (SSGKC) signed a Memoranda of Understanding (MOU) with Singapore Chinese High International to develop the Hwachong International Knowledge City School for junior middle and senior middle students within the Pearl River Delta.

Mapletree signed a MOU with Qingyuan Modern Logistics Park to build integrated logistics facilities. It will serve as an e-commerce hub for the white goods manufacturers in the region.

Technology partnerships amid Guangdong's innovation-driven growth

Economic restructuring and industrial upgrading remain a top priority for Guangdong. By 2017, its research & development (R&D) budget is expected to hit around S\$43.2 billion, 2.65% of its GDP. It aims to ramp up R&D spending to 2.8% of its GDP by 2021^[6]. Singapore companies are starting to participate in this growth. For example, Ascendas-Singbridge, together with [SGInnovate](#) and Shenzhen's Runyang Group, established Airmaker, an accelerator for IoT start-ups and companies in Shenzhen and Singapore.

Technology-related signings also took place at the SGCC meeting:

- a. Techbridge Ventures^[7] signed a joint venture agreement with PC Partner to establish InnoPartner, providing incubation and technology development services for smart cleantech start-ups.
- b. Following the [launch of the Singapore Manufacturing Innovation Centre \(SMIC\) by IE Singapore and Ascendas-Singbridge](#) yesterday, Sino-Singapore Guangzhou Knowledge City Investment and Development Co. (GKC Co.) and Ascendas-Singbridge signed a MOU with the five SMIC member companies^[8] to promote collaboration and co-creation of innovative technology solutions among Singapore companies and Chinese enterprises.

Building talent for Singapore companies' expansion into Guangdong

To help companies develop talent with specific in-market knowledge and skills to expand to Guangdong and China, IE Singapore developed the China Ready Programme together with the Centre of Excellence for Software Transfer (CEST), a unit co-founded by Nanyang Technology University (NTU) and GKC Co. Following the successful first run in April this year, IE Singapore signed a MOU with CEST today to continue the partnership for the second run, focusing on Intellectual Property (IP).

Participants of the first run, such as House of Seafood and K-One, have established clear market entry strategies through the programme and started their expansion into Guangdong.