ANNEX C-1: BUILDING DEEP ENTERPRISE CAPABILITIES

(A) Innovation Agents Programme

The Innovation Agents programme is a two-year pilot for enterprises to obtain advice on innovation opportunities from experienced industry professionals who have both technology expertise and business experience (henceforth known as Innovation Agents).

To support enterprises in their innovation efforts and accelerate their growth, Enterprise Singapore will identify individuals with deep expertise in technology, strong track record in growing businesses, and access to global industry networks. These Innovation Agents will be matched with enterprises that aspire to use technology to improve existing businesses or build new ones. Innovation Agents will provide mentorship to enterprises to identify innovation opportunities, and facilitate connections to valuable technology and business partners.

Depending on enterprises’ needs, Innovation Agents may provide consultation on a one-to-one basis, or on a group basis to groups of enterprises or consortia looking to capture new market opportunities through innovation. The duration of an engagement may vary from a few months to a year, depending on its scope.

More details will be shared by Enterprise Singapore later this year.

More Information

Please contact Enterprise Singapore at enquiry@enterprisesg.gov.sg.
(B) SME Co-Investment Fund III

Background

To catalyse patient growth capital\(^1\) for Singapore-based enterprises through co-investment with the private sector, the Government launched the Co-Investment Programme (CIP) in 2010, comprising the SME Catalyst Fund (CF) and SME Co-Investment Fund (CIF). The SME Mezzanine Growth Fund (MF) and SME Co-Investment Fund II (CIF 2) were subsequently launched in 2014.

To date, the Government has set aside $400 million of government capital through these funds, to be invested alongside private sector capital into local SMEs. This has catalysed approximately $1.3 billion of additional funding for our SMEs. The CIP has supported Singapore-based SMEs, in a range of industries from services to manufacturing, to scale up and internationalise. Please visit [www.heliconiacapital.com](http://www.heliconiacapital.com) for information on SMEs that have benefited from the CIP.

Launch of SME Co-Investment Fund III

The Government will set aside an additional $100 million for the SME Co-Investment Fund III, to continue supporting firms in their efforts to scale up and internationalise. The SME Co-Investment Fund III will continue the work of the earlier SME Co-Investment Funds, with the same objective of catalysing active and patient growth capital for Singapore-based SMEs. Similar to existing funds under the CIP, Temasek Holdings will participate as a co-investor in the SME Co-Investment Fund III.

Qualifying investee companies must have their key management functions and headquarter activities based in Singapore, and have revenues of up to $500 million.

More Information

The Fund will be managed by Heliconia Capital Management Pte Ltd. Interested private sector co-investors and potential investee companies may contact Heliconia at [enquiries@heliconiacapital.com](mailto:enquiries@heliconiacapital.com) for more information.

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\(^1\) This means long-term financing, involving investors that do not expect short-term returns on their investment, to help Singapore-based SMEs scale-up in a number of sectors.
(C) Enterprise Financing Scheme (EFS)

The Enterprise Financing Scheme (EFS) streamlines eight existing SME financing schemes, including the extended SME Working Capital Loan, into one scheme\(^2\) to help Participating Financial Institutions (PFIs) and SMEs navigate between the various financing schemes.

The EFS will meet the financing needs of companies across different stages of growth over six financing areas:
- Working capital (for SMEs),
- Fixed assets (for SMEs),
- Trade,
- Venture debt,
- Mergers and acquisitions, and
- Project financing.

Businesses may apply for the EFS through PFIs.

**SME Working Capital Loan**

In 2016, the Government enhanced support for SMEs to access financing for working capital needs by introducing the SME Working Capital Loan. We will extend this support for another two years till 31 March 2021\(^3\). This will help address Singapore SMEs’ near-term cash flow concerns and growth financing needs through unsecured working capital loans, while encouraging business growth and restructuring activities. The level of support for working capital will be reviewed at the end of this period.

The EFS is expected to be launched in October 2019. The SME Working Capital Loan will be folded into the EFS then. Additional details related to EFS will be announced closer to launch. In the interim, companies can continue to apply for the existing financing schemes.

**More Information**

Please contact Enterprise Singapore at enquiry@enterprisesg.gov.sg

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\(^2\) With the introduction of the EFS, ESG will discontinue the eight existing financing schemes, namely the (i) SME Equipment Loan, (ii) SME Factory Loan, (iii) SME Working Capital Loan, (iv) SME Micro Loan, (v) SME Micro Loan for Young Companies, (vi) SME Venture Loan, (vii) Internationalisation Finance Scheme, and (viii) Loan Insurance Scheme Plus. These financing schemes were carried over from former-SPRING and IE Singapore and will be relaunched under the EFS scheme, under ESG.

\(^3\) The SME Working Capital Loan (WCL) was introduced in Budget 2016.
(D) Expansion of the SMEs Go Digital Programme

The SMEs Go Digital programme, announced in Budget 2017, helps SMEs grow digital capabilities. Its key components are as follows:\(^4\):

a) **Industry Digital Plans (IDPs).** Sector-specific IDPs developed by the Infocomm Media Development Authority (IMDA) serve as a guide for SMEs on the digital technologies and skills training programmes that are relevant to them at different stages of growth.

b) **Pre-approved Digital Solutions.** IMDA works with sector lead agencies to identify and pre-approve digital solutions suitable for SMEs. SMEs can access these pre-approved digital solutions on the whole-of-government (WOG) Business Grants Portal, and apply for the Productivity Solutions Grant (PSG) for funding support of up to 70% of qualifying costs to adopt these solutions.

c) **Digital Sector Projects.** IMDA works with key industry leaders to pilot new digital solutions (including platforms) that have the potential to scale and uplift sectors.

As of end-2018, IDPs have been developed for 7 sectors: Environmental Services, Retail, Food Services, Wholesale Trade, Logistics, Security and Media. The SMEs Go Digital programme has supported around 4,000 SMEs to adopt pre-approved digital solutions.

In Budget 2019, IMDA will expand the SMEs Go Digital programme by:

a) **Developing IDPs for more sectors.** IMDA will develop IDPs for more sectors, starting with Accountancy, Sea Transport and Construction. IMDA will announce more sectors later in the year.

b) **Extending support to wider range of digital solutions.** IMDA will extend the range of pre-approved solutions that can be readily adopted by SMEs, to include more advanced digital solutions such as artificial intelligence (AI)-infused solutions and cybersecurity solutions. SMEs can

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\(^4\) Companies can also benefit from other forms of support under the SMEs Go Digital programme, as follows:

i. **Digital Consultancy.** SMEs can approach SME Centre business advisors for business diagnosis and advice on relevant digital solutions. SMEs that require specialist advice on more advanced digital solutions, such as data analytics, artificial intelligence, cybersecurity, can also approach the SME Digital Tech Hub.

ii. **Digital Project Management Services.** SMEs can engage digital project managers to support their implementation of the digital solutions. Support from digital project managers include professional project management, business process re-engineering and job redesign.
apply for funding support under PSG to adopt these pre-approved solutions.

More Information

Please contact IMDA at:
- General inquiries: info@imda.gov.sg
- Media clarifications: Chloe_Choong@imda.gov.sg
(E) Digital Services Lab (DSL)

The Digital Services Lab (DSL) is a three-year pilot that will work with the industry to address digitalisation challenges in services sectors, such as Logistics, Retail and Media, using digital capabilities. The DSL will focus on projects with industry-wide impact, involving multiple stakeholders, where there are barriers to digitalisation.

By translating research and integrating existing technologies, DSL engineers and system architects, in collaboration with industry partners, will develop solutions that address the identified problem statements. Developing these solutions in partnership will help companies manage the risks of early-stage technology development, while catalysing digital transformation in the industry.

Companies participating as demand users and technology solutions providers may apply for funding support of up to 70% of qualifying costs.

More Information

Please contact the Digital Services Lab at digital_services@imda.gov.sg.
The Automation Support Package (ASP), introduced in Budget 2016 for three years from 1 April 2016 to 31 March 2019, encourages companies to embark on large-scale automation projects to achieve significant productivity gains. To support companies to automate and scale up, the ASP will be extended for another two years, up to 31 March 2021. The support package comprises grant, tax and loan components:

a) **Grant.** To defray automation costs, funding support of up to 50% of qualifying costs for the roll-out or scaling up of automation projects, capped at $1 million, will be provided through Enterprise Singapore’s Enterprise Development Grant (EDG).

b) **Tax.** Investment Allowance (IA) of 100% will be provided on the amount of approved capital expenditure, net of grants. This IA is in addition to the existing capital allowance for plant and machinery. The approved capital expenditure is capped at $10 million per project.

c) **Loan.** Companies that require equipment financing can be referred to Participating Financial Institutions (PFIs) through the enhanced Local Enterprise Finance Scheme (LEFS)\(^5\). Through this, risk sharing by Enterprise Singapore with PFIs is up to 70% for SMEs and 50% for non-SMEs in the event of loan default.

**More Information**

Please contact Enterprise Singapore at enquiry@enterprisesg.gov.sg.

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\(^5\) From October 2019, LEFS, together with existing SME financing schemes, will be streamlined into the Enterprise Financing Scheme (EFS).
New Centres of Innovation in Aquaculture and Energy

Centres of Innovation (COIs) support SMEs with technology innovation by providing assistance to enterprises, especially local SMEs and start-ups, in developing and testing technology products, through access to laboratory facilities, consultancy services and training courses. To date, there are eight COIs in Institutes of Higher Learning (IHLs) and public research institutes (RIs). Two new COIs will be set up for aquaculture and energy in Temasek Polytechnic and Nanyang Technological University respectively.

The Aquaculture COI aims to support the growth and internationalisation of local enterprises in the aquaculture sector, and improve food resilience in Singapore. The COI will allow enterprises to access applied research capabilities and services in aquaculture, by pooling together resources, intellectual property, infrastructure and expertise from government agencies, IHLs and RIs.

The Energy COI aims to drive industry-led innovation in energy efficiency, renewable energy and electric mobility. It will enable enterprises to commercialise cutting-edge innovations by providing technical expertise to translate energy research into commercial technologies and solutions, aggregating private-sector testbeds to deploy and integrate solutions, and incubating start-ups in the energy sector.

More Information

Please contact Enterprise Singapore at enquiry@enterprisesg.gov.sg.