4 Reasons Why Singapore Will Quietly Become the World's Leading Industrial Hub

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There are deep rumblings afoot in Singapore's manufacturing sector, and I think the world will soon be surprised at its rise to global prominence.

In recent decades, technology, globalization and Asia's rise have all caused significant changes in the manufacturing sector. At least within the confines of Asian and ASEAN countries, this has often meant a race to the bottom for competitiveness based on price, rather than value. With Singapore arguably being better known for financial services

and tax incentives, you might assume it would have no future in the global manufacturing sector.

I’m pleased to say, that’s a wholly incorrect assumption.

While low-cost and repetitive-task human labor has had its heyday, Singapore has shown itself to be a lighthouse of forward-thinking. By fully embracing Industry 4.0, Singapore is moving up the value chain in order to consolidate its position as the world’s leading industrial hub.

Such a lofty ambition takes immense proactivity of course, so here are four reasons why Singapore will be the world’s leading industrial hub.

1. The Singapore government’s foresight

Singapore has a long history of showing immense foresight into the needs of the nation. The most famous example of this was perhaps the government’s establishment of the Housing and Development Board (HDB) in 1960, designed to lift the population out of poverty and into their own homes.

It’s that culture of foresight that has led to many other progressive insights, including the government’s recent pledge to grow its manufacturing sector over the next 10 years. Crucially though, this is not a scattergun strategy to build factories and import workers to manufacture low-quality goods.

The government has robust plans in place to be competitive not in terms of cost, but based on the intellectual property the country can generate. This means rather than low-value manufacturing, Singapore will aim to manufacture in the higher end of the value chain, including sectors like pharmaceuticals, fintech and biotechnology.

Singapore's three-pronged legislation for this growth is detailed and well thought out, making provisions for attracting top-tier companies, creating higher-paying manufacturing jobs, and training the local population with extensive tertiary education collaborations.

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2. A world-class ecosystem for manufacturing

While the government's recent but detailed plan for a high-value manufacturing future inspires confidence, you only have to look at how Singapore is performing today to see an upwards trajectory. Singapore is already the world's third-largest exporter of high-tech goods, produces four of the world's top 10 drugs, and is the fourth-largest producer of refined oil. It's little surprise then, that industry giants like Micron, Shell and Merck have not only chosen Singapore as a manufacturing base, but as a strategic hub for R&D, headquarters and supply chain management.

This world-class ecosystem is bolstered by active government initiatives where multinational corporations (MNCs) can partner with research and tertiary education institutes to develop cutting-edge innovations with global impact.

Singapore's reputation as a plug-and-play manufacturing ecosystem will only continue to grow, as more and more top MNCs leverage the country's investment in the sector.

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3. A workforce of skilled humans

and adaptable robots

While China and many parts of Southeast Asia persist with a repetitive-task-based human workforce, Singapore is forging ahead with an adaptable but highly skilled local workforce comprised of complementing robots and humans.

Singapore currently ranks third in the Global Talent Competitive Index, thanks largely to two major strategies. First is the government's significant investment in human talent through their SkillsFuture series in advanced manufacturing and their partnerships with industry leaders and tertiary institutes. Second is a massive investment in robotic technology, which has led them to become third in the world for robot density, according to the Global Talent Competitive Index.

These synergetic workforces show an established commitment to both human and robot capital that provides end-to-end manufacturing expertise – an enormous plus to prospective MNCs looking to manufacture in Singapore.

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4. An established culture of innovation

Finally, Singapore continues to solidify its reputation as a global powerhouse for innovation. Singapore is currently ranked third in the Bloomberg Innovation Index, primarily due to its productivity and value-added manufacturing growth, while maintaining a top-in-world ranking in tertiary education efficiency.

This culture of innovation has led to the likes of Siemens and ABB to leverage Singapore's growing momentum within industry

4.0, and I fully expect many other global innovators to follow.

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