



WHAT MAKES A ROLEX A ROLEX?

It's not the wheels and cogs. It's not the steel we shape nor the gold we forge. It's not the sum of every single part that we design, craft, polish and assemble with countless skills and constant care. It's the time it takes. The numerous days and months that are

necessary until we can print this single word on each individual dial leaving our workshops: *"Superlative."* It's the mark of our autonomy, responsibility and integrity. This is all we make, but we make it all. So that, in time, you can make it your own.

#Perpetual





Frank Grutter speaking at the Point Zero Forum in 2022. The three-day gathering is one outcome of Swiss-Singapore finance cooperation at the government level. PHOTO: EMBASSY OF SWITZERLAND IN SINGAPORE

“What we see from the Swiss side is a strong interest in coming to Singapore, and using Singapore as a base for the wider region. There are some new companies coming, and some of those who are already here are bringing new people here as well.”

Frank Grutter (left), ambassador of Switzerland to Singapore

Switzerland and Singapore deepen partnership to chart fintech’s future

Economic ties remain strong, with significant jumps in Swiss foreign direct investment into Singapore. BY TEH SHI NING

WHEN regular trade between Singapore and Switzerland kicked off in the 1830s, it was not clocks and watches but Swiss-made sarongs – brightly-coloured woven and printed textiles – that were the main goods making the long journey over land and sea to Singapore’s free port.

Fast-forward about two centuries, and Swiss-Singapore economic relations have evolved and expanded dramatically. Yet the emergence of fresh areas of cooperation today – in fintech, sustainable finance, digital economy, food and agri-tech and more – remains anchored on both economies’ strong alignment in valuing free trade, says the Swiss ambassador to Singapore, Frank Grutter.

Swiss direct investment into Singapore has risen significantly over the last five years of available data. Foreign direct investment (FDI) from Switzerland more than doubled from \$538 billion in 2017 to \$868 billion in 2021.

This was a jump from 2020’s \$469 billion, making Switzerland Singapore’s single largest source of FDI from continental Europe, and its ninth-largest investor globally.

“I saw a strong economic relationship between the two countries before Covid, and we see even stronger economic ties now after Covid,” ambassador Grutter tells *The Business Times* (BT) in an interview.

He notes that both countries managed the pandemic well – though the governments adopted different approaches – and both have seen their economies rebound accordingly.

Like investment, trade has been on the rise too.

In 2022, Switzerland exported 9.9 billion Swiss francs (\$15.2 billion) in total goods to Singapore, which was the fourth-largest destination for Swiss goods in Asia and 12th-largest worldwide.

Traditionally dominant chemical and pharmaceutical exports led the growth in exports, though their overall value did slip 6.7 per cent to 2.86 billion Swiss francs in 2022.

Precision instruments, clocks, watches and jewellery exports – which made up the remaining bulk of Swiss exports to Singapore – totalled 2.37 billion Swiss francs in 2022, despite disruption from the Covid-19 pandemic.

Swiss exports of transport, financial, telecommunications, computer and information services to Singapore drove an increase in services exports to \$513.2 billion in 2021, making Switzerland the eighth-largest source of services flowing into Singapore in 2021.

“We’re both free market advocates and believe in the benefits of free trade, so we are very much in agreement on these issues in international fora,” says Grutter.

Both countries have also worked well on multilateral platforms on topics such as cybersecurity and digital governance.

Grutter sees that alignment as arising from inherent similarities between the two nations. “I would start with the fact that we’re both small in size; we’re not countries that can rely on big power politics.”

“Neither of us has an economic hinterland. We have to look beyond our borders in the sense that the world is our market,” he says.

“As a result, both countries have similar views on free trade, the importance of secure supply chains and the free movement of capital, et cetera.”

Fintech and digital economy

Switzerland and Singapore are also both major financial centres, with a shared reputation for being competitive global wealth management centres (coming in first and second respectively on Deloitte’s International Wealth Management Centre Ranking 2021).

As the fintech ecosystems in both countries boomed in recent years, fintech has emerged as a key area of collaboration too.

The Point Zero Forum – a not-for-profit three-day gathering in Zurich to promote policy and technology dialogue about financial services – is one outcome of Swiss-Singapore finance cooperation at the government level.

“What is really positive about the Point Zero Forum is that it brings together high-level people – from financial regulatory authorities on both sides, national banks, fintech founders and investors, to traditional banking institutions, but also think tanks and civil society,” says the ambassador.

Co-organised by Switzerland’s State Secretariat for International Finance and Elevation, a not-for-profit entity set up by the Monetary Authority of Singapore, the second edition of the forum in June 2023 drew a thousand such leaders in the fintech world.

Their dialogues this year centred on digital assets, the potential and risks of generative artificial intelligence in financial services, and harnessing fintech to catalyse the green transition and sustainability.

The launch of the Point Zero Forum seems a natural extension of the significant Swiss presence under the Swiss Pavilion at each edition of its sister event, the Singapore Fintech Festival. Last year, about 20 Swiss fintech enterprises took part – many with the goal of introducing their emerging technologies and solutions to Asia.

Several participants of past editions of the festival have since set up offices in Singapore as a launch pad for expansion plans in South-east Asia and the wider region.



Presence in Singapore



*Between 1850-2000 there were about 100 Swiss in Singapore but never more than 30 permanently. Data starts from 1993. SOURCE: EMBASSY OF SWITZERLAND IN SINGAPORE. GRAPHIC: BT/STUAL

“What we see from the Swiss side is a strong interest in coming to Singapore and in using Singapore as a base for the wider region,” says ambassador Grutter.

“There are some new companies coming, and some of those who are already here are bringing new people here as well.”

Examples of Swiss players that are now part of Singapore’s fintech ecosystem range from regtech Apiax, to digital asset bank Sygnum Bank, to early-stage investor Tenity, which incubates and accelerates fintech and insurtech startups in Asia out of its Singapore hub.

Meanwhile, wider efforts to improve business conditions for Swiss companies with Singapore links continue apace as part of the embassy’s economic promotion efforts.

These include further lowering barriers to trade – even digital trade. In July, the European Union and Singapore opened negotiations on a digital trade agreement, to bring the 2019 EU-Singapore Free Trade Agreement (EFTA) into the digital domain.

“It will provide greater legal certainty for businesses and consumers that are involved in digital trade,” says Grutter.

“For example, consumers will know what their consumer protections are and businesses will know what Singapore’s and Switzerland’s data privacy rules are. It’s meant to be practical, so that e-commerce, e-payments, e-invoicing, and e-services can be facilitated between Switzerland, the EFTA countries, and Singapore.”

People flows

Last year, tourism from South-east Asia to Switzerland posted a strong rebound after pandemic-related travel restrictions eased.

The more than 623,000 overnight stays in Switzerland from South-east Asian tourists marked a 96 per cent jump from the pre-pandemic 2019 figure.

Visitors from Singapore accounted for more than a third of these overnight stays. For the first four months of this year, Singapore generated over 65,000 overnight stays – a 54 per cent jump from the same period in 2019.

Currently, an estimated 400 Swiss companies have a presence in Singapore, employing more than 25,000 employees.

While this has held stable, the number

Singapore is the fifth-largest market for the Swiss luxury watches industry – valued at 111.5 million Swiss francs in 2023. PHOTO: FONDATION DE LA HAUTE HORLOGERIE/KEYSTONE/CYRIL ZINGARO

of people registered with the embassy has been declining, says Grutter.

In 2020, there were 2,855 Swiss in Singapore registered with the embassy – 3.2 per cent down from the year before. This slipped a further 2.8 per cent to 2,776 in 2021, and another 5.9 per cent in 2022 to 2,613.

There was probably some impact from the pandemic, as some families returned home.

But rising rental costs likely contributed to both personal decisions to leave Singapore, as well as corporate decisions to send individuals rather than families on postings to Singapore, notes Grutter.

It is a challenge that is not unique to the Swiss community here, he adds. Eurocham Singapore’s March 2023 survey report on the rising cost of rental in Singapore found that soaring residential rental rates, in particular, were a main driver for the rise in respondents’ business operational costs.

Close to 40 per cent of companies surveyed were providing each expatriate employee with additional financial aid of more than \$31,500 a month to subsidise those rising residential rental costs.

But given the long and rich history of the Swiss community in Singapore – the Swiss Club, for instance, was founded here in 1871 – it continues to stand firm.

“Compared to other Swiss embassies in the region, there are none with such a density of Swiss players as ours,” Grutter observes. “With the Swiss School, the Swiss Chamber of Commerce, the Swiss Association, four Swiss higher-education institutions and an office of the Swiss National Bank, the Swiss community in Singapore is strong.”

Swiss watchmakers – who swiftly followed Swiss textile manufacturers in exporting to Singapore in the 1830s but took several decades to establish their trade – have since had a solid presence here.

To this day, Singapore is the fifth-largest market for the Swiss luxury watches industry – valued at 111.5 million Swiss francs in 2023.

These linkages reach beyond the dollar value. At local luxury watch retailer Cortina Watch’s 50th anniversary celebrations last year, Grutter was amazed at how many high-level representatives of Swiss watch companies were in attendance.

He says: “This shows how strong these relationships are, and how close the personal ties are between the Singaporean and Swiss business communities.”

Swiss-Singapore partnerships thriving in innovation and education

Innovation-focused Swiss companies, including ones in food tech, are seeing growth here. BY TEH SHI NING

OUT of a curious blend of being similar yet different, Singapore and Switzerland have multiple flourishing partnerships in the spheres of innovation and education.

Both countries prize a good education for their people and invest heavily in innovation – emphases which arise from a common lack of natural resources. People – human capital – are thus a key resource for both Singapore and Switzerland, observes Frank Grütter, the Swiss ambassador to Singapore.

But what makes Swiss-Singapore cooperation particularly fruitful are their contrasting approaches, he says.

"You have the bottom-up approach and freedom of innovation and research of Switzerland – and at the same time you have the more structured top-down approach of Singapore, which has a strategy, pulls in resources to implement the strategy and makes sure that all actors are aligned and working toward the same goals," Grütter explains.

Both have excelled, going by rankings such as the World Intellectual Property Organization's Global Innovation Index (GII). Switzerland topped the GI's ranking as the world's most innovative country for a 12th straight year in 2022, while Singapore has consistently come within the top 10, placing seventh in 2022.

"Dual-hub" research approach

This is exemplified well, he believes, by the Singapore-ETH Centre (SEC) – set up in 2010 as the Future Cities Lab by ETH Zurich – which ranks among the world's top universities for science and technology – and Singapore's National Research Foundation (NRF) as part of NRF's CREATE campus.

Now in its 13th year, SEC remains the sole research centre that ETH Zurich has outside of Switzerland and has grown into a research hub for over 350 principal investigators, researchers and staff from dis-

ciplines as diverse as architecture, data science, engineering, physics and health sciences.

It has over 50 projects – funded through research grant calls, partnerships and sponsorship – on which its researchers work with local universities, industry players and government agencies to translate knowledge into practical solutions to tackle critical challenges in the areas of urban sustainability, resilience and health. Thomas Meyer, SEC's managing director, agrees that the convergence of contrasting approaches has been profitable. "In Switzerland, research is conducted differently, at grassroots, municipal, and canton-levels. Both ways of doing research have their strengths, and for the SEC in Singapore, we benefit from this centralised approach to conduct research that solves pressing issues in both Switzerland and Singapore."

He sees several advantages to doing research in Singapore. "First, Singapore has a centralised, five-year national strategy for research, defined by the current Research, Innovation and Enterprise 2025 plan to develop Singapore into a knowledge-based, innovation-driven economy and society," says Meyer.

"Research that aligns with this strategy is a key priority for both the public and private sectors."

Another key advantage, in his view, is the potential for research that requires large data sets. In its Cooling Singapore project, for instance, SEC models a "digital twin" of Singapore to play out what-if scenarios and address urban heat.

"We can simulate the impact of a million additional trees, or if there are only electric vehicles on the roads, on urban climate, thanks to access to large data sets of real-life data from various government agencies, which would be difficult to obtain in Switzerland," Meyer explains.



Givaudan and Bühler jointly run the Apac Protein Innovation Centre, a 400-square-metre facility at Givaudan's Woodlands site. PHOTO: GIVAUDAN SINGAPORE

What makes the centre unique is its "dual-hub approach", he says. "Any research conducted in Singapore is mirrored in Zurich. While there are differences in research focus and application in Singapore and Switzerland, both countries face broadly similar issues: dealing with urbanisation, the impact of climate change and building sustainable settlement systems."

Tie-ups in education

Apart from the SEC, there are three other Swiss institutions of higher education in Singapore – St Gallen Institute of Management Asia, EHL Campus (Singapore), and IMD Lausanne.

"There is no other country where we are present with four leading Swiss higher-education institutions; Singapore is the only one," notes ambassador Grütter.

Vocational education and training is another area in which the two countries' collaboration has taken off in recent years.

Switzerland – alongside Germany and Austria – and its universities of applied sciences are experienced in offering practical education geared towards the labour market's needs.

Singapore's polytechnics are now tapping on that experience in broader ways. Nanyang Polytechnic, for instance, partnered the Swiss Federal University for Vocational Education and Training and the Chamber of Industry & Commerce for Munich and Upper Bavaria, to establish the

National Centre of Excellence for Workplace Learning (NACE) in 2018. By adapting Swiss and German methodologies, it aims to equip Singapore companies – especially small and medium enterprises – with the capabilities to train and develop their own workers.

Through the embassy, researchers and artists from Singapore can also apply for Swiss Government Excellence Scholarships, which are awarded to foreign scholars annually with the aim of promoting international exchange and research cooperation between Switzerland and other countries.

As Swiss research and higher-education institutions uncover value in being part of Singapore's innovation landscape, companies have begun to do so as well.

For instance, SEC's urban microalgae-based protein production project collaborates with Swiss food companies such as Bühler, Givaudan and Nestlé. This dovetails with Singapore's "30 by 30" plan to grow 30 per cent of Singapore's food needs locally and sustainably by 2030.

Givaudan and Bühler jointly run the Apac Protein Innovation Centre, a 400-square-metre facility at Givaudan's Woodlands site that has a pilot scale wet and dry extruder, a product development kitchen, storage facilities and other meeting amenities.

This combines Givaudan's expertise in innovating scents and tastes with Bühler's

food production technologies to offer businesses end-to-end support in prototyping plant-based protein alternatives.

Since its launch in April 2021, the centre has worked with 100 organisations, from large consumer packaged goods companies to startups and academia on various plant protein sources. These range from mainstream ones such as soya and pea, to the lesser-known mung beans, mushroom and microalgae.

Singapore was ideal, being a hotbed for food-tech innovation at the moment, says Michele van der Walt, head of regional innovation, Apac Taste & Wellbeing, Givaudan.

"This is a diverse country at the heart of South-east Asia with strong ambitions for the future of food. Singapore also has a skilled workforce and an advanced infrastructure that supports innovation and entrepreneurship," she says.

"We are constantly experimenting with many interesting formats to mimic the texture and taste of chicken, beef, pork and seafood, focusing on authenticity of visual appeal, taste and bite for a wide range of consumer products," says van der Walt.

For global companies, the innovation they undertake in Singapore is driven by regional growth prospects too.

Nestlé's Apac Innovation Centre – opened here in February 2023 – focuses on advanced raw material research and related technologies to support its growth in the region.

Swiss innovation and technology consultancy Zühlke is another that has found success using Singapore as a launch pad for rapid regional growth. From a sole employee starting its office here in 2017, it has grown to a team of 190 in Singapore and 260 in the region as it helps clients transform business models.

Says Givaudan's van der Walt: "Our focus here in Singapore is enabling our customers to bring to market products that are relevant to the Asian consumer, and the best way to do that is to develop products in the region, for the region."

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