Firms tap Enterprise Singapore's expertise, connection for water projects in China

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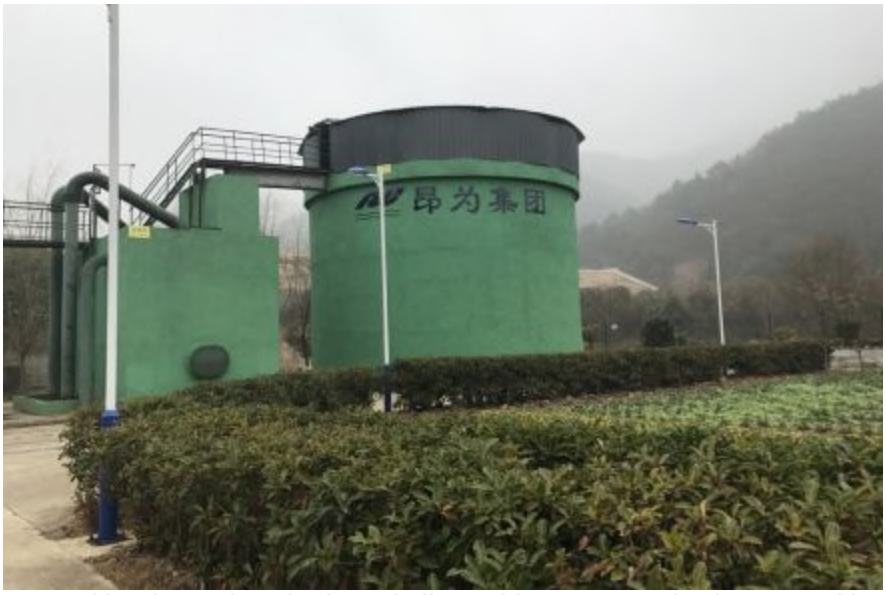
By LEILA LAI
leilal@sph.com.sg



Located in ChangXing LinXing, Zhejiang, this water supply plant owned by AnnAik Limited is able to supply 8,000 cubic metres of potable water per day to nearby residences.
PHOTO: ANNAIK

Singapore

ENTERING a new industry in a different country is rarely a move made lightly, but the promise of continual and growing demand for one of nature's most precious resources is sufficient to tip the scales.

It did for steel stockist AnnAik in 2005, which saw in China's wastewater industry a recurring income stream to supplement its steel trading business.

"Steel depends on the day-to-day requirements of customers, and earnings end up being lumpy," explained Benjamin Ow, executive director and deputy CEO of AnnAik. "Good times are very good, and bad times are very bad. But water is a precious resource, with perpetual demand."

China's rapid industrialisation and urbanisation are creating opportunities in its wastewater industry not just for specialised water players, but also for companies like AnnAik in adjacent sectors whose expertise can be adapted to suit the water industry, said Geoffrey Yeo, director of urban solutions at Enterprise Singapore.

He noted that industry magazine Global Water Intelligence estimated that the global water industry was worth about US$714 billion in 2016, and expects it to expand nearly 4 per cent annually until 2020. Increasingly stringent regulations for discharging water are also driving demand for better, more cost-effective solutions, and companies that can consider diversifying into this area include those with build-operate-transfer (BOT) or engineering, procurement and construction (EPC) capabilities.

By tapping into its past experience in supplying steel-related products to NEWater plants as well as with Enterprise Singapore's help in structuring the venture and arranging meetings with local Chinese government officials, AnnAik obtained a contract to build and run a wastewater plant, which provided the company with about 30 years of recurring income.

Today, it owns and runs seven industrial wastewater plants treating discharge water, one potable water plant and about 3,000 water treatment system units located near residential and office areas around China.

"Singapore companies are in a good position to meet these needs as we have strong technological solutions that enable industrial users to treat their wastewater to a high discharge standard at competitive costs," Mr Yeo said. "In addition, with Singapore as a living lab, companies are able to develop, test and commercialise water solutions in a real-life setting before exporting them globally."

To assist companies in entering China's water industry, Enterprise Singapore helps them to develop new strategies and identify potential projects and partners to transform their business models. It also supports companies' efforts to build technological capabilities by offering assistance programmes such as the Capability Development Grant.

Another company that is tapping Enterprise Singapore's assistance to enter the Chinese market and develop new solutions is Century Water Systems & Technologies.

The EPC water company provides high-purity water and wastewater treatment to Singapore's semiconductor and pharmaceuticals sectors, but in China chose to tackle more challenging industrial wastewater issues in the petrochemical and leachate industries.

These industries produce diverse types of wastewater that demand innovative treatment solutions, which gives Century Water an incentive to develop proprietary technology and increase its competitiveness, said CEO Eugene Liu.

Enterprise Singapore partnered Century Water in treating difficult industrial wastewater to a high discharge standard with Micron Singapore, an experience that later enabled Century Water to enter China and Malaysia in partnership with Micron China and Micron Malaysia.

Since 2014, Century Water has been licensing and distributing mature treatment technology from industry partners, while building its own research and development (R&D) centre in Singapore to test novel technology from local universities.

Mr Liu noted that two of his company's technology commercialisation projects were made possible by Capability Development Grants from Spring Singapore, which became part of Enterprise Singapore in April.

He added that his company is now close to launching two new products by the end of 2018, and is working with a potential investor to further diversify its business model from pure EPC to build-own-operate (BOO) or BOT models for long-term recurrent income.

"R&D is not a guaranteed process. You can't be sure that you will be able to come up with a new technology at the end of it," said Mr Liu. "But we believe it is the only way to increase our core competitiveness in the long run."