The benchmarking, to be conducted by the Asia Competitiveness Institute, is aimed at identifying areas that need improvement and to help policymakers formulate better policies to encourage firms to be more productive.

SINGAPORE: Plans are underway to benchmark the productivity levels of small- and medium-sized enterprises in Singapore against their regional peers. This will be conducted by the Asia Competitiveness Institute, working with SPRING Singapore and in consultation with the European Central Bank.

It was one of the agreements signed at the 2014 Annual Asia Competitiveness Institute conference on Wednesday (Nov 26). The initiative is aimed at identifying areas that need improvement and to help policymakers formulate better policies to encourage firms to be more productive.

Speaking at the event, Second Minister for Trade and Industry S Iswaran said that competitiveness is becoming more important for Asian economies and it is underpinned by three key factors - skills, scale and sustainability.

He said countries can no longer compete on cost alone but rather need to move towards skills-intensive, knowledge-based and innovation-led activities.

Mr Iswaran added: "This can be done through a range of measures, including continual education and training, encouraging innovation among companies and helping our enterprises to be integrated into the global supply chain to exploit economies of scale.

"However, such efforts will also need to be accompanied by social, environmental and fiscal policies to ensure that the growth generated is sustainable in the long run. If we succeed in doing so, we will be able to anchor vibrant companies, create good jobs and raise the living standards of their people."

- CNA/ac