1. Competitors may offer similar concepts to Jurong Island in the future, at a more competetive cost. This is a very possible scenario that may occur in the future, if other countries take notice of the success of Jurong Island’s hub concept. Countries like China have the ability to build a similar hub, and allow companies to enter at a much lower cost, due to the inherent high cost of Singapore’s limited land. To overcome this problem, one method is to continually innovate, coming up with new and better processes to constantly have an edge over the competitors, always having something to offer that others do not. This, however, is likely to be costly and an inefficient usage of resources, since the competitors merely have to copy the new concepts as they come up, after Singapore has invested so much time, money, and energy into them. The benefits of staying a few years ahead of the competition may not justify the risks and costs of extensive innovation. Another method to overcome this issue is to maintain an open channel for dialogue with the investors and companies, finding out what they want and listening to the issues that cause obstacles to their operations. Directly understanding them will allow Singapore to effectively retain Jurong Island’s investors and businesses, by creating a condusive environment for them to pursue their interests.
2. In future, alternative sources of energy may grow in popularity, overshadowing the need for petrochemicals to provide energy. With the current trend of the world shifting towards sustainable energy, this is a real issue that is likely to happen in the future. To overcome this issue, Jurong Island could focus less on the energy products, and place even more emphasis on other products. Petrochemical plants are required to manufacture industrial chemicals, plastics, syntheic rubber, dyes, detergent, and fertilizers, among others. These options and products are mostly unaffected by the increasing popularity of alternative sources of energy, and the demand for their base building blocks made from the petrolchemical plants will not be too affected. Jurong Island may look to explore ways to process the energy products into other forms, and may be able to do this by reaching out to new investors and businesses involved in this field.
3. There may be a lack of supply of workers for companies in Jurong Island to hire. Many young graduates from Engineering schools are choosing not to work in an engineering profession, as statistics show. This is due to the high demand for graduates with engineering degrees in many other sectors. Since companies from those sectors can afford to compete, they will compete for the engineering graduates, drawing a significant portion of them away from the engineering sector. With high competition for a limited pool for hire, Jurong Island will not be able to sustain for long. A way to overcome this would be to offer more internships to companies in Jurong Island, and attempting to hire the internees after the internship. This gives the students more opportunities to experience Jurong Island for themselves, and creates in them the awareness of such a job opportunity. Another method will be to offer bonded scholarships to engineering students. This will effectively guarantee that there will be at least a certain number of engineers working in Jurong Island, reducing the importance of competing with other companies in the job market.