

Committee on the Future Economy report

Strategy 1: Deepen and diversify our international connections

Singapore must deepen global links, press on with open trade

Wong Siew Ying

Singapore must remain plugged into global trade and its people need to gain better knowledge of regional markets as the Republic embarks on the next phase of growth.

That is the thrust of a key strategy unveiled by the Committee on the Future Economy (CFE), tasked with charting the blueprint for the country's growth in the long run.

In its report released yesterday, the committee noted that as an open, trade-dependent economy, Singapore "must resist the threat of rising protectionism" amid current anti-globalisation sentiment.

Trade and Industry (Industry) Minister S. Iswaran, who co-chaired the committee, said: "Against this backdrop, what we feel is critical that we underscore and emphasise is Singapore's basic openness – openness to trade, openness to in-

vestments, openness to try and continue to maintain our connectivity to regional and global economies."

"We believe that this is the surest way to ensure we continue to create opportunities for our businesses and for our people."

Anti-globalisation sentiment has swept across Europe and the United States, with Britain voting to leave the European Union last year and President Donald Trump recently pulling the US out of the Trans-Pacific Partnership, an ambitious Pacific Rim free trade pact.

The CFE said Singapore must press on with trade and investment cooperation and seize opportunities in new markets.

One way is to continue to work at reducing trade tariffs and barriers through initiatives such as the Asean Economic Community and the Regional Comprehensive Economic Partnership.

As Asean chairman next year, Sin-

gapore can help to advance economic integration within the 10-member bloc and with its key partners.

"We also need to enhance our regional trade architecture to support digital businesses and data flows, such as developing mutual recognition of data protection standards," the report noted.

Analysts lauded the push for open trade as it remains a key contributor to Singapore's economy.

"The key challenge will be to convince other countries that Singapore can be a 'giver' as well as a 'taker', in terms of opening the market here for more foreign competition," said Mr Frank Debets, managing partner for Customs and international trade at PwC Worldtrade Management Services.

The committee said Singapore can draw on its experience in developing industrial parks and townships in China, India, Indonesia and Vietnam, to tap opportunities arising

from growing demand for infrastructure and urban solutions in Asia.

It can also collaborate with institutions such as the World Bank, Asian Development Bank and the Asian Infrastructure Investment Bank on development projects.

To tap advancing technology and rapid growth in Asia, it recommends setting up a Global Innovation Alliance – a network to promote innovation and harness new ideas.

It envisions Singapore tertiary institutions and companies linking up with overseas partners in major innovation hubs and in key markets.

This alliance can form "innovation launchpads" to foster cooperation between local and foreign start-ups, or serve as "welcome centres" where Singapore firms can work with overseas partners.

The idea builds on existing tie-ups – the National University of Singapore Overseas Colleges, for instance, already has links in

the US, Europe and China.

"This has helped to groom fresh entrepreneurial talent and promising start-ups in Singapore, and the efforts should be expanded," the committee said.

As companies head abroad in search of opportunities, the committee said Singaporeans will need to acquire deeper knowledge of regional markets.

One way to encourage more people to take up overseas postings is to ease Singaporean parents' concerns about their children's education.

Suggestions include helping the children enrol in the International Baccalaureate programme to ensure continuity of learning when they return to Singapore.

The Education Ministry is also developing an online platform, Student Learning Space, to help overseas Singaporean students stay familiar with the national curriculum.

The report also recommends that research firms and consultancies develop deeper market knowledge of the region, and trade associations and economic agencies undertake more business study trips.

"A more nuanced understanding of Asia's different cultures and consumer preferences will strengthen the ability of Singapore-based companies to access regional opportunities," the committee said.

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STAYING OPEN

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TRADE AND INDUSTRY (INDUSTRY) MINISTER S. ISWARAN



Above: Mr Chua, his wife Angel and their son Ace. As a result of their three-year stay in Dubai, Ace had to catch up on his studies and get used to a "different culture" in school here upon their return. PHOTO: COURTESY OF ANGEL PENG

Left: Mr Toh, his wife Melissa and their son Noah and daughter Sophie. The couple moved back to Singapore from London after Sophie was born because they were worried that she may have difficulty transitioning to the education system here. ST PHOTO: KUA CHEE SIONG

Panel's suggestions will help spur parents to work abroad

The opportunity to live and work abroad does not come by often, but when it did for the Toh and Chua families, they seized it.

Mr Gerard Toh, an audit partner with KPMG Singapore, was asked to work at the firm's London office in 2008. It was a chance Mr Toh and his wife, who works at the same firm and managed to secure a similar posting, were not going to let pass.

"Both of us never studied abroad, so this was an opportunity for us to experience living overseas. It taught me many important lessons," Mr Toh, 36, told The Straits Times yesterday. One of his many lessons came soon after he arrived, when the global financial crisis began following the collapse of investment bank Lehman Brothers.

Seeing workers filing out of office

buildings with their personal belongings in a box was sobering. "It hits you that you should not take job security for granted," he said.

Working with people of 15 nationalities in his team also demanded more patience and empathy. The 18-month posting helped build character and taught him to be more independent, streetwise and resilient, he said. "The challenge is that

the environment in Singapore is set up to be so seamless that sometimes it curtails self-exploration."

Mr Toh and his wife moved back to Singapore after the birth of their daughter Sophie, now eight, owing to worries that she may have difficulty transitioning to the education system here. The couple also have a son, Noah, who is six years old.

"The recommendations by the

the Committee on the Future Economy (to ease parents' concerns about their children's education overseas) are a good first step. I think children's education is a key reason why many people do not want to relocate," said Mr Toh.

For Ms Angel Peng and her husband Max Chua, the challenge was teaching their son Chinese when the family spent more than three years in Dubai, where Mr Chua worked as a regional operations manager at Inchcape Shipping Services. The couple had plucked their son Ace, then six, from a kindergarten here in 2011 and enrolled him in

an international school.

"I bought Chinese textbooks and workbooks and attempted to teach him myself... But it is not easy, and he is quite weak in the subject now," Ms Peng, 40, told The Straits Times.

The family returned in 2014 after Mr Chua found another job here.

Ms Peng said her son, now 11, had to catch up on his studies and get used to a "different culture" in his school here. "Fortunately, the school assigned him buddies, so he had friends when he started. That helped," she noted.

Wong Siew Ying

Correspondent's Take

Nurture entrepreneurial spirit and can-do attitude in young people



Sandra Davie

Senior Education Correspondent

One of the key recommendations of the Committee on the Future Economy (CFE) is to expand the NUS Overseas College (NOC)

Programme, which aims to groom entrepreneurs in different business nodes of the world.

The panel recommended that the programme, which currently sends some 300 National University of Singapore (NUS) students each year to eight colleges overseas in the United States, Europe and Asia, be expanded and made available to students in all local universities.

The high-powered panel, charged with coming up with a blueprint for economic growth, said universities should also work with companies to link up with overseas partners in major markets to form a Global Innovation Alliance.

Indeed, talk to venture capitalists and they will say that the NOC programme, launched in 2002, was the seed that catalysed the start-up scene in Singapore. It made entrepreneurship a viable, and even desirable, career choice for young Singaporeans.

To date, more than 2,100 students have graduated from the NUS programme, and NOC alumni have founded more than 270 start-ups.

Several have gone on to be successes, with the two most notable ones being Zopim, which was acquired by US company Zendesk for nearly US\$30 million (\$42 million) three years ago, and

tenCube, a data protection service reportedly bought for more than US\$10 million in 2010 by US security technology giant McAfee.

One other notable NOC alumni start-up is online marketplace Carousell, which has expanded to 19 major cities in seven countries.

NOC alumni have also fanned out to work in other start-ups and the wider job market. Over the years, several management consultancies and government agencies, such as the Economic Development Board, have hired NOC alumni.

But besides the overseas stints, what has been key to the success has been the enterprise ecosystem

that NUS has built to provide support for its student start-ups – from incubation spaces to helping them source seed funding and gain access to overseas markets.

NUS provides incubation spaces on campus and nearby at Block 71, Ayer Rajah Crescent, the centre of Singapore's start-up scene.

Abroad, NUS Enterprise manages facilities in San Francisco (Block 71SF) and Suzhou, providing a launchpad for start-ups striving to establish themselves beyond Singapore's shores. The facility located in San Francisco's South of Market district provides co-working space and meeting

rooms for start-ups. There are also networking events for Singapore and US companies.

Venture capitalists say that while Singapore continues to attract multinationals from overseas, going forward, it has to develop its own products and have home-grown companies that will be successful beyond Singapore.

For this to happen, you need more people with the entrepreneurial bent. Programmes, such as the ones run by NUS, have been shown to nurture that can-do attitude in young people.

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