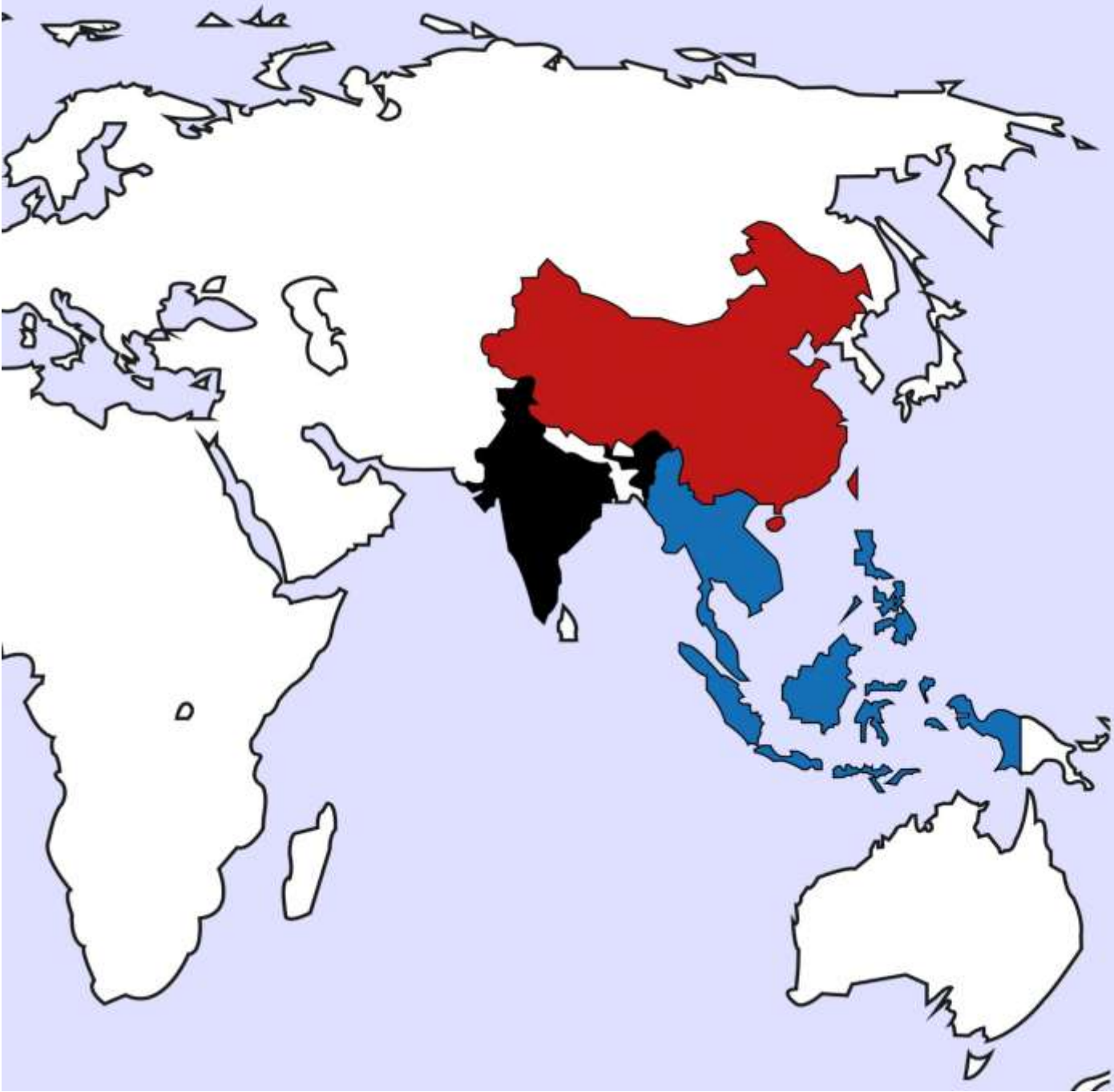


2014 Annual Asia Competitiveness Institute Conference

“Competitiveness Analysis of 112 Asian Economies, Asia Economic Connectivity, Liveable Cities Index for 100 Greater China Cities and Cost of Living Index for Expatriates and Ordinary Residents”

26-27 November 2014
Orchard Hotel Singapore

Conference Summary



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Conference Programme

“Competitiveness Analysis of 112 Asian Economies, Asia Economic Connectivity, Liveable Cities Index for 100 Greater China Cities and Cost of Living Index for Expatriates and Ordinary Residents”

26-27 November 2014, Orchard Hotel Singapore (Level 3 Ballroom 3)

Organised by Asia Competitiveness Institute (ACI) at Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS)

Dress Code: Business Attire

Wednesday, 26 November 2014	
0830 – 0900	Conference Registration @ Foyer, Level 3
0900 – 0910	Welcome Remarks Professor Chan Eng Soon Vice Provost (Special Duties), NUS
0910 – 0930	Conference Opening Remarks: “Complexity of Competitiveness in a Modern World” Guest of Honour: Mr S Iswaran Minister, Prime Minister's Office, Second Minister for Home Affairs & Second Minister for Trade & Industry
0930 – 0950	Minister S Iswaran to witness signing of MOUs by ACI-LKYSPP, NUS with A. Indonesia Investment Coordinating Board (BKPM), Republic of Indonesia B. Indonesian Agency for Agricultural Research and Development (IAARD), Republic of Indonesia C. European Central Bank, CompNet (Competitiveness Research Network) D. SPRING Singapore
0950 – 0955	Minister S Iswaran to launch seven books by ACI-LKYSPP, NUS: A. “2014 Annual Update of Provincial and Regional Competitiveness Analysis for Greater China: Perspective and Development Strategies under the New Normal Era” , Tan Khee Giap, Mr YUAN Randong, Ms Sangiita YOONG Wei Cher B. “2014 Annual Competitiveness Update on Indian States and Inaugural Regional Competitiveness Analysis: Strategic Regional Economic Development for India Vision 2030” , Dr Tan Khee Giap, Dr Linda Low, Mr Kartik Rao & Dr Tan Kong Yam C. “2014 Annual Update on Provincial and Inaugural Regional Competitiveness Analysis: Safeguarding Indonesia’s Growth Momentum” , Dr Tan Khee Giap, Mr Mulya Amri, Ms Nurina Merdikawati & Dr Tan Kong Yam D. “2014 Annual Competitiveness Ranking and Simulation Study for ASEAN-10 and Development Strategies to Enhance Asia Economic Connectivity” , Dr Tan Khee Giap, Dr Linda Low, Ms Sangiita Yoong Wei Cher & Dr Tan Kong Yam E. “2014 Greater China Liveable Cities Index: Ranking and Simulation Analysis” , Dr Tan Khee Giap, Dr Tan Kong Yam & Mr Nie Tongxin F. “2014 Annual Competitiveness Ranking and Development Strategies for 33 Indonesian Provinces” , Dr Tan Khee Giap, Ms Nurina Merdikawati & Mr Mulya Amri G. “Fiscal Sustainability & Competitiveness in Europe & Asia” , Dr Ramkishen S Rajan, Dr Tan Khee Giap & Dr Tan Kong Yam
0955 – 1005	Minister S Iswaran to present tokens of appreciation to Indonesian provincial representatives
1005 – 1020	Coffee/Tea Break

1020 – 1040	<p>Keynote Address 1: “Maritime Indonesian Highway and Public Policy Challenges to Indonesia”</p> <p>Keynote Speaker: Dr Sofyan Djalil Minister Coordinating Ministry for Economic Affairs, Republic of Indonesia</p>
1040 – 1050	<p>Question & Answer Session</p>
1050 – 1110	<p>Keynote Address 2: “Urbanisation and Development of Liveable Cities in China”</p> <p>Keynote Speaker: Dr Hu Shiyong Director, Investigation Committee of China’s National Conditions & Executive Chairman, UN Green Industry Cooperation Organization The People’s Republic of China</p>
1110 – 1120	<p>Question & Answer Session</p> <p>Moderator: Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS</p>
1110 – 1130	<p>Plenary Session 1: “2014 Annual Competitiveness Ranking and Simulation Studies on Six Regions and 33 Indonesian Provinces: Quantitative Assessments on Models of Provincial Economic Development”</p> <p>This session provided an update on the annual competitiveness rankings and simulation studies on six Indonesian regions and 33 Indonesian provinces; the analysis highlighted that the top-performing province is still Java, while provinces in eastern Indonesia lagged significantly behind and several remained in the bottom-ten in the competitiveness rankings. Supplementing the competitiveness rankings, ACI conducted Geweke Causality Analysis, which shed tremendous insight on the top and lowest performing provinces, and informed the public policy measures that ACI has recommended.</p> <ol style="list-style-type: none"> 1. Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS 2. Mr Mulya Amri Research Associate (PhD Candidate), ACI-LKYSPP, NUS 3. Ms Nurina Merdikawati Research Associate, ACI-LKYSPP, NUS
1130 – 1140	<p>Question & Answer Session</p> <p>Moderator: Mr Kartik Rao Research Associate, ACI-LKYSPP, NUS</p>
1140 – 1200	<p>Plenary Session 2: “2014 Annual Inaugural Competitiveness Ranking and Simulation Studies on Five Regions and 35 States and Federal Territories of India: A Master Plan on Regional Economic Development Strategies”</p> <p>This session presented a re-introduction to the annual competitiveness rankings for the five Indian regions and 35 Indian states and federal territories, and introduced ACI’s innovative proposed Master Plan for Strategic Economic Development for India: 2014-2030. Bolstering the competitiveness rankings and Master Plan, Geweke Causality Analysis was conducted for economic development in Bihar and tourism development in Tamil Nadu, which shaped the proposed public policy measures.</p> <ol style="list-style-type: none"> 1. Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS 2. Dr Linda Low Senior Research Fellow, ACI-LKYSPP, NUS 3. Professor Tan Kong Yam Co-Director, ACI-LKYSPP, NUS 4. Mr Kartik Rao

1200 – 1210	<p>Research Associate, ACI-LKYSPP, NUS</p> <p>5. Mr Nie Tongxin Research Assistant, ACI-LKYSPP, NUS</p> <p>Question & Answer Session</p> <p>Moderator: Ms Nurina Merdikawati Research Associate, ACI-LKYSPP, NUS</p>
1210 – 1400	<p>Lunch Talk @ Ballroom 2, Level 3</p>
1230 – 1250	<p>Topic: “Developments in the Indian Economy and the Emerging Business Environment”</p> <p>Distinguished Luncheon Speaker: Mr Chandrajit Banerjee Director General Confederation of Indian Industry</p>
1250 – 1300	<p>Question & Answer Session</p> <p>Moderator: Professor Tan Kong Yam Co-Director, ACI-LKYSPP, NUS</p>
1300 – 1400	<p>Lunch</p>
1400 – 1450	<p>Conversation with Industry Captains</p> <ol style="list-style-type: none"> Mr Kwek Leng Joo Deputy Chairman, City Developments Ltd Dr Stephen Riady Executive Chairman, OUE Limited <p>Moderator: Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS</p>
1450 – 1505	<p>Question & Answer Session</p>
1505 – 1525	<p>Plenary Session 3: “2014 Inaugural Annual Competitiveness Ranking and Simulation Studies on Five Regions and 34 Greater China Economies: Quantitative Assessments on Models of Provincial Economic Development”</p> <p>This session provided an update on the competitiveness rankings and simulation studies for the five regions of China and the 34 Greater China economies; the presentation highlighted the top, medium and bottom-performing regions and states, and specific public policy recommendations. Following the update, the session introduced Geweke Causality Analysis for Jiangsu and Taiwan highlighting the important drivers of economic growth for both economies over an extended time frame.</p> <ol style="list-style-type: none"> Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS Mr Yuan Randong Research Assistant, ACI-LKYSPP, NUS Ms Sangiita Yoong Wei Cher Research Assistant, ACI-LKYSPP, NUS
1525 – 1545	<p>Special Topic 1: “Urbanisation in China: Opportunities and Changes”</p> <p>Presentation co-authored by: Professor Chi Fulin</p>

<p>1545 – 1605</p> <p>1605 – 1615</p> <p>1615 – 1630</p>	<p>President, China Institute for Reform and Development & Dr Xia Feng Assistant President & Research Fellow, China Institute for Reform and Development</p> <p>Special Topic 2: “Engaging China Constructively: The German Approach”</p> <p>Dr Astrid Skala-kuhmann Director, Global Partnerships-Emerging Economies Deutsche Gesellschaft Für Internationale Zusammenarbeit (GIZ)</p> <p>Question & Answer Session</p> <p>Moderator: Dr Tan Teck Boon Research Assistant, ACI-LKYSPP, NUS</p>
<p>1630 – 1645</p>	<p>Coffee/Tea Break</p>
<p>1645 – 1705</p> <p>1705 – 1725</p> <p>1725 – 1735</p>	<p>Plenary Session 4: “2014 Inaugural Liveability Ranking and Simulation Studies on 100 Greater China Cities: A Sustainable, Humanitarian & Socially Inclusive Approach”</p> <p>This conference marked the inaugural presentation of ACI’s Liveability Ranking and Simulation Studies on 100 Greater China Cities, in which the session provided an in-depth overview of the Global Liveable Cities Index (GLCI) framework, methodology, what-if simulations, and research findings. The session additionally presented the future research agenda of ACI and the GLCI project in which it will be extended to 20 Middle Eastern cities, 50 cities from the America’s, Europe, Oceania and Asia.</p> <ol style="list-style-type: none"> 1. Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS 2. Professor Tan Kong Yam Co-Director, ACI-LKYSPP, NUS 3. Mr Nie Tongxin Research Assistant, ACI-LKYSPP, NUS <p>Special Topic: “On Benchmarking Greater China Liveable Cities: Key Performance Indicators”</p> <p>Mr Wang Kejian President, Urban Construction Magazine & Deputy Director, Commercial Network Construction and Development Center of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) The People’s Republic of China</p> <p>Question & Answer Session</p> <p>Moderator: Mr Yuan Randong Research Assistant, ACI-LKYSPP, NUS</p>
<p>1725 – 2000</p> <p>1800 – 1820</p> <p>1820 – 1830</p>	<p>Official Dinner @ Ballroom 2</p> <p>Topic: “When China Will Be a Very Different Kind of Great Power”</p> <p>Distinguished Dinner Speaker: Dr Martin Jacques Senior Fellow Department of Politics and International Studies Cambridge University</p> <p>Question and Answer Session</p> <p>Moderator:</p>

1830 – 2000	Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS Dinner
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END OF CONFERENCE DAY ONE

Thursday, 27 November 2014

0830 – 0900	Conference Registration @ Foyer, Level 3
0900 – 0910	Day 2 Welcome Remarks Professor Kanti Prasad Bajpai Vice Dean (Research), LKYSPP, NUS
0910 – 0930	Day 2 Keynote Address: “Measuring and Assessing Competitiveness: An European Firm Level Perspective” Keynote Speaker: Dr Filippo Di Mauro Senior Adviser, Research Department European Central Bank Moderator: Professor Kanti Prasad Bajpai Vice Dean (Research), LKYSPP, NUS
0930 – 0940	Question & Answer Session
0940 – 0955	Coffee/Tea Break
0955 – 1015	Plenary Session 5: “Asia Economic Connectivity Vision 2030 (AECV2030): The ASEAN-Centric Approach and Five Broad Proposals” ACI unveiled one of the institute’s flagship projects the Asia Economic Connectivity Vision 2030 (AECV). The AECV 2030 seeks to work towards advancing harmonious multilateral relations, facilitate cross-border trade and investment, enhancing institutional governance, promoting sustainable development, poverty reduction and social inclusivity throughout Asia. The session presented the mission and commitments, proposed routes, five broad proposals and target performance indicators for 2030. <ol style="list-style-type: none"> 1. Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS 2. Professor Tan Kong Yam Co-Director, ACI-LKYSPP, NUS 3. Dr Linda Low Senior Research Fellow, ACI-LKYSPP, NUS 4. Professor Ramkishan S Rajan Adjunct Senior Research Fellow, ACI-LKYSPP, NUS 5. Mr Tan Beng Kai Evan Research Assistant, ACI-LKYSPP, NUS
1015 – 1035	Special Topic 1 on Public-Private Partnerships (PPP) and Infrastructure Financing Mr Cledan Mandri-Perrott Lead Finance Officer and PPP Specialist, Singapore Infrastructure Hub The World Bank
1035 – 1055	Special Topic 2: “A Win-Win China-India Infrastructure Cooperation: Opportunities and Challenges”

1055 – 1105	<p>Dr Sasidaran Gopalan Post-Doctoral Research Fellow, Institute for Emerging Market Studies Hong Kong University of Science and Technology</p> <p>Moderator: Professor Ramkishen S Rajan Adjunct Senior Research Fellow, ACI-LKYSPP, NUS</p> <p>Question & Answer Session</p>
1105 – 1125	<p>Plenary Session 6: “2014 Annual Indices on Cost of Living, Wages and Purchasing Power for Expatriates and Ordinary Residents for World’s Major 103 Cities”</p> <p>This session highlighted the innovative research that ACI has conducted on the cost of living, wages and purchasing power for both expatriates and ordinary residents for the world’s major 103 cities. ACI’s research has sought to provide reliable estimates on the cost of living for both groups, and in the presentation unveiled the rigorous methodology and data used in the estimations. This research will help not only policy makers throughout the world but also multinational corporations and investors on helping them understand the costs of living in a comparative perspective.</p> <ol style="list-style-type: none"> 1. Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS 2. Professor Tan Kong Yam Co-Director, ACI-LKYSPP, NUS 3. Ms Sangiita Yoong Wei Cher Research Assistant, ACI-LKYSPP, NUS 4. Mr Yuan Randong Research Assistant, ACI-LKYSPP, NUS 5. Mr Nie Tongxin Research Assistant, ACI-LKYSPP, NUS <p>Moderator: Mr Blake Harley Berger Research Associate, ACI-LKYSPP, NUS</p> <p>Question & Answer Session</p>
1135 – 1155	<p>Plenary Session 7: “2014 Annual Competitiveness Ranking and Simulation Studies on ASEAN-10: Quantitative Assessments on Models of Economic Development for Selected Countries”</p> <p>This session provided an update of the competitiveness rankings and simulations studies for the ten ASEAN members, and public policy recommendations informed by ACI’s research. The competitiveness rankings is based upon four environments – Macroeconomic Stability, Government and Institutional Setting, Financial, Businesses and Manpower Conditions, and Quality of Life and Infrastructure Development – and 12 sub-environments. The competitiveness rankings and simulations studies highlighted several key findings including Myanmar’s transition to 9th place overall passing Laos in the overall competitiveness ranking, and the Philippines regaining 6th place in the Macroeconomic stability ranking.</p> <ol style="list-style-type: none"> 1. Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS 2. Dr Linda Low Senior Research Fellow, ACI-LKYSPP, NUS 3. Ms Sangiita Yoong Wei Cher Research Assistant, ACI-LKYSPP, NUS <p>1155 – 1215</p> <p>Special Topic 1: “Economic Competitiveness and Middle Income Trap: Issues and Challenges”</p> <p>Professor Ramkishen S Rajan Adjunct Senior Research Fellow, ACI-LKYSPP, NUS</p>

1215 – 1235	<p>Special Topic 2: “Total Factor Productivity in Agricultural Sector in ASEAN, China and India”</p> <ol style="list-style-type: none"> 1. Professor Ramkishen S Rajan Adjunct Senior Research Fellow, ACI-LKYSPP, NUS 2. Ms Suo Haoran Research Assistant, ACI-LKYSPP, NUS <p>Moderator: Ms Nurina Merdikawati Research Associate, ACI-LKYSPP, NUS</p>
1235 – 1245	Question & Answer Session
1245 – 1400	Luncheon Talk
1300 – 1320	<p>Topic: “Infrastructure Development for Indonesia and the Role of Asian Infrastructure Investment Bank (AIIB)”</p> <p>Distinguished Luncheon Speaker: Dr Luky Eko Wuryanto Deputy Minister for Infrastructure and Regional Development Coordinating Ministry for Economic Affairs, Republic of Indonesia Adjunct Senior Research Fellow, ACI-LKYSPP, NUS</p> <p>Moderator: Professor Tan Kong Yam Co-Director, ACI-LKYSPP, NUS</p>
1320 – 1330	Question & Answer Session
1330 – 1340	<p>Closing Remarks Professor Tan Kong Yam Co-Director, ACI-LKYSPP, NUS</p>
1340 – 1400	Lunch
END OF CONFERENCE	

Summary of 2014 Annual Asia Competitiveness Institute Conference on “Competitiveness Analysis of 112 Asian Economies, Asia Economic Connectivity, Liveable Cities Index for 100 Greater China Cities and Cost of Living Index for Expatriates and Ordinary Residents”

This year the Asia Competitiveness Institute (ACI) at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS) hosted the 2014 Annual Conference at the Orchard Hotel, November 26-27 2014. The event coalesced a wide array of participants ranging from high-level policy makers, leading scholars, academics and researchers from various sectors, practitioners from non-government and international agencies, as well as distinguished members of the private sector.

The conference provided an ideal venue for ACI’s researchers to present their innovative empirical findings and policy research during the plenary and special topic sessions, and also facilitated engagement and interaction between ACI’s researchers, speakers and conference participants from both the public and private sectors.

On Day One of the conference, **Professor Chan Eng Soon**, Vice Provost (Special Duties) of the National University of Singapore welcomed the participants and provided the welcome remarks.

In his Opening Remarks, the Guest-of-Honor, **Mr S Iswaran**, Minister in the Prime Minister’s Office, Second Minister for Home Affairs and Second Minister for Trade & Industry, Republic of Singapore, delivered his Keynote Address on the “Complexity of Competitiveness in a Modern World” in which the minister underscored the importance of competitiveness for economic development, the role of globalization in enhancing international trade and the need to ensure the sustainability in the face of a variety of challenges. Following the Keynote Address, Minister Iswaran witnessed the signing of three Memoranda of Understanding (MOUs) between ACI, the Indonesia Investment Coordinating Board (BKPM), the Indonesian Agency for Agricultural Research and Development (IAARD), and the European Central Bank’s Competitiveness Research Network (CompNet). Additionally, Minister Iswaran launched seven books authored by ACI researchers.

As ACI strives to establish itself as a leading professional policy think-tank in Asia, the MOUs signed between the institute and agencies from the Republic of Indonesia has strengthened the relationship between the two parties. The Keynote Address by **Dr Sofyan Djalil**, Minister, Coordinating Ministry for Economic Affairs, Republic of Indonesia, titled “Maritime Indonesian Highway and Public Policy Challenges to Indonesia” highlighted the shared interests and aspirations between Indonesia and ACI in developing sustainable infrastructure and prosperity for Indonesia and the region.

The Distinguished Luncheon Speaker on Day One, **Mr Chandrajit Banerjee**, Director General, Confederation of Indian Industry, provided tremendous insight on the “Developments in the Indian Economy and the Emerging Business Environment”, the new government, and what steps can be taken to further enhance the Indian economy.

ACI was privileged to host **Mr Kwek Leng Joo**, Deputy Chairman of City Developments Ltd, and **Mr Stephen Riady**, Executive Chairman, OUE Limited, for a Conversation with Industry Captains, which was moderated by **Associate Professor Tan Khee Giap**, Co-Director ACI-LKYSPP, NUS. The Conversation provided the conference participants a unique opportunity to listen to the insights of the two captains of industry.

The Distinguished Dinner Speaker, **Dr Martin Jacques**, Senior Fellow, Department of Politics and International Studies, Cambridge University, discussed “When China Will Be a Very Different Kind of Great Power” which highlighted the growth and potential of the Chinese economy, the country’s historical trajectory and international relations, and how China will continue to develop into a global power over time.

On Day Two of the conference, **Professor Kanti Prasad Bajpai**, Vice Dean (Research), LKYSPP-NUS, provided the welcome remarks and welcoming all participants. Following the welcome remarks, **Dr Filippo Di Mauro**, Senior Adviser, Research Department, European Central Bank, spoke on “Measuring and Assessing Competitiveness: An European Firm Level Perspective” in which he discussed the framework and methodology undergirding CompNet’s

research on multinational corporations and small-to-medium enterprises, the future research agenda, and preliminary research findings on European MNC's and SME's.

The Distinguished Luncheon Speaker, **Dr Luky Eko Wuryanto**, Deputy Minister for Infrastructure and Regional Development, Coordinating Ministry for Economic Affairs, Republic of Indonesia, and Adjunct Senior Research Fellow, ACI-LKYSPP, NUS, discussed “Infrastructure Development for Indonesia and the Role of the Asian Infrastructure Investment Bank (AIIB)”, the infrastructure needs and challenges that Indonesia currently faces, and what policy measures that can be embarked upon in order to developed sustainable infrastructure and growth.

Conference Welcome Remarks

Professor Chan Eng Soon, Vice Provost (Special Duties), National University of Singapore



Mr Iswaran, Minister from Prime Minister's Office, Dr Sofyan Djalil, Coordinating Minister for Economic Affairs, Republic of Indonesia, Deputy Minister Luky Wuryanto, Governors, Professor Filippo Mauro, Your Excellences, ladies and gentlemen, good morning!

Today is indeed a very significant annual conference event and a very special occasion for National University of Singapore! Judging by the presence of a very senior minister from Indonesia, coupled with participation of governors and senior officials from so many Indonesia provinces. We also have such a strong line-up of distinguished keynote speakers from China, India and European Central Bank and Germany government Agency clearly reflect the relevance and impact of research projects undertaken by Asia competitiveness Institute or ACI at Lee Kuan Yew School of Public Policy.

We are delighted to see 4 important Memoranda of Understanding (MOUs) to be signed with Indonesian ministries, European Central Bank and SPRING Singapore today. Such research collaboration no doubt would lead to improvement in productivity, investment and economic competitiveness for both economies and companies.

We are thus very proud to have both Minister Iswaran and Minister Sofyan Djalil to witness not only the signing of the 4 MOUs but also to help launch 7 books published by researchers from ACI at LKY School.

As I understand from the conference program, you would have one and a half day conference ahead fully packed with activities such as the annual competitiveness ranking and simulation studies of sub-national economies including 34 greater China economies 33 Indonesian provinces, 35 states of India and ASEAN-10.

There will also be the pioneering effort to discuss Asian Economic Connectivity Vision 2030, conversation with 3 very well-known and highly respected industry captains, inaugural launch of the liveable city index for 100 Greater China cities and cost of living index for expatriates and ordinary citizens from world's 103 major cities.

Not to mentioned two very Distinguished Luncheon Speakers from Confederation of Indian Industry, and Indonesian Ministry of Infrastructure and Regional Development. Not forgetting the Distinguished Dinner speaker Dr Martin Jacques from Cambridge University.

I would in particular like to warmly welcome our special friends from Indonesia provinces as I understand that you all will visit our University and hope you would discover Singapore even more after your conference!

I wish everyone a fruitful conference a head!

Conference Opening Remarks

“Complexity of Competitiveness in a Modern World”

Guest of Honour, Mr S Iswaran, Minister, Prime Minister’s Office,
Second Minister for Home Affairs and Trade & Industry, Republic of Singapore



Professor Chan Eng Soon, Vice-Provost, NUS; Professors Tan Kong Yam and Tan Khee Giap, Co-Directors, Asia Competitiveness Institute; distinguished guests; ladies and gentlemen, good morning!

I am pleased to join you this morning at the 2014 Annual Asia Competitiveness Institute Conference. This annual conference is an important platform for academics, business leaders and government officials to discuss and better understand issues pertaining to competitiveness in Asia.

Competitiveness is vital to the success of any economy, and its ability to create employment, raise wages, and lift the living standards of its people. In a globalised economy with greater integration of markets, competitiveness takes on added significance, and it is a challenge of increasing importance for Asian countries. Fundamentally, competitiveness is underpinned by three key factors – skills, scale and sustainability.

From low-cost advantage to skills-driven growth

First, the importance of skills and knowledge has great significance to the development strategy of Asian economies. In recent decades, many Asian economies have achieved rapid growth by shifting resources away from primary industries towards export-oriented manufacturing. In China, for example, GDP grew by an average of 10 per cent per year in the last four decades, as large numbers of rural workers moved into the cities. This supply of low-cost labour to urban centres allowed the country to compete in industries previously dominated by more developed nations.

Some have argued that this phase of catch-up growth is over for many Asian economies, as the growth in labour and capital inputs that has driven much of Asia’s development is beginning to taper. In particular, the supply of rural labour in many countries has shrunk dramatically in the last few years, leading to an increase in urban wages. This means that Asian economies can no longer compete on the basis of cost alone. Instead,

they will need to move towards more skills-intensive, knowledge-based and innovation-led activities. This, coupled with efforts to raise productivity will help to maintain their competitive edge, and support higher wages and better living standards.

Some have already taken steps in this direction. For example, as part of the recent 'Make in India' initiative of PM Narendra Modi, the Indian government is seeking to build a pool of skilled manpower to support the growth of the manufacturing sector. A new government department has been set up to look specifically into skills development and entrepreneurship. Similarly, in Singapore, the Government has emphasised the importance of moving towards productivity-driven growth, especially given our tighter manpower constraints envisaged in the coming decades. To this end, we have embarked on an extensive restructuring effort to deepen skills and expertise across all sectors of the economy, encourage and support productivity initiatives within enterprises, and capture new growth opportunities in high-value activities.

In this regard, I am happy to note that ACI has embarked on initiatives to help policymakers better understand how to encourage firms to be more efficient. An example is the SME productivity benchmarking exercise that ACI is working on with SPRING Singapore, in consultation with the European Central Bank. Benchmarking Singapore SMEs to regional SMEs will help to shed light on the areas that need further attention, and enable policymakers to formulate better policies and more targeted programmes.

Increasingly integrated world allowing firms to produce and sell on a global scale

Second, globalisation in an increasingly integrated world has enhanced the returns to scale and connectivity. Technological advances and the lowering of trade barriers allow businesses to tap on new growth markets across geographies, with greater flexibility in the location of their operations, and greater mobility of talent.

Apple is a famous example of how firms are now able to produce and sell on a global scale. Apple designs its iPads and iPhones in California, but assembles them in mainland China, with components supplied by economies from all over the world, including Mongolia, Japan, South Korea and Taiwan. These products are then sold in markets across the globe. Other examples are Alibaba and Amazon, which have been able to ride on the proliferation of the internet to transcend geographical boundaries and sell on a global scale. Both companies now rank among the largest S&P 500 companies in the US.

With production and markets straddling geographical boundaries, enterprises can choose to locate almost anywhere in the world, and still be plugged into global value chains and have access to global markets. Consequently, nations will need to sharpen their respective comparative advantages in order to attract enterprises and activities that generate economic wealth. The competition for such investments can be intense. A recent survey by the Boston Consulting Group, for instance, found that more than half of US manufacturing companies with at least \$1 billion in annual sales were considering returning production to the US from China. Among the reasons cited were the increased ease of doing business and better access to skilled labour in the US. This means that China and indeed other developing economies will need to enhance their business environment and labour quality in order to remain attractive to investments.

Achieving sustainable competitiveness

Finally, enhancing competitiveness is more challenging in today's world given the increasing emphasis on sustainability. Sustainability in this context has several dimensions. It is about reducing any adverse environmental and social impact of rapid development, even as a country continues to pursue economic growth. It is also about responsible government spending that ensures fiscal sustainability in the face of a multitude of developmental needs.

Countries need to proactively address these issues, or risk them negatively affecting their competitiveness over the longer term. For instance, in many countries, rapid economic growth has been accompanied by increasing pressures on the environment. Pollution and environmental degradation have not only affected

the health, but also the productivity of the workforce. This will in turn have negative repercussions on a country's competitiveness. Moreover, a poor living environment affects the standard of living of a country, and reduces its attractiveness to investors and talent.

On the social front, rising income inequality can sow the seeds of social discontent and unrest, disrupt the economy and reduce the productive capacity of the country. Inclusive economic growth with the opportunity for all to benefit from the rewards, will help to preserve social mobility, incentivise hard work, and allow talent to realise its full potential.

In this respect, I am heartened to note that ACI's Global Liveable Cities Index not only considers each city's economic competitiveness, but also takes into account environmental and social factors such as pollution, depletion of natural resources, income equality and community cohesion. The Index – which covers 64 cities – can thus be a useful tool for policymakers to understand and identify gaps in their city's social and environmental performance, so that steps can be taken to address them.

Countries also need to keep a close watch on their fiscal positions. Persistent deficits and high debt levels can cause a loss of confidence in a government with serious consequences on the financial and wider economy. Governments in the region recognise the importance of fiscal sustainability. The recent fiscal consolidation effort by the Indonesian government is a case in point. By reducing fuel subsidies, the Indonesian government will be able to focus more resources on areas such as education and infrastructure to boost the country's long-term growth potential. Markets cheered this move — the day after the fuel subsidy cut was announced, government bond yields fell, and the stock market and rupiah rallied.

Conclusion

Let me sum up. Low cost cannot be the basis of long term sustainable competitiveness. Instead, our focus must be on skills development, market scale through economic connectivity, and fiscal, economic and social policies that are sustainable.

Countries must enhance their competitiveness by investing in measure to raise the skills of their workforce, and the productivity of their economy. This can be done through continual education and training, encouraging innovation among companies, and helping them to be integrated into global supply chains to exploit economies of scale. However, such efforts will also need to be accompanied by sound environmental, social and fiscal policies to ensure that the growth generated is sustainable. 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.

To this end, I believe that the ACI can play an important role in helping Asian countries better understand the factors driving competitiveness, and what they can do to raise competitiveness. This conference, and the broader research agenda of the ACI, serves an important purpose in this regard by informing the discussions and exchange of views among policymakers, academics and business leaders.

I congratulate the ACI on the successful organisation of this conference, and wish all of you a productive conference. Thank you.

The Keynote Address

Minister Sofyan Djalil, Coordinating Ministry for Economic Affairs, Republic of Indonesia



Thank you very much for the very generous introduction. Ladies and gentlemen, I am very pleased to be here. I see a lot of Indonesian faces here and I believe this centre is especially dedicated to studying the competitiveness of the regions in Indonesia, which I think is very important work performed by this institution.

As has been introduced, I, myself, was a senior research fellow at CPIS for almost 15 years, and now affirm that the merit of research is based on public policy as the best research that a government should do.

I am here to talk about what this new government wants or wishes to accomplish in the next five years. I just met Minister Iswaran, and he asked me “what is the priority of the current government in Indonesia in these coming years?” I answered that the priorities are: infrastructure, infrastructure, infrastructure. Why? I think most studies show that one of the prerequisites to be the most competitive region actually is to have good infrastructure. But infrastructure alone is not enough. Governance is very important: how we run the government; ease of doing business - how government and local governments can facilitate business, and how we can create an environment so that all the positive energy of businessmen and the positive energy of citizens can be materialized fully.

Unfortunately, if we see what had happened, despite a lot of analysis and studies – maybe the researchers can explain to us later, what remains the problems with the competitiveness in most regions in Indonesia and Indonesia itself? I think part of the problem is governance. If we want to build infrastructure, we need a lot of money. First thing we have to do is to put our fiscal position in order. As you know in the last five years, our fiscal policy was not well-targeted. We burned, in the last five years, almost 800 trillion Rupiah - that is almost 80 billion dollars - to subsidise fuel, of which 72 percent of those subsidies do not achieve the target of subsidies as recipients. And now we are trying to fix that. Some of you, especially those who come from Indonesia, realised that two weeks ago, the government increased the subsidised fuel price and now I think the fuel price in Indonesia is almost equal to the market price due to the drop in global oil price. I think if the price of crude oil keeps dropping to 70-75 USD per barrel, and the fuel price in Indonesia is not being

subsidised anymore, I believe that one day, as experienced in other countries as well, apart from giving subsidies then removing it—I think in the future, the government may also introduce a tax on fuel. Most countries collect a lot of money from taxing fuel, and we can use that tax to develop so many things that the country needs.

So, we want to build infrastructure, infrastructure by all means, we need infrastructure. My friend who came for the first time to Jakarta said that it was the ‘longest parking lot’ in the world (Note: That is referring to the traffic jams in Jakarta). I like to just get out from my car and walk. I usually come home earlier by walking rather than driving a car. That kind of situation happened because of a lack of infrastructure. That happens not only in Jakarta but all over the country. Also, the electricity infrastructure is lacking because the government doesn’t have enough money. And also it is because of many government issues, such as licensing issues - some have to wait two or three years to get the license to build a power plant. Tomorrow, we are going to issue a very radical reform in that sector. Hopefully, by the day after tomorrow, anyone who wants to build the power plant can just set the ceiling price based on competition. We have experienced already - for those who wants to build coal fired power plant, for example, we can set the maximum electricity price. We have the experience when we tender for coal-fired power plant at 7 cent per kilowatt hour, and we said that it was the ceiling price. And whoever can bid lower than 7 cent, they can build the power plant. PLN, our national electricity company, will buy the power. By changing that kind of policy, we believe the power supply in Indonesia will be resolved in the next 3, 4 or 5 years. By having good supply of electricity, many economic activities can become easier to conduct.

We also want to invite investments, we want to build road infrastructure – toll roads especially, railways, and ports, because the current government under Jokowi also has a maritime agenda. Now we realize that we have one of the biggest seas, our territory consists mostly of sea. In the past, we did not pay much attention on that. But now we realize that our future, the culture, the wealth and potential economic activities actually depend on the sea. That is why the government has a maritime agenda. For that, we have to empower our fishermen and our fishing industry. And then it also needs infrastructure. We have to build ports, and the government wants to build big and small ports in the next five years. At least 24 ports are already identified. Some of that are deep seaports, and some are just enough to support the surrounding economic activities in Indonesia.

So we are going to fix our fiscal situation. We will put our fiscal situation in order, and monetary policy as well. You know that Indonesian monetary policy is run by Bank Indonesia, which is independent from government, but we work closely with them so that we guarantee that the fiscal and monetary policies will serve the interest of economic development. I think that Bank Indonesia is reputable and independent bank so far running good monetary policy.

We will also address the real sector. The real sector that I mentioned before that is very difficult to get permit to build power plant, for instance, it’s difficult to build business, and it’s difficult to build factory. A lot of hurdles come from regulation either central or local government. And Indonesia may be one of the countries that is highly regulated. But the merits of the regulation sometimes are not reviewed. Now we are starting all kinds of regulation. Because, as you may know, that regulation cost so much for the economy. A professor from University of Chicago wrote an article and dedicated his life to studying the economic cost of regulation. Regulations cost a lot to the economy especially if the regulation is not well-suited. But regulation also can facilitate economic development. So we want to review that. Our president asked me to coordinate the establishment of a one-stop service agency to guarantee that all permits can be issued by one office. And hopefully by early next year, if you want to invest in Indonesia you just go to BKPM – just one stop. And stop there. In the past, you stopped there, then after that you have to go to other ministries to get the permission. Hopefully this agency will help everybody so that you don’t need to go everywhere. Any permit you need - this agency will deliver. So if you want to build a factory then build it, you don’t need to go to another office. This kind of office also will be established all over Indonesia. Our president has already

instructed governors on this. I think next month all Bupati (head of district) will be called to meet the President. And this kind of instruction will be given to all Bupati.

Therefore, next year, hopefully, when you see the competitiveness of Kabupaten (district) of Indonesia, I hope this will make them to compete with each other to attract the investors, make economic activities not to make business life difficult. Right now, if you see Indonesian competitiveness in terms of ease of doing business, our rank is still around 100, while Singapore is number one. We are still very far behind Singapore. I hope by next year, we will jump from 100 to 50. If we go lower it is better, but it is very difficult to beat Singapore which is in the first position. That time, in the area of ICT, I used Singapore as a benchmark to make our ICT industry as competitive as Singapore. Now the cost of using phones in Indonesia is one of the lowest in the world. Some industries complained that we were so aggressive to crack the industry to be more competitive and now it is very competitive so that they don't make money anymore. But that is not our objective, of course. But competitiveness is beautiful. If you have a competitive environment, you will create better business practices and so forth.

So first fiscal, monetary and real sector. We are now going to fix the real sector so that the business community can move faster. I think the government will focus on that area. But everything is easier said than done. But I believe with the strong will, commitment, leadership of new government under president Jokowi-Jusuf Kalla – both of them are from backgrounds as businessmen. Jokowi was furniture exporter. He knows how businesses work, he knows the problems that are faced by the business community vis-a-vis government in Indonesia. Because he used to go from one office to another to get licenses and permits. He actually knows. When he talks to the ministers, governor, he talks right to the point. He knows the problem and he wants to fix it. His commitment is not doubted. And Jusuf Kalla, as you know, he was a former businessman and his whole career was actually in business. He started to join politics in 2004, he ran for vice president with former president SBY and he got elected. And then in the past, his theme was: Lebih Cepat Lebih Baik, the faster the better. Jokowi said that "I want to use that kind of term but much faster, so much faster the better." So we want to use that kind of spirit in order to reform this country.

Indonesia has great potential as you know. But the potential is still just potential if we don't do anything. Some countries in the past said that a country has great potential, but it was 50 years ago. Now they are still saying the same to certain countries. We don't want that anymore. Indonesia has great potential but we have to realise that potential. Therefore what the government should do, we believe in good policy because the developed countries were developed not because of natural resources but because of good policy. Singapore is a good example of how good policies can make this country become very rich. Other countries in Asia, Korea, after the war was simply destroyed. But within 30-40 years Korea has become one of the very competitive economies in the world. And then China, how China changed itself from a communist country to one of the amazing development in economic term in very short period of time. It was because of good policy. Good policies make a difference. While in 80s, the former of USAID worker who worked in Latin America then Asia, wrote a book: Why a country is poor? And his answer was because of policies. We believe in good policies. In Indonesia, in the past, we had good policies when the time was not good. This time, I always tell my friends that it is not a good time to be a minister today, particularly the economic minister, let alone Coordinating Economic Minister, because the environment is not supporting us. There is no quantitative easing anymore so dollar will go back to the US, China's growth is not as high as expected, and the European economy – according to the caricature in the Economist – is still in ICU, the price of the commodity went down, and it will not pick up in many years to come. Therefore the external environment is not supporting Indonesia. This time is the right time for us to introduce good policies, not only because of the time is not good but we also believe in the merit of good policies.

I hope all my colleagues from many regions who come here will share this. Your country, your region will be very competitive if we introduce good policies for all sectors. Good governance. In terms of good governance in Indonesia, we are aggressive in fighting corruption. Corruption is still a big problem in our

country. But we believe, we have commitment and what has been delivered in the past 5-10 years that corruption is a big issue and we are fighting it very seriously. That will support the government to create a good environment for doing business. I hope that when you study about competitiveness of the regions in Indonesia, there will be significant changes in the region. If it doesn't happen next year, then a year after that. And I hope the bureaucrats in the region will respond. Some of them just wait and see, and then if the central government mean business, we want to use all means, we want to ask you (governor) to create a one-stop service to make the business easy within a year. If you don't do that, we will use our budget power to reward and punish local governments.

That is what we can promise and we will deliver it. But of course it is easier said than done, but I believe we will deliver. I think that's all the message I want to convey and I hope we will meet again next year and I want to hear whether what I am saying today is being delivered next year. Thank you very much.

**Signing of Memoranda of Understanding between
Asia Competitiveness Institute
And**



I. Indonesia Investment Coordinating Board (BKPM), Republic of Indonesia



**2. Indonesian Agency for Agricultural Research and Development (IAARD),
Republic of Indonesia**



3. European Central Bank, CompNet (Competitiveness Research Network)



4. SPRING Singapore

Launch of Seven Books by Asia Competitiveness Institute



List of publications launch, from left to right:

- “2014 Annual Update of Provincial and Regional Competitiveness Analysis for Greater China: Perspective and Development Strategies under the New Normal Era”**
 Authors: Tan Khee Giap, Mr YUAN Randong, Ms Sangiita YOONG Wei Cher
- “2014 Annual Competitiveness Update on Indian States and Inaugural Regional Competitiveness Analysis: Strategic Regional Economic Development for India Vision 2030”**
 Authors: Dr Tan Khee Giap, Dr Linda Low, Mr Kartik Rao & Dr Tan Kong Yam
- “2014 Annual Update on Provincial and Inaugural Regional Competitiveness Analysis: Safeguarding Indonesia’s Growth Momentum”**
 Authors: Dr Tan Khee Giap, Mr Mulya Amri, Ms Nurina Merdikawati & Dr Tan Kong Yam
- “2014 Annual Competitiveness Ranking and Simulation Study for ASEAN-10 and Development Strategies to Enhance Asia Economic Connectivity”**
 Authors: Dr Tan Khee Giap, Dr Linda Low, Ms Sangiita Yoong Wei Cher & Dr Tan Kong Yam
- “2014 Greater China Liveable Cities Index: Ranking and Simulation Analysis”**
 Authors: Dr Tan Khee Giap, Dr Tan Kong Yam & Mr Nie Tongxin
- “2014 Annual Competitiveness Ranking and Development Strategies for 33 Indonesian Provinces”**
 Authors: Dr Tan Khee Giap, Ms Nurina Merdikawati & Mr Mulya Amri
- “Fiscal Sustainability & Competitiveness in Europe & Asia”**
 Authors: Dr Ramkishen S Rajan, Dr Tan Khee Giap & Dr Tan Kong Yam

Conference Plenary Sessions

Keynote Address: “Urbanisation and Development of Liveable Cities in China”



Dr Hu Shiyong
Director, Investigation Committee of China’s National Conditions & Executive Chairman, UN Green Industry Cooperation Organization, The People’s Republic of China

Plenary Session I

“2014 Annual Competitiveness Ranking and Simulation Studies on Six Regions and 33 Indonesian Provinces: Quantitative Assessments on Models of Provincial Economic Development”

This session provided an update on the annual competitiveness rankings and simulation studies on six Indonesian regions and 33 Indonesian provinces; the analysis highlighted that the top-performing province is still Java, while provinces in eastern Indonesia lagged significantly behind and several remained in the bottom-ten in the competitiveness rankings. Supplementing the competitiveness rankings, ACI conducted Geweke Causality Analysis, which shed tremendous insight on the top and lowest performing provinces, and informed the public policy measures that ACI has recommended.



Plenary Session 2

“2014 Annual Inaugural Competitiveness Ranking and Simulation Studies on Five Regions and 35 States and Federal Territories of India: A Master Plan on Regional Economic Development Strategies”

This session presented a re-introduction to the annual competitiveness rankings for the five Indian regions and 35 Indian states and federal territories, and introduced ACI's innovative proposed Master Plan for Strategic Economic Development for India: 2014-2030. Bolstering the competitiveness rankings and Master Plan, Geweke Causality Analysis was conducted for economic development in Bihar and tourism development in Tamil Nadu, which shaped the proposed public policy measures.



Lunch Talk: “Developments in the Indian Economy and the Emerging Business Environment”



Mr Chandrajit Banerjee
Director General
Confederation of Indian Industry

Conversation with Industry Captains



Mr Kwek Leng Joo
Deputy Chairman
City Developments Ltd



Dr Stephen Riady
Executive Chairman
OUE Limited

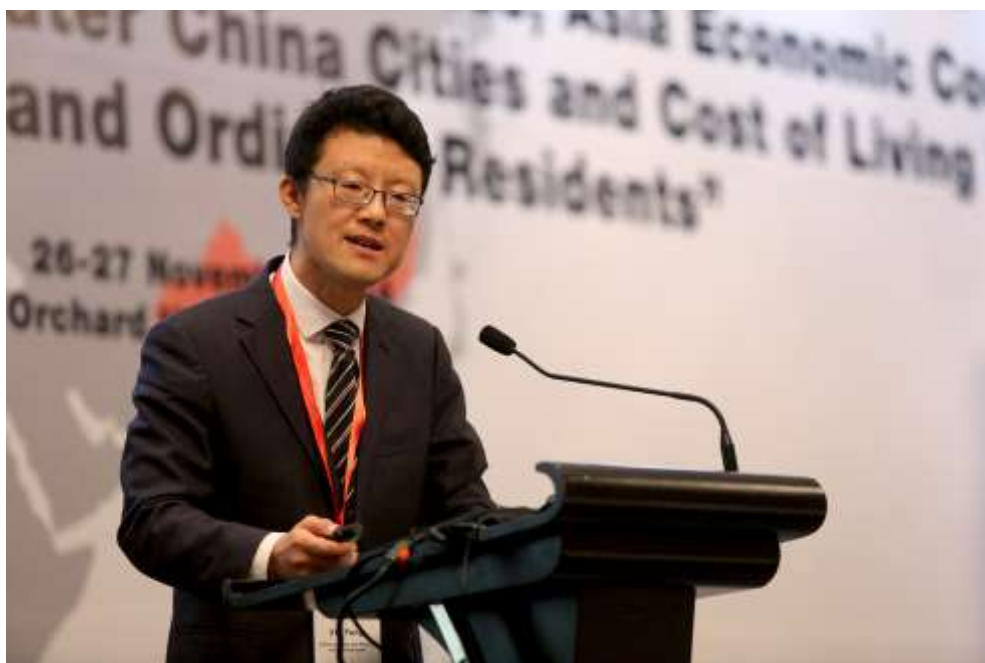


“2014 Inaugural Annual Competitiveness Ranking and Simulation Studies on Five Regions and 34 Greater China Economies: Quantitative Assessments on Models of Provincial Economic Development”

This session provided an update on the competitiveness rankings and simulation studies for the five regions of China and the 34 Greater China economies; the presentation highlighted the top, medium and bottom-performing regions and states, and specific public policy recommendations. Following the update, the session introduced Geweke Causality Analysis for Jiangsu and Taiwan highlighting the important drivers of economic growth for both economies over an extended time frame.



Special Topic I: “Urbanisation in China: Opportunities and Changes”



Dr Xia Feng
Assistant President & Research Fellow
China Institute for Reform and Development

Special Topic 2: “Engaging China Constructively: The German Approach”



Dr Astrid Skala-kuhmann
Director, Global Partnerships-Emerging Economies
Deutsche Gesellschaft Für Internationale Zusammenarbeit (GIZ)

Plenary Session 4

“2014 Inaugural Liveability Ranking and Simulation Studies on 100 Greater China Cities: A Sustainable, Humanitarian & Socially Inclusive Approach”

This conference marked the inaugural presentation of ACI’s Liveability Ranking and Simulation Studies on 100 Greater China Cities, in which the session provided an in-depth overview of the Global Liveable Cities Index (GLCI) framework, methodology, what-if simulations, and research findings. The session additionally presented the future research agenda of ACI and the GLCI project in which it will be extended to 20 Middle Eastern cities, 50 cities from the America’s, Europe, Oceania and Asia.



Special Topic: “On Benchmarking Greater China Liveable Cities: Key Performance Indicators”



Mr Wang Kejian
President, Urban Construction Magazine &
Deputy Director, Commercial Network Construction and Development Center of the State-owned
Assets Supervision and Administration Commission of the State Council (SASAC)
The People’s Republic of China

Dinner Talk: “When China Will Be a Very Different Kind of Great Power”



Dr Martin Jacques
Senior Fellow
Department of Politics and International Studies
Cambridge University

Day 2 Welcome Remarks



Professor Kanti Prasad Bajpai
Vice Dean (Research), LKYSPP, NUS

Day 2 Keynote Address: "Measuring and Assessing Competitiveness: A European Firm Level Perspective"



Dr Filippo Di Mauro
Senior Adviser, Research Department
European Central Bank

“Asia Economic Connectivity Vision 2030 (AECV 2030): The ASEAN-Centric Approach and Five Broad Proposals”

ACI unveiled one of the institute’s flagship projects the Asia Economic Connectivity Vision 2030 (AECV). The AECV 2030 seeks to work towards advancing harmonious multilateral relations, facilitate cross-border trade and investment, enhancing institutional governance, promoting sustainable development, poverty reduction and social inclusivity throughout Asia. The session presented the mission and commitments, proposed routes, five broad proposals and target performance indicators for 2030.



Special Topic I: “Public-Private Partnerships (PPP) and Infrastructure Financing”



**Dr Cleidan Mandri-Perrott
Lead Finance Officer and PPP Specialist
Singapore Infrastructure Hub
The World Bank**

Special Topic 2: “A Win-Win China-India Infrastructure Cooperation: Opportunities and Challenges”



Dr Sasidaran Gopalan
Post-Doctoral Research Fellow, Institute for Emerging Market Studies
Hong Kong University of Science and Technology

Plenary Session 6

“2014 Annual Indices on Cost of Living, Wages and Purchasing Power for Expatriates and Ordinary Residents for World’s Major 103 Cities”

This session highlighted the innovative research that ACI has conducted on the cost of living, wages and purchasing power for both expatriates and ordinary residents for the world’s major 103 cities. ACI’s research has sought to provide reliable estimates on the cost of living for both groups, and in the presentation unveiled the rigorous methodology and data used in the estimations. This research will help not only policy makers throughout the world but also multinational corporations and investors on helping them understand the costs of living in a comparative perspective.



Plenary Session 7

“2014 Annual Competitiveness Ranking and Simulation Studies on ASEAN-10: Quantitative Assessments on Models of Economic Development for Selected Countries”

This session provided an update of the competitiveness rankings and simulations studies for the ten ASEAN members, and public policy recommendations informed by ACI's research. The competitiveness rankings is based upon four environments – Macroeconomic Stability, Government and Institutional Setting, Financial, Businesses and Manpower Conditions, and Quality of Life and Infrastructure Development – and 12 sub-environments. The competitiveness rankings and simulations studies highlighted several key findings including Myanmar's transition to 9th place overall passing Laos in the overall competitiveness ranking, and the Philippines regaining 6th place in the Macroeconomic stability ranking.



Special Topic 1: “Economic Competitiveness and Middle Income Trap: Issues and Challenges”



Professor Ramkishan S Rajan
Adjunct Senior Research Fellow, ACI-LKYSPP, NUS

Special Topic 2: “Total Factor Productivity in Agricultural Sector in ASEAN, China and India”



Professor Ramkishan S Rajan
Adjunct Senior Research Fellow, ACI-LKYSPP, NUS
&
Ms Suo Haoran
Research Assistant, ACI-LKYSPP, NUS

Lunch Talk: “Infrastructure Development for Indonesia and the Role of Asian Infrastructure Investment Bank (AIIB)”



Dr Luky Eko Wuryanto
Deputy Minister for Infrastructure and Regional Development
Coordinating Ministry for Economic Affairs, Republic of Indonesia
Adjunct Senior Research Fellow, ACI-LKYSPP, NUS



**Professor Tan Kong Yam
Co-Director, ACI-LKYSP, NUS**

Media Coverage

Channel NewsAsia, 26 November 2014

Local SMEs to be benchmarked against regional peers - Channel NewsAsia

This story was printed from channelnewsasia.com

TITLE: Local SMEs to be benchmarked against regional peers

By [Wong Siew Ying](#)

POSTED: 26 Nov 2014 23:14

URL: <http://www.channelnewsasia.com/news/business/singapore/local-smes-to-be/1495086.html>

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

City Developments reaps benefits from sustainability efforts - Channel NewsAsia

This story was printed from channelnewsasia.com

TITLE: City Developments reaps benefits from sustainability efforts

By [Wong Siew Ying](#)

POSTED: 26 Nov 2014 21:32

URL: <http://www.channelnewsasia.com/news/business/singapore/city-developments-reaps/1495166.html>

From 2008 to 2011, the property developer reaped a total savings in energy consumption of US\$16 million (S\$21 million) from its 37 Green Mark Gold-rated buildings, according to deputy chairman Kwek Leng Joo.

SINGAPORE: City Developments' (CDL) deputy chairman, Kwek Leng Joo, has said the property developer reaped a total savings in energy consumption of US\$16 million (S\$21 million) from its 37 Green Mark Gold-rated buildings from 2008 to 2011. He was speaking on sustainability at the 2014 Annual Asia Competitiveness Institute conference on Wednesday (Nov 26).

CDL's sustainability efforts include the adoption of more efficient building methods and publishing an annual sustainability report. Mr Kwek said CDL invests about 2 to 5 per cent of construction costs on developing green building design and features.

The Government has taken various measures to promote more sustainable built-environment in Singapore, but Mr Kwek said residents should also play a larger role. This is especially as the population is projected to grow to as much as 6.9 million by 2030.

Mr Kwek added: "Apart from the Government, the people sector will have to come in. If we can develop very strong citizenry that will also play their part, I think the chances will be greater for us to achieve a certain level of sustainability.

"Presently it looks quite green, clean, but with a higher density in terms of population, it will be a bit more challenging, more difficult to maintain. Of course the Government has got great plans, but the people should also play a role. All the way down to the extent that even at home, there are many things you can do to save energy and resources."

- CNA/ms

亚洲竞争力研究所报告显示

中国各省市竞争力持续赶超港澳台

学者认为，台湾和香港近年来内耗得很厉害，包括社会的撕裂、族群的冲突，以及政治斗争，使得它们的竞争力在慢慢往后退。

高健康 报道
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新加坡国立大学李光耀公共政策学院亚洲竞争力研究所昨天公布的研究报告显示，中国大陆省市在竞争力方面持续赶超港澳台，学者指出，社会内耗将使港台的竞争力进一步落后于中国大陆。

这份研究报告根据综合竞争力为大中华经济圈的34个省域和区域经济体进行排名，排名前十的经济体当中，有七个属于中国大陆的东部沿海地区，其余三个是港澳台。广东和江苏的排名与去年相同，稳坐第一和第二；台湾的排名从去年的第五升至第三，香港从第三跌至第五，澳门则从第九滑落到第十。

综合竞争力的衡量标准有四大类，分别是经济体的宏观经济稳定性、政府财政实力和经济市场化程度、金融实力与企业生产效率，以及生活质量和基础设施建设，底下又细分为11个小类共102项指标。

亚洲竞争力研究所从2000年起开始进行这项排名，台湾和香港的综合竞争力长期占据第一和第二位，但自2009年开始，台湾及香港的排名出现下滑的趋势，广东和江苏取而代之，成为大中华地区最具综合竞争力的经济体。

亚洲竞争力研究所联席所长陈企业副教授昨天与两名研究助理在该所主办的研讨会上公布今年最新排名。他在接受本报采访时表示，对香港和台湾竞争力落后于中国大陆并不会感到惊讶。

2014年大中华经济圈
34个经济体综合竞争力排名

今年排名	去年排名	省/市/地区
1	1	广东
2	2	江苏
3	5	台湾
4	6	北京
5	3	香港
6	4	上海
7	7	浙江
8	8	山东
9	10	辽宁
10	9	澳门

2014年大中华经济圈
五大区域竞争力排名

排名	区域
1	中国东部沿海地区
2	香港、澳门和台湾
3	中国西部
4	中国东北部
5	中国中部

来源：
新加坡国立大学李光耀公共政策学院亚洲竞争力研究所



广东省珠海市

图片：新华社

他说：“台湾和香港这几年来内耗得很厉害，包括整个社会的撕裂、族群的冲突，以及政治斗争，加上每五年换一次政府，缺乏长远的政策，这些不安定的宏观情况使得它们的竞争力在慢慢往后退。亚洲四小龙当初为什么有那么好的经济成长，主要因为它们都有非常安定的内部环境。”

针对中国沿海地区经济体在排名榜上独领风骚，陈企业认为，这是由于它们的基础设施瓶颈都已解开，综合竞争力因此变得强大。但他也表示，随着西部大开发与海上丝绸之路的建设，中国西部的竞争力也在不断提升，势必成为中国连接东南亚的大动脉。

亚洲竞争力研究所今年也首次将34个经济体划分为五大区域进行排名，排名第一的仍是东部沿海地区。研究报告指出，采用区域排名是因为过去数十年，不平衡的发展导致中国不同地区的经济和生活状况差距较大，“通过评估五大区域的发展，能够为政策制定提供更好

的理论依据”。

此外，研究所昨天也推出首个“大中华宜居城市指数”排名，根据经济活力与竞争力、环保与可持续性、内部安全与稳定、社会文化状况以及政府管理五项指标，衡量100个中国城市的宜居程度。夺得今年中国宜居城市桂冠的是澳门，山东威海和香港分列第二和第三，台北则排第六位。

陈企业透露，《2014年大中华宜居城市指数：排名与模拟分析》研究报告将于12月28日在北京钓鱼台国宾馆发表。世界银行也已表示有意采纳这套衡量标准。

亚洲竞争力研究所另一所长陈光炎博士指出，中国政府如今更关注民众对社会治理的满意度，对地方官员的绩效考核方式也从过去唯GDP论转为更注重环境和生态保护，此时推出大中华宜居城市指数排名，预料将受到中国官员的重视，因为“他们的升迁有赖于我们的调查”。

相关新闻刊第32版

易华仁： 中小企业参照区域做法可助政府制定更好政策

（沈越报道）本地中小企业参照区域中小企业的做法，将有助于它们了解接下来须进一步关注或应改善的地方，也能协助政府制定更好的政策。

总理公署部长兼内政部及贸工部第二部长易华仁，昨天在新加坡国立大学李光耀公共政策学院亚洲竞争力研究所主办的常年论坛上讲话时，作出这样的表示。

亚洲竞争力研究所与标新局展开近日展开了一项中小企业比较活动，在欧洲中央银行的协助下，比较本地中小企业与区域中小企业。

易华仁表示，这样的参照活动有助政府制定更具针对性的计划。他说：“新加坡所展开的提高生产力运动普遍采取对准一个领域，甚至是领域内的小领域的做法。这确保我们能针对某个目标领域。”

易华仁也表示，低廉成本并不是亚洲国家保持竞争力的长久之计。

他指出，亚洲许多经济体在过去数十年取得突飞猛进的增长，主要是因为它们把资本投向出口制造业，民工涌入城市也造就大量低廉的劳动力，使这些经济体有能力与发展国家一较高低。

然而，这种劳动力和资本增长过去几年已开始放缓，外来民工供应逐年缩小，也造成城市的劳工薪水增加。

易华仁说：“这意味着亚洲经济不能再仅靠低成本来竞争，而是需要转向更技术型、知识型，以及创新型的活动。这些再加上提高生产力，有助保持这些经济体的竞争力，支持薪金提高和更高的生活水平。”

他举新加坡的经验为例说，未来数十年我国将面对更紧缩的劳动力局限，政府为了取得以生产力带动的经济增长，展开广泛的经济重组，深化所有经济领域的技能和专业知识，鼓励及支持企业内部的生产力措施，以及抓住高产值经济领域的新增长机会。

易华仁表示，亚洲国家可通过几个方式提高它们的竞争力以及生产力，这包括持续的教育和训练、鼓励企业勇于创新、协助企业与国际供应价值链接轨以扩大市场规模。政府也需要制定良好的财政、经济与社会政策，才能确保经济增长能持续下去。

易华仁强调，亚洲国家若能成功做到这几点，就能支持充满活力的企业，最终为人民创造理想的工作，提高他们的薪水及生活水平。

Asia must move beyond low-cost, says Iswaran

[20141127_iswaran_afp.jpg](#)



Asia has to focus on skills development, market scale through economic connectivity and fiscal, economic and social policies that are sustainable.

Low cost "cannot be the basis of long-term sustainable competitiveness", said S. Iswaran, Minister in the Prime Minister's Office, at the annual Asia Competitiveness Institute Conference yesterday.

Mr Iswaran is also Second Minister for Home Affairs, as well as for Trade and Industry.

In his speech, he said countries must enhance their competitiveness by investing in measures to raise the skills of their workforce, and the productivity of their economy.

"This can be done through continual education and training, encouraging innovation among companies, and helping them to be integrated into global supply chains to exploit economies of scale," he said.

Still, he noted that such efforts need to be accompanied by sound environmental, social and fiscal policies to ensure that the growth generated is sustainable.

"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."

The minister said the Asia Competitiveness Institute (ACI) can play an important role in helping Asian countries better understand the factors driving competitiveness, and what they can do to raise competitiveness.

The conference and ACI's broader research agenda can inform the discussions and exchange of views among policymakers, academics and business leaders, he said.

Mr Iswaran also noted that the ACI has embarked on initiatives to help policymakers better understand how to encourage firms to be more efficient, citing as an example the small and medium-sized enterprise (SME) productivity benchmarking exercise that ACI is working on with Spring Singapore, in consultation with the European Central Bank.

Benchmarking Singapore SMEs to regional ones will help to shed light on the areas that need further attention, and enable policymakers to formulate better policies and more targeted programmes, he said.

This article by The Straits Times was published in [MyPaper](#), a free, bilingual newspaper published by Singapore Press Holdings.

This article by The Business Times was published in [MyPaper](#), a free, bilingual newspaper published by Singapore Press Holdings.

Singapore more costly for citizens to live in than Seoul, Hong Kong: Report

[Email Print](#)

- [By Nicole Tan](#)
- **POSTED:** 27 Nov 2014 21:40

MORE SINGAPORE NEWS

RECOMMENDED FOR YOU

According to the latest annual report by the Asia Competitiveness Institute at the Lee Kuan Yew School of Public Policy, Singapore has been ranked the 53rd most costly city to live in. Hong Kong took 59th place, while Seoul was ranked 62nd.

SINGAPORE: The Republic has been ranked the 53rd most costly city to live in, in terms of cost of living for its citizens, according to the latest annual report by the Asia Competitiveness Institute at the Lee Kuan Yew School of Public Policy.

The study looked at 103 major cities across the world.

The most costly city was Sydney, followed by Zurich. Singapore was less costly than cities such as New York which was ranked 7th, and London which took the 22nd spot. However, Singapore was ranked ahead of other cities in the region. Hong Kong took 59th place, while Seoul was ranked 62nd.

In terms of cost of living for expatriates, Singapore stood at number nine, less costly than cities like Zurich, which was ranked most costly, New York, which was number two on the list, and London, which was ranked 7th.

But Singapore was more costly than cities such as Frankfurt, number 10 on the list, Paris, which was ranked 11th, and Melbourne, which came in at 12th place.

The study was based on the consumption patterns of ordinary residents in each country, in several weighted categories including food and non-alcoholic beverages, housing rents and utilities, education, health and transport

- CNA/dl

印尼副部长陆奇： 亚投行有助亚细安基建

陆奇说，中国与印尼两国领导人有着共同的目标，就是发展。亚投行有助于印尼建设包括船只在内的海上基础设施，还有能源、机场等等各种其他基础设施的建设。

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中国财经
热点

印度尼西亚经济统筹部基础设施及区域发展副部长陆奇（Luky Eko Wuryanto）昨天表示，印尼和中国长期均致力于发展，印尼支持成立亚洲基础设施投资银行（AIIB），因为它有助于亚细安基础设施建设，对于印尼而言，有助于印尼建设包括船只在内的海上基础设施，还有能源、机场等等各种其他基础设施的建设。

陆奇在新加坡国立大学李光耀公共政策学院昨天举办的论坛上做了上述表示。

印尼已成为亚投行意向创始成员

中国外交部发言人华春莹在昨天举行的外交部例行会议上表示，11月25日印尼财政部长班邦代表印尼政府在雅加达签署亚洲基础设施投资银行备忘录，印尼成为第22个亚投行意向创始成员。

据路透社报道，在备忘录签署



陆奇：AIIB成立后，将有助于世界银行和ADB竞争力的提高，亚细安国家将有更多的选择。（国大提供）



陈光炎：接下来的20年，亚洲国家，比如印度、印尼和其他东南亚国家将处于城镇化、工业化快速发展的过程当中，需要很多基础设施。

之后，印尼内阁秘书安迪威查延多（Andi Widjajanto）稍晚表示，该备忘录尚未最终敲定，因为财政部和外交部还在处理过程中。

不过，陆奇对本报表示，AIIB有助于亚细安基础设施建设，而且中国与印尼两国领导人有着共同的目标，就是发展。

AIIB是中国倡议的，美国将其视为对美国主导的世界银行和日本主导的亚洲开发银行（ADB）的挑战。对此，陆奇表示，印尼并不关心这些，并强调，不论是世界银行、ADB，还是AIIB，只要在没有提出什么严格要求下，提供印尼贷款，对印尼来说，都不是问题。

他认为，成立AIIB，将有助于

世界银行和ADB竞争力的提高，而亚细安国家也因此有更多的选择。

他也希望，在成立AIIB背后出现的政治性紧张，能最终在和睦的气氛中解决，因为东南亚地区需要多元化的资金来源来促进基础设施的建设。

李光耀公共政策学院亚洲竞争力研究所所长陈光炎受访时指出，接下来的20年，亚洲国家，比如印度、印尼和其他东南亚国家将处于城镇化、工业化快速发展的过程当中，就如中国最近20年来一样，在这个过程中需要大量基础设施。

他说，中国从1990年到2010年，建设了大量的高速公路，这就像一个人一样，在15至20岁的时候

需要很多营养。

上述亚洲国家在铁路、公路、桥梁、机场和港口建设上都有一些瓶颈，需要巨额资金和技术来解决这些瓶颈，才能获得经济发展。

他说：“现在的问题是，在这些国家最需要资金的20年时间里，日本经过20年来的经济衰退，加上老龄化等开支，资金不是很多，美国打仗一直借钱，也没有什么钱，换言之，世界银行和ADB，现在的钱也不是很多了。”

他比喻说，如果没有中国，东南亚就好像田地里没有水灌溉，农作物长不出来，幸亏中国经过30多年的发展，储蓄很多，有技术，这些水可以转到东南亚来，这对中国也有好处，现在中国大量资金一直在买美国的国债，如果美元贬值，或遇上通货膨胀，或经济出了问题，这些投资就会缩水。

这些钱如果用于印尼，建设好港口等等，印尼经济发展起来，就可以向中国多进口一些产品，中国的资金长期而言将获得保值，获得比投资美国更好的回报。在将来中国人口老化的时候，这些投资也是老龄人口的养老金。

他也指出，有一个问题是，在AIIB里面，中国资本占了50%，是老大，ADB由于资金不多被边缘化，除了经济方面，政治上也有了竞争的味道，这是难免的。另外，东南亚国家可能会担心中国对AIIB的控制大一些，慢慢的演变中可能会出现一些调整，比如在高层董事会，其他国家的顾虑可能在决策中反映出来，这对中国也有好处，因为过分垄断的效率并不好。