

2019 ASIA ECONOMIC FORUM SEMINAR 1: ECONOMIC COMPETITIVENESS AND QUALITY-ADJUSTED LABOUR PRODUCTIVITY FOR ASEAN ECONOMIES

**Jointly Organized by:
The World Bank Group
and
Asia Competitiveness Institute
at Lee Kuan Yew School of Public Policy,
National University of Singapore**

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National University of Singapore**

Forum Proceeding

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In 2020, ACI was ranked 11th globally, 2nd in Asia and 1st in Singapore amongst 94 think tanks worldwide under the “Best University Affiliated Think Tank” category by the Think Tanks and Civil Societies Program at the University of Pennsylvania, USA.

About ACI

The Asia Competitiveness Institute (ACI) was established in August 2006 as a Research Centre at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). It aims to build the intellectual leadership and network for understanding and developing competitiveness in the Asia region. ACI seeks to contribute to the enhancement of inclusive growth, living standards, and institutional governance through competitiveness research on sub-national economies in Asia. It identifies mitigating issues and challenges for potential public policy interventions through close collaboration with regional governments, business corporations, policy think-tanks, and academics. ACI's three key research pillars include (I) Sub-national economies level competitiveness analysis and city-level liveability analysis; (II) Firm-level competitiveness analysis in 16 Asia economies; and (III) Singapore's long-term growth strategies and public policy analysis.

ACI's value propositions may be encapsulated in its acronym:

- A**nalytical inputs to initiate policies for policy-makers and business leaders in Asia
- C**apacity building to enable others through improvement in productivity and efficiency
- I**ntellectual leadership to create pragmatic models of competitiveness and inclusive growth

The institute's core research competencies can also be encapsulated in this acronym describing our evidence-based assessments conducted on public policies for **A**SEAN in the context of the rise of **C**hina and **I**ndia.

Vision and Mission

- ACI's over-arching vision is to build up its research credibility with policy impact, contributing as a professional, world-class think-tank.
- ACI's mission is to establish our niche as a leading policy think-tank by identifying competitiveness trends, opportunities, and challenges, as well as promoting competition and synergizing complementarities amongst Asian economies and business corporations.
- ACI endeavours to articulate sound recommendations, entice discourse, and shape agenda in the arena of public policy amongst Asian governments.
- ACI undertakes evidence-based analysis of public policy issues and decisions, in order to provide assessment of their effectiveness as well as economic and societal impact.

Research Initiatives and Collaborations

- I. Identify trends of competitiveness and policy analysis on trade and investment of ASEAN, within the regional context of competition and complementarities with China and India.
- II. Identify competitive strengths and conduct policy analysis on Singapore within the context of regional economies with international benchmarking.
- III. We are regularly releasing three indices on liveability ranking including 64 Global Cities, 100 Greater China Cities, and 17 Shandong Cities.
- IV. We have established an Ease of Doing Business (EDB) Index on Attractiveness to Investors, Business Friendliness, and Competitive Policies for 21 sub-national economies of India and 33 sub-national economies of Indonesia.
- V. We have signed Memoranda of Understanding (MoU) with The World Bank (2015), Enterprise Singapore formally known as SPRING Singapore (2014) and European Central Bank (2014). The MoU between The World Bank and National University of Singapore, coordinated through ACI, was signed in 2016.
- VI. We have signed MoUs with various institutions in Greater China economies, including Institute of Economics at Shanghai Academy of Social Sciences (2019), Institute of World Economics at Shanghai Academy of Social Sciences (2016), Shandong Academy of Social Sciences (2015), Chongqing Municipal People's Government (2015), China Institute for Reform and Development, Haikou (2015), Counsellors' Office of the People's Government of Guangdong Province (LOI, 2014), and Chung-Hua Institution for Economic Research, Taiwan (2015).
- VII. We have signed MoUs with seven Chief Ministers' Offices in Uttarakhand (2019), Andhra Pradesh (2018, 2017 & 2015), Bihar (2015), Chhattisgarh (2015), Madhya Pradesh (2015), Odisha (2015), and Punjab (2015).

- VIII. We have signed a MoU with Committee for Acceleration of Priority Infrastructure Delivery at Coordinating Ministry for Economic Affairs, Indonesia (2016), Indonesia Investment Coordinating Board (2014), Indonesian Agency for Agricultural Research and Development at Ministry of Agriculture (2014), Indonesian President's Delivery Unit for Developing Monitoring and Oversight (2013), and Employer's Association of Indonesia (2013).
- IX. We have signed MoUs with Asian think-tanks and institutions, including Institute of Economic Growth, India (2018), Vietnam Chamber of Commerce and Industry, Vietnam (2016), Centre for Strategic and International Studies, Indonesia (2015), Institute of Strategic & International Studies, Malaysia (2015), Philippine Institute for Development Studies, the Philippines (2015), Thailand Development Research Institute, Thailand (2015), and Central Institute for Economic Management, Vietnam (2015).

About ACI's Research Pillars

ACI has consciously engaged in economic research that has significant relevance to Singapore and the Asian region. Over the years, ACI has focused on our expertise in quantitative competitiveness analysis and simulation, spinning off volumes of research output in the applications of our methodology and regional insight. At this stage, ACI has identified three core research pillars that will guide and define its research efforts moving forward. The three research pillars are as follows:

Pillar I. Sub-national Economies Competitiveness Analysis

ACI engages in systematic and methodical competitiveness analyses of the sub-national economies by using an evidence-based, empirical approach involving a comprehensive list of relevant indicators, which are categorised under multiple layers called the 'environments'. A number of our projects, including competitiveness analyses of Greater China, ASEAN-10, India, and Indonesia, as well as other thematic research projects, were conducted by adopting this common methodology, with potential variations in the specific environments and indicators. ACI's competitiveness analysis of Asian economies goes beyond the usual ranking to offer constructive policy recommendations on how individual member states can improve their rankings vis-à-vis their sub-national or regional peers through the application of the 'what-if' simulation, which provides the projected improvements of each state's ranking whereby the bottom one-fifth of its indicators are enhanced.

Pillar II. Micro-based Firm Level Competitiveness Analysis

Micro-based firm level competitiveness analysis is ACI's second research pillar that has been developed in view of the intrinsic importance of firm-level competitiveness in terms of productivity, efficiency, and governance. In the context of globalisation, mobility of economic activities, and blurring of borders, an understanding of the determinants and dynamics of firm-level competitiveness is paramount, in order for policy makers to adjust and prepare their industries for an increasingly competitive economic landscape. To this end, ACI has partnered with the European Central Bank to carry out research in this area, possessing a solid foundation in firm-level productivity research in the form of European Competitiveness Network database and methodology. ACI envisaged the expansion of Competitiveness Research Network (CompNet) into Asia, thereby pioneering the Asia's CompNet in encompassing 16 economies in Asia.

Pillar III. Singapore's Long-term Economic Growth Strategies and Public Policies Analysis

The third and imminent research pillar focuses on Singapore's long-term economic growth strategies in the context of changing circumstances, future trends, and emerging opportunities for Singapore in the decades ahead. In particular, ACI will take on the task of critically examining Singapore's public policy strengths and areas of improvement by assessing policy successes of the past, identifying new issues to address and the current policy gaps, through a systematic and evidence-based research inquiry using quantitative methodology and empirical data, leveraging on our network of policy experts.

Founding Patron and International Advisory Panel

Founding Patron

Mr George Yeo

Visiting Scholar, Lee Kuan Yew School of Public Policy, National University of Singapore & Former Minister of Foreign Affairs, Singapore

International Advisory Panel

Co-Chairs:

Professor Michael Porter (2006-2010)

Bishop William Lawrence University Professor

Ms Marjorie Yang (2006-2012)

Chairman, Esquel Group

Members:

Professor Kishore Mahbubani

Former Dean, Lee Kuan Yew School of Public Policy, National University of Singapore

Dr Kuntoro Mangkusubroto

Former Head, President's Delivery Unit for Developing Monitoring and Oversight (UKP4), Indonesia

Mr Narayana Murthy

Former Chairman, Infosys Technologies Limited

Mr Philip Yeo

Former Chairman, Enterprise Singapore

Mr Gabriel Lim

Permanent Secretary, Ministry of Trade and Industry

Ms Yong Ying-I

Permanent Secretary, Public Service Division

Professor Chan Kam Leung Alan

Former Dean, College of Humanities, Arts and Social Sciences, Nanyang Technological University

Asia Competitiveness Institute

Co-Directors:

Associate Professor Tan Khee Giap (2011 till now)

Professor Tan Kong Yam (2011 till now)

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2019 ASIA ECONOMIC FORUM: SEMINAR I

Executive Summary

Asia Competitiveness Institute (ACI) at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS) and the World Bank Group co-hosted the *2019 Asia Economic Forum* on 29-30 August, with its first seminar on “**Economic Competitiveness and Quality-Adjusted Labour Productivity for ASEAN Economies**”. At this forum, ACI team members updated the annual competitiveness ranking for the 10 economies of ASEAN and 34 sub-national economies of Indonesia, presented empirical findings on Quality-Adjusted Labour Productivity for the economies, and updated the Annual Indices for Expatriates and Ordinary Residents on Cost of Living, Wages and Purchasing Power for World’s Major Cities. The Hong Kong Case Study which investigated Some Deep-Seated Economic Factors Behind the Massive Protests was also presented.

The first seminar of the 2019 Asia Economic Forum began with **Welcome Remarks** from **Associate Professor Tan Khee Giap**, Co-Director of ACI-LKYSPP, followed by the **Opening Remarks** from **Ms Jyoti Shukla**, Director of the Singapore Infrastructure and Urban Development Hub at the World Bank Group. Ms Shukla spoke about the World Bank Group’s long partnership with ACI and the importance of the research done by ACI. Her speech then centred on global trends that are impacting economic growth and poverty reduction in East Asia, namely climate change, global value chains and technological advancement.

Dr Benoit Bosquet, the Regional Director of Sustainable Development, East Asia and Pacific at the World Bank Group delivered a keynote address on “**Climate Change and Competitiveness**”. Dr Bosquet’s address focused on the pertinent impact and costs that climate change has on the performances of businesses, and how the public and private sector could collaborate to mitigate these costs. He also mentioned about the World Bank Group’s strategy to drive climate adaptation and mitigation benefits.

Following the keynote address, the forum proceeded towards **thematic sessions** that disseminated the preliminary empirical findings of a variety of relevant research topics undertaken by the ACI research team.

Session I on “**National Competitiveness and Quality-Adjusted Labour Productivity of ASEAN Economies**” consisted of two presentations. The first presentation in the session updated ACI’s annual index on the economic competitiveness of ASEAN-10 economies. The second presentation discussed the preliminary findings of the Quality-Adjusted Labour Productivity Analysis of the ASEAN Economies. The session was moderated by Dr Zhang Xuyao, Research Fellow and Deputy Director (Research) at ACI-LKYSPP. The discussants for Session I included **Dr Manoj Panda**, RBI Chair Professor at the Institute of Economic Growth in India; **Dr Lu Hsin-Chang**, Associate Professor at the College of Management, National Taiwan University in Taiwan, Republic of China; and **Dr Claire Honore Hollweg**, Senior Country Economist, Macroeconomics for Trade and Investment at the World Bank Group.

The distinguished speaker for the **Forum Luncheon Talk** was **Dr Prasetyo Aribowo**, Head of the Provincial Government of Central Java Regional Planning Research and Development Agency in Indonesia. Dr Aribowo spoke about “**Investment Promotion and Opportunities for Central Java, Indonesia**”. The talk focused on the economic potential that Central Java embodies as Dr Aribowo presented the economic background of the province, followed by the physical infrastructure and the industrial parks in Central Java. He also mentioned about the strong support that Central Java’s provincial economic policies receive from the central government,

Session 2 on “**Sub-national Competitiveness and Quality-Adjusted Labour Productivity of Indonesia**” consisted of two presentations. The session was moderated by Ms Sumedha Gupta, Research Assistant at ACI-LKYSPP. The first presentation updated the annual ACI’s competitiveness ranking for the 34 provinces of Indonesia, while the second provided Quality-Adjusted Labour Productivity Analysis at the provincial level of Indonesia. The discussants for Session 2 included **Dr Prasetyo Aribowo**, Head of the

Provincial Government of Central Java Regional Planning Research and Development Agency in Indonesia; and **Professor Shen Kaiyan**, Director of the Institute of Economics at the Shanghai Academy of Social Sciences in People's Republic of China.

Session 3 also consisted of two parts. **Session 3a** was titled “**2019 Annual Indices for Expatriates and Ordinary Residents on Cost of Living, Wages and Purchasing Power for World's Major Cities**” and the presentation updated ACI's annual indices on cost of living for expatriates and ordinary residents as well as wages and purchasing power for the latter. **Session 3b** was titled “**A Case on Hong Kong Case Study – Some Deep-Seated Economic Factors behind the Massive Protests?**” and the ACI team presented an empirical investigation that were driving the ongoing social unrests in Hong Kong. Both sessions were moderated by Ms Shalini Sivakrishnan, Research Assistant at ACI-LKYSP. The discussant for the sessions were **Mr Leslie Fong**, Former Chief Editor of the Straits Times in Singapore; **Professor Ajit Mishra**, Director of the Institute of Economic Growth in India; and **Dr Wang Hongxia**, Senior Researcher at the Shanghai Academy of Social Sciences in People's Republic of China.

Welcome Remarks

**Associate Professor Tan Khee Giap
Co-Director, ACI-LKYSP, NUS**

Good morning and a warm welcome to our Guest-of-Honor today, Ms Jyoti Shukla and distinguished guests from the World Bank Group and those who came all the way from Mainland China, Taiwan, India and Vietnam. Ladies and Gentlemen, a warm welcome to all of you too!

In LKYSP, when delivering speeches, we only make three points. A warm welcome to Singapore, especially for those of you who can find time, you should try discover the multi-cultural setting, diverse selection of delicious local cuisines and places of attraction in Singapore including visits to new townships where ordinary Singaporeans go about their everyday life. As you explore Singapore, you would also appreciate that Singapore is no longer a garden city, but a city in the garden which is my first point.

My second point is about this annual Asia Economic Forum which we always co-organize with the World Bank Group, we are most grateful and appreciative to the leadership of Ms Jyoti for making the event possible. In the forum today, we shall emphasize on economic competitiveness and Quality-Adjusted Labor Productivity for ASEAN economies. Towards the end of the day, we would have a very important study that we have been doing for quite a number of years now – which is the Annual Indices for Expatriates and Ordinary Residents on Cost of Living, Wages and Purchasing Power of the World's 105 Cities.

We have also conducted a case study on Hong Kong, which I think the international press and media will be very interested in, that looks at what are the deep-seated economic factors which we suspect may be one of the reasons for the recent massive unrest in Hong Kong. We have adopted a quantitative approach in our analysis and of course, we hope to hear from you about our results during the discussion session.

As for my third point, it is a very important point indeed. This morning, I directed one of our keynote speakers to offer him to have tea or coffee. When he saw that we used styrofoam cups, he said he was not going to have his tea or coffee! I was taken aback by what he said, and I asked why. He explained to me in technical terms why this is bad for the environment. I could not understand. I requested that when he makes his speech, he would explain to all of us why styrofoam cup is so bad? Then, our guest-of-honor pointed out to me that our mineral water using plastic bottles was also bad! So, I explained that we cannot afford the expensive bottled mineral water, to which she said a large glass jar could be used.

I think we want to take their advices seriously as I have learnt a valuable lesson today on staying green to our common environment. In the next Asia Economic Forum, no more plastic mineral bottles and no more styrofoam cups. It is important to learn from somebody who does as he preaches. I think that is very novel and I am most impressed!

We have three speakers from the World Bank Group including the guest-of-honor, and we also have Dr Bert Hoffman, who was from the World Bank Group in Singapore, and he has just joined LKYSP. He is one of our very strong supporters to ACI. May I take this opportunity to introduce the senior official from Indonesia, who oversees policy on Special Economic Zones, Dr Prasetyo Aribowo. Thank you and welcome!

We would also like to introduce our following distinguished speakers who include the Director of the Institute of Economic Growth, an Indian national think-tank, Dr Ajit Mishra, Director from the Shanghai Academy of Social Sciences, Professor Shen Kaiyan, the ex-Director from the Institute of Economic Growth, Dr Manoj Panda and Professor Lu from Taiwan. Our distinguished research partners Professor Wang Hongxia from Shanghai and Professor Wang Huitong from Beijing. Professor Lei from Shanghai Academy of Social Sciences, Dr Claire from the World Bank Group, and our keynote speaker, Dr Benoit. May I now

invite the Guest-of-Honor, Ms Jyoti, the Director of the World Bank Group, Singapore, the stage is yours, ladies and gentlemen, a warm applause please, thank you!

Opening Remarks by Guest of Honour



Ms Jyoti Shukla
Director, Singapore Infrastructure and Urban Development Hub,
The World Bank Group

Good morning everybody.

First, let me just take a little issue with the fact that Prof Tan highlighted me as the guest-of-honour. I have been with the ACI long enough that I was hoping you would consider me family rather than a guest.

More seriously, it is my second time here and it is genuinely a pleasure for us at the World Bank Group to partner with the Asia Competitiveness Institute, and to support and learn from the work of the young researchers that is ongoing. Last year, when I was here, I remember talking in the first session a lot about the global trends, and at that moment, there was a lot of optimism. We talked about the economic growth in East Asia, and the tremendous strides East Asia has made in terms of reducing extreme poverty. We talked about the fact that this could be the generation that could see the end of extreme poverty globally in its lifetime – and the strength of East Asia's burgeoning middle-class has to power economic growth globally.

Twelve months later, we are in a slightly different situation. There is still a lot of optimism but at the same time, a greater realization of some of the more sobering trends that are impacting growth and poverty reduction globally. In that context, the empirical work of researchers, such as those of ACI, will continue to be critically important because evidence-based research should continue to guide our policymakers.

In the spirit of LKYSPP's guidance on three principles, let me also highlight three factors that are impacting today. One, climate change and I am delighted that my colleague, Dr Benoit Bosquet will be talking about the impact of climate change and its long-term impacts on competitiveness as we know it now. For those of us in Singapore, I have been very struck by how much the political leadership has begun to incorporate climate change as one of the existential threats for Singapore and East Asia. That is a change in rhetoric that I have seen for myself over the last twelve months or so that climate change is not just an abstract threat

that for future generations. Climate change is real, it is immediate, and it is existential. It is going to impact a lot of our work so I am really delighted that Dr Benoit will be with us to share his perspective and how we can begin to incorporate that in much more of our work.

The second, for those of us who live in East Asia, the changing world order and the changing trade relationships and value-chains. Again, there will be a reorganization and realignment of the relationships, and for a lot of countries, a change in the policies that they would need to adapt to maintain their competitive positions in the global economy. I am glad that my colleague, Dr Claire Hollweg will be sharing some of the work that we have done in this and the results of the World Development Report that the World Bank Group just put out.

And the third one, of course, would also be the changing technology and its disruption as well as its impact, going forward.

So, with that, I just want to again thank the Asia Competitiveness Institute for organizing this conference and we look forward to being active participants and learning from the work that you are doing.

Thank you so much.

Keynote Speech

“Climate Change and Competitiveness”



Dr Benoit Bosquet

Regional Director, Sustainable Development, East Asia & Pacific, The World Bank Group

Good morning ladies and gentlemen.

Maybe before I start anything, let me quickly say why I personally think that Styrofoam and plastic are not the best solutions. The basic problem is that they take an enormous amount of energy to produce. But then, once they are there, a plastic bottle will take about 400 years to degrade by itself. So effectively, all the plastic that has ever been produced, unless it has been recycled or incinerated, it is still with us today. And Styrofoam then, breaks down into million little white balls that goes into the waterways, and it is extremely difficult to collect and recycle. One day, I participated in a clean-up operation on a river called the Anacostia in Washington DC. That was the most prevalent element of the debris that we found, and you just cannot collect it. That is then ingested by all sorts of marine life. You have probably seen photos and movies of marine animals with their gut full of plastic, and that goes from seabirds to big mammals. So, it is a big impact.

We still do not know what the impact on human health is. In every bottle, there are micro, nano-plastics that you drink that basically detaches from the wall of the plastic bottle, that goes through our organisms. The World Health Organization just published last week a report saying that, as far as they can tell, but they have a very cautionary conclusion, there is no direct impact on human health. But they say we need to collect a lot more data. So, what we hope is that these nano plastics basically make it through our organisms and we evacuate them. But it is not clear. We could in fact accumulate them in our organs with unknown consequences. To the extent that there are alternative materials to be used, paper or glass, that is certainly a better option. I will talk a little bit about the new economic opportunities that open when you start thinking about different ways of producing things. So, I hope, that is a little bit of an explanation and encouragement. Congratulations to make the switch next year. You know it is sometimes incredible that you go to a conference that focuses on marine plastics and everybody drinks from plastic bottles. That obviously does not work very well.

It is an honour for me to join you at this important seminar and I wish to thank the Asia Competitiveness Institute of the National University of Singapore for the invitation. In my remarks today, I want to draw attention to a topic which might not often be the focus of discussions around competitiveness but will increasingly affect multiple aspects of our lives and the economy, and I mean climate change. I have three points and will speak for only just over 20 minutes. Bear with me but it is a little shorter than what is announced in the program.

My first point is that profound changes to economic production systems are inevitable as a result of climate change. Climate change will have significant impact on the competitiveness of countries, sectors and firms if they do not transition to a low-carbon economy and become climate resilient. As we learn from the Intergovernmental Panel on Climate Change, IPCC, last year, human activities have caused approximately one degree Celsius of warming above pre-industrial levels, and we are already seeing the impacts through shrinking glaciers, rising sea levels and more extreme and unpredictable weather around the globe. Warming is likely to reach 1.5 degree Celsius sometime between 2030 and mid-century at the current rate of emissions. The global community has signed onto a goal of limiting warming to 2 degree Celsius by the end of this century while pursuing means to limit the increase to 1.5 degree Celsius. The IPCC finds that there are significant differences between these two benchmarks and their respective impacts on economies, natural systems and human life. In other words, the impact is not linear.

For example, the number of people exposed to extreme heat more than doubles under a 2-degree scenario as compared to a 1.5-degree scenario. The same goes for declines in maize harvest in the tropics and in annual catches from marine fisheries. An above 2 degrees of warming, the risk of positive feedback in global weather systems causing a runaway warming with catastrophic impacts grows considerably. Unfortunately, we are not on track to avert serious impacts. Current commitments made by countries under the Paris Agreement would lead to a 3-degree warming by 2100. Countries, therefore, need to take more ambitious actions before 2030, which is a critical time. Otherwise the 1.5-degree goal, and perhaps even the 2-degree goal would be out of reach.

Although a lot of the climate debate has rightly focused on the impacts to the most vulnerable, systemic risks to society and the economy are increasingly coming into focus. In the World Economic Forum 2019 Global Risks Perception Survey, decision makers from the public sector, private sector, academia and civil society indicate that extreme weather and climate change policy failures are considered the larger threats facing the world. And the urgency is, in fact, increasing compared with the 2018 survey.

Credit-rating agencies, such as Moody's and Standard and Poor's, are increasingly paying attention to climate risks in assessing the credit worthiness of both companies and local governments. Firms in sectors such as agriculture and tourism directly depend on climate conditions for the quality of the goods and services they produce. Many sectors depend directly on the availability of water resources, something you know very well here in Singapore, which are projected to become scarce in many locations. In some regions, the health implications of climate change will also impact firms' labor productivity. Corporate assets will be exposed to increased risks from extreme climate events such as floods, storms and wildfires in ways that are highly location-specific. The Indonesian fires of 2015 which affected the whole region, are estimated to have cost over 2.5 billion US dollars to the manufacturing, mining, trade, transportation and tourism sectors alone, out of a total cost of around 16 billion US dollars.

Impacts on supply chains will cost industries to operate under different circumstances that will influence their competitive positioning. Lifelines, a World Bank Report published in June of this year, suggests that the disruptions to infrastructure, including from natural hazards that are increasing due to climate change costs households and firms in low and middle-income countries at least 390 billion US dollars per year, with indirect effects exacting a further toll.

With massive investments in infrastructure taking place in low and middle-income countries, particularly in East Asia, the stock of low-resilient assets is growing rapidly, therefore increasing future costs and liabilities of natural hazards and climate change. It is costly to delay action from 2020 to 2030, and the Lifelines report

suggest that a decade of inaction could cost 1 trillion US dollars. Firms are also faced with risks related to a changing policy environment or consumer preferences. If not properly planned for, policies to address climate change could affect firms' bottom lines. If firms do not find more sustainable processes and materials, their products may no longer be competitive or desirable. Assets are at risk of becoming stranded if markets shift in response to climate change.

Altogether, these impacts are massive. According to a new study from the Carbon Disclosure Project, a group of the world's largest companies with over 17 trillion US dollars in market capitalization, face cumulative climate risks amounting to one trillion US dollars, with many likely to occur within the next five years. When properly accounted for, climate, environmental and natural disaster impacts and liabilities can cause existential risks, even to the largest companies. For example, Pacific Gas and Electric, a gas-empowered utility in California was forced to seek bankruptcy protection due to liabilities over its potential role in sparking the large wildfires last year.

But most companies do not have the expertise to assess and manage novel risks associated with both physical and regulatory changes across multiple locations. Therefore, the role of the financial and insurance sectors will be key in sending the right price signals to change business behavior and consumer choice, and in providing investors with better information on how companies are handling climate risks and preparing for low-carbon economies. If you want another indication that climate change will have pervasive effects on competitiveness, of the 12 sub-environments making up ACI's own competitiveness framework, around half of them can be deemed directly susceptible to climate effects; namely infrastructure, standard of living, social stability, regional vibrancy, productivity and fiscal sustainability.

My second point is that there is good news. It is not all gloomy. The public and private sectors can minimize climate risks and reap the benefits. Firms can and should assess the risks and take steps to minimize impacts and speed up recovery. And governments can and should develop policies to support firm and sectors to become more resilient and remain competitive, including by making detailed risk data widely available and helping to mobilize financing for local firms to invest in resilience measures. Governments have an important role to play in resilient infrastructure services. The Lifelines report still finds that investing in more resilient infrastructure is cost-effective if construction and maintenance standards conform to local risk levels, you don't want to overdo it, of course. And the report says that extra cost of building resilience into infrastructure systems would represent only three percent of investment needs.

Thanks to few disruptions and reduced economic impacts, the overall net benefit of investing in the resilience of infrastructure in developing countries would be four dollars for each dollar invested. And excellent cost-benefit ratio. Indeed, competitiveness in the climate-smart future will not just be about managing risks to existing production models. It will also be about claiming a share of the new production systems, markets and industries. The case for investing in low-carbon technologies has never been stronger. As governments around the world put in place policies and incentives to enable them to meet their climate targets, the private sector has an opportunity to deliver the investments needed to spur innovations and create thriving markets.

The recent Carbon Disclosure Project report that I refer to earlier, estimates potential gains from business opportunities related to climate change at 2.1 trillion US dollars. And the report finds that, on average, the potential value of climate related opportunities is almost seven times the cost of achieving them. Accenture has estimated that global opportunities from greener and circular industrial productions may be worth 4.5 trillion US dollars. And according to a global commission on the economy and climate, the transition to low carbon and climate resilient development could yield a direct economic gain of 26 trillion US dollars through 2030 compared with the business as usual scenario. So, you see these numbers vary quite a bit and these studies do not measure the same things, but one thing is clear; we are talking about trillions of dollars.

Actions to address climate change will boost the competitiveness of countries, sectors and companies, and help them better prepare for the future. Most firms can start moving towards decarbonization by adopting cost-efficient options that already exist. While governments can enable technologies that are on the cusp of cost-effectiveness. For example, they can shift policies incentives towards low emission and climate resilient

investments, they can redirect energy and water subsidies, or they can create clear policy signals such as setting a price for carbon.

In Korea, the national eco-industrial park program was launched to enhance competitiveness and address environmental problems at the same time. It has prompted firms to invest over 691 million US dollars in eco-friendly technologies, thereby also cutting greenhouse gas emissions by over 8 million tons of carbon dioxide equivalent. China, as you know, launched its national emissions trading scheme in December 2017, which is an important milestone for climate change policy and low-carbon development. And last year, the carbon pricing leadership coalition partnered with Global Compact Network Singapore to launch a Singapore CPLC Chapter on internal carbon pricing as a mechanism to reduce emissions beyond Singapore's carbon tax.

Governments can also leverage the capital markets for mobilizing environmental and climate finance. For example, in 2017, Fiji became the first emerging market to issue a sovereign green bond to finance climate and environmentally friendly investments. And in the same year, Malaysia launched its first green Islamic bond, the green sukuk, to finance sustainable, climate resilient investments.

Investors are increasingly seeking green opportunities. These provides an entry point into rapidly advancing sectors, promotes integration of climate consideration into investment design and implementation, and protects them against climate risks, which include physical risks of climate change but also the climate regulatory risks.

Norway Sovereign Wealth Fund runs a separate environmental portfolio within the fund with market value of investment normally in range of 3 to 7 billion US dollars that is largely invested in renewable energy and energy efficiency. When most of the global investments in green assets is from Europe, attitudes in this region are indeed changing. Three Singapore banks, DBS, OCBC and UOB, have stopped financing coal-powered plants while other local investors are banking renewable energy projects in Indonesia, Myanmar and the Philippines. The Singapore stock exchange itself has mandated from 2018 that all listed companies report their environmental, social and governance practices, and it also has indices based on sustainability measurements.

Many firms are acting by instituting their own internal price on carbon which provides information that can then factor into investment decisions and business operations. Some are using this to help prepare for future policies, for mitigating risks or for helping achieving emissions targets. It gives them an incentive to shift investment to low carbon alternatives and potentially address shareholder concerns. The number of global companies disclosing to the Carbon Disclosure Project that imbed an internal carbon price in their business strategies has grown from 150 in 2014 to over 600 in 2017. And the largest increase is in emerging economies.

My third and final point is about my own organization, The World Bank Group. The World Bank Group views climate change as a serious impediment to achieving our goals of ending extreme poverty and boosting share prosperity in a sustainable manner. We have set climate targets for the period 2021 to 2025, including doubling our current five-year investments to around 200 billion USD in support for both countries and companies to take ambitious climate actions. The new targets and actions significantly boost support for adaption and resilience, recognizing that climate change affects lives and livelihoods, especially in the world's poorest countries.

Our new adaption and resilience action plan aim to increase adaption finance to reach parity with climate mitigation funding. It also emphasizes working with finance and planning ministries towards more systematic approaches to climate adaptation and increasing engagement with the private sector. We continue to integrate climate considerations into our work including by screening projects for climate risks and building in appropriate risk mitigation measure, disclosing both growth and net greenhouse gas emissions from projects, and applying a shadow carbon price for investments.

Climate action is one of the priority areas of the World Bank's strategy in East Asia and Pacific region. It is mainstreamed throughout the work that we do. East Asia accounts for around a third of global greenhouse gas emissions and that proportion is increasing. Therefore, how this region responds to the climate change challenge, will, to a large extent, determine the future of the planet.

In our last two fiscal years, around 38 percent of our total lending, which was 3.7 billion US dollars on the World Bank side, the public side, has been directed towards activities with climate adaptations and mitigation benefits. These include supporting the clean energy transition, low carbon and climate resilient transport, sustainable urban and industrial development, promoting resilient landscapes and enhancing preparedness to disasters. New climate responsive projects range from a 300-million-dollar loan to China to promote better restoration and a series of climate resilient transport projects in the Pacific Islands to promote comprehensive resilience in roads, ports and airports.

In conclusion, I hope to have conveyed to you if not convinced you, that drastic changes are inevitable to the nature of our economic systems and the physical environment within which they operate, and that the successful firms and economies of the future will be those that can adapt to and harness these new conditions. We all have a role to play. Governments ought to invest in climate resilient infrastructure and put in place policy incentives that are conducive for climate smart investments, green finance and innovative technologies. Businesses ought to build a climate and sustainability lens into their investments, scale-up clean technologies and reduce their climate footprint to maintain their competitive edge. Academic and research institutions ought to collect lessons learnt and disseminate findings about successes and failures. If we all take part in this endeavor, I am confident together we can build a more sustainable and prosperous future.

Thank you for your kind attention.

“National Competitiveness and Quality-Adjusted Labour Productivity of ASEAN-Economies”



Presenters from ACI-LKYSPP, NUS (from left to right):
Mr Tan Kway Guan, Ms Doris Liew Wan Yin, Ms Melissa Poh Wei Le, Research Assistants & Associate Professor Tilak Abeysinghe



Moderator from ACI-LKYSPP-NUS (fourth from left):
Dr Zhang Xuyao, Research Fellow and Deputy Director (Research)

Discussants for Session I:



Dr Manoj Panda
RBI Chair Professor, Institute of Economic Growth, India



Dr Lu Hsin-Chang
Associate Professor, College of Management, National Taiwan University, Taiwan, ROC



Dr Claire Honore Hollweg
Senior Country Economist, Macroeconomics, Trade & Investment, The World Bank Group

Forum Luncheon Talk

“Investment Promotion and Opportunities for Central Java, Indonesia”



Dr Prasetyo Aribowo
Head, Provincial Government of Central Java Regional Planning
Research and Development Agency, Indonesia

The honourable Associate Professor Tan Khee Giap, Co-Director, ACI-LKYSPP, NUS.

Dear Ms Jyoti Shukla, Director of Infrastructure and Urban Development Hub, the World Bank.

The respected Dr Benoit Bosquet, Regional Director, Sustainable Development, East Asia & Pacific, the World Bank.

Honourable participants of the seminar, Central Java, as one of the six provinces in Java, is located right in the middle of Java and has an area of 32,548 km² or equivalent to 1.7 percent of the total area of Indonesia. The population in Indonesia and Java is the third largest, with a population of 34.49 million inhabitants. Administratively, Central Java consists of 29 regencies and six cities.

Furthermore, why should Central Java be the choice. We can say that Central Java has several advantages:

1. **Economic structure**, referring to the publication data from BPS up to 2018, the economic structure of Central Java Provinces occupies the fourth position, which is equal to 8.47%, below DKI Jakarta, East Java and West Java;

2. **The biggest contribution sector towards Central Java's GRDP from 2014 to 2018 in billion Rupiah**, in the period of the year showed that the biggest contribution was given by the industrial sector, which increased from 271,526.77 Billion Rupiahs in 2014 to 322,203.74 Billion Rupiahs in the year 2018, then followed by the trade sector and the agricultural sector;

3. **GDP distribution based on expenditure**, the highest contribution is still held by household consumption at 46 percent;

4. **Economic growth**, Generally, in the period 2014 - 2019, the value was relatively better than the National Economic Growth, which was 5.27% in 2014, tending to increase until the second quarter of 2019 to 5.26%. Where in the same period nationally it was only at 5.01% in 2014 and in the second quarter of 2019 it was only 5.05%;

5. **Inflation**, in the period of 2014 to July 2019 the inflation of Central Java was relatively controlled, the value decreased from 8.22% in 2014 to 2.81% in July 2019. This inflation value was still below the National inflation value in July 2019 of 3.18%;

6. **Unemployment rate**, the value in the period 2014 to.d. 2018 was relatively controlled and better than the national unemployment value. The unemployment experienced decreasing number from 5.68% in 2014 to 4,51% in 2018 and was still better than national value which was still 5.34%.

7. Central Java investment performance based on its realization shows positive growth with an average annual growth in the period 2013 to 2018 of 34.1%. The investment realization which was previously amounted to 16.98 Trillion Rupiah in 2013 increased to 59.27 Trillion Rupiah in 2018. Furthermore, investment realization by sector shows that the electronics sector still contributed the highest by 55% and the lowest sector was the contribution from the transportation, storage and telecommunications sector which only amounted to 5%. The highest investment realization by Regency / City was 34% in Jepara Regency, and followed by Batang Regency, Semarang City, Sukoharjo Regency, and in Purbalingga Regency by 5%, and spread in 29 other Regencies / Cities by 16%.

Distinguished guests, the Supporting infrastructure conditions in Central Java include: international airports, namely Ahmad Yani Airport in Semarang, Adi Sucipto Airport in Surakarta and International Ports in Tanjung Emas Semarang and Tanjung Intan Cilacap. In addition, Central Java has also been supported by the Trans Java Toll infrastructure, where of the eight Trans Java Toll road priorities, five of which, namely the Pejagan-Semarang-Solo-Mantingan section along 301.85 km, are in operation. While there are still three other sections that are currently still in the status of land acquisition and construction processes, i.e the Semarang-Demak, Bawen-Yogyakarta and Solo-Yogyakarta sections.

Supporting the infrastructure that has been available at this time, the electricity network system in Central Java has an installed capacity of 7,303.97 Mega Watts. In addition, there are currently three additional power plants under construction, located in Batang with a capacity of 2 x 1,000 Mega Watts; Tanjung Jati B Jepara units 5-6 with a capacity of 2 x 1,000 Mega Watt and Cilacap II expansion of 1 x 1,000 Mega Watt.

Railroad network that crosses in Central Java, as a whole, reaches a length of 1,557 Km. Where the length of which has been operating up to now is 894 km long, consisting of a Single Track of 351.28 Km and Double Track of 542.72 Km. And there are still 663 Km Non-Operational.

Ladies and gentlemen, in order to attract investors in Central Java, the Central Government has provided tax incentives to the businesses by issuing tax incentives. The forms of policy include: Tax Holiday, as stipulated in the Minister of Finance Regulation Number 150/2018; Tax Allowance, as Government Regulation number 9 of 2016; Import Duty Facility, as stated in Minister of Finance Regulation No. 176 / PMK.011 / 2009; Green Lane Facility, a facility for customs and excise at Indonesian ports for capital goods, machinery or raw materials and for new companies that are under construction; Super Tax Deduction, which is regulated in Government Regulation No. 45/2019, which aims to strengthen the quality of human resources and innovation as well as the development of export-oriented labor-intensive industries. The Super Tax Deduction facility is given to: vocational development (reduced to 200%), research and development (reduced by 200%) and labor-intensive industries (reduced by 60%).

Online Single Submission (OSS) is another policy has been issued by the Central Java Provincial Government to facilitate businesses who will invest in Central Java Province. The OSS is an Electronically Integrated Investment Licensing System, which was launched on July 9, 2018. This system refers to Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services and Presidential Regulation Number 91 of 2017.

Ladies and gentlemen, regarding investment opportunities in Central Java, several things we can convey that Central Java has been chosen selectively as one of the two Provinces in Indonesia to achieve accelerated economic growth. That is because, the Central Government believes that the higher the economic growth of Central Java the greater its contribution to the national economy. In this regard, President Joko Widodo in a cabinet meeting in mid-July 2019 agreed to support and prioritize the development of 1. The Kendal Industrial Park; 2. Development of a New Industrial Estate (north coast of Central Java) in Brebes; and 3. Borobudur Tourism Strategic Area.

Firstly, the Kendal Industrial Park, this area is fully supported by the Indonesian Government through Jababeka & Co, whose share is 51% and the remaining 49% by the Government of Singapore through Sembcorp. There are 34 tenants in the Kendal Industrial Estate as of July 2019. The top three industries in the Kendal Industrial Estate are 20% engaged in the fashion industry, 16% are in the food and drinking industry and 14% are engaged in the packaging sector. Furthermore, the Kendal Industrial Park as the Indonesian National Strategic Project has been established with the official launch by President Joko Widodo and Prime Minister Lee Hsien Loong in November 2016. Then, followed by several meeting held in September 2017, October 2018 and August 2019, the National Council for Special Economic Zones finally agreed to grant the status of Special Economic Zones 4.0 for the Kendal Industrial Zone. As an integrated part of the Kendal Industrial Zone, Kendal Sea Port needs to be developed into a Smart Logistic Port as an alternative terminal for the Semarang Tanjung Emas Sea Port which is constrained by land subsidence and flooding. In addition, the development is expected to increase Central Java's logistics capacity to 1.5 million Teus, and reduce logistics costs by 3 to 5%.

Next to the Kendal Industrial Park, it is planned to build a steel plant by the joint venture Hebei Bishi Steel Group and PT Sefer industrial estate with a total investment of USD 2.5 billion. In the first phase, it is expected to produce 3 million tons of steel and in the second phase of 6 million tons of steel, all of which are supported by a special container port with a capacity of 100,000 deadweight vessels. This development is expected to be able to absorb around 10 thousand workers.

Secondly, the Brebes Industrial Estate, both central and Central Java government have agreed to prioritize the Brebes Regency and its surrounding areas as a new Industrial Estate in the north coast of Central Java. In addition there are also several other industrial estates that are developing in Central Java, namely: Wijaya Kusuma Industrial Estate in Semarang, Central Java Sayung Industrial Park in Semarang, Bukit Semarang Baru (BSB) Industrial Park Semarang, and Tanjung Emas Export Processing Zone in Semarang.

Thirdly, Borobudur Temple as one of the "10 New Bali", which is the policy of the central government to develop 10 new tourist destinations that can attract tourists from foreign countries. The development of Borobudur as "The World Cultural Masterpiece" is based on the side of science, architecture, religion, culture and social economy, as the center of relations and tolerance between religious communities and the main tourism objects and potential creative economy. Accessibility to Borobudur Temple can be reached via the Port of Tanjung Emas by Cruise Ship, Ahmad Yani Airport in Semarang, Adi Sumarmo Airport in Surakarta and via Yogyakarta. Besides that, the River Side Walk project on the Progo River which is approximately 4.6 km away and the development area of approximately 38.3 Ha is currently planned, with the concept of community-based tourism involving tourism villages along the river. Nomadic Tourism Development which is about 5 km from Borobudur Temple, Borobudur Intelligent Pavilion Development, Telogo Wening Agro Edu-Park development and the development of Penggaron Central Java Park.

Respected forum participants, those are some things that we can convey as an illustration of the promotion and opportunities to invest in Central Java. We have great hope that what we have stated above can encourage investment in Central Java.

That is all and thank you.

“Sub-national Competitiveness and Quality-Adjusted Labour Productivity of Indonesia”



**Presenters from ACI-LKYSPP, NUS (from left to right):
Ms S Shalini Sivakrishnan, Mr Andika Eka Satria, Ms Tanya Edwina Belatur, Ms Doris Liew Wan Yin, Research Assistants, Dr Zhang Xuayao, Research Fellow and Deputy Director (Research) and Associate Professor Tilak Abeysinghe**



**Moderator from ACI-LKYSPP, NUS (fourth from left):
Ms Sumedha Gupta, Research Assistant**

Discussants for Session 2:



Dr Prasetyo Aribowo
**Head, Provincial Government of Central Java Regional Planning
Research and Development Agency, Republic of Indonesia**



Professor Shen Kaiyan
**Director, Institute of Economics, Shanghai Academy of Social Sciences,
People's Republic of China**

Session 3a

“2019 Annual Indices for Expatriates and Ordinary Residents on Cost of Living, Wages and Purchasing Power for World’s Major Cities”



**Presenters from ACI-LKYSPP, NUS (from left to right):
Mr Lim Tao Oei, Mr Sky Chua Jun Jie, Research Assistants and
Associate Professor Tan Khee Giap, Co-Director**

Session 3b

“A Case on Hong Kong Case Study – Some Deep-seated Economic Factors behind the Massive Protests?”



**Presenters from ACI-LKYSPP, NUS (from left to right):
Mr Lim Tao Oei, Research Assistant, Dr Zhang Xuyao, Research Fellow and Deputy Director
(Research) and Associate Professor Tan Khee Giap, Co-Director**



**Moderator from ACI-LKYSPP, NUS (first from right):
Ms S Shalini Sivakrishnan, Research Assistant**

Discussants for Session 3:



**Mr Leslie Fong
Former Chief Editor, The Straits Times, Singapore**



Professor Ajit Mishra
Director, Institute of Economic Growth, India



Dr Wang Hongxia
Senior Researcher, Shanghai Academy of Social Sciences, People's Republic of China

Programme

2019 ASIA ECONOMIC FORUM Seminar I: Economic Competitiveness and Quality-Adjusted Labour Productivity for ASEAN Economies

JOINTLY ORGANISED BY
THE WORLD BANK GROUP
&

ASIA COMPETITIVENESS INSTITUTE (ACI) AT LEE KUAN YEW SCHOOL OF
PUBLIC POLICY (LKYSPP), NATIONAL UNIVERSITY OF SINGAPORE (NUS)

29 AUGUST 2019

Dress Code: Business Attire

Venue: Lobby, Oei Tiong Ham Building, LKYSPP, NUS

Time	Programme
0830 – 0855	Arrival of Keynote Speaker, Discussants, Moderators, Presenters and Participants
0900 – 0910	Welcome Remarks Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS
0910 – 0920	Opening Remarks by Guest of Honour Ms Jyoti Shukla Director, Singapore Infrastructure and Urban Development Hub, The World Bank
0920 – 0950	Keynote Speech: “Climate Change and Competitiveness” Keynote Speaker Dr Benoit Bosquet Regional Director, Sustainable Development, East Asia & Pacific, The World Bank
0950 – 1005	Question & Answer Moderator: Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS
1005 – 1020	Coffee/Tea Break
1020 – 1155	Session I: National Competitiveness and Quality-Adjusted Labour Productivity of ASEAN-Economies
1020 – 1025	Moderator: Dr Zhang Xuyao Research Fellow and Deputy Director (Research), ACI-LKYSPP, NUS
1025 – 1040	Session 1a: 2019 Annual Update of ACI’s Competitiveness Ranking and Simulation Studies on ASEAN-10 Presenters: <ul style="list-style-type: none">Mr Tan Kway Guan Research Assistant, ACI-LKYSPP, NUS

Time	Programme
1040 – 1055	<ul style="list-style-type: none"> • Ms Doris Liew Wan Yin Research Assistant, ACI-LKYSPP, NUS • Ms Melissa Poh Wei Le Research Assistant, ACI-LKYSPP, NUS <p>Session 1b: Quality-Adjusted Labour Productivity in ASEAN-5 Economies</p> <p>Presenters:</p> <ul style="list-style-type: none"> • Mr Tan Kway Guan Research Assistant, ACI-LKYSPP, NUS • Associate Professor Tilak Abeyasinghe Adjunct Associate Professor, ACI-LKYSPP, NUS
1055 – 1110	<p>Discussant 1 for Sessions 1a & 1b: Dr Manoj Panda RBI Chair Professor, Institute of Economic Growth, India</p>
1110 – 1125	<p>Discussant 2 for Sessions 1a & 1b: Dr Lu Hsin-Chang Associate Professor, College of Management, National Taiwan University, Taiwan, ROC</p>
1125 – 1140	<p>Discussant 3 for Sessions 1a & 1b: Dr Claire Honore Hollweg Senior Country Economist, Macroeconomics, Trade & Investment, The World Bank</p>
1140 – 1155	<p>Question & Answer</p>
1155 – 1225	<p>Forum Luncheon Talk: “Investment Promotion and Opportunities for Central Java, Indonesia”</p> <p>Distinguished Luncheon Speaker: Dr Prasetyo Aribowo Head, Provincial Government of Central Java Regional Planning Research and Development Agency, Indonesia</p>
1225 – 1240	<p>Question and Answer</p> <p>Moderator Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS</p>
1240 – 1400	<p>Lunch</p>
1400 – 1535	<p>Session 2: Sub-national Competitiveness and Quality-Adjusted Labour Productivity of Indonesia</p>
1400 – 1405	<p>Moderator: Ms Sumedha Gupta Research Assistant, ACI-LKYSPP, NUS</p>
1405 – 1420	<p>Session 2a: 2019 Annual Update of ACI’s Competitiveness Ranking and Simulation Studies on Indonesian Provinces and Regions</p> <p>Presenters:</p> <ul style="list-style-type: none"> • Ms S Shalini Sivakrishnan Research Assistant, ACI-LKYSPP, NUS • Mr Andika Eka Satria Research Assistant, ACI-LKYSPP, NUS • Ms Tanya Edwina Belatur

Time	Programme
1420 – 1435	<p>Research Assistant, ACI-LKYSPP, NUS</p> <ul style="list-style-type: none"> • Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS <p>Session 2b: Quality-Adjusted Labour Productivity of Indonesia Sub-national Economies</p> <p>Presenters:</p> <ul style="list-style-type: none"> • Ms Doris Liew Wan Yin Research Assistant, ACI-LKYSPP, NUS • Dr Zhang Xuyao Research Fellow and Deputy Director (Research), ACI-LKYSPP, NUS • Associate Professor Tilak Abeyasinghe Adjunct Associate Professor, ACI-LKYSPP, NUS
1435 – 1450	<p>Discussant 1 for Session 2a & 2b: Dr Prasetyo Aribowo Head, Provincial Government of Central Java Regional Planning Research and Development Agency, Indonesia</p>
1450 – 1505	<p>Discussant 2 for Session 2b Professor Shen Kaiyan Director, Institute of Economics, Shanghai Academy of Social Sciences, People’s Republic of China</p>
1505 – 1520	<p>Question & Answer</p>
1520 – 1535	<p>Coffee/Tea Break</p>
1535 – 1540	<p>Moderator: Ms S Shalini Sivakrishnan Research Assistant, ACI-LKYSPP, NUS</p>
1540 – 1555	<p>Session 3a: 2019 Annual Indices for Expatriates and Ordinary Residents on Cost of Living, Wages and Purchasing Power for World’s Major Cities</p> <p>Presenters:</p> <ul style="list-style-type: none"> • Mr Lim Tao Oei Research Assistant, ACI-LKYSPP, NUS • Mr Sky Chua Jun Jie Research Assistant, ACI-LKYSPP, NUS • Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS
1555 – 1610	<p>Session 3b: A Case on Hong Kong Case Study – Some Deep-seated Economic Factors behind the Massive Protests?</p> <p>Presenters:</p> <ul style="list-style-type: none"> • Mr Lim Tao Oei Research Assistant, ACI-LKYSPP, NUS • Dr Zhang Xuyao Research Fellow and Deputy Director (Research), ACI-LKYSPP, NUS • Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS
1610 – 1625	<p>Discussant 1: Mr Leslie Fong Former Chief Editor, The Straits Times, Singapore</p>
1625 – 1640	<p>Discussant 2: Professor Ajit Mishra</p>

Time	Programme
1640 – 1655	Director, Institute of Economic Growth, India Discussant 3: Dr Wang Hongxia Senior Researcher, Shanghai Academy of Social Sciences, People’s Republic of China
1655 – 1710	Question & Answer
1710 – 1720	Closing Remarks and Future Research Agenda Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS
END OF SEMINAR I	

Profiles of Speakers, Discussants and Moderators

(in alphabetical order)

Jyoti SHUKLA

Ms Shukla is Director of the World Bank in Singapore. The Singapore Hub comprises of 200 staff from the World Bank, IFC, and MIGA, and focuses primarily on improving infrastructure services and promoting smart urban development through public-private sector partnerships. Ms Shukla joined the World Bank as a Young Professional in 1994 and has since held multiple positions, largely in the area of public-private partnerships in infrastructure. Her most recent position in the Bank Group has been as Director of the Global Water Practice. Ms Shukla holds masters' degrees from the Delhi School of Economics and the Woodrow Wilson School of Public and International Affairs at Princeton University. Before joining the World Bank, she held a faculty position at Princeton University and worked with a development consulting firm in India.

Tilak ABEYSINGHE

Tilak Abeysinghe has been with the Department of Economics at the National University of Singapore since 1988. He also served the Department as a Visiting Professor before he retired in July 2019. He holds an Adjunct position in the Asia Competitiveness Institute, NUS. In July 2017 he took up a new offer as the Research Director of the Gamani Corea Foundation, a private Foundation, in Colombo. He served as the Director of the Singapore Centre for Applied and Policy Economics and an Executive Committee member of the Department of Economics. He held other important administrative responsibilities at NUS such as Deputy/Acting Headship, Director of Economics Graduate Program and member of the Faculty Tenure and Promotion Committee. He was also a visiting professor at Kyoto University and Peradeniya University. He coordinated the keenly awaited monthly newspaper column in The Straits Times, "Ask NUS economists". He obtained his PhD in Economics/Econometrics from the University of Manitoba and worked for the United States Agency for International Development (Colombo) before joining NUS in 1988. His research interests lie in a range of theoretical and applied econometric topics that include the Singapore economy, housing affordability, stress and cancer and quantitative health research. He has published in various reputable international journals like Journal of Econometrics and NBER paper series. A major line of his research has been the econometric modelling of the Singapore economy, forecasting and policy analyses. As the coordinator of the Econometric Studies Unit since 1992 he has built a number of econometric models, one of which appears in the Routledge book, The Singapore Economy: An Econometric Perspective. Policy analyses based on these models have appeared in news media frequently. He has supervised a large number of PhD, Masters and Honours students.

Andika Eka Satria

Andika Eka Satria is a Master of Public Policy candidate at Lee Kuan Yew School of Public Policy, where he is the awardee of the merit-based Lee Foundation Scholarship. Currently, he works as a Graduate Research Associate in Asia Competitiveness Institute, as a part of the team for conducting annual Indonesia Competitiveness Analysis. Previously, Dika was an analyst for Indonesian Coordinating Ministry for Economic Affairs, working on developing Special Economic Zones in Indonesia. Dika has a degree in Urban Planning from Bandung Institute of Technology. His research interests consist of economic development, urban planning, and tech & disruptive technology.

Benoit BOSQUET

Benoît Bosquet is the Regional Director for Sustainable Development for the East Asia and Pacific Region of the World Bank. Prior to this he was Director for Environment and Natural Resources. Benoît has also been the Practice Manager for Environment and Natural Resources in West and Central Africa and the Indian Ocean islands. He has coordinated global partnerships for climate change mitigation, including the Prototype Carbon Fund, BioCarbon Fund and Forest Carbon Partnership Facility. As a Task Team Leader he managed projects in Costa Rica and Mexico. He has lived in Russia and Madagascar, and has 25 years of experience working on environmental protection, natural resource management and humanitarian relief in developing countries and emerging economies (mostly in Africa, Europe and Central Asia, and Latin America). Benoît Bosquet is Belgian. He holds an M.A. in International Relations from the Johns Hopkins University School of Advanced International Studies and a PhD in Environmental Policy from the University of Maryland.

Sky CHUA Jun Jie

Sky Chua is a Research Assistant at the Asia Competitiveness Institute, Lee Kuan Yew School of Public Policy, National University of Singapore. He graduated with a First Class Honours from University of London with a Bachelor of Science degree in Economics and Politics. He is currently involved in the Annual Indices for Expatriates and Ordinary Residents on Cost of Living, Wages and Purchasing Power for World's Major Cities, Global Liveable and Smart Cities Index as well as the Annual Competitiveness Analysis and Development Strategies for 34 Greater China Economies. His research interest includes Public Policy, International Political Economy, Developmental Economics & Socioeconomics Studies.

Leslie FONG Yin Leong

Leslie Fong went to Trafalgar Primary School and then Raffles Institution. After obtaining his Higher School Certificate, family circumstances made it necessary for him to start working life. He joined The Straits Times in August 1969 and has stayed with the company ever since. Between 1983 and 1986, he was seconded to Shin Min Daily News, where he became its de-facto Chief

Editor. He became Editor of the Straits Times in 1987 at the age of 37. He handed over editorship to Mr Han Fook Kwang in September 2002 and became Editor-at-Large with special responsibilities for China. In April 2005, he took over as Head of Marketing Division and was promoted to Senior Executive Vice-President, Marketing in January 2008. He retired from full-time work with SPH in December 2015 but has stayed on as director of several SPH subsidiaries, including Streetsine Technology and 701/702/703 Search. He has also found time now to return to his first love, writing, and now contributes political commentaries to both The Straits Times and The South China Morning Post.

Sumedha GUPTA

Sumedha is currently working as a Research Assistant at Asia Competitiveness Institute at the Lee Kuan Yew School of Public Policy, National University of Singapore (NUS). She graduated from NUS with Master of Social Sciences (Applied Economics) degree and was among the top five percent students in Public Finance and Urban Economics. Prior to this, she had graduated with a First Class Honours degree in Commerce from Shri Ram College of Commerce, New Delhi. She is currently the coordinator for the Annual Competitiveness Analysis of 36 Indian Sub-National Economies and the Quality Adjusted Labour Productivity Study for the States and Federal Territories of India. She is also involved with the project Productivity Tracking and Efficiency Monitoring of Micro, Small and Medium Enterprises in Uttarakhand. Her research interests include public policy and development economics.

Claire Honore HOLLWEG

Claire H. Hollweg is the Senior Country Economist for the World Bank in Cambodia working on growth and fiscal policy. She joined the World Bank in 2011 specializing in international trade. Her research interests include development economics, with a focus on the nexus between trade, labor markets, servicification of manufacturing, and upgrading in global value chains. She received her PhD and MA in economics from the University of Adelaide. Before studying economics, she worked as a journalist in newspaper and radio, and she holds a BS from the University of Colorado at Boulder. She also has worked with the government of South Australia and the Pacific Economic Cooperation Council in Singapore.

Doris LIEW Wan Yin

Doris Liew is a Research Assistant at the Asia Competitiveness Institute, Lee Kuan Yew School of Public Policy, National University of Singapore. Doris graduated from Nanyang Technological University with a Bachelor of Arts (Honours) in Economics with Distinction and a minor in Public Policy and Global Affairs. She is currently the project coordinator for Annual Competitiveness Rankings and Simulation Studies for Indonesia, Quality-Adjusted Labour Productivity for Indonesia Sub-national Economies and the Indonesia Special Economic Zone Project. She is also involved in the Annual Competitiveness Analysis and Development for ASEAN-10 Economies as well as Quality-Adjusted Labour Productivity for ASEAN Economies. Her research interests include ASEAN economics, environmental economics, international trade and development economics.

LIM Tao Oei

Lim Tao Oei is a Research Assistant and Assistant Director (Project Management) at the Asia Competitiveness Institute (ACI), Lee Kuan Yew School of Public Policy, National University of Singapore (NUS). He graduated from NUS with a Bachelor of Social Sciences with Honours (Distinction) in Economics and specialized in Applied and Policy Economics. At ACI, Tao Oei focuses on research related to cities and is the project coordinator for studies such as the Greater China Liveable Cities Index, Global Liveable and Smart Cities Index as well as the Annual Indices for Cost of Living, Wages and Purchasing Power of Expatriates and Ordinary Residents. In addition, he is actively engaged in the research projects including the Welfare Spending and Budget Sustainability of Organisation of Economic Development and Cooperation economies, Productivity Tracking and Independent Review and Efficiency Monitoring of Real Time Outcome Monitoring System for the Government of Andhra Pradesh, India. He previously coordinated the Urban Composite Development Index for 17 Shandong Cities: Ranking and Simulation Analysis and contributed to the Productivity Tracking and Efficiency Monitoring of Small and Medium Enterprises in Singapore. His research interests include behavioural economics, urban economics, industrial organisation and labour economics.

LU Hsin-Chang

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Federalization of Consumers Finance and Korean Labor Union to address the issue of individual debt and credit crisis for consumers in East Asian countries.

Ajit MISHRA

Ajit Mishra is the current Director of the Institute of Economic Growth, Delhi, India. After completing his PhD from the Delhi School of Economics in 1994, he has been actively engaged in research and lecturing over the last twenty-five years in several areas of economics: economic development, public economics, and economic theory. Prior to joining the Institute, he taught at the University of Bath, UK. Besides Bath, he has taught at various institutions including University of Dundee, UK; Scottish Graduate Programme, University of Edinburgh, UK; Delhi School of Economics, Indira Gandhi Institute of Development Research, and Ashoka University, India. He has made significant contributions in the field of development economics with key areas being the study of corruption and governance; incentives and public provision; inequality; vulnerability and poverty. Besides several papers in international refereed journals, he has published two books- Economics of Corruption (Oxford University Press, 2005) and Markets, Governance and Institutions in the Process of Economic Development (eds. Oxford University Press, 2018, with T Ray). He is an Associate Editor of a leading journal (Journal of Economic Behavior and Organization, Elsevier) and has been a Guest Editor of various journals for their special issues. Both nationally and internationally, he has given research seminars and public lectures in more than fifty odd departments. He has also contributed to Handbooks (Edward Elgar, Princeton University Press) and Companions (Oxford University) on topics related to corruption and inequality. He has been an academic visitor in several leading universities including Boston University, Cornell University, Louisiana State University, Loyola (USA), Monash University (Australia), University of Bergen, Christian Michelsen Institute (Norway), Hebrew University (Israel), WIDER (Finland), and Stellenbosch University (South Africa). He has made contributions in non-academic policy and consultancy spheres too. He has been a consultant to the UNDP and the World Bank and a member of various policy research centres.

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Mr Manoj Panda is the RBI Chair Professor at the Institute of Economic Growth, Delhi. He was Director of the Institute of Economic Growth (Nov. 2012 to June 2019) and of the Centre for Economic and Social Studies (CESS), Hyderabad (Dec 2008 to Nov. 2012). He has served in various academic positions at the Indira Gandhi Institute of Development Research (IGIDR), Mumbai (1992-2012) and the National Council of Applied Economic Research, New Delhi (1982-92). He has also spent a year at the Yale University, USA on a post-doctoral fellowship (1996-97). He holds a PhD in Economics from the Indian Statistical Institute. His research areas span monitoring and analysis of macroeconomic trends and prospects, development of computable general equilibrium (CGE) models and applications to analysis of alternative trade and fiscal policy options, construction of Social Accounting Matrix, interaction of growth with inequality, poverty and carbon emission.

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Melissa Poh is a Research Assistant at the Asia Competitiveness Institute, Lee Kuan Yew School of Public Policy, National University of Singapore. Melissa graduated from the National University of Singapore with a Bachelor's of Arts and Social Sciences (Hons), majoring in Sociology. She is currently involved in the Competitiveness Rankings and Simulation Studies for ASEAN-10 Economies, the Welfare Spending and Budget Sustainability project for ASEAN, the Competitiveness Rankings and Simulation Studies for India, and the World Toilet Organisation (WTO) Index. Melissa's research interests include inequality and public policy.

Prasetyo Aribowo

Dr Prasetyo Aribowo is presently the Head of Regional Planning, Research and Development Agency of Central Java Province. Prior to joining this Office, Dr Aribowo held several lead positions, as the Head of Capital Investment and One Stop Licensing Services Agency (2016–2018), the Head of Tourism and Culture Agency (2011–2015), the Head of Law Bureau (2008 – 2010), the Head of Economy Division at Regional Planning, Research and Development Agency (2003-2006), the Head of Industry Subdivision, Bureau of Regional Economy (1998–2001) and the Head of Regional Promotion Sub Division (2001 – 2003). In his early career, after joining the Central Java Civil Services Force in 1987, Dr Aribowo has been posted in Banyumas District, as the Head of Village Governance Subdivision (1990–1992) and the Head of Planning Subdivision at the Regional Revenue Agency (1992–1997). He was then appointed as the adjutant of the Vice Governor in 1998. In his capacity as the Head of Investment Agency, Dr Aribowo was the Speaker in Indonesia- Russia Business Forum in Moscow, Russia (2017), Indonesia Investment Forum in Istanbul, Turkey (2018) and Indonesia Investment Day in Singapore (2018). In 2019, Dr Aribowo was part of the Central Java Governor delegation in the Indonesia-Russia Business Forum meeting in Moscow again. He attended the Summer Academy Symposium on Local Economic Development in Germany, commissioned by GTZ-RED in 2017. During his term as Head of Regional Promotion Subdivision, he has conducted a number of international trade missions in Hong Kong, China, Taiwan, Thailand, Malaysia in 2001 and in United Arab Emirates in 2002. He was also assigned to attend the 255th World Council Craft (WCC) Assembly in Malaysia in September 2001. Under his leadership, Central Java Province achieved the Best Tourism Office from Indonesian Publishers Association in 2014, the Best Province for One-Stop Integrated Services from Indonesian Investment Coordinating Board in 2018 and the Best Province for Regional Development Planning awarded in 2019 by the President of the Republic of Indonesia. Dr Prasetyo Aribowo has been elected as the Commissioner of PT. Penggaron Sarana Semesta (2017-2022) and the Commissioner of PT. Kawasan Industri Wijayakusuma State Owned Enterprise (2019-2024). He was the Commissioner of PT. Sarana Patra Hulu Cepu (2009-2013) and the Head of the Supervisory Board of BPR Bank BKK Ungaran (2015-2018). Born on 15 November 1961, Prasetyo obtained his Doctorate Degree in Development Studies from Satya Wacana Christian University, Salatiga, Central Java in 2012. He earned Master Degree in Local Government and Development from Birmingham University, UK in 1997. His Bachelor Degree is in International Law, obtained from Diponegoro University, Semarang, Central Java in 1985. Dr Prasetyo Aribowo

received the Satyalancana Karya Satya XX Award in 2013 from the President of the Republic of Indonesia for his over twenty years of services as civil servant.

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Shen Kaiyan, PhD in Economics, Research Professor. Director of the Institute of Economics, Shanghai Academy of Social Sciences and Vice President of the Shanghai Economics Association. Graduated from the Economics Department of Nanjing University and the Shanghai Academy of Social Sciences. Her main research areas are political economy, macroeconomic theory and practice, China's economic reform and development, and the Indian economy. She has presided over more than 10 national social science fund projects, Shanghai social science fund projects, and Shanghai decision-making consulting projects, and published nearly 100 academic papers on economics. Her masterpieces include "Shanghai Economic Development Blue Book", "India Economic Reform for 20 Years----Theory, Evidence and Comparison", "BRIC E-Commerce Development Report", "Structural Adjustment and Transformation of Economic Development Mode", "Leap-forward Development of Tibet Economy: Theory and Policies", etc.

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TAN Khee Giap

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Tan Kway Guan is a Research Assistant at the Asia Competitiveness Institute, Lee Kuan Yew School of Public Policy, National University of Singapore. Kway Guan graduated from the University of Western Australia with a Master of Economics and a Bachelor of Commerce, double major in Economics. He is currently the project coordinator for the Annual Competitiveness Analysis and Development Strategies for ASEAN 10 Economies, Quality-Adjusted Labour Productivity for ASEAN Economies. He is also assisting in the Annual Indices for Purchasing Power, Cost of living and Wages for Expatriates and Average Residents for 105 Cities. His research interests include development economics and energy economics.

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ZHANG Xuyao

Zhang Xuyao is a Research Fellow at the Asia Competitiveness Institute (ACI) at the Lee Kuan Yew School of Public Policy, National University of Singapore (NUS). Dr Zhang received his PhD in Economics from NUS in 2016 and obtained his Bachelor (Honors) degree in Applied Mathematics from NUS as well in 2012. During the PhD candidature, he worked as teaching assistant in conducting undergraduate tutorials, such as Microeconomics, Macroeconomics and Managerial Economics. His research focuses on Industrial Organizations, Applied Game Theory, and Public Economics. In particular, he is interested in technology transfers and anti-trust policies. He studies the optimal environmental taxation on the pollution problems in the presence of corruption. He also works on the beneficiary of research joint ventures with technology transfer. He also studies the Qualcomm's anti-trust case in China. At ACI, Dr Zhang is supervising all the Competitiveness Projects (ASEAN, China, India and Indonesia). He is the coordinator for the Quality Adjusted Labour Productivity Project, Welfare Spending and Budget Sustainability project and Shandong Urban Composite Development Index project. He is also the co-coordinator for the project studying the impact of exchange rate on trade at provincial level of Mainland China. Dr Zhang is also working on the methodology of applying the concept of Shapley values to index ranking analysis. This method will subsequently serve as a robustness check to all the competitiveness ranking studies in ACI. Additional projects he is working on include the construction of the Special Economic Development Area index, the construction of Infrastructure index and the Independent Review and Efficiency Monitoring (IREM) of Real Time Outcome Monitoring System (ROMS) for the Government of Andhra Pradesh (GoAP), India.

Media Coverage

XinhuaNet, 29 August 2019

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World needs to act fast on climate change: World Bank representative - Xinhua | English.news.cn



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Wednesday, September 4, 2019

World needs to act fast on climate change: World Bank representative

Source: Xinhua | 2019-08-29 22:54:07 | Editor: yan

SINGAPORE, Aug. 29 (Xinhua) – If countries, sectors and firms do not transit to a low-carbon economy and become climate resilient, climate change will have a drastic impact on the competitiveness of these economies.

This is the warning from Benoit Bosquet, the World Bank's regional director for sustainable development in East Asia and Pacific.

He was delivering the keynote address "Climate Change and Competitiveness" at the 2019 Asia Economic Forum here Thursday at the Bukit Timah campus of the National University of Singapore (NUS).

Kicking off from Aug 29, the two-day forum is jointly organized by the World Bank Group and the Asia Competitiveness Institute (ACI), a research institution at the Lee Kuan Yew School of Public Policy (LKYSPP) at NUS.

Bosquet cited findings by the United Nations' Intergovernmental Panel on Climate Change (IPCC), which said the world could see global warming of 1.5 degrees centigrade by 2030 and 2050s, if it continues to increase at the current rate of carbon emissions.

As the world heats up, the risk of positive feedback in global weather systems causing "runaway warming with catastrophic impacts" grows considerably, said Bosquet.

For one, firms in the agricultural and tourism sector will be impacted as they directly depend on climate conditions for the goods and services they produce. Furthermore, the projected scarcity of water resources may affect a large number of sectors, he said. In some regions, firms' labour productivity will be affected by the health implications of climate change.

Corporate assets will be exposed to increased risks from extreme climate events like storms and wildfires, while supply chains will be impacted, added Bosquet.

On the other hand, Bosquet believes that action taken to address climate change can boost the competitiveness of countries, sectors and companies.

Governments ought to invest in "climate resilient infrastructure" and put into place policy incentives conducive for climate-smart investments, green finance and innovative technologies. These can range from energy or water subsidies or creating clear policies such as setting a price for carbon, he said.

Furthermore, businesses need to "build a climate and sustainability lens" into their investments, scale up clean technologies, and reduce their climate footprint to maintain their competitive edge.

www.xinhuanet.com/english/2019-08/29/c_138348908.htm

1/2

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World needs to act fast on climate change: World Bank representative - Xinhua | English.news.cn

There have been positive shifts in recent years. Increasingly, investors are seeking green opportunities, he noted. While most of the global investment in green assets is from Europe, the "attitudes in this region are changing," said Bosquet.

Three Singaporean banks have stopped financing coal-powered plants, while other local investors are banking renewable energy projects in Indonesia, Myanmar and the Philippines, he said.

However, the challenge remains as most companies "do not have the expertise to assess and manage novel risks associated with physical and regulatory changes" across different locations.

Hence, the financial and insurance sectors are crucial in "sending the right price signals" to change business behaviour and consumer choice, said Bosquet.

They can also help provide investors with better information on how companies are handling climate risks and preparing for a low-carbon economy.

Citing how some scientists have said the world is "sleep-walking into disaster and catastrophe" in terms of a lack of awareness of the risks of climate change, Bosquet said there needs to be more global awareness and greater regulatory change.

"It's late, but never too late... The world must act now and take much faster action at all levels, businesses, individuals, academia, governments, international organisations, financial sector. It's happening, but not happening fast enough."

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South China Morning Post

Politics

Economic discontent a primary force behind Hong Kong unrest, researchers in Singapore say

With many workers struggling to make ends meet and the young lacking a meaningful stake in the economy, hopes for a better future have been dashed, academics argue. But others say there is a 'reservoir of emotional rage and anger' brewing and an overhaul of the 'one country, two systems' formula is needed.

Topic | Hong Kong protests



Toh Ee Ming

Published: 11:03pm, 29 Aug, 2019 ▾

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Economic discontent a primary force behind Hong Kong unrest, researchers in Singapore say | South China Morning Post



Hong Kong [1]'s increasingly violent anti-government protests have been largely fuelled by economic discontent, despite assertions by demonstrators that they are pushing back against encroaching influence by Beijing, an academic forum in Singapore [2] heard on Thursday.

The major concerns among young people, who have been driving the protests, are bread-and-butter issues such as worsening inequality, the rising cost of living and competition for jobs with mainland Chinese migrants – all of which have dampened hopes for a better future, according to three researchers from the Lee Kuan Yew School of Public Policy's Asia Competitiveness Institute (ACI).

Hong Kong's Gini coefficient, which measures income inequality, shot up from 0.451 in 1981 to 0.539 by 2016. Property prices have continued to rise while the cost of living for ordinary residents – in 2011 only 63rd among 105 cities worldwide – had risen to 51st, according to ACI research.

Many workers found it difficult to make ends meet, said Tan Khee Giap, who is the case study's principal investigator and a co-director of the ACI.

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Students at the Chinese University of Hong Kong in Sha Tin hold a protest on Wednesday. Photo: Dickson Lee

Between 1984 and 2018, average annual wage growth among workers up to the supervisory level edged up by just 1.12 per cent. In the same period, middle managers and professionals saw a mere 1.47 per cent rise.

Tan said the signs of serious income inequality had existed since the 1980s.

“The seed was planted a long time ago. In the 80s, income disparity in Hong Kong was what it is in Singapore or Malaysia now,” the associate professor said. “[It is] very serious, if not one of the most serious in the world.”

[Hong Kong protests: class boycott organisers claim support of thousands](#)

[3]

Tan and two other researchers, Lim Tao Oei and Zhang Xuyao, presented their conclusions to an audience of about 100. The trio said another economic worry Hong Kong’s youth had was the competition for white-collar jobs with mainland Chinese.

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Economic discontent a primary force behind Hong Kong unrest, researchers in Singapore say | South China Morning Post

“The massive protests by young Hongkongers may have been encouraged consciously or unconsciously by some deep-seated economic factors related to their rightful stake in the economy,” they said.

The city has been rocked by escalating unrest since June sparked by a now-shelved extradition bill that would have allowed extradition to mainland China. The summer of discontent has helped push the economy towards the brink of recession and create doubts among investors.



Riot police in Ngau Tau Kok last week. Photo: Sam Tsang

Tan said if the situation continued to fester there would be an adverse impact on tourism, business sentiment, aviation and financial services as well as a significant long-term deterioration of the city at large.

He was of the view that Singapore would benefit as a financial centre amid the troubles of its main competitor.

“At the rate it is going, Singapore will not need to replace Hong Kong ... Hong Kong will replace itself ... without being pushed by us,” he said.

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To quell the widespread and growing discontent among residents and enable the young to establish a stake in the economy, the government should focus on addressing the root causes of the high cost of living and income inequality, the researchers argued.

[Hong Kong's protests have been hijacked by extremists. Stop wearing black if you don't support them](#)

[4]

Greater financial assistance for the poor to help with public housing, health care and education were needed, and in the longer term a stronger emphasis on social mobility by strengthening the workforce through skills training, they added.

But Ajit Mishra, director of the Institute of Economic Growth in India, told the forum that perception, rather than the economic reality, was also a cause of discontent.

“In many cases, inequality might not be high, but if a society perceives inequality is going to grow in future, the perception of future inequality can also drive social unrest,” he said.



Hong Kong leader Carrie Lam. Photo: AP

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Leslie Fong, former chief editor of Singapore broadsheet *The Straits Times*, agreed that the statistics had underpinned the emotional backdrop to the turbulence.

But he argued other factors besides economics were brewing “a reservoir of emotional rage and anger”.

He called the protests a “politically motivated uprising” instigated by foreign interference, but said that Hongkongers were also objecting to “what they see as an incompetent government” and unchecked capitalism. The protests showed their “fear of China”, he added.

Tan said officials could look at introducing previously stalled national education into the school curriculum to instil a sense of belonging to China.

[How Hong Kong protesters are turning off their mainland Chinese supporters](#)

[5]

On how to solve the current impasse, Fong believed “Beijing loses nothing” by allowing Hong Kong to achieve universal suffrage, or a solution close to it, “but would in return expect some guarantees”.

“Give Beijing or the Hong Kong government the powers to arrest and pre-empt uprisings such as this, and put in place all the security safeguards [to guard against] disinformation,” he said.

Fong suggested China needed to overhaul its approach to the city and increase its autonomy.

“It is time to press the reset button and recalibrate ‘two systems’, and make it really work for both Hong Kong and China. For Beijing, it can be a bold experiment to let Hong Kong pioneer a new political order which China can learn from in 2047.

“You want to quell public disorder with an iron fist, go ahead, but in return, offer them something. And this is the something you can offer.”

Source URL: <https://scmp.com/week-asia/politics/article/3024974/economic-discontent-primary-force-behind-hong-kong-unrest>

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[1] <https://www.scmp.com/news/hong-kong>

[2] <https://www.scmp.com/topics/singapore>

[3] <https://www.scmp.com/news/hong-kong/education/article/3024969/hong-kong-anti-government-protests-class-boycott>

[4] <https://www.scmp.com/comment/letters/article/3024558/hong-kongs-protests-have-been-hijacked-extremists-stop-wearing>

[5] <https://www.scmp.com/comment/opinion/article/3024547/how-hong-kong-protesters-are-turning-their-mainland-chinese>



Hong Kong needs to address income inequality to quell discontent: Study



CNA

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Published on Aug 29, 2019

As protests continued in Hong Kong, researchers from the National University of Singapore (NUS) said the city had to tackle issues like income inequality to quell the growing discontent among its residents. They also cautioned that prolonged protests would lead to significant long-term deterioration of Hong Kong. Associate Professor Tan Khue Giap, co-director at the Asia Competitiveness Institute, discussed more with CNA.



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陈企业：经济因素在香港动荡中扮演重要角色

在其报道
renq@sph.com.sg

香港社会收入分配不平等问题严重，社会流动性差，不满情绪累积。本地智库认为，这导致香港青年与社会利益脱钩，使他们走上街头示威发泄不满，令香港社会陷入动荡。

新加坡国立大学李光耀公共政策学院亚洲竞争力研究所，昨天在2019年亚洲经济论坛上发表研究报告，探讨香港持续近三个月的大规模示威游行背后的经济因素。

报告作者之一、研究所所长陈企业强调，香港当前的情况不可能是由政治或经济因素造成，而是两者的结合。

他以香港民意研究所早前在7月进行的调查为例，指虽然该调查在受访者的年龄划分上不够谨慎，但依然反映出近一半的受访者受经济环境困扰，超过一半的受访者受住房问题困扰，因此经

济因素在此次社会动荡中扮演了重要角色。

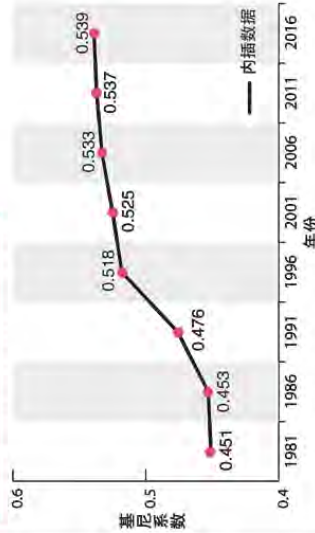
研究团队利用香港从1981年至2016年的基尼系数、结合私人面积与价格、失业率、地区生产总值(GDP)等数据，来分析影响香港社会收入分配不平等的因素。

研究团队发现，反映社会收入分配平等程度的基尼系数的最大影响因素是香港私人住宅售价，介于100至160平方米之间的私人住宅价每增加1%，就会带动基尼系数增加0.00036点。

而GDP与受高等教育人数比例则对基尼系数有反向影响——GDP增幅越大，受高等教育人数越多，能带动基尼系数降低，减少收入不平等。

目前公开的最新数据显示，香港2016年的基尼系数达到0.539，为发达经济体中贫富悬殊最严重的地区。而香港政府本月16日公布，将全年的GDP增长预测由2至3%调低至0至1%。

香港1981年至2016年间
基于普通家庭收入的基尼系数



资料来源：亚洲竞争力研究所基于香港政府统计处普查数据

早报图表

陈企业指出，香港年轻人在工作、学习上都要与来自大陆的精英竞争，但对方是“14亿人的中顶尖的1%”，香港年轻人只是“700万人里顶尖的1%”，因此难以胜出。此外，香港居高不下的房价让年轻人毕业后难以买

房，生活成本也越来越高，社会流动性受阻。他说：“(这些原因)让香港年轻人在社会上不是利益既得者，也不是利益相关方，他们没有和社会的利益挂钩……思想上也就开始反中(反大陆)。”

冯元良：港局势反映港人的愤怒

《海峡时报》前总编辑冯元良在同场论坛上说，香港当前局势反映港人对港府、对不受限制的资本主义的愤怒，以及对大陆的不安，新加坡政府可从这次事件中引以为戒。

冯元良指出，香港当前的大规模示威反映香港人在情感上对特区政府的愤怒，认为政府没有照顾到自己的利益。此外，示威也反映港人对香港不受限制的资本主义的不满，认为这造成香港社会与收入不平等。但冯元良也指出：“示威者或许没有那种政治智慧 (political sagacity)，来

针对当前的局势，陈企业也批评示威者利用12岁学生上街抗议的行为“如同塔利班使用童兵”，对缓解冲突没有帮助。报告建议，港府应该首先控制局面，让社会恢复稳定，并将长期策略制定为解决收入不平

等，住房、生活成本等问题。报告警告，若不解决这些根本问题，“未来将继续出现由其他因素触发，但由相同的根本问题推动的示威抗议”。本届论坛由亚洲竞争力研究所与世界银行集团联合主办。

在他看来，香港局势为区域各国政府带来的警示之一就是政府应该照顾人民福祉，不能让不满累积。对新加坡政府而言，香港乱局反映政府需通过法律管控局势，同时不能放任媒体传播不满和假信息，以及必须控制外国势力对国内政治的干涉。

全球生活费用排名 我国连续三年下降

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一项调查显示，我国普通老百姓的生活费用在全球排名连续三年下降。

新加坡国立大学李光耀公共政策学院亚洲竞争力研究所进行的年度调查显示，我国依然是外派人员生活费用最高的亚洲城市，在全球105个城市中排名第五，比去年下降一位；但对于普通老百姓来说，我国的生活费用排在第56位，比去年下降两位，也低于2017年的52位和2016年的49位。

调查同时显示，国人的购买力不仅在亚洲排名第一，自2012年以来也持续进步，全球排名由39一路上升至16，是今年唯一进入前20名的亚洲经济体。

国人的薪水在全球位列44，比去年上升两位，同样是亚洲第一。

亚洲竞争力研究所所长陈企业博士接受《联合早报》访问时说：“生活费用和薪水是一体两面。我国政府在控制人们的生活成本方面做得很好，因此国人的购买力强。”

在评估生活费用的10项指标中，我国的烟酒成本高居全球第一。陈企业说，若人们平常有抽烟和喝酒的习惯，自然感觉生活费用高昂。

他指出，我国政府在医疗和教育方面皆有津贴，国人所需负担的费用低于其他亚洲主要城市，例如香港和东京。

国人负担的医疗费在全球排名57，教育费排名54。香港的医疗费和教育费在全球排名45和46；东京是53位和42位。

陈企业也指出，这一次的年度调查还未反映最近宣布的提升

大专项学计划。谈及目前全球经济充满不确定性，是否会影响到国人的薪水增长，陈企业认为，社会不必过分悲观，更不能只看短期。

他说，倘若国际企业因为中国和美国之间的贸易紧张局势，纷纷将营运转移到东南亚，“我国反而有机会进一步加强金融、航运、物流等区域枢纽的角色。”

抱持正面态度的陈企业也说，贸易战同时提醒企业不能再以成本竞争。他鼓励企业趁此机会好好思考如何透过科技与创新，提升竞争力。“不论哪一个行业，都必须往更高附加价值的方向发展。”

在全球105个城市中，瑞士的日内瓦（Geneva）和苏黎世（Zurich）并列全球薪水最高的城市，日内瓦也是全球购买力最

排名	城市	国家
1	加拉加斯	委内瑞拉
2	纽约	美国
3	苏黎世	瑞士
4	悉尼	澳大利亚
5	日内瓦	瑞士
6	雷克雅未克	冰岛
7	墨尔本	澳大利亚
8	洛杉矶	美国
9	奥斯陆	挪威
10	哥本哈根	丹麦
56	新加坡	新加坡

资料来源 / 亚洲竞争力研究所

早报图表 / 蔡新友

强的城市。不论是外派人员或一般百姓的生活成本，委内瑞拉的加拉加斯（Caracas）皆高居世界第一，因为该国出现恶性通货膨胀。

亚洲竞争力研究所的这项年度调查自2005年开始进行，目的在于提供平民百姓、跨国执行人员、潜在投资者、决策者和政府官员，关于全球主要城市生活费用的可靠预测。调查使用世界银行、经济合作与发展组织（OECD）和国际劳工组织等的数据进行分析和排名。

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