WORLD BANK GROUP

Lee Kuan Yew School of Public Policy
ASIA COMPETITIVENESS INSTITUTE

NUS National University of Singapore

2017 ASIA ECONOMIC FORUM ON "THE ONE-BELT ONE-ROAD INITIATIVE: IMPACT AND IMPLICATIONS"

JOINTLY ORGANISED BY

THE WORLD BANK GROUP
&
ASIA COMPETITIVENESS INSTITUTE
AT LEE KUAN YEW SCHOOL OF PUBLIC POLICY,
NATIONAL UNIVERSITY OF SINGAPORE

Seminar 1: "Competitiveness, Trade, Liveability and Productivity in ASEAN Economies"

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

Forum Proceeding

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NUS National University of Singapore

Lee Kuan Yew School of Public Policy
ASIA COMPETITIVENESS INSTITUTE

In 2016 and 2017, ACI was ranked 13th globally, 2nd in Asia and 1st in Singapore amongst 90 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:
Analytical inputs to initiate policies for policy-makers and business leaders in Asia
Capacity building to enable others through improvement in productivity and efficiency
Intellectual 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 synergising 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 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 with The World Bank (2015), SPRING Singapore (2014) and European Central Bank (2014). The Memorandum of Understanding between The World Bank and National University of Singapore, coordinated through ACI, was signed in 2016.

VI. We have signed Memoranda of Understanding with various institutions in Greater China economies, including 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 Memoranda of Understanding with six Chief Ministers' Offices in Andhra Pradesh (2015), Bihar (2015), Chhattisgarh (2015), Madhya Pradesh (2015), Odisha (2015) and Punjab (2015).

VIII. We have signed Memoranda of Understanding 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 Memoranda of Understanding with ASEAN think-tanks and institutions, including Vietnam Chamber of Commerce and Industry (2016), Centre for Strategic and International Studies, Indonesia (2015), Institute of Strategic & International Studies, Malaysia (2015), Philippine Institute for Development Studies (2015), Thailand Development Research Institute (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 make adjustments 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 CompNet into Asia, thereby pioneering the Asia CompNet research network 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
Dean, Lee Kuan Yew School of Public Policy, National University of Singapore

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

Mr Narayana Murthy
Chairman, Infosys Technologies Limited

Mr Philip Yeo
Chairman, SPRING Singapore

Mr Loh Khum Yean
Permanent Secretary, Ministry of Trade and Industry

Ms Yong Ying-I
Permanent Secretary, Public Service Division

Professor Chan Kam Leung Alan
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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Executive Summary

With concerns about trade and financial de-globalisation weighing down the global economy, emerging market economies in Asia have their task cut out to achieve high quality economic growth by wading through the challenges stemming from a relatively less favourable and open international trading and financial system. Against this backdrop, the "One-Belt One-Road" (OBOR) initiative spearheaded by China presents a timely opportunity to enhance greater global economic cooperation through bolstering and deepening trade and investment linkages within and outside the region as a means to achieving greater integrated, sustainable and equitable economic growth.

In this light, the Asia Competitiveness Institute (ACI) at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS), jointly with The World Bank, co-hosted the *2017 Asia Economic Forum* on ***"The One-Belt One-Road Initiative: Impact and Implications"*** on 28-29 August 2017. The forum provided an invaluable platform to deliberate, discuss and share academic and policy insights on the opportunities and challenges for Asia resulting from the OBOR initiatives. In addition, the forum also saw the dissemination of ACI's preliminary research findings on several interconnected issues of economic significance pertaining to competitiveness, trade, liveability and productivity in Asian economies.

The 2017 Asia Economic Forum Seminar I focusing on **"Competitiveness, Trade, Liveability and Productivity in Association of South East Asian Nations (ASEAN) Economies"** kicked off with **Welcome Addresses** by **Professor Tan Eng Chye**, President Designate, Deputy President (Academic Affairs) and Provost of NUS as well as **Ms Fatouma Toure Ibrahima**, the Acting Director and Operations Advisor of the World Bank Infrastructure and Urban Development Hub, Singapore. Professor Tan emphasized that a grand connectivity plan like the OBOR has the potential to accelerate well-rounded economic growth across the Asia Pacific and Central and Eastern Europe. Quite fittingly, reiterating the significant size and scale of the positive economic impact that the success of the OBOR could generate, Ms Ibrahima noted how 64 countries and 62 percent of the world's population would stand to benefit from a combination of closer infrastructural connectivity and resultant lower trade costs, which formed the basis for supporting such a grand initiative.

Following the welcome remarks, the forum was graced by the **Guest of Honour** of the event, **Mr K Shanmugam,** Minister for Home Affairs and Minister for Law of the Republic of Singapore, who delivered an in-depth historical narrative on the economic, political and geo-strategic significance of the OBOR. His insightful and thought-provoking lecture provided an account of the changing geo-political trends defined by the economic rise of China and the change of relative power between China and the United States of America (USA). Minister Shanmugam recollected how the grand vision of the OBOR today was an attempt to recreate and revive the historical importance of the ancient Silk Route that remained the epicenter of global trade for a long time in history. However, he also cautioned that China has to be mindful of the notable institutional challenges in several countries in the Central Asian region as well as aligning the potentially conflicting interests between China and fast growing emerging markets like Russia and India.

Minister Shanmugam finally noted that Singapore has always been supportive of initiatives such as the OBOR and the Asia Infrastructure Investment Bank (AIIB) and must continue to innovate and tap into newer opportunities that arise from such efforts in order to stay relevant in the multi-polar world order. He wound up his lecture by commending ACI for its achievements in the global think-tank rankings by University of Pennsylvania, USA, and noting that he looked forward to seeing more of ACI's research in future. The engrossing lecture which captivated an overwhelmingly packed hall of participants was followed by a vivid Question & Answer (Q&A) session moderated by **Associate Professor Tan Khee Giap**, Co-Director of ACI at LKYSPP. Minister Shanmugam responded to a diverse set of questions on topics including Singapore's relationship with China, China's relationship with the West as well as the changing dynamics of competition between countries in the world.

Subsequently, the **Keynote Speech** of the forum was given by **Professor Liew Mun Leong**, Chairman of Changi Airport Group & Surbana Jurong Group and Provost's Chair Professor (pro-bono) at LKYSPP. His speech entitled **"To View 'One Belt One Road' from a Geo-Economy Perspective"** placed the relevance and importance of the OBOR in the context of the pivotal role assumed by urbanization and infrastructure development in driving global economic growth in the 21st century. He noted that despite China's capabilities to pull off such a mammoth initiative, cross-border infrastructure projects of such enormous proportions tend to be marred by execution risks. Such risks offer substantive opportunities for international collaboration, including that with Singapore which would prove vital for the initiative to succeed. In particular, Professor Liew highlighted the unique role of Singapore as one of the leading global financial centers which placed the country in a special position to contribute to the success of the OBOR, also vindicated by the fact that 85 percent of investments made by countries part of OBOR into China and 33 percent of the investment by China into OBOR countries are handled by Singapore's financial institutions.

In closing, Professor Liew reiterated the salience of the OBOR initiative as a major engine of growth in the region, and how the implementation can generate a variety of positive spillovers in those countries part of this massive economic initiative. He wound up by emphasizing how businesses from Singapore and abroad must make a concerted effort to exploit the opportunities offered by the OBOR. **Associate Professor Tan Khee Giap** moderated the Q&A session that followed where Professor Liew provided his insights on a wide array of questions ranging from managing corruption in China and the geopolitical risks involved, to the capacity-building needs for the private sector to benefit from the OBOR initiative.

After the scintillating discussion centered on the Guest of Honour remarks offered by Minister Shanmugam as well as the keynote speech by Professor Liew Mun Leong, 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 1 entitled **"Country-level Competitiveness, Exchange Rates and Trade Performance of ASEAN Economies"** focused on two important policy issues. The first pertained to ACI's empirical research on competitiveness in ASEAN at the country-level where the findings reiterated the development divide within ASEAN. The competitiveness findings remained robust to the introduction of an alternative objective weighting scheme in the form of Shapley weights. The second issue related to the impact of exchange rate movements and volatility on trade in goods and services in ASEAN from a trade in value-added perspective. The empirical results found a broad negative relationship between exchange rate appreciation and gross exports, although countries with high import content of exports tend to offset these adverse impacts significantly. The results also underlined that increased exchange rate volatility affected export performance markedly with no offsetting impacts attributable to having a high import content of exports.

The discussants for Session 1 included **Dr Lee Jae Young**, Group Head and Lead Economist Surveillance (Indonesia, Malaysia & Japan) from the ASEAN+3 Macroeconomic Research Office (AMRO) and **Dr. Tham Siew Yean**, Adjunct Professor at the Institute of Malaysian and International Studies (IKMAS), and Senior Fellow at the ISEAS-Yusof Ishak Institute, NUS. Both the discussants commended the importance, relevance, rigour and appropriateness of ACI's research findings. Specifically, while Dr. Tham noted that the findings are consistent with the observed development divide among ASEAN economies, Dr. Lee reiterated the importance of understanding ASEAN's trade in the context of global value chains, especially against the backdrop of rising anti-globalization sentiments.

Session 1 of the forum was followed by two **Distinguished Luncheon Talks** moderated by **Professor Tan Kong Yam**, Co-Director of ACI at LKYSPP. The first distinguished speaker was **Ms Ren Dongyan**, General Manager at China Construction Bank (CCB), Singapore, who talked about **"Infrastructure Financing for One-Belt One-Road Initiative"**. Ms Ren provided an overview of the OBOR, with an emphasis on the importance of financial institutions such as the CCB to its progress. She further outlined the specific role of the CCB in funding projects relating to the OBOR and expressed interest in its continued support both in the region and beyond.

The second distinguished Luncheon speaker was **Ms Zhang Yi**, Head of Operations at the Industrial and Commercial Bank of China (ICBC), Singapore, who spoke about the **"Role of Clearing Bank in One-Belt One-Road Initiative"**. Ms Zhang outlined the role of the renminbi clearing banks in the OBOR initiative and how they play a fundamental role in strengthening the connection of offshore and onshore renminbi markets. She also dwelled on the interlinkages as well as the complementary nature of the OBOR and the process of renminbi internationalization, and how ICBC's work was facilitating and promoting such a process.

The forum resumed post-lunch with **Session 2** dedicated towards an understanding of **"Sub-national Competitiveness, Exchange Rates and Trade Performance of Indonesia"**. The session showcased ACI's research on Indonesian provinces, encompassing the 2017 annual update of ACI's competitiveness rankings and simulation for both Indonesia's provinces and regions as well as the findings on the impact of exchange rate movements (levels and volatility) on provincial trade flows. The findings on competitiveness showed the dominance of six provinces in the Java region in terms of high competitiveness vis-à-vis other provinces. The results pertaining to the specific impact of real exchange rate (RER) movements on Indonesia's provincial exports found that RER appreciation discouraged provincial exports while RER volatility did not have any economically significant effects.

The discussants for Session 2 included Professor **Dr Balthasar Kambuaya**, Chairman of the University Senate, Cenderawasih University, Republic of Indonesia and **Dr Kasan Muhri**, Head of the Trade Policy Analysis and Development Agency in the Ministry of Trade, Republic of Indonesia. Both the discussants were highly appreciative of the policy relevance of ACI's research. Professor Kambuaya suggested that the findings could be complemented with specific case studies of provinces with abundant natural resources but lagging on competitiveness. Dr Kasan suggested that ACI could extend its research on exchange rates to the product level.

Session 3 of the forum entitled **"Productivity Tracking and Efficiency Monitoring (PTEM) of Singapore's Small and Medium Enterprises (SMEs)"** presented ACI's ongoing research on constructing a comprehensive PTEM index that would enable an understanding of the dynamics of productivity and efficiency of SMEs in Singapore. The presentation reiterated that this research was consistent with the Singapore government's commitment for local SMEs to help uplift their productivity and monitor their management efficiency with a view to assist them realize their potential as promising local companies (PLCs). It was also emphasized that the research project was in line with ACI-LKYSPP's Enterprise Future Initiative (EFI) following the government's Skills Future Initiative (SFI) designed to help SMEs innovate, internationalize and go digital. The presentation further outlined that the vital objectives of the project included (i) a facilitation of an information acquisition process for SMEs by building up a business information matrix; (ii) an enabling process by which SMEs could identify their relative strengths and weaknesses through competitiveness rankings and simulation analysis; (iii) an engagement of industry experts to provide customized consultation as to how SMEs can enhance their digital capabilities, to innovate and to scale up; (iv) an assistance to the Workforce Development Agency (WDA) in designing training courses which are better suited to SMEs' needs; and finally (v) an analysis of cross-country benchmarking and comparison with SMEs in other Asian economies.

The session's discussants included **Professor Wang Jiann-Chyuan**, Vice President of the Chung-Hua Institution for Economic Research, Taiwan, ROC and **Dr Alan Wong**, Chair Professor of the Department of Finance and Big Data Research Centre at Asia University, Taiwan, ROC. Both discussants commended the research as very insightful as it allowed policymakers to identify actual issues pertaining to firm productivity and efficiency with the help of a novel and comprehensive database, and thus mobilise the relevant support for firms.

Session 4 entitled **"Assessing Liveability and Cost of Living: Are Liveable Cities Expensive and Unaffordable?"** presented ACI's latest research findings on the cost of living for expatriates and ordinary residents globally. The presentation also probed the intertwined nature of the relationship between competitiveness, cost of living, wages, purchasing power and liveability using a comparative case study of Malaysia and Singapore.

The discussants for the session were **Mr Timothy McDonald**, Journalist at BBC News and **Mr Nicholas Khaw**, Vice President of Khazanah Research & Investment Strategy, Malaysia. Mr McDonald agreed with ACI's diagnosis that studies measuring expatriates' cost of living, such as the one by Economist Intelligence Unit (EIU), did not reflect the cost of living of ordinary residents due to differences in lifestyles between the two groups. He also noted that an analysis on cost of living *per se* was insufficient and highlighted the importance of tracking wages and purchasing power to measure affordability. Echoing Mr McDonald, Mr Khaw expressed his appreciation for ACI's research, which placed an emphasis on analyzing factors beyond cost of living, such as wages and purchasing power. Mr Khaw also suggested that ACI's research could be extended to track purchasing power for ordinary residents of different income groups to understand the degrees of inequality at the city-level.

The final session of the day – **Session 5** – entitled **"Balanced, Sustainable and Competitiveness Enhancement (BSCE) Study for Vietnam: A Critical Evaluation with Development Potentials"** provided a comprehensive assessment of Vietnam's competitiveness and outlined some distinct ways for the country to achieve sustainable growth and enhance its economic competitiveness. Among the various salient findings, the presentation emphasized that policymakers in Vietnam must nurture micro, small and medium enterprises (MSMEs) to achieve inclusive growth; deepen reforms of state-owned-enterprises (SOEs) and strengthen market institutions; and finally leverage on Hanoi's advantages to develop Northern Vietnam.

The session also featured a distinguished panel of discussants, which included **Dr Nguyen Dinh Cung**, President of the Central Institute for Economic Management, Republic of Vietnam and **Dr Vu Tien Loc**, Chairman and President of the Vietnam Chamber of Commerce and Industry, Chairman of the 2017 APEC CEO Summit, Member of Parliament of the 14th Legislature, Republic of Vietnam. Both the discussants specifically appreciated ACI's analysis of the Vietnamese economy as well as their policy recommendations. Dr Cung further indicated that there may exist different perspectives on the emergence of "One Country-Two Economies" and welcomed ACI to provide more policy suggestions for Vietnam to improve its institutional quality. Dr Loc expressed his enthusiasm to share with the Prime Minister of Vietnam, the Party Secretary and the City People's Committee Chairman of Hanoi about ACI's recommendations to develop Hanoi into a centre of commerce and finance for both Vietnam and the region.

The forum's **Closing Remarks** were delivered by **Ms Almud Weitz**, Practice Manager of the Transport Global Practice at the World Bank Group, Singapore and **Professor Kishore Mahbubani**, Dean at LKYSPP, NUS. In her closing remarks, Ms Weitz remarked how the global context has shifted dramatically in recent years, alluding particularly to the results of the Presidential elections in the USA and the OBOR initiative rolled out by China. She emphasized that both these developments were to stay in the near future and each of them will have its own ramifications, which makes it important to understand the changing dynamics better though more rigorous research. Ms Weitz highlighted the need to enhance the collaboration between ACI and the World Bank Group, which could potentially help countries understand the substantive gains involved in being part of initiatives such as the OBOR.

The day was drawn to a close with some thought-provoking final remarks provided by Professor Mahbubani. He highlighted that despite the OBOR being a China-driven initiative, it will not travel the distance it needed to unless all the countries involved felt a strong sense of ownership in furthering the intended goals. Further, he also noted that the ASEAN economies would play a bigger role than Central Asia in the OBOR initiative, owing to the relatively greater demand for infrastructure in the Southeast Asian region. Finally, he stressed that locally in Singapore, it was important to ensure that the ownership of the OBOR initiative did not remain concentrated among large multi-national corporations (MNCs) but instead also felt by a significant section of the SMEs, in light of their growing significance in Singapore. Professor Mahbubani wound up by thanking the World Bank Group for partnering with ACI, and further congratulated the ACI team for making the forum a remarkable success.

2017 Asia Economic Forum was held at the Lobby of Oei Tiong Ham Building, Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS)

Welcome Remarks

Professor Tan Eng Chye
President Designate, Deputy President (Academic Affairs) and Provost ,
National University of Singapore

Mr K Shanmugam, Minister for Home Affairs and Minister for Law

Ms Fatouma Toure Ibrahima, Acting Director and Operations Adviser, World Bank Infrastructure and Urban Development Hub

Professor Liew Mun Leong, Chairman of the Changi Airport Group and Surbana Jurong Group

Professor Kishore Mahbubani, Dean of the Lee Kuan Yew School of Public Policy

Distinguished speakers and delegates

Ladies and Gentlemen

A very good morning. I am delighted to see such an overwhelming response to the 2017 Asia Economic Forum jointly organized by the World Bank and the Asia Competitiveness Institute of the Lee Kuan Yew School of Public Policy. On behalf of NUS, I would like to warmly welcome all of you to the lush, lovely and historic Bukit Timah campus.

The theme of the forum today is a highly pertinent one, namely "The One-Belt One Road Initiative: Its Impact and Implications". This mammoth project has the potential to accelerate economic growth across the Asia Pacific, and Central and Eastern Europe. It is a grand vision of connectivity that goes beyond physical linkages to include digital and human networks too.

This morning, we are privileged to have the opportunity to hear from our Guest-of-Honour, Minister Shanmugam, who will share the government's take on this very exciting initiative, and the catalytic role Singapore can play to benefit the ASEAN region and the rest of Asia. Following which, Professor Liew Mun Leong will speak on how Singapore companies can potentially internationalize further, access new markets, and how Singapore's position as a regional economic hub can be strengthened and even expanded.

For the luncheon talks, we have two distinguished speakers representing the two largest banks of the world. They will speak on infrastructure financing and role of a clearing bank in the Belt and Road Initiative.

This Forum has also lined up rich and heavy doses of evidenced- based policy research studies conducted by Asia Competitiveness Institute. The range of topics include competitiveness, exchange rate and trade performances for ASEAN-10, productivity tracking and efficiency management monitoring for small and medium enterprises, and more.

The Asia Competitiveness Institute has come a long way since its inception in 2006. In 2016 and 2017, it was ranked 13th amongst 90 university-affiliated think-thanks worldwide by the Think-Tanks and Civil Society Program at the University of Pennsylvania. As Singapore's flagship public university, and a leading global university centered in Asia, NUS seeks to contribute towards the betterment of society and to shape the future through research, education and enterprise. I would like to take this opportunity to encourage ACI and all faculty members to keep up your good work in the pursuit of scholarly research and academic excellence.

Finally, I would like to wish everyone a fruitful and enjoyable conference. To our distinguished overseas speakers and participants, some of you may have heard of Singapore's latest brand tagline, Passion Made Possible. This tagline invites visitors who are passionate about something to explore different possibilities relating to their passion when they are in Singapore. I do hope that our foreign friends will find time to explore the sights, sounds and tastes of Singapore, and to enjoy the vibe of this cosmopolitan, progressive and dynamic garden city. Thank you.

Welcome Remarks

Ms Fatouma Toure Ibrahima
Acting Director and Operations Adviser,
World Bank Infrastructure and Urban Development Hub

Minister Shanmugam, Professor Liew Mun Leong, Provost Tan Eng Chye, Professor Kishore Mahbubani, Professor Tan Khee Giap, Distinguished Guests, Ladies and Gentlemen.

First of all, I would like to thank the Asia Competitiveness Institute and the National University of Singapore for their continued close partnership with the World Bank Group. As usual, Professor Tan's energy and spirit has galvanized us to come together today to discuss a very important issue, and to reaffirm our commitment to spurring policy dialogue and debate that leads to change for the better.

Our joint event today reflects the five-decade old partnership between Singapore and the World Bank group. In many ways, our engagement with Singapore has been best practice for our institution. Starting in 1963, we provided a helping hand for the early stages of development – to build the port, to clean the water facilities, the telecommunications systems, etcetera. Through hard work and determination, however, Singaporeans have made the most of that investment. So much so that within a dozen years, you no longer needed our help, and stopped borrowing from international organizations.

And look at where Singapore is now: A global leader for commerce, innovation and sustainable development. Your inspiring example is partly the impetus for the inception of the World Bank Hub for Infrastructure and Development – this is our office here in Singapore. Working with client countries across Asia, our teams worked to develop strategies that in some way incorporate some of Singapore's development lessons and leverage the full ecosystem of Singaporean expertise and policy know-how.

We now have some 200 staff across the World Bank, International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) – these are the World Bank Group's Institutions – working on development solutions related to infrastructure finance and urban development. We are talking about water, energy, transport and Information Communication Technology (ICT). Much of our infrastructure lending in the region is managed from the Singapore hub.

But the amount we have mobilized remains a fraction – and only a fraction – of what our countries need today.

Many figures are used to describe the global infrastructure gap. Some talk about $1 trillion, others talk about $2 trillion. But the message is very clear: the current level of investment is not enough. Half of the World Bank's annual lending – which is around $40 to 60 billion – is for infrastructure investment. That is less than the amount that Indonesia alone requires each year to just maintain its infrastructure.

The persistent infrastructure gap leads us to the issue we shall discuss over the next two days: China's Belt and Road Initiative. Some of you may be doubtful that the revival of the so-called Silk Road impacts us all. But in this interconnected world, we know that no single issue is an island, and what takes place thousands of miles away carries repercussions across time zones.

Let me share with you some numbers that illustrate the ambitions of this innovative initiative from China. 64 is the number of countries that will become better connected through infrastructure. 62 is the percentage of the world's population that will benefit from lower trade costs. And 240 is the billions of dollars that has been committed by participating countries so far, with half that amount being pledged by China. If One Belt One Road accomplishes only a fraction of those goals, it is already a powerhouse in terms of size and impact.

We at the World Bank Group are already playing an active role in the initiative. Our ongoing commitment in the countries traversing the initiative amount to some $86 billion. Almost a third of this investment is for transport, such as Uzbekistan's Pap-Angren Railway or Kazakhstan's East-West Roads Project. The International Financial Corporation (IFC) is partnering with the Silk Road Fund and China's companies to develop hydropower in Pakistan. MIGA, the institution that I have just mentioned, has provided about $1 billion in guarantees to the region, which has facilitated more than $1.8 billion in investment along the belt and road.

Furthermore, we are working with China's Ministry of Finance to identify critical infrastructure bottlenecks in the Belt and Road. The Global Infrastructure Facility (GIF) and the Global Infrastructure Connectivity Alliance (GICA), both strongly represented in the Singapore hub, is also providing advice to help accelerate project readiness.

That is because, like many of you here today, we at the World Bank Group are also aware of the challenges of the Belt and Road Initiative. Regulatory reform, effective governance, incentivizing private sector participation – these are all challenges that we try to address. We have learned from experience that development projects must be part of a forward-looking exercise that lasts through generations.
We have also learned that results arise from effective implementation, and that the devil, as they say, is in the often-overlooked details.

Finally, we have learned that although governments play a vital role in development, the true engines of growth and job creation are entrepreneurs and the private sector.

If this sounds like the Singapore story, then how fitting it is that this conversation on the Belt and Road is taking place here today.

I remember that last year, we were here for a similar conference, but the rows of seats stopped in the middle of the room, so I can see there is real interest in the discussion here today. I am sure that many of the questions I have raised will be further discussed at this forum and we look forward to learning from you.

Thank you for sharing this event with us, and I wish you all fruitful discussions. Thank you.

Opening Remarks

Mr K Shanmugam
Minister for Home Affairs and Minister for Law,
Republic of Singapore

Ms Fatouma Toure Ibrahima,
Acting Director and Operations Adviser,
World Bank Infrastructure and Urban Development Hub,

Professor Tan Eng Chye,
President Designate and Provost, NUS,

Professor Liew Mun Leong,
Chairman, Changi Airport Group & Surbana Jurong Group,

Professor Kishore Mahbubani,
Dean, Lee Kuan Yew School of Public Policy, NUS,

Associate Professor Tan Khee Giap,
Co-Director, Asia Competitiveness Institute, NUS,

Ladies and Gentlemen,

1. Good morning.

INTRODUCTION

2. I thank the World Bank, and ACI for organising this forum, and for inviting me. Khee Giap asked me in June, and I agreed.

3. Now let me give my personal views on possible implications/ impact of OBOR:

(1) First, in the context of larger geopolitical trends – one of the consequences of which was indeed the OBOR;

(2) Second : The historical antecedents for OBOR, and the implications of that history today; and

(3) Third : Some aspects of the current international situation, which may, in my view, accelerate the impact of OBOR, and the larger geopolitical trends.

4. I will then set out what I think are the likely implications of OBOR in terms of: (1) the world economy; (2) security architecture; and (3) geopolitics.

CONTEXT: (1) GEOPOLITICAL TRENDS

5. First, let's look at the larger geopolitical trends. Why do we need to look at them? Because OBOR is a result of these trends, and it will in turn shape these trends.

6. What are the trends? The larger geopolitical trends are well known, can be put simply.

7. First: The rise of China. It is likely to be the largest world economy in absolute terms, though not in per capita terms. This is likely to happen sooner rather than later. Technologically, militarily - China will become a more significant player over the next 20 – 30 years. China aims to be a superpower – understandably. When you consider the combined metrics of economy, technology, population: You will conclude that China's aim to be a superpower is realistic.

8. Second: There will inevitably be a change of relative power between America and China.

9. I am not suggesting that America is in decline. I want to make that clear. It will be a brave person who bets against the US, or suggests that it is in actual decline. It is more a question of relativity. The relativities have already changed, and will continue to change.

10. In absolute terms, it will be some time yet before China or any other country can match the US, let alone surpass it, militarily.

11. The US has a significant lead today. Its capabilities are huge, and its ability to project its power around the world impressive – indeed, unprecedented in world history.

12. Nevertheless, over time, the US will have less and less scope for unilateral action, especially in areas of the globe where China has strong interests.

13. And China will not be able to ignore US interests either, even as its power increases. They will have to find a new Modus Vivendi.

14. I don't see any of these as particularly controversial conclusions.

15. I will share, in this context, what I had said in Washington in 2012, when I was Foreign Minister (see below).

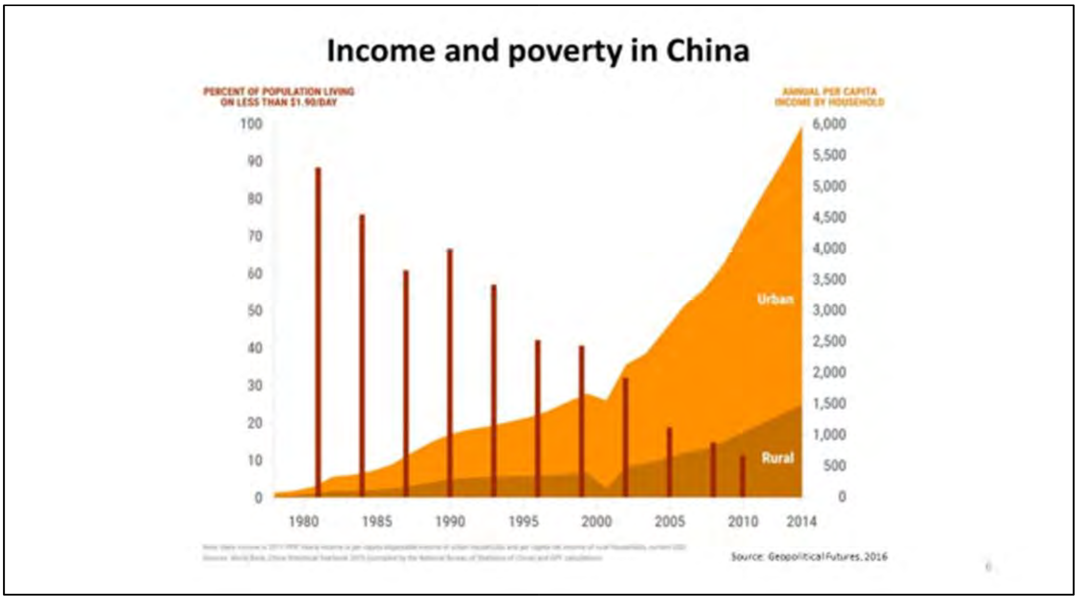
> "It is quite untenable to speak in terms of the "containment" of China. China with a population of 1.3 billion people is determined to progress in all fields and take its rightful place in the community of nations. It will succeed in that. Its people are bright and technologically savvy. The country and its people are not going to be contained.
>
> From Singapore's perspective, the relationship between the US and China is not a zero-sum game. The rise of China does not imply the decline of the US. Competition between both countries can take place within a stable framework, with both countries playing a constructive role in world and regional affairs."
>
> *– Speech at The Center for Strategic and International Studies Singapore Conference, 8 February 2012*

16. At that time, the US pivot to Asia was a big topic. I was quite blunt. I said: Some view the US engagement of Asia as a means to contain China. Such rhetoric was a mistake on many levels. Any attempt by the US to contain China will not work, and it will not be supported by almost all countries in the region.

17. What is the situation today? Fast forward five years – China is fast drawing level with the most advanced countries, in many fields, and surging ahead in some.

18. Its infrastructure, technology, education system, are now better than world class.

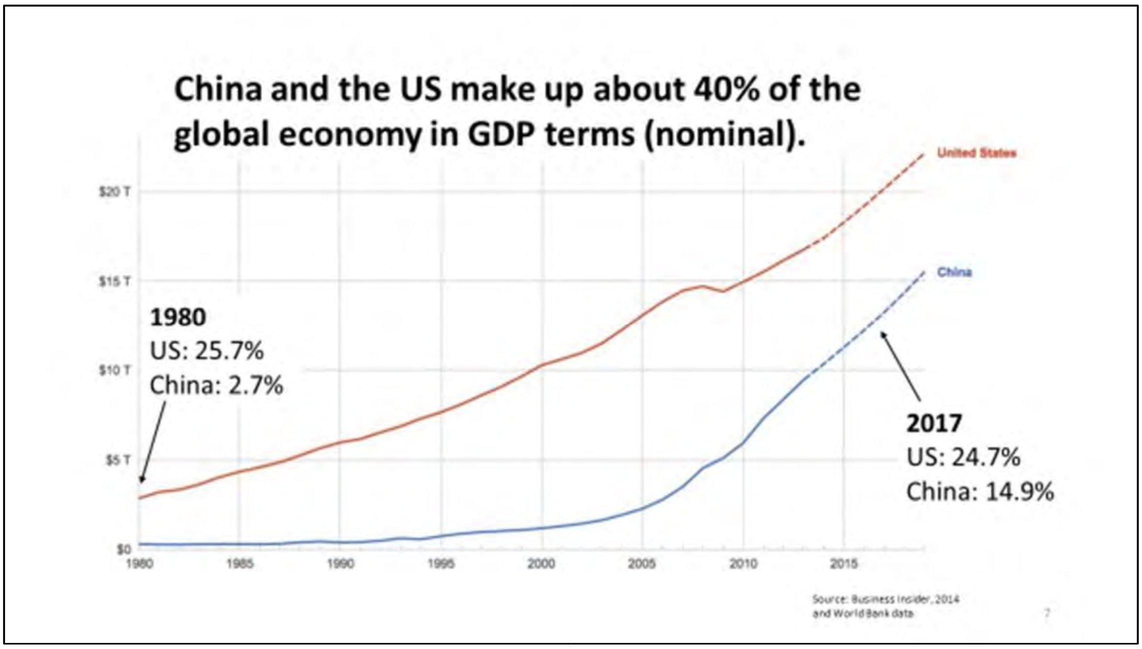
19. Despite all the criticisms it receives, China has lifted 700 million people out of poverty within 30 years (see below). This is a feat unparalleled in history.



20. This was a country which, in our lifetimes, in the 80s was poor and backward. China's human rights critics will do well to bear this in mind. 700 million people's lives improved substantially; compared with the points they make.

21. Let's look at some data.

(1) GDP

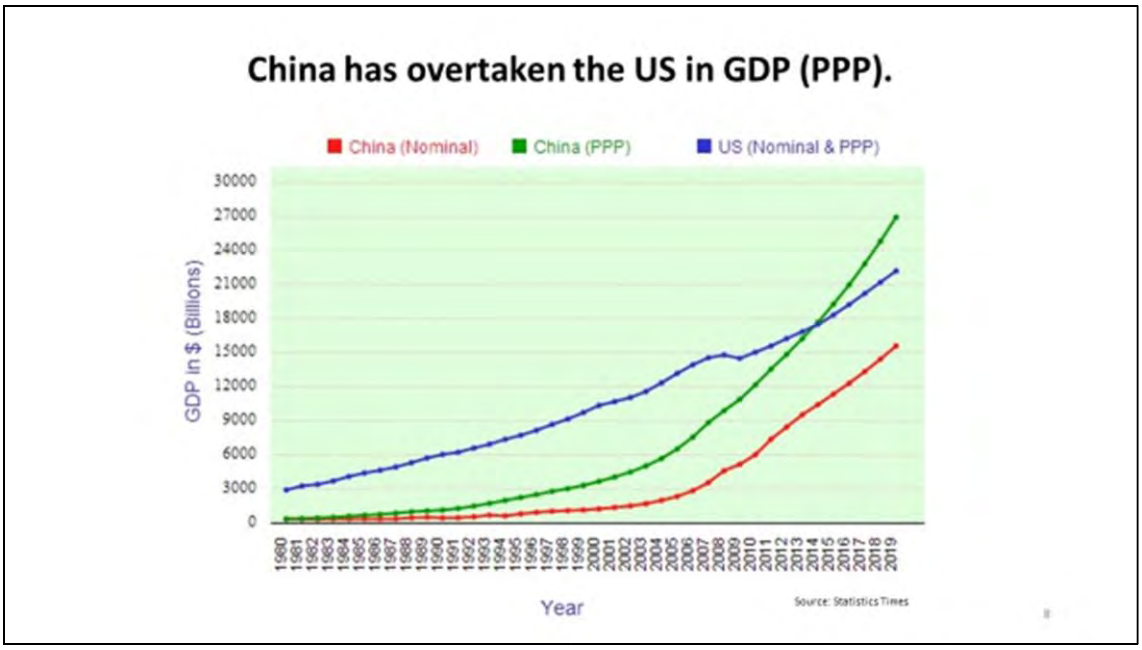


22. China and the US make up about 40% of the global economy in nominal GDP terms (see above).

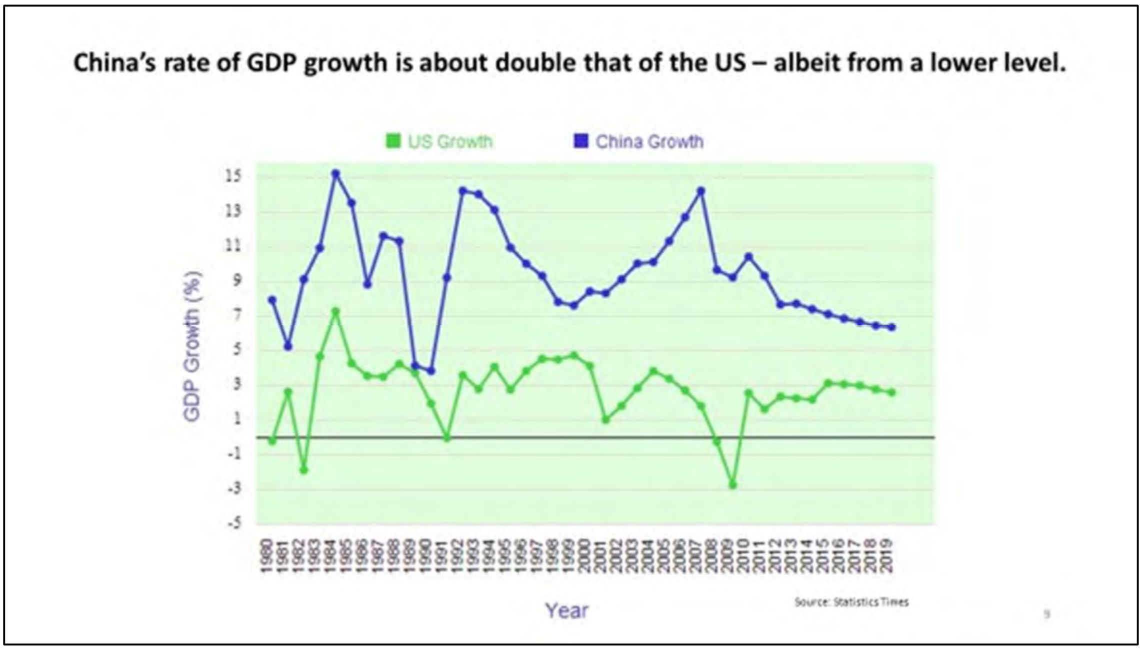
23. Today: US – is at about 25%, China – at 15%.

24. If you go back to 1980: the US – was at about 26%, China – was at 2.7%.

25. China's progress has been exponential; the US has more or less maintained its position.

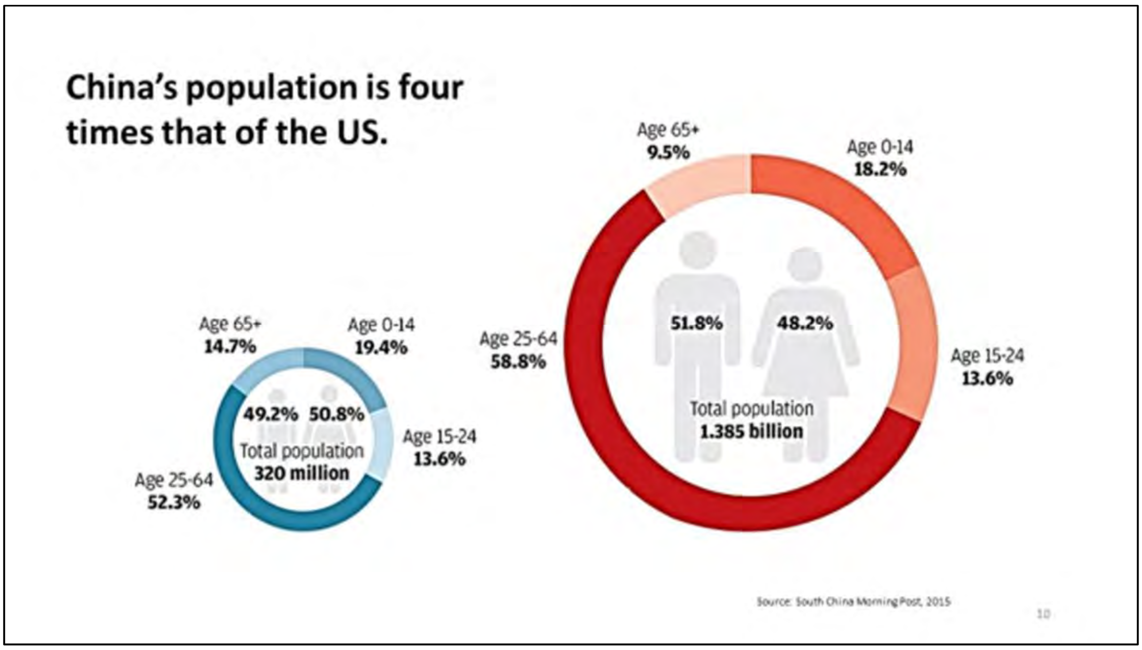


26. And China's share of world GDP will continue to grow (see above). Its GDP has already overtaken the US's GDP in PPP terms. Though, it is quite some way behind in per capita terms – and will probably remain so for some time to come.



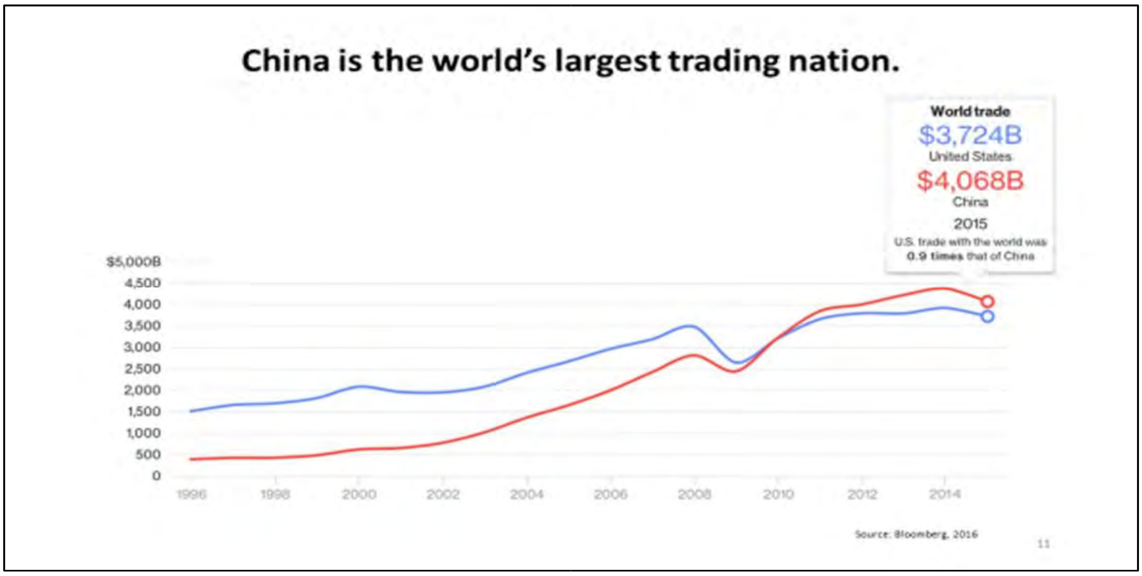
27. China's rate of growth now is roughly double that of the US (see above).

(2) <u>Population</u>



28. If you go to population, China's population is four times that of the US (see above). It is also interesting to look at the breakdown by age groups over population.

(3) Trade



29. If you look at trade, it is now the world's largest trading nation (see above).

30. And the largest trading partner for most countries (see below).

31. These trends are irreversible. Any attempt to reverse or stem them will fail.

32. I'll give you one illustration: The US Congress put up roadblocks to giving China its rightful role in the World Bank. But how is it possible to shut out a country with such a strong economy, such massive foreign reserves? China simply set up its own international Bank – the AIIB. And many countries, including Western countries, made haste to support the AIIB.

33. So with or without OBOR – these underlying trends are inexorable.

34. The OBOR is both a result of these trends and may well accelerate them. Will come back to this later.

CONTEXT: (2) HISTORY

35. Let me now deal with the second of the three contextual points I wanted to make, which is history.

[A] The History Taught in Schools

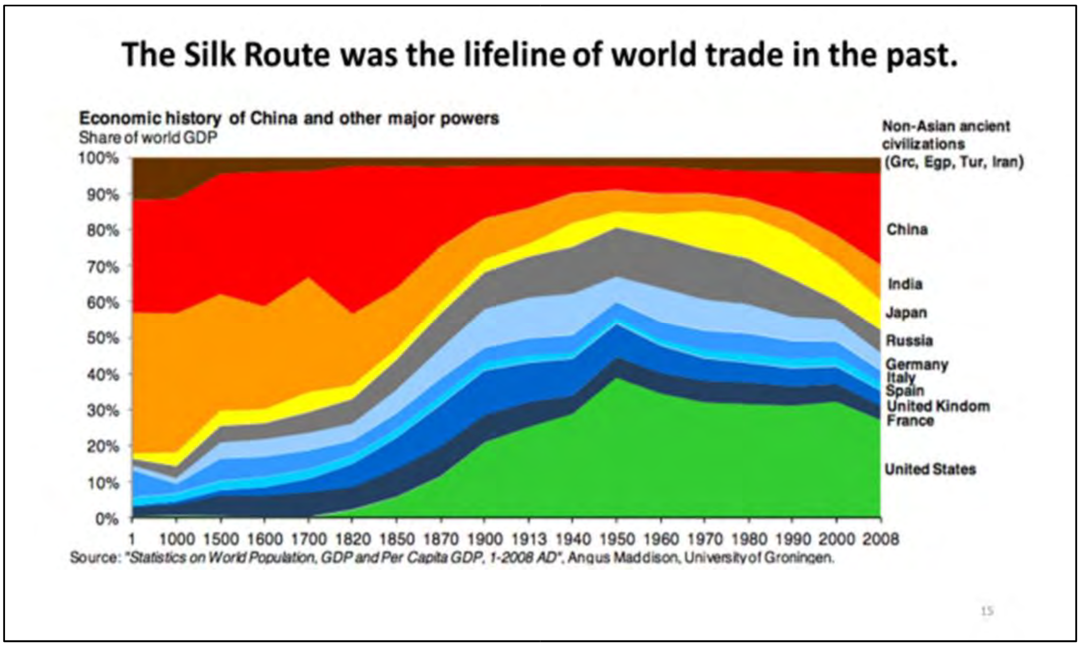
36. The history that we are taught in schools, particularly in the colonies covered the early civilisations - Mesopotamia, Egypt, the Indus valley, Greece, China. But usually as a prelude to the rise of the West.

37. China, India, the birth of Islam, the Jewish Diaspora – would get guest appearances.

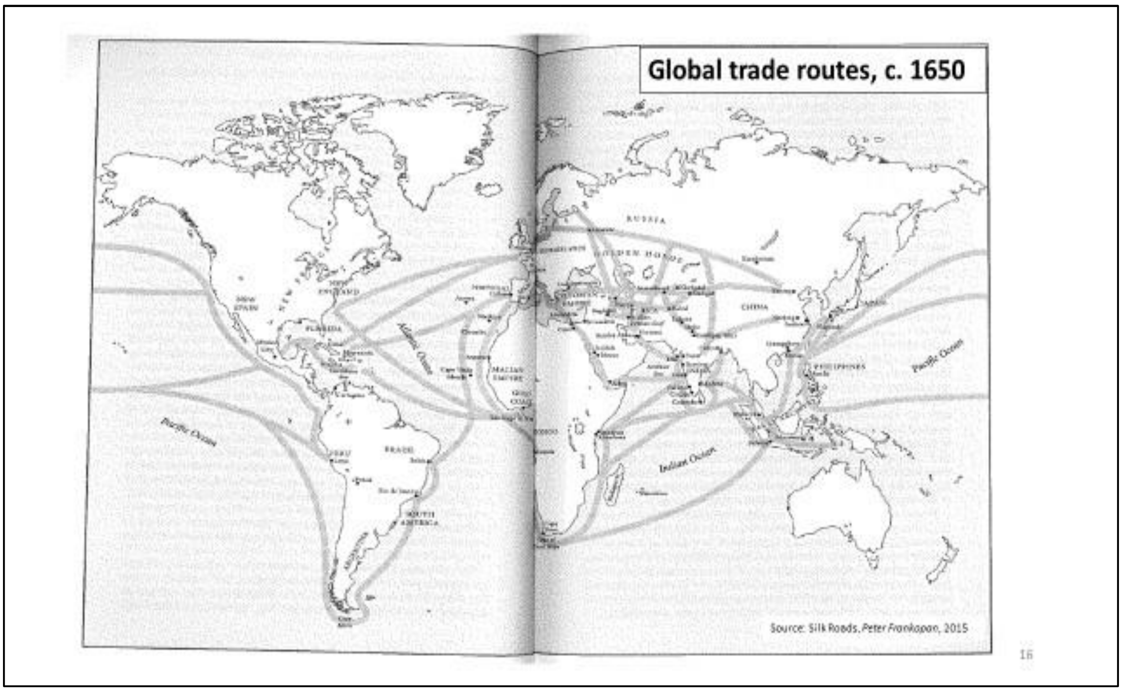
38. But it was generally a very Western-centred world view: the history of western empires, the great voyages of western exploration, and the western conquests.

[B] Another aspect of history: The Silk Route

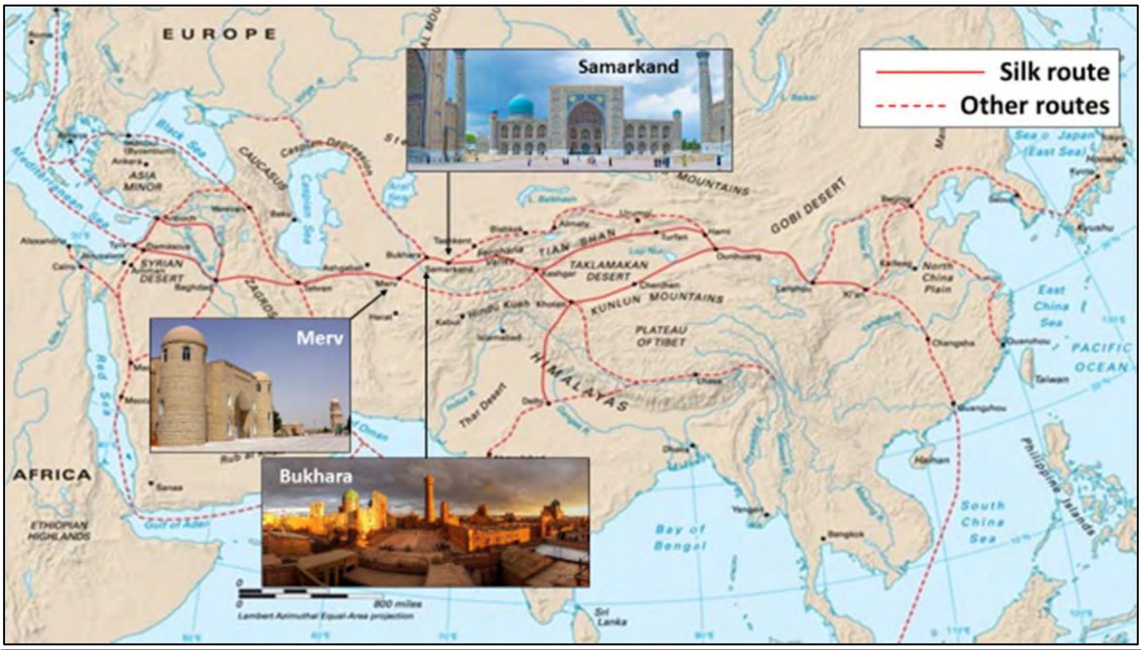
39. But there is another perspective, which is quite important. Before you had Columbus, Magellan, Vasco da Gama, you had the Silk Route. And again the slide (see below) speaks for itself in terms of the share of world trade throughout most of the last 2000 years, except for the last 300 years.



40. The history of trade shows that the global economic centre of gravity for much of human history was in China and India. And the Silk Route was the spine of World Trade. It played a key role in World Trade. Great cities of the past – Samarkand, Bukhara, Merv, prospered from their locations on this Silk Route.



41. The Silk Route brought great wealth to China, and to the cities along the Route.



42. Ideas too spread along Silk Route. Buddhism began in India, spread to Afghanistan, on to China. Samarkand and Bukhara were centres of trade, scholarship, religion, culture.

43. Asia was the centre of civilisation. And Asia, Central Asia was the centre of civilisation, centre of technology, centre of the world.

44. With the OBOR, China tries to recreate this history. It is bold, it is imaginative, it is ambitious.

45. It exemplifies the vision of a country that is today the world leader in many aspects of infrastructure technology (see below).

46. Take Permafrost railway for example: it presents multiple engineering challenges. Permafrost melts with slight changes in temperature – heat from trains can also cause melting. Permafrost thaws, ground becomes muddy, affecting integrity of entire system. For fragile sections, Chinese engineers built elevated tracks with pile-driven foundations sunk deep into the ground. And China has built an impressive rail network on Permafrost – quickly as well.

47. If you look at China's high-speed rail network – Largest network in the world; 19,000 km of high-speed rail lines. 80 million passengers annually.

48. China's First Emperor Shi Huang Di's feats of construction inspired the idiom "shave off mountain peaks and fill valleys" (qian shan yin gu).

49. It is a country which centuries ago built a wall, which today can still be seen from space.

50. The Chinese understand infrastructure.

CONTEXT: (3) CURRENT INTERNATIONAL SITUATION

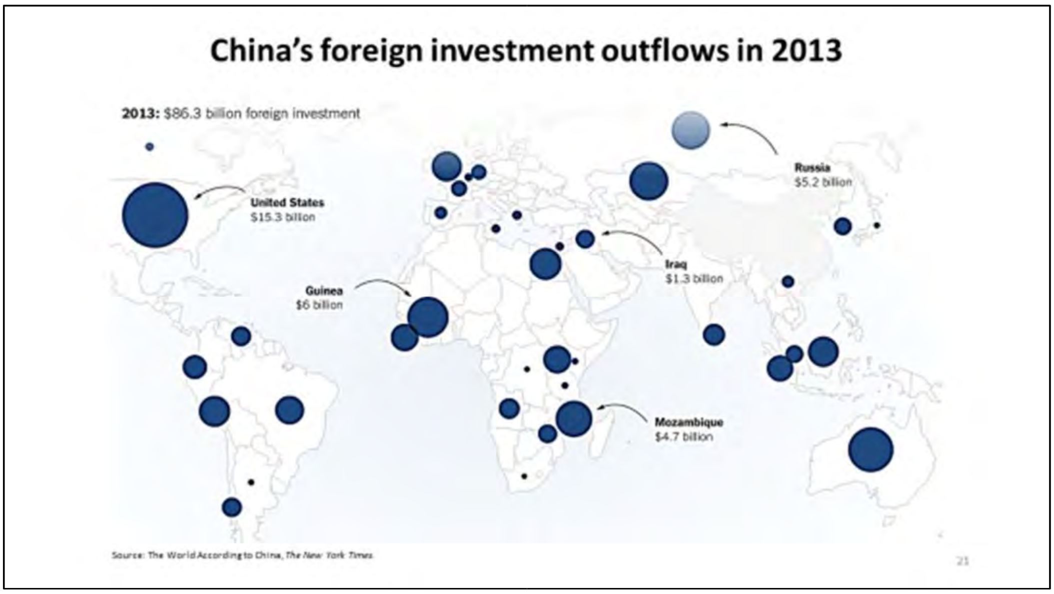
51. Let me now deal with the third of my three points: the current international situation.

52. The current international situation will, in my view, tend to accelerate the larger geopolitical trends which I spoke about.

53. And I will list three developments that will impact these trends.

[A] <u>China's strategic economic engagement</u>

54. China has been very strategic in the way it has been investing, linking up with countries, building relationships.

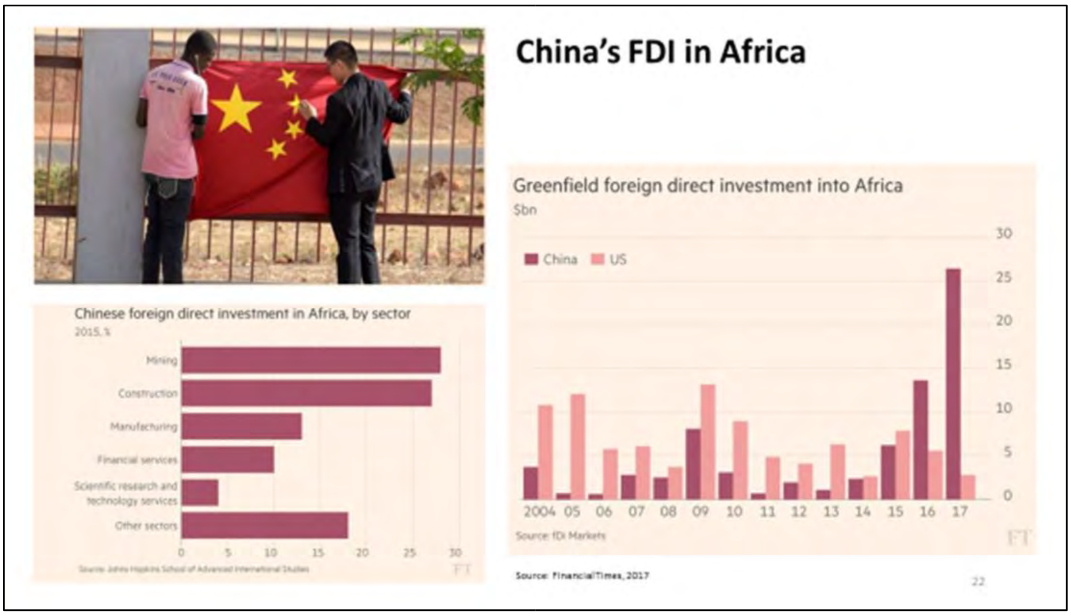


55. If you see what is happening across the world - Asia, Africa, even South America. China's companies have spread out (see above). They have invested billions. They are prepared to take risks, invest in large infrastructure projects.

56. China identifies regions of interest, and then focuses on them relentlessly.

57. Neither the US nor Europe can do the same. Their political + economic systems are different. Their leaders cannot make the same type of long-term commitments.

58. For example, in Africa: China-Africa trade (see below) – was $10bn in 2000, it's $220bn in 2014. Chinese companies purchase stakes in mining operations in Africa, in return for loans to finance large-scale infrastructure projects – roads, railways, ports.



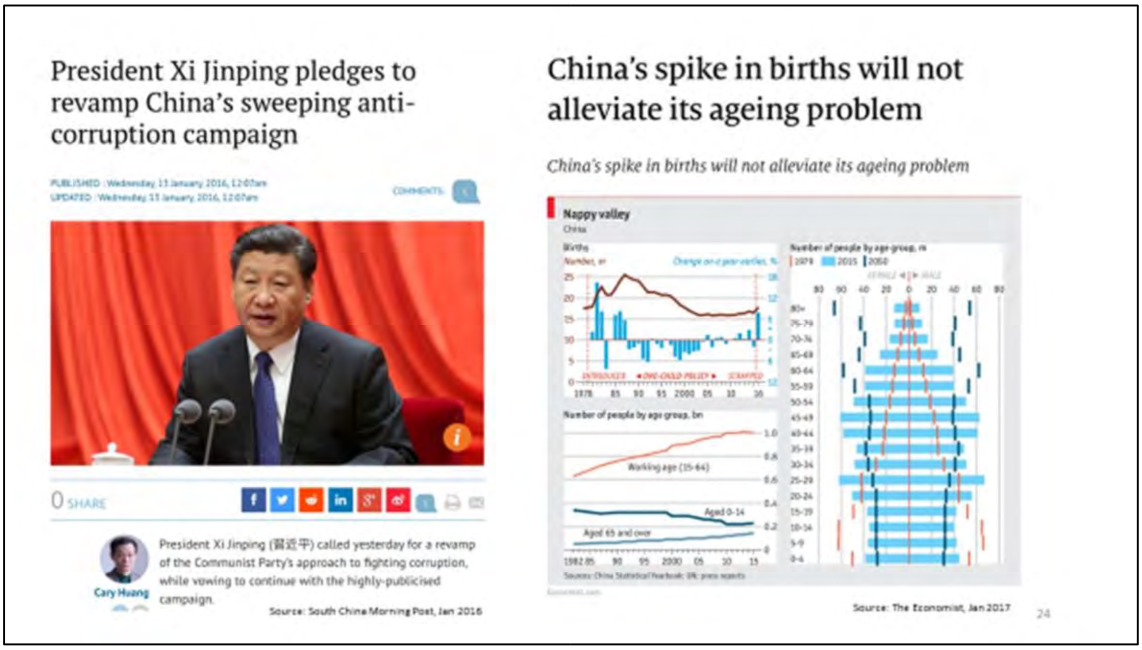
59. These investments create strong relationships. Of course they have not been without some backlash. But on the whole, they predispose many countries towards BRI.

60. Mainland SEA: Also has seen very substantial Chinese investments. And China offers a large market. And we are still only in the early stage of this trend. As the Chinese economy grows, this trend will accelerate.

[B] <u>China's ability to bring together its resources and focus relentlessly on the desired outcome</u>

61. China's centralised system allows it to bring together the necessary resources and focus intensely, relentlessly, on the outcome that it wants.

62. This is not to say that everything about the Chinese system is good or works well. China does have some serious issues, as China itself acknowledges – for e.g. corruption is a serious issue, and is being actively dealt with by President Xi and his team (see below).



63. And over time China will have to deal with other social issues and political issues as well. These are pretty significant issues -

a) Aging, for example. The Chinese will need to invest heavily in social infrastructure. (China, some say, will grow old, before it grows rich.)

b) And the demands of a younger, better educated population.

Just to mention a few of the challenges.

64. But objectively, one must acknowledge that over the last 35 years, China has achieved results, for its people, on a scale that no other country in history has – both in terms of the speed with which the country has progressed and the sheer number of people who have made the leap from poverty to prosperity.

65. Thus while there can be many criticisms levelled at China and its political system, nevertheless, they are often skewed, or a little unbalanced.

66. For example, you will often hear this: Chinese political system does not allow innovation, and so China cannot compete at the frontiers of modern science and technology. Therefore it will not

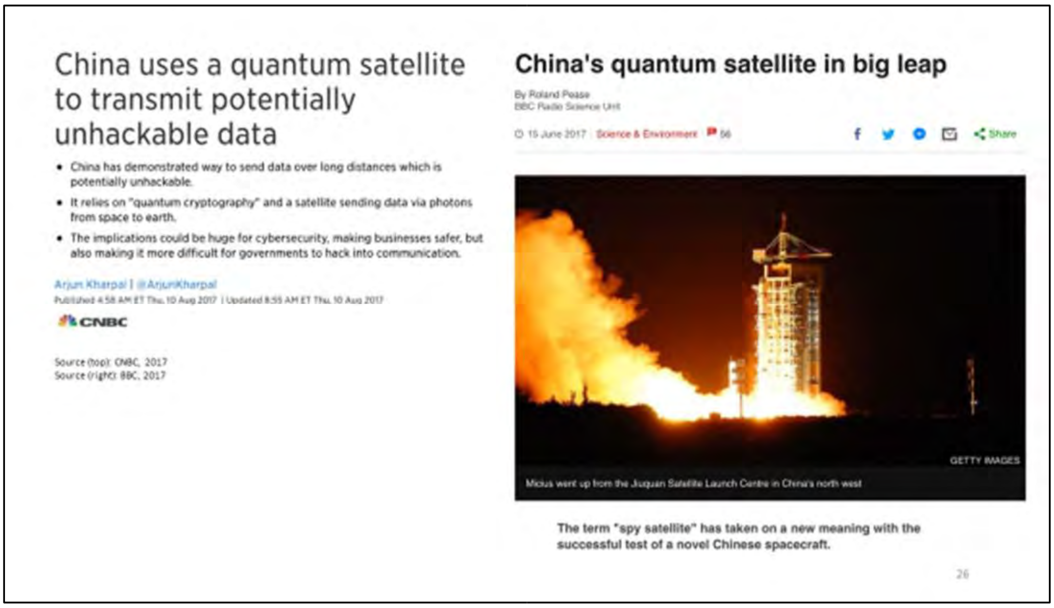
ultimately succeed. These and other variants of this arguments – including relating to the dominance of the Communist Party – are quite prevalent.

67. China has been showing its detractors are getting it wrong.

68. Just take one field: Science and technology. China has shown it can move up the tech-value chain quickly. Spoke earlier about China's infrastructure technology.

69. Take another example: telecoms. Huawei is now a world leader in info technology. They make world-leading hardware, and also make world leading software as well. UK has been buying latest tech from them. Look at this quote (see below). 30% increase in UK revenue in 2016, to more than £900 million.

70. Another illustration: quantum satellites (see below). China is moving ahead on space-to-ground quantum key distribution technology – It is a way to send data over long distances which is very difficult, if not impossible, to hack. Any attempt to eavesdrop on the quantum channel introduces detectable disturbances. Once intercepted or measured, the quantum state of the key changes, and the information being intercepted will self-destruct. This technology was actually developed in Europe. But China put in the necessary resources to take it further.



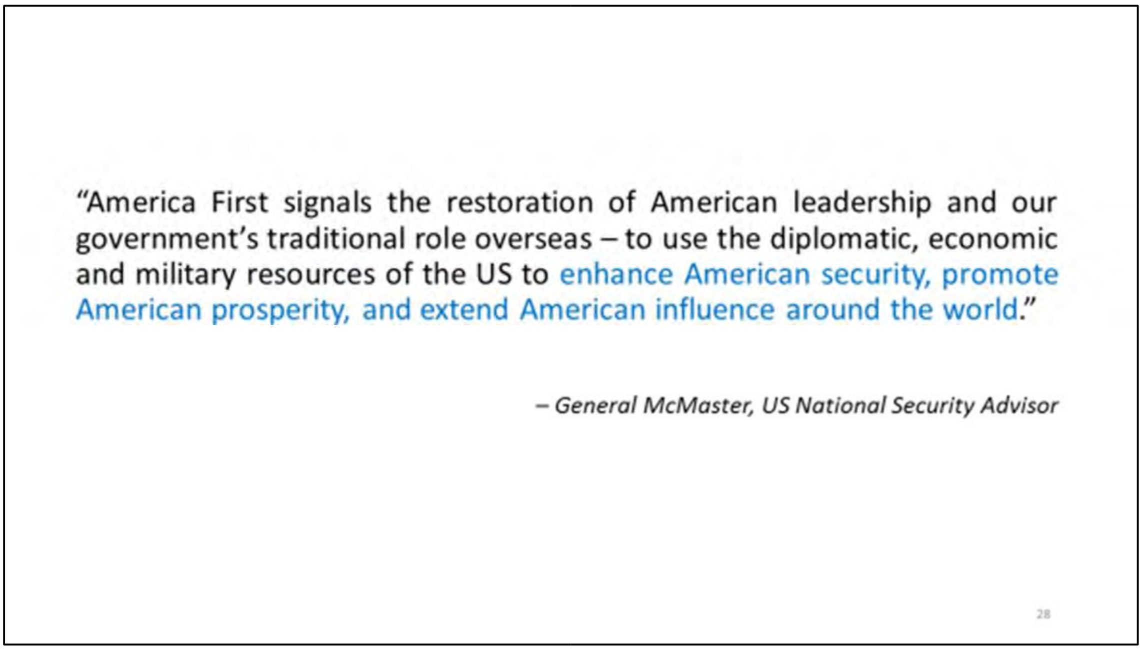
71. China is confident of its position. It has the population, resources, money. It is able to make long term commitments on investments, economic relationships. It can think long-term –where the country should go – and implement the strategy.

[C] American Foreign Policy

72. Now let me touch on the third of the three points – in the context of American foreign policy. America's long held position post-WW II, was that the maintenance of global peace and order was in itself, in America's interests.

73. Now it has been suggested that America should define its interests more narrowly, an "America First" approach.

74. This shift in thinking, was for example articulated by General McMaster (see below), who is highly respected for his military and strategic thinking.



75. General McMaster was careful to say America First, does not mean America Alone. But it does signal a shift from the previous American position on how America engages the world.

76. Every country acts in what it considers to be its best interests. When that country is America, and there is a change in how it perceives its interests, then that affects the rest of the world.

77. The current American Administration's reassessment of its position is driven by the need to answer to its electorate, and is understandable.

78. In the same vein, America has wondered aloud on positions which were once considered fundamental. For example: Its commitment to NATO, stability in the relationship with China, Free Trade, and so on.

79. Some of this led to the German Chancellor saying in May this year (see below): "The times when we could completely count on others, they are over to a certain extent... We Europeans must really take our fate into our own hands…".

> "The times when we could completely count on others, they are over to a certain extent. I have experienced this in the last few days.
>
> And that is why I can only say that we Europeans must really take our fate into our own hands, of course in friendship with the United States, in friendship with Great Britain and as good neighbours wherever that is possible, also with other countries, even with Russia.
>
> But we have to know that we must fight for our future on our own, for our destiny as Europeans, and that's what I want to do together with you."
>
> *– Angela Merkel, German Chancellor*

80. To be fair, some of the questions being raised by America are understandable. The US, for example, has been pointing out since the 1980s, that it bears a disproportionate share of the cost of NATO. The current Administration is not wrong to point this out, and insists that something be done about it.

81. American weariness, after years of the cold war – M–E engagements, bearing the burden primarily by itself; its demand that others share equitably in the costs of security engagements – are all quite understandable.

82. In fact, the current situation is probably politically unsustainable for the US.

83. Thus in a way, if Europe, led by Germany, can take more of the burden of global leadership, particularly in the security of Europe, that could lead to a more balanced and sustainable global structure.

84. The Administration has decided to raise issues which it thinks need the attention of other countries. What will be the consequences, how the Administration will follow through on these questions - is less clear. And I think it will take some time for us to understand how these issues will play out.

85. For example – despite raising the questions it has, this Administration has shown the readiness to act, when it sees the need to act.

86. Beyond this Administration, America's engagement of East Asia has been largely consistent post-World War II, despite the ups-and-downs across administrations.

87. And this Administration has continued this tradition. For example, it has continued to put pressure on North Korea, while holding out the possibility of negotiations.

88. The US has major security and economic interests in Asia, which it cannot afford to neglect.

89. How it handles them - we have to wait and see.

90. When the Administration's policies become clearer, and if there continues to be a perception that the US is withdrawing or reducing its global footprint, that may then accelerate the larger geopolitical trends that I spoke about.

91. And, if the US continues with anti-trade rhetoric, removes itself from trade agreements, targets countries with economic sanctions, and there are tariff wars, then more countries may find the BRI to be more attractive.

92. With this context, let me now look at the OBOR initiative.

ONE BELT ONE ROAD INITIATIVE

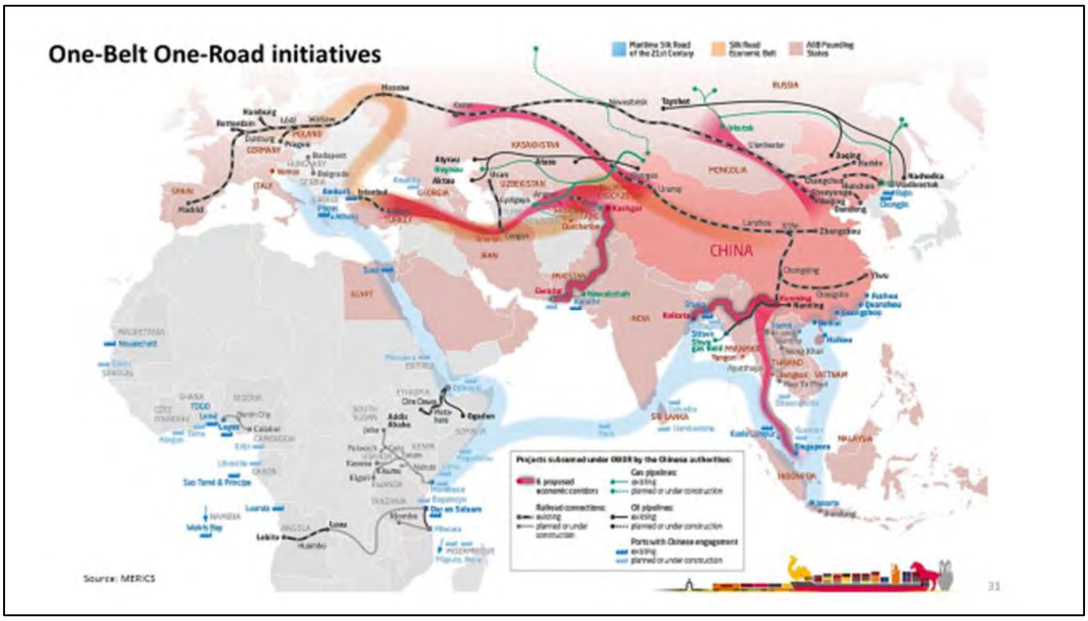
[A] <u>The most ambitious infrastructure project in history</u>

93. The OBOR is arguably the most ambitious infrastructure project in history. Trillions of dollars in infrastructure spending expected, in over 60 countries. Nearly US$50 billion has already been invested in economies along the Belt and Road.

94. The Asian Infrastructure Investment Bank, Silk Road Fund and New Development Bank together have a total registered capital of US$240 billion.

95. The BRI seeks to capture the imagination of partner countries. Many would-be partners believe that when the routes are laid, wealth will flow as it once did.

96. It has the potential to bring Eurasia, China and Southeast Asia even closer together. If it succeeds, future trade routes could look like this – on land, and over sea (see below).



[B] <u>A Note of Caution</u>

97. But let me strike a note of caution as well. Names like Samarkand, Bukhara, Merv – they evoke a sense of romance, a glorious past.

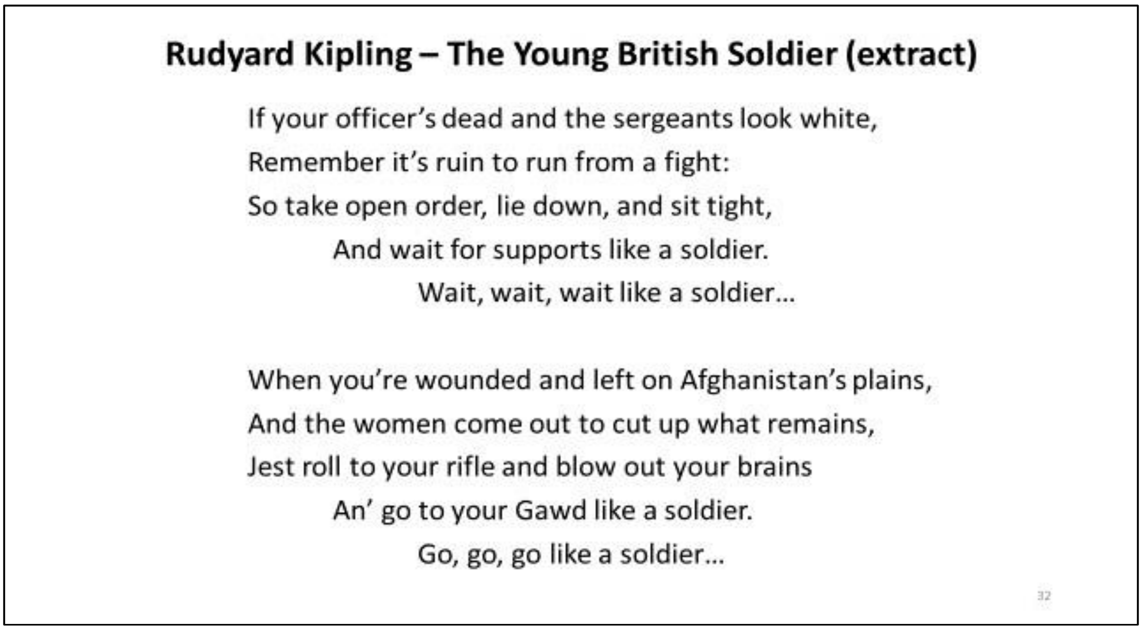
98. But the Chinese are not romantics with their heads in the clouds. They are practical, hard-headed. And they know that the Silk Route has historically been beset with conflict and violence. The risks are not insignificant.

99. Central Asia – For centuries, conquerors have swept through the area. Ghenghis Khan, Tamerlane, Nader Shah, many others. It is a hostile environment, difficult to enforce law and order.

100. Take Afghanistan. Russia, Britain, US – all had difficulties.

101. Afghanistan has been called the "Graveyard of empires" for good reason.

102. There is a poem by Kipling, "The Young British Soldier", on fighting in Afghanistan. Mr Lee Kuan Yew gave a copy of the poem to President Obama. It is worth reading (see below).



103. These are some pretty tough areas. Amongst the toughest in the world. And they continue to see some serious instability.

104. Roads and Belts enable trade. But they can also enhance connectivity between extremists, and Jihadist influences. Works both ways.

105. Thus success of the OBOR in these areas is not a given.

106. There are other associated risks as well.

107. First: Central Asia: the institutions in the countries are still developing. Much still depends on a leader, or a small group leaders. If there is a change in leadership, then there could be changes in policy.

108. Second: Russia has very substantial interests in the region. It is not a given that Russian and Chinese interests will align on BRI, necessarily. Russia has the ability to impose its will, if it believes that its own interests are affected. The Central Asian states are unlikely to want to choose between China and Russia.

109. Third: India also has key interests in the Central Asian region, and the will to seek to protect, and advance those interests.

110. Fourth: Other countries, like Turkey, Iran also have their interests, and the will to push for those interests.

111. China will have to try and work with these different interests, and align them. That is not going to be easy. In many ways, building the infrastructure is the easier part.

112. Beyond the specific difficulties of Central Asia, China also has to try and engage countries which have been less than enthusiastic about OBOR. For example: India, Japan.

113. China, being so big and successful has to take the steps to assure, engage, recognise that its actions will have a lot of impact, because of its size, heft, and impact.

114. It is good for China to be respected, liked and trusted. Because the starting point is that actions of a very big country will be analysed very closely by others. If there is a deficit in trust we then might see regional counter blocs forming, for example: India, Japan, perhaps with powers outside Asia. History has many examples of such dynamics developing.

115. And the possible US influence, impact should not be underestimated. US will continue to be a superpower, with tremendous economic, military and technological strength. Bismarck is reported to have said: "There is a Providence that protects fools, drunkards, children and the United States of America". So never write off the US.

116. If such blocs / counter-blocs are formed, that is not optimal. For China, or for anyone else, or for BRI. No country, not even China, can go it alone in the modern world.

117. How it can align these conflicting interests, assuage other powers, are tricky issues. I have not dwelt too much on them, but that is not to understate their importance.

118. It's in China's interest – and ours too – that its rise to great power status, superpower status, is peaceful, and is seen to be peaceful.

119. Fifth and quite fundamentally: BRI is not a substitute for the current international order. The current order is built on free trade. If the world turns protectionist, that will affect OBOR. If there is a trade war between US and China, that will affect the OBOR.

120. The US has become energy independent. With a lowered cost of energy, it is trying to now onshore industries. That could also have an impact. Let me explain it this way: Infrastructure facilitates trade. But infrastructure does not by itself often create trade. Trade flows ultimately depend on supply and demand. In a globalised world, countries trade with many partners. And for many Asian countries, while China is the biggest trading partner, the ultimate consumer of most of the finished products is still the US. The products go as intermediate products to China; they get finished there, and then the finished products go from China to the US. This will likely remain so for some time.

121. So, for OBOR to succeed to its full capacity you need world trade and globalisation to carry on as it has been, and for the globalised economy to function. This means there must be no trade wars between China and the US; there must be continued growth, peace and stability – all of this and more will be necessary.

122. But if China plays this right and successfully conveys that it has benign intentions, through the OBOR and other regional initiatives (including the RCEP (Regional Comprehensive Economic Partnership)), it has got the potential to build a new economic architecture that can uplift economic growth in this hemisphere.

123. The OBOR is a bold vision. China can overcome the challenges and turn the vision into reality. If anyone can, China can do it.

124. It will be easier for China to achieve that if China is able to work harmoniously with countries which have weight, influence in the world economy; and receives the cooperation of countries with weight and influence along the Silk Route.

125. China will be aware of this.

126. We in Singapore are too small to influence or be involved in these sorts of combinations and counter-combinations. We are an observer, often a price-taker. So we observe, we say things clearly, when our own interests are affected, and hope that there will be wisdom, peace and stability.

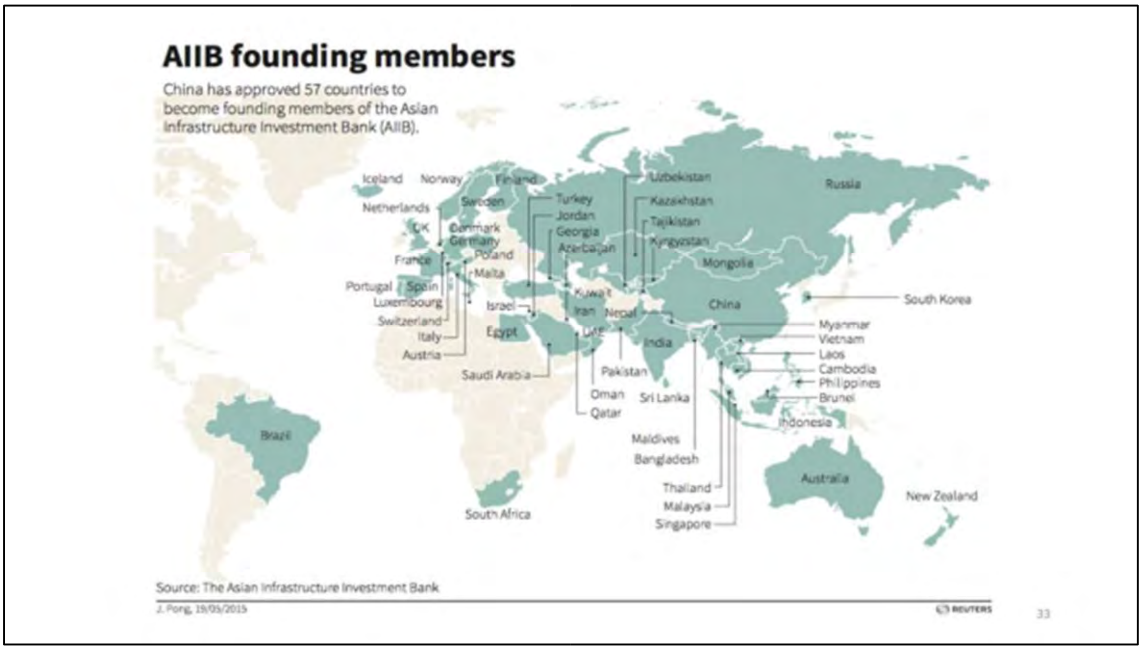
[C] <u>SEA</u>

127. China is likely to find SEA easier in the context of BRI. The connectivity – roads, rails, ports, airports - will be of great benefit. And the potential to create a vibrant economic zone, including the maritime states as well, is huge.

[D] <u>Some key institutions which might help OBOR</u>

128. China has set up some key institutions, both before and after the BRI idea, which will, I think, help the BRI initiative.

(1) <u>AIIB</u>



129. <u>One</u>: <u>AIIB:</u> it will finance the infrastructure projects along the Belt and Road, together with other international institutions – World Bank, for example, who is supporting this conference, is actively involved.

(2) Shanghai Cooperation Organisation

34

130. Two: Shanghai Cooperation Organisation: it is a political, economic and security organisation that will cover Eurasia. India and Pakistan were full members from June this year. And SCO represents half of humanity; a quarter of the world's GDP.

131. The BRI will therefore improve infrastructure, physical connectivity greatly, across the region. And has the potential to be a game-changer.

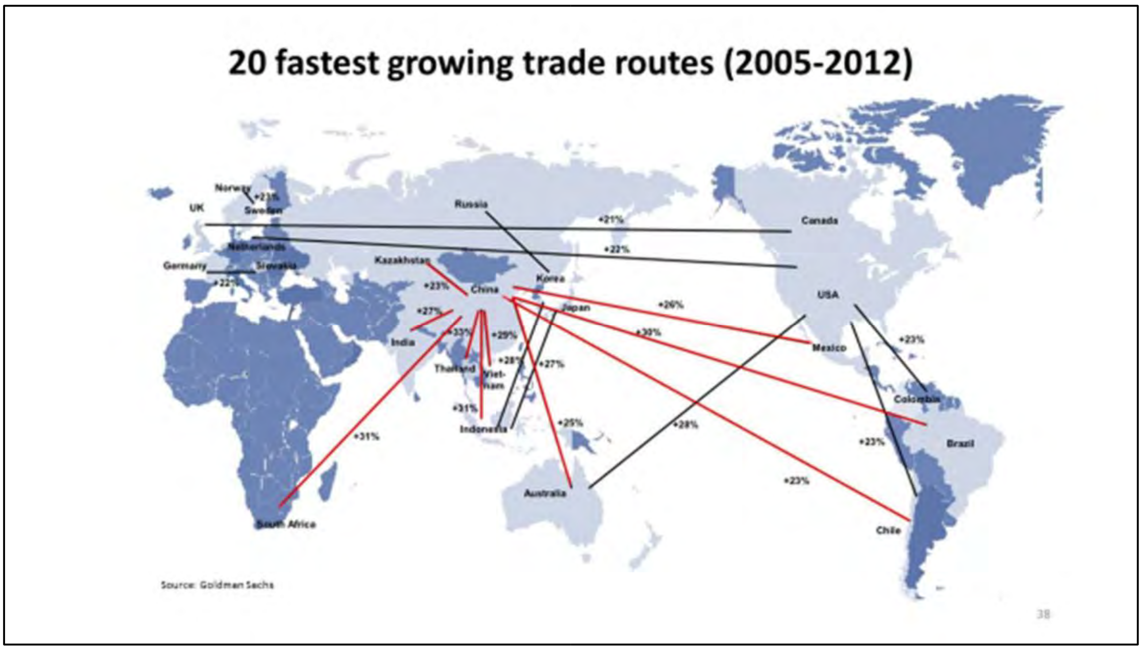
132. Now let me move, to set out what I see as the impact, implications of BRI on the world economy, security architecture, geopolitics.

IMPLICATIONS, IMPACT

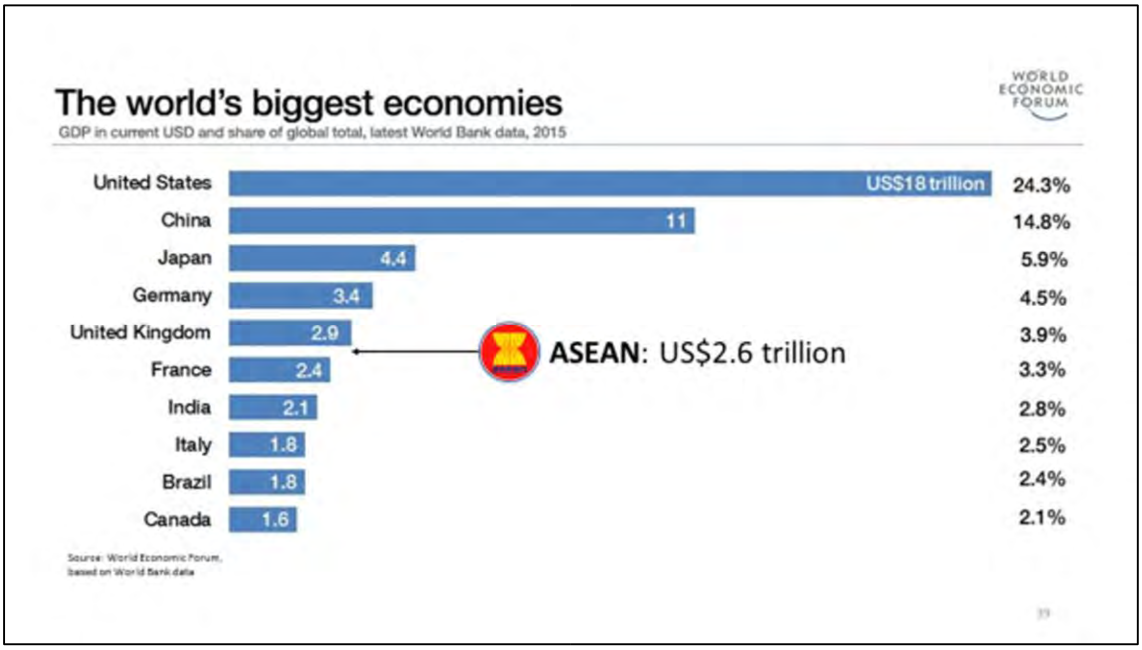
133. Fairly obvious what my conclusions on these are, given what I have already said. And I can therefore state them quite summarily.

[A] Economics

134. BRI, if successfully executed, will reshape global trade.



135. Already – as I said earlier, China, India, Japan are in the top 10 economies in the world in terms of GDP (see below). ASEAN, as a single economic unit – also in the top 10. BRI will anchor the world's centre of economic gravity in Asia. And China will be the centre of that centre. Not all roads will lead to Beijing, but many roads will.



136. This is on the assumption that the major economies of Asia work together, there is no trade war, and no alliances which face off against each other.

[B] <u>Security Architecture</u>

137. Security usually follows economics.

138. As its trade routes expand, China will probably seek to protect those routes. Both the land and the maritime routes. So you may well see more Chinese military bases, security arrangements, along the new Silk Routes.

[C] <u>Geopolitical impact</u>

139. We are likely to see a more multi polar world. US, Europe, India, Japan, Australia, other countries, are not going to disappear from the geo-political equation – in Asia or elsewhere. As I said earlier, it is likely that the US ability to decide unilaterally, will be reduced, from what it has been in the last 25 years.

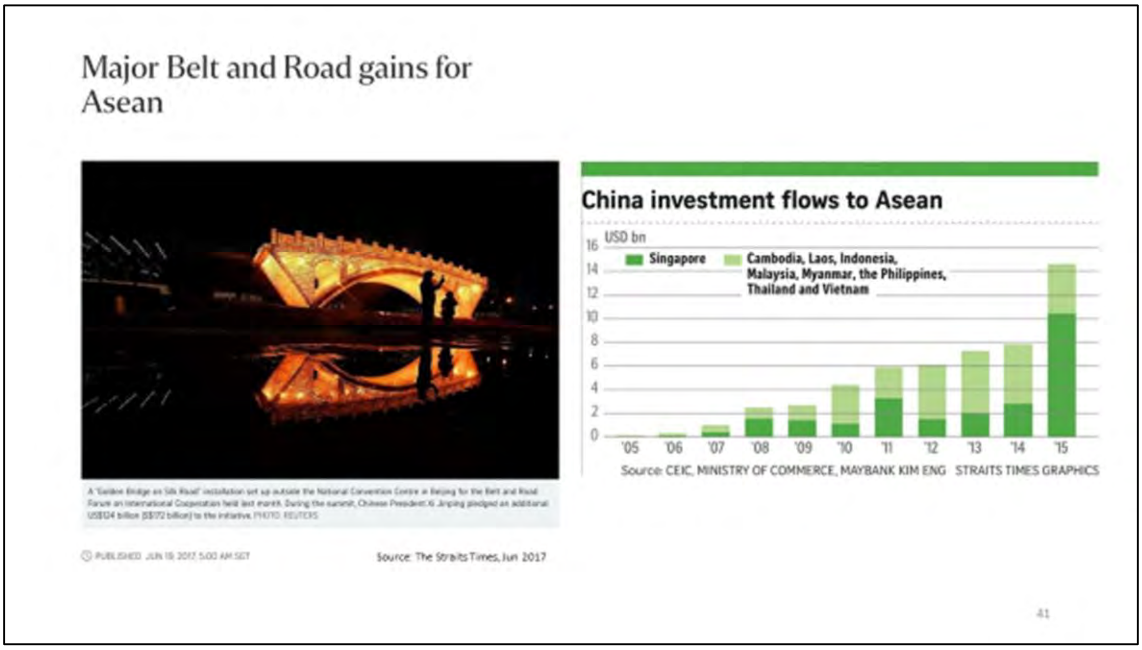
140. At the same time, it is difficult to see any one country – including China – taking over the US's role of global leadership.

141. And in several parts of the world, the US is likely to remain the predominant power. How stable such a multi-polar world will be is difficult to predict, but it will be in US's, China's and other countries' interests to ensure and work for stability.

SINGAPORE

142. Finally, Singapore - what does all this mean for us?

143. Singapore recognised very early the potential for China's growth, from the early 1980s. And was an active proponent of that growth.



144. We supported BRI since its early years of inception. Recognised that it would benefit Asia and ASEAN (see above), and lead to greater regional economic integration.

145. We were among the first few countries to support the AIIB, because we recognised its importance for the OBOR.

146. There are lots of opportunities in Asia. From OBOR, and China's growth, to India's growth. And ASEAN's own growth is high: By 2020, combined GDP is expected to be close to 4 trillion.

147. As a small country, that is well governed, with rule of law, a highly educated population, we should be able to benefit from all of this economic growth.

148. And OBOR in itself: offers tremendous economic opportunities – exciting.

149. If connectivity improves, people travel, investment flows increase, then we can benefit - if we are ready and smart.

150. An FT article in May this year noted that "among BRI countries, the leading investment destination in 2016 was Singapore, a high-income country with well-developed infrastructure".

151. The figures show that we are already benefitting significantly from the opportunities offered by the BRI: China's investments in Singapore alone amount to about <u>1/3</u> of its total investments in "Belt and Road" countries. Singapore's investments in China accounted for <u>85%</u> of total inbound investments from "Belt and Road" countries.

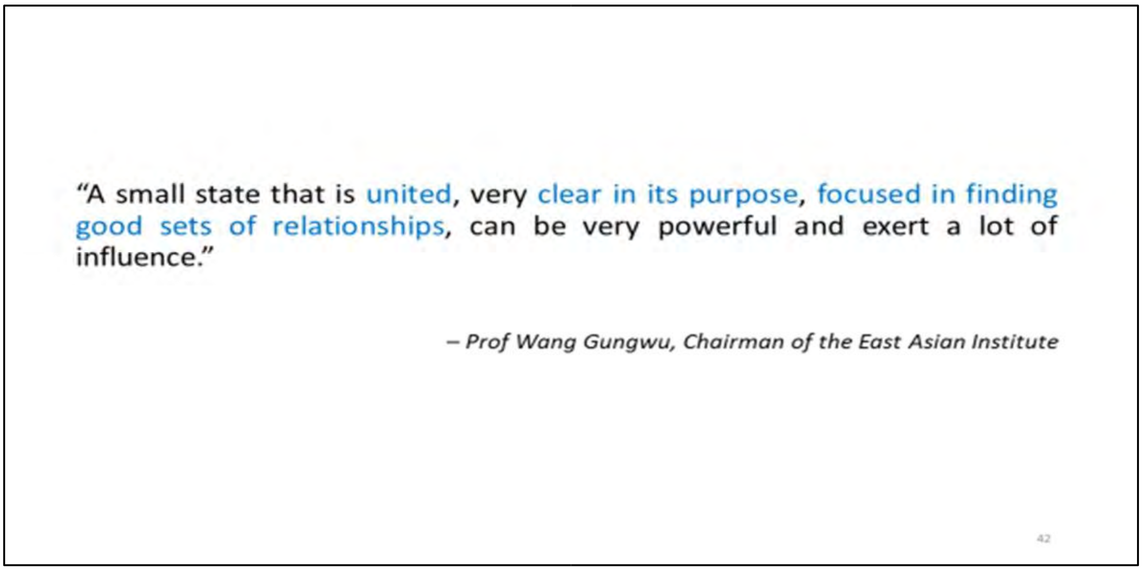
152. With the new opportunities we can, should be able to find ways of being economically relevant.

153. In this unfolding multi-polar world, even more important for us to have as many good relationships as possible.

154. Small states must continually earn their relevance on the international stage. China, the US, India – will be there a hundred years from now. For us: Nothing is guaranteed. The world can pass us by in an instant. The forgotten cities of the Silk Route are a salutary warning to us. Need to keep improving, reinventing the way we operate. Finding new ways to be of value to others.

155. We will continue to support initiatives like the OBOR, because it benefits us, and the region. We will also continue to maintain good relationships with our neighbours, with China, and with our Western counterparts in Europe, and the US. This is how we have prioritised our nation's needs over the years, and we will continue to do so.

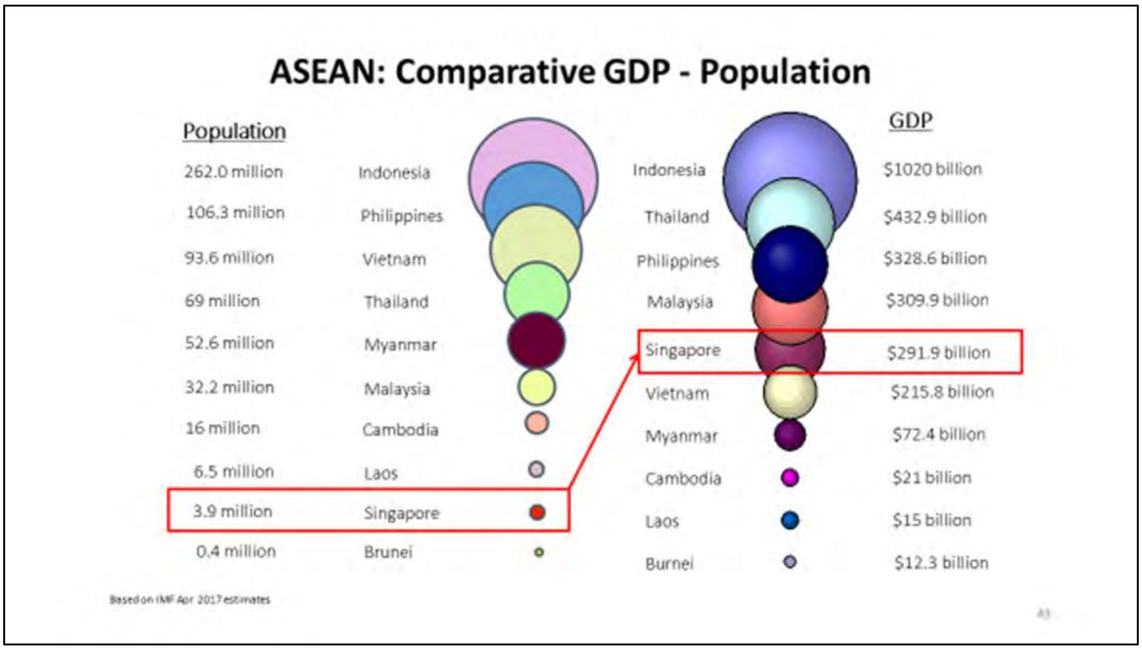
156. Can Singapore remain relevant in the future? We can. If we are smart.



157. Useful to note what Prof Wang Gungwu says (see above): "A small state that is united, very clear in its purpose, focused in finding good sets of relationships, can be very powerful and exert a lot of influence."

158. We should try to punch above our weight, rather than just to be seen as a 700 km^2 rock in the Southern tip of Peninsular Malaysia.

159. And we have good reasons to be optimistic. We pack quite a punch (see below).



160. Note what Prof Tommy Koh said earlier this month: While we may be small in terms of territory or population size, we are not so small when you consider other yardsticks: GDP per capita, size of our foreign reserves, our connectivity with others, ease of doing business - to name just a few factors.

161. There will be fierce competition, certainly. We must expect, anticipate that our neighbours will, for example, want to build big ports, challenge our port, as they have every right to do so.

162. And we must be nimble, quickly adapt – modernize, expand our own container port; have the foresight to make the necessary changes today for a better tomorrow, as we have done in the past. If we do so, we can secure our future, and ensure we remain a key port of call in SEA.

163. And don't be easily rattled. As the ST article (see below) points out, it is not so easy to displace our port.

164. We can't be complacent; we must take competitors very seriously; we should be paranoid; but don't be spooked by social media disinformation campaigns that claim we are about to be surrounded and cut off.

165. And let me end by saying this: we achieved what we have by thinking bold, and thinking big. We didn't allow anyone to bully us, or subject ourselves to the demands of other countries. Many have tried. We resisted.

166. International relations, it is not unlike a jungle. And small states are at risk.

167. Small states that are intimidated or cajoled by bigger states into allowing their identity and interests to be defined by bigger states are not going to remain sovereign states for very long. They may retain a flag, a national anthem and a vote in the UN, but that is about all. They will lose the autonomy to be themselves.

168. The issue is existential.

169. If we allow ourselves to be bullied or seduced by bigger powers, that can break or severely stress our own domestic social-political compact, on which modern Singapore rests. Once broken, it will be difficult, if not impossible, to put together this compact again.

170. If our founding fathers had conceded that Singapore should behave like a small state – "adeks" – we would not be having this conversation today. We would not be speaking in English, certainly; and there would be no Lee Kuan Yew School of Public Policy.

171. But thankfully, our founding fathers thought boldly so we have a vibrant, confident modern state.

172. Again, thank – World Bank and ACI for inviting me. Heard ACI was ranked 13th globally, 2nd in Asia and 1st in Singapore amongst 90 think-tanks worldwide by U-Penn. Glad to hear the ACI is doing well. Look forward to more of your good work.

173. And look forward to discussing these issues further with you at the Q&A.

174. Thank you.

Question & Answer Session

Responses from Forum Participants

(1) Singapore & China

Q: You mentioned a lot of Belt-and-Road investment from China was flowing into Singapore. Obviously, Singapore is a very successful financial centre. To what extent do you think that investment will be retained in Singapore? Or do you think that Singapore is more like a hub for investment to flow into the wider ASEAN region? Secondly, do you have any examples of successful China-Singapore partnerships or infrastructure projects? Do you expect that the Singapore-KL rail project might be one?

A: I'll respond to your third question, first. On the High Speed Railway, we have made it clear, the Malaysian government has also made it clear, that it will go for an open tender. The matrices, the framework for that tender will be set out.

As for your other two questions - my main response is that Singapore has had a number of G to G partnerships with China.

For instance - Suzhou of course, everyone knows. I'm not sure if you'd call it infrastructure, but it includes development of real estate, associated facilities; trying to replicate in China a part of Singapore which has been very successful. It has been a sort of a leader for others to come through.

We have got the Tianjin Eco-city project.

And of course now, specific to the Belt and Road initiative, the logistics cooperation based on Western China (regarding which, we have been discussing a number of opportunities).

But in addition to these sorts of high signature projects, the reality is that there is so much money that has got to be spent in this region, upgrading the infrastructure facilities.

And if trade is going to increase as a result - all of these are "ifs" - then we are in a very good position to benefit from that. We've got the best port, the most efficient port, we've got a great financial system, we've got rule of law, we've got a system that people across Asia and across the world trust.

So I don't see any reason why you should not benefit from this. I think the likelihood is that it will significantly benefit us.

Q: If we strengthen our relationship with China, will our relationship with other countries deteriorate?

A: During the Cold War, we had a very good relationship with the US, and we traded with the Soviet Union. If the Soviet Union was a more effective trading partner, we would have done more.

As Dr. Goh Keng Swee used to make clear, our trade has no ideology - we trade with everyone.

For a small country, I think that has got to be the approach. Other countries can argue with each other, but for us, they have to understand that we can't afford to take sides.

We do business with everyone who will do business with us.

(2) China and the West

Q: What do you think of the Western media's approach towards China?

A: The official ideology in the West is that the media is the "Fourth Estate". It's independent, they don't stoop or bend their public policies because of money, and so on.

On the other hand, if you look at China, China makes clear what it views as acceptable reporting in journalism.

There has been a lot of criticism of China; some of it I think is skewed and unbalanced, as I said in my speech. But you also see for example Bloomberg, whose Chairman said in 2014 – I'm paraphrasing this, these are not his exact words – that perhaps they should have been more careful in their coverage of China. They ran a series of articles, but they also provide these terminals which are very, very lucrative for them in China, which are used by the traders and banks and so on. And they knew that that their financial bottom line was at risk. And so he said that they should have focused more on economic issues and been more careful about what they wrote.

More recently, a few weeks ago, you heard the kerfuffle over Cambridge University Press, where they took out 300 odd articles on human rights and Tibet and so on. There was an uproar, and they reversed that decision.

If you look at Australia, I think the Sydney Morning Herald or some other Australian newspaper now regularly carries a "China Watch". I'm sure there's a financial tie up.

In the end, China is big, China offers huge economic opportunities. So I think it exposes the disconnect between the ideology that the Western media puts up, and the reality on the ground.

Q: Under the current US administration, what do you think of America's government, and how effective is it in delivering governance?

A: I think one answers this question by first asking: (1) What do you mean by governance; and (2) What are the end points you want.

If the end point is that there should be unqualified "rights" – such as the right to vote (which is very important), the right to say what you like (which is also very important though I believe there has got to be a framework within which it should be exercised), the right to carry guns, the right to burn the flag, the right to engage in nasty sloganism, the right to do what you like – there is a broad range, and you can do all of that in the US.

But you can go further and ask: does governance mean also the state actively improving people's lives through education, uplifting people, increasing national power through focusing on its resources?

If you ask the second question and you're not ideological about it, I think you would say that, overall, for the last two hundred odd years, the American system has done very well. It is the richest country in the world. But at various periods, it has suffered crisis and inability of its political institutions to mediate between the competing interests. You had the major civil war in 1860s, you had a variety of civil rights movements, you had America turning isolationist before the Second World War, turning inwards during the Great Depression.

So it's gone through ups and downs, most times the system works well, sometimes the system doesn't work so well.

If you look at it right now, serious questions are being asked, of the system that was set up in the 18th century when 15% or so of the people had the franchise of voting – to vote, you had to be white, you had to be male, you had to own land. So whoever came into power was essentially from the same class and similar outlook, and there was a long period of stability. I am generalising, but broadly I think my point holds.

Today, questions are being asked because of the deep cleavages, and the deep divides along cultural lines, along racial lines, along economic lines, education opportunities etc. You have these questions being raised. Such questions have been raised in the past. Where it will go from here, if you ask me, looking at it today, I don't know. America has bounced back many times in the past.

Seasoned observers think that some updating of its political system is necessary, if America is to mediate between the different competing interests to bring about a betterment in its people's lives. People who are better off can take care of themselves, but what about the ordinary person? Issues like the schooling system, the opioid crisis raise challenging questions too.

Q: All along, many people have taken for granted that the Western capitalist, democratic system is a preferred one. But you mentioned that China has been growing so fast in the past 30 years. Are you suggesting that the Chinese system is the preferred one, and is it especially relevant to developing countries that are at a very low level of development?

A: I will put it this way - actually, there is no contradiction in some essential sense.

Take the US. The period of its rapid growth, from the time it got independent to the civil war a 100 years later, through to the time it became a superpower - for a substantial part of that period, the early stages of development, as I explained just now, who had the franchise? About 10-15% of the population. They were very similar in their outlook, because of the nature of the franchise. And whether you had one or the other party in power, the approach was broadly similar and there was stability to the macro policies.

Now, these are generalisations. Of course there were differences, of course there were changes, and of course there were arguments – including the one which resulted in a civil war and lots of bloodshed.

But in a sense, there was a broad agreement on what major policies should be.

So you can argue that in early stages of development, what a country needs and what the political system ought to deliver, is stability and the ability which then gives its leaders the possibility of thinking 20 or 30 years and putting in policies and driving the changes: education, female empowerment, growth, economic opportunities, levelling up.

If you look at the UK, you can make the same argument about the franchise - it was very narrow for a long period of time. And it was very stable for the period, but it grew. Countries go through phases.

China's model of development follows more the path that was taken by Taiwan, South Korea. A strong central state imposing its will, thinking long term, bringing together all the resources, and projecting forward.

You could, I think, reasonably argue, that any other system would not have seen China progress so rapidly, but then again, you can have ideological arguments about progress, which is why I said if you say the right to vote and the right to say what you like is more important than say the education of a child, healthcare, access to material benefits, opportunities, you are entitled to that view, and then China's system does not deliver that.

But if you believe that educating children, developing the infrastructure, creating a better life for your people is the key goal of governance, then China's system delivers it. I think China's system delivers it today, but as the people get educated, as the people become wealthier, then the political system would have to adapt to that.

Q: To what extent do you actually think China is a competitor of the US?

A: Well I think it will be fairly clear from my speech. There is competition, obviously, and the competition will be on all fronts. Our hope is that the competition will take place within a framework of peace and maintenance of the global order.

America has had competitors before. If you look at the post Second World War period, of course the old Soviet Union was a huge competitor. The Soviet Union was a military competitor not an economic competitor.

And then you have Japan. I think some of you would remember books like "*Japan as No. 1*" and so on. But I think, realistically, given the differences in population and resources, I don't think Japan could ever have been a competitor across all matrices. But Japan in any event was an economic competitor - it was not a military competitor.

If you take China, it is both a military and economic competitor, and its population is four times as large. This is why I think I drew some of the conclusions that I have, and we just have to look at the recent history. Now, you don't therefore say that the recent history will continue unbroken; there will be stumbles along the way. But I think the secular trend is quite clear.

(3) Other Questions

Q: All countries face the reality of competition, especially smaller countries. But at the same time, they see the need to cooperate. How do you balance this tension between competition and cooperation for all countries?

A: Competition is a fact of life. Countries act in their best interests. They cooperate when they need to. There is no reason to think that cooperation is inconsistent with competition.

For instance, we compete as a port with many other ports, but we also have great cooperation with them, including our neighbouring countries.

So the reality is to just accept that people will want to take your lunch, but nobody will want to give you your lunch.

Particularly since, as I often say, there are three ways in which you make money: You either take something from the ground, or you grow something on the ground, or you go and trade with others who take something from the ground.

We don't take anything from under the ground and sell, we don't grow anything and sell, so we have to be the service provider to others who grow their own things and dig their own oil.

Of course, they will ask themselves, "Why should I not be making this money? Why should I let Singapore make this money?" The only way we can make the money, given how small we are, is to keep the size of our economy going, and we have a $300 billion economy based on a 3 million citizen population. To keep that going, you just need to run faster, be smarter and continuously be relevant.

If you're not relevant, others will take your lunch. This is simply a fact of life. One of my favourite books in this context is "*Who Moved My Cheese?*" If you think your income and your economy is going to prosper by you doing the same things that you've grown fat on, you will starve to death.

Q: What do you think is the role of think tanks and business people in forging relationships with other countries?

A: The reason why Singapore has got so many successful think tanks is Dr. Goh Keng Swee. Dr. Goh was a visionary. Many good things in Singapore were due to his long range thinking.

Dr. Goh felt that if you just take the government and ministry officials' thinking about economic policy, foreign policy issues, you will eventually get a reversion to some type of "group think". And you needed active, good think tanks which will be out there giving valuable input to the government.

And so he saw the think tanks' role as being very knowledgeable, being very objective, being very clear and putting those views to the government, which means not necessarily agreeing with the government in everything. If they simply agree with the government, unthinkingly, then the role of a think tank is useless.

But I think Dr. Goh would turn in his grave if he felt think-tanks had become places where – I mean, objectivity is critical – people are suborned, and they promote to you, under the guise of objectivity and academic freedom, the viewpoints of a foreign country in order to influence your policies. That would not have been acceptable to Dr. Goh, and that will certainly not be acceptable to us. And you can be suborned either because you're working with foreign intelligence or you can be seduced by them.

Another type of lack of objectivity would of course be if you have a political agenda and you lose your objectivity, and project your political arguments under the guise of academic scholarship.

The key is not whether you disagree or you agree with the government, but the key is whether you're objective in doing so or whether you have another reason for promoting that position.

So think tanks have a critical role in presenting a different perspective, an alternate perspective.

If you look at the think tanks that Dr. Goh was instrumental for, like the Institute of Southeast Asian Studies, they play the role of helping to understand our region much better because think tanks can go about and say things, explore, and can put forward an additional set of views. That is useful. So that's what I think is the critical role that think tanks should play - to be very alert, to be real scholars and to put forward scholarly viewpoints which are practical, which would help the country. As I have said, that doesn't mean agreeing with the government on everything; it means even challenging the government objectively when the government's viewpoints have to be challenged, or anybody's viewpoints, where they have to be challenged.

Businessmen, I think play a very, very important role in terms of engaging other countries. They expand our GNP by investing, they are forging relationships, they are creating the fundamentals for our success. Without an economy, what will we be? So they are critical.

But at the same time, I think again let me go back to Dr. Goh. He said, "*Our businessmen in the ordinary course of work, have numerous dealings with government officials of their countries. They have to obtain licenses, concessions,* *contracts, permits. Thus the Singapore businessman, in the eyes of these governments, performs the role of supplicants for favours. As our businessmen often compete in their supplications, the image that this creates of Singapore can well be imagined*." He was talking about a regional country.

He continued, "*It is not unnatural I suppose for these governments to expect that the Singapore government to behave in like manner. Businessmen have never hesitated to give me free advice on how to conduct foreign relations during the periodic grouse we have had with our neighbours. Unfortunately, they do not understand – and I'm afraid they cannot understand – that in the nature of things, relations between independent sovereign states cannot be conducted on the basis of supplicant and overlord. The methods they found were successful in business are not available to us in government.*"

So what we need is an understanding: businessmen have a huge role; very important for the economy, very important in forging good relationships. And of course, foreign affairs and relationships prosper if there are good economic relations.

But one has got to understand where the line should be drawn. The government has to act in Singapore's best interests. Sometimes, this will mean departing from the advice of business people. The businessman will have his business perspective. But the government has to take a larger, country-wide perspective as a sovereign state.

Keynote Speech

"To view 'One Belt One Road' from a geo-economy perspective"

Professor Liew Mun Leong
Chairman, Changi Airport Group and Surbana Jurong Group,
Provost's Chair Professor (pro-bono) at Lee Kuan Yew School of Public Policy

Minister for Home Affairs and Law, Mr K Shanmugam,

Excellencies

Director, Operation Advisor, World Bank Infrastructure & Urban Development Hub, Ms Fatouma Toure Ibrahima,

NUS President-Designate, Professor Tan Eng Chye,

Dean of the NUS Lee Kuan Yew School of Public Policy, Mr Kishore Mahbubani,

Ladies and Gentlemen,

Good Morning.

Let me start with a note about the crucial role that urbanization and infrastructure development in the world economy. Economics Nobel Prize winner Professor Joseph Stiglitz postulated a theory that the world's economic growth in the 21st Century will depend on two key drivers – (1) Digital Technology and (2) Urbanization & Infrastructure. I read that these two drivers are often quoted by China's Premier Li Keqiang and his officials as China's key strategies for economic growth.

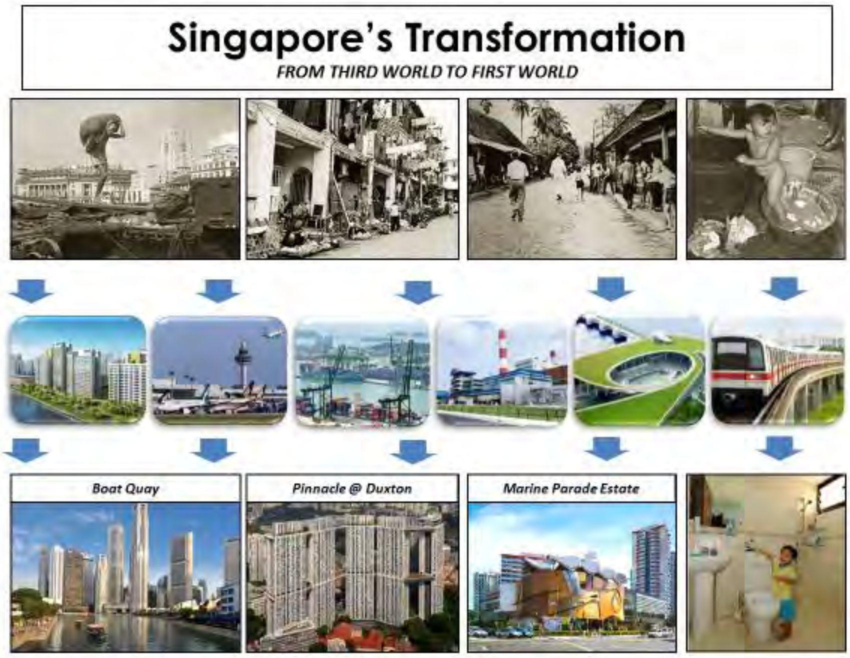
Proposed by China in 2013, "One Belt One Road", now renamed the "Belt and Road Initiative" (BRI) is a global master plan to promote world trade and economic growth with infrastructure connections. It will connect 65 countries across Asia, Central Asia, the Middle East to Europe by land along the historic Silk Route and another by maritime route, down the Pacific and Indian Ocean and up the Mediterranean Sea. Fully implemented, the land route could connect the world's biggest landmass from Vladivostok in Russia to Portugal, the westernmost country in Europe.

DRIVING ECONOMIC GROWTH THROUGH INFRASTRUCTURE DEVELOPMENT

Professor Joseph Stiglitz's economic development theory that urbanization and infrastructure are fundamental drivers of growth has been proven in many countries. Good infrastructures will attract foreign direct investments, help promote trade, improves national productivity and create jobs. There is an old Chinese saying "If you want to be rich, build road". We now say "Build it and they will come".

Japan rapidly accelerated her economic growth with extensive infrastructure investments, after World War 2. China leapfrogged and reformed her economy with the same strategy in the 90s and so did other Asian countries like South Korea, Taiwan, Australia and Hong Kong.

Singapore is another showcase story of how we transformed a fishing village with no natural resources, from the third world to a first world city, through infrastructure investments. We built up our economy with world class infrastructures including housing, airports, seaports, power, water, telecommunication, IT and transportation.

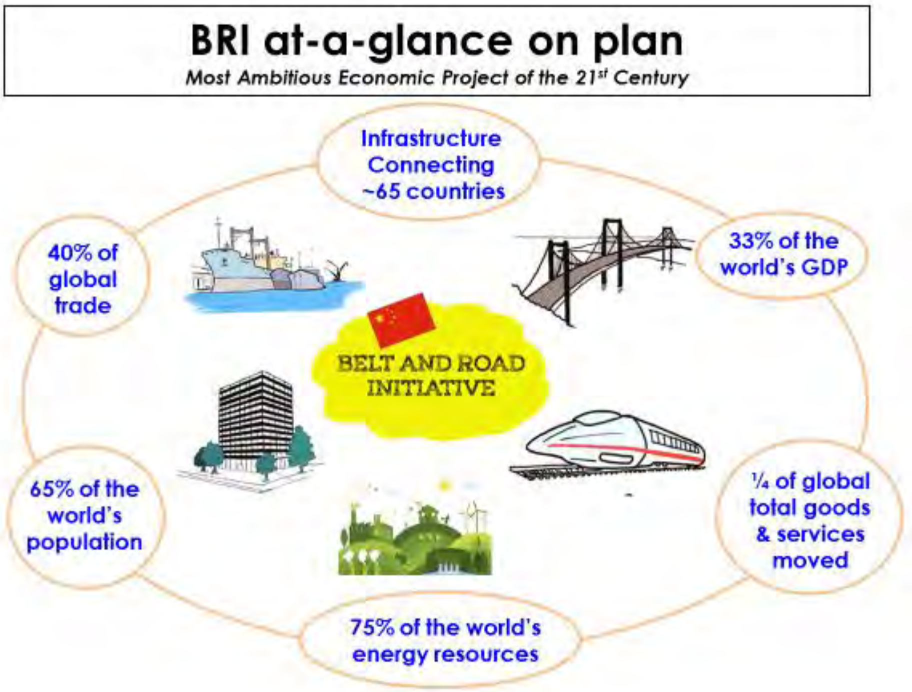


UNDERSTANDING THE BRI

Due to its massive scale and vast geography, there is presently inadequate understanding of what BRI really embraces. But it is still early days. I was privileged to be invited to the "Belt & Road Forum" held in Beijing in May this year. I wanted to personally assess the vibe and spirit at the forum and to listen to the responses from participating countries on BRI. More than 1,500 guests from 130 countries attended the forum. This included 29 state and government leaders, as well as the heads of major world organizations like the UN, World Bank, IMF, IFC, European Commission, WTO, ILO and several other economic agencies.

At the forum, China's President Xi Jinping assured world leaders of China's commitment in BRI's infrastructure investments. He pushed for globalization, connectivity with other countries, win-win projects, inclusive development, and emphasized China's intention for peaceful economical collaboration. The mood was visibly positive and encouraging.

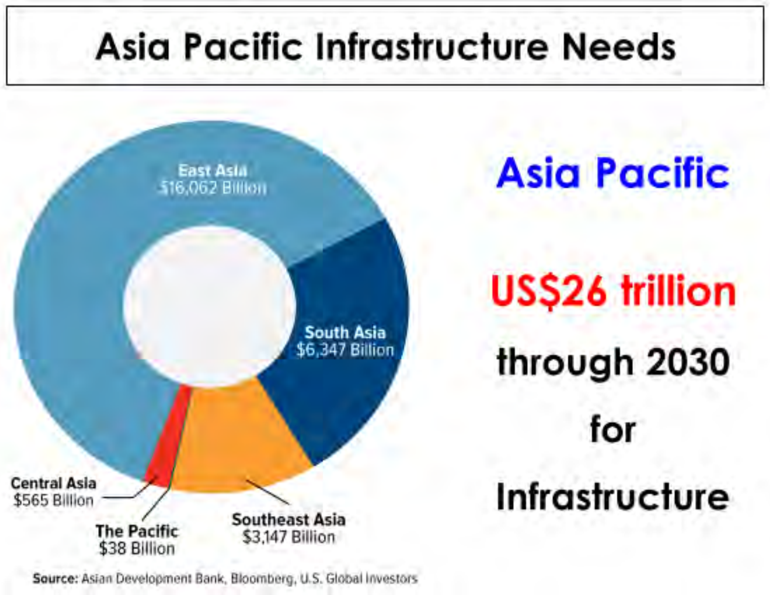
In a nutshell, BRI aims to connect 65 countries with about 65% of the world's population through a network of infrastructure projects. Today, BRI countries contribute 33% of the world's GDP, 40% of global trade and 25% of global goods and services moved. It is also endowed with 75% of the world's energy resources. By its sheer size and geographic spread, BRI is currently the most ambitious economic project of the 21st Century, and possibly in history.



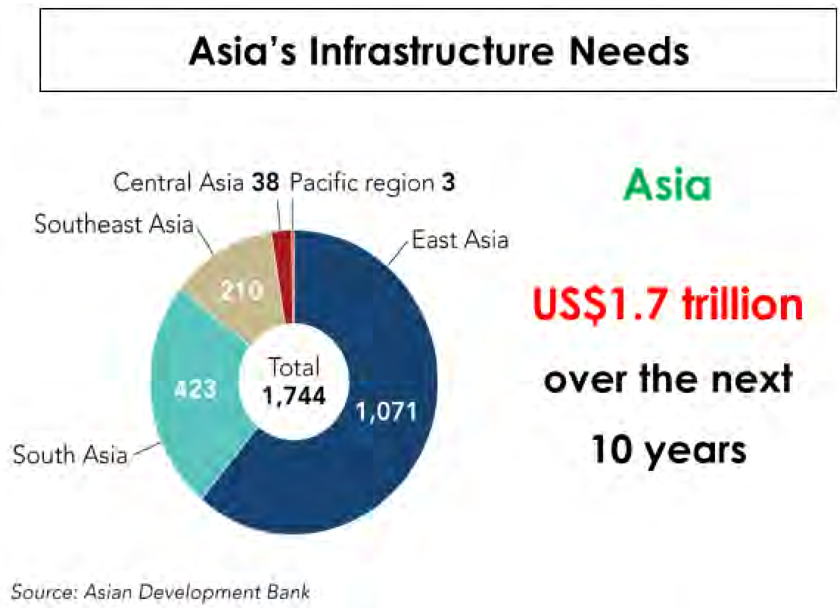
Some economists estimate that the BRI is at least 12 times that of the US's Marshall Plan which rebuilt Western Europe at what is the equivalent of US$130 billion dollars in today's value. If all parties concerned do go on board and work with China in this global plan, BRI will dramatically transform the world economic landscape for the better.

ECONOMIC SCALE OF BRI AND FUNDING

Asia Pacific is presently severely deficient in infrastructure investments. It is estimated that Asia-Pacific will need US$26 trillion for infrastructure investments from now to 2030.



Asia alone will need US$1.7 trillion in infrastructure investments every year over the next 10 years.



One estimate is that the BRI's cumulative investments may chalk up to US$8 trillion. China has now taken the lead to initiate and kick start the BRI investment programme. Since 2013 China has poured in US$60 billion in BRI countries. It recently announced its plans of total outbound investments of up to US$130 billion per year over the next five years, giving a total of US$600 billion.

China has initiated three innovative multi-lateral development funds to assist in financing BRI investments. These are the AIIB with US$100 billion, the New Development Bank with another US$100 billion and the Silk Road Fund with US$40 billion. China has also directed its major national banks to support funding of BRI projects. But these are nowhere near the estimated total funding requirements. This is evidently clear and China knows that it will need financial partnership support from international and multi-lateral financial institutions as well.

DOES CHINA HAVE THE CAPABILITY AND CAPACITY TO IMPLEMENT THE BRI?

Over the last few decades, we have witnessed China's demonstrated capability to transform its own economy implementing many mega world class infrastructure projects. This includes transforming paddy fields in Shanghai's Pudong District into one of the world's most vibrant districts, the Three Gorges Dam, more than 20,000 km of high speed railway, the Hong Kong-Zhuhai-Macau 50 km Bridge and the Beijing Capital Airport which was then the largest building project in the world, just to mention a few. As a professional engineer, I have learned not to doubt their engineering and construction prowess and their determination to undertake and complete technically challenging projects.

We should, of course, bear in mind that cross border BRI projects, will pose additional and different challenges.

Mega projects of such scale will face multi-faceted and complex issues ranging from financial and funding, technical, political, environmental, social, to G to G collaboration issues. These are a "given" in global infrastructure businesses, whether it is promoted by China or by any other economic powerhouse. Execution risks in emerging countries in particular are always higher, and a host country's internal issues such as political instability, local vested interests, mismanagement, and recently anti-globalization movements may inevitably come into play.

Notwithstanding this and based on her past track records, I do not doubt China's capabilities and capacity to implement the BRI programme. China has started to make positive headways in her plans. At the Beijing forum in May, President Xi Jinping as China's top leader, made a firm commitment to world leaders that China would spare no efforts to undertake the BRI plan. However, China knows that the BRI must be open and inclusive of all interested parties to succeed, and that she will need the cooperation and support of the host countries and other developed countries to succeed. Therein lies huge opportunities for the rest of the world.

INTERNATIONAL COLLABORATIONS

Many countries and business leaders have also pledged their efforts to support and collaborate on the BRI projects at the Beijing meeting. The business community in the West has commercially acted fast too.

The Economist recently reported that many Western MNCs have seen quantum increase in their sales of construction equipment, technology and professional services to Chinese firms. These include GE, Caterpillar, Honeywell, ABB, Schneider Electric and BASF. DHL and Maersk have also found that their business with BRI countries have increased significantly. Deutsche Bank has secured several trade deals and entered into collaboration agreements with the China Development Bank to fund BRI projects. Western companies are now capitalizing on BRI opportunities quickly. Shorn of geo-political arguments, they are actively jumping onto the BRI wagon with their more technologically advanced products and services.

CAN SINGAPORE BENEFIT FROM THE BRI?

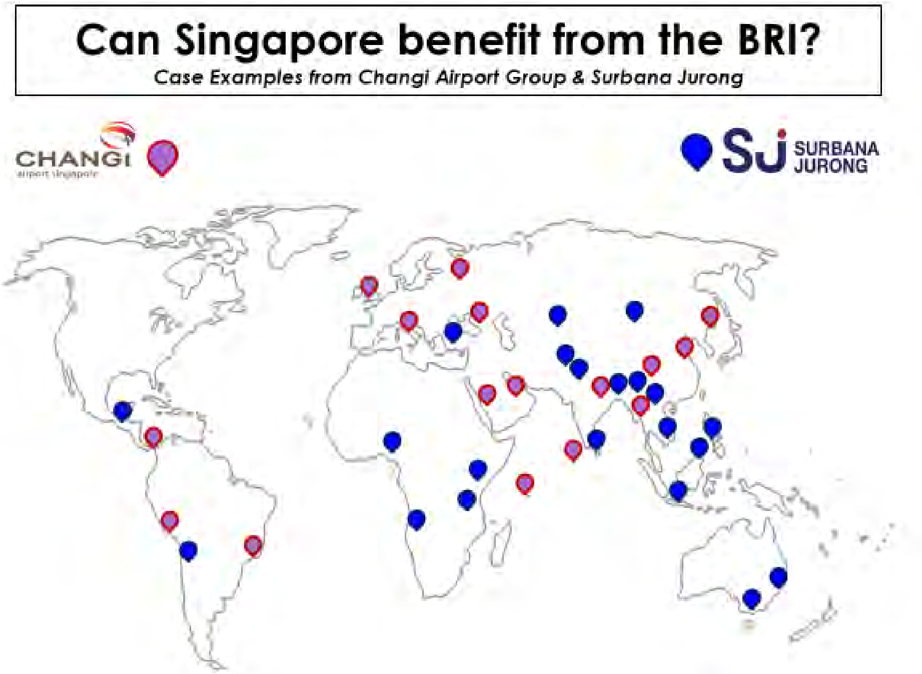
In my view Singapore is uniquely qualified to work in BRI projects. In a relatively much smaller scale we have done it before.

I recall that 25 years ago in 1993, our founding Prime Minister and then Senior Minister Lee Kuan Yew proposed a regionalization plan called the "Second Wing" to further expand Singapore's economy. The visionary idea was to use our infrastructure experience and expertise in both the public and private sectors to assist neighbouring countries in ASEAN, China and India in their infrastructure development programmes.

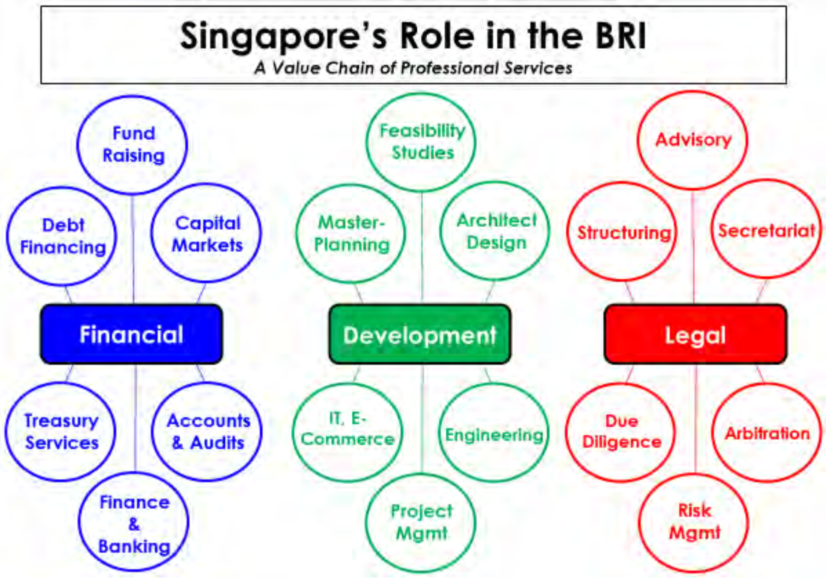
At that time, I was leading a government linked development company called Pidemco Land (which later became CapitaLand) to undertake several projects in ASEAN, China and India. We successfully built modern hotels in Yangon, Hanoi and Suzhou and residential projects in Kuala Lumpur, as well as an IT Industrial Park in Bangalore. We were also a partner in the development of Suzhou Industrial Park, now a showcase of our successful G to G collaboration with China in the early 90s.

With the experiences gained from the "Second Wing" regionalization programme, CapitaLand was able to evolve and export its overseas expertise to undertake real estate projects in more than 110 cities in 20 countries across Asia Pacific and Europe. With Singapore's successful track records in infrastructure projects and our trusted reputation, our companies and institutions should well capitalize on our experiences, expertise and track records to seek opportunities in BRI projects.

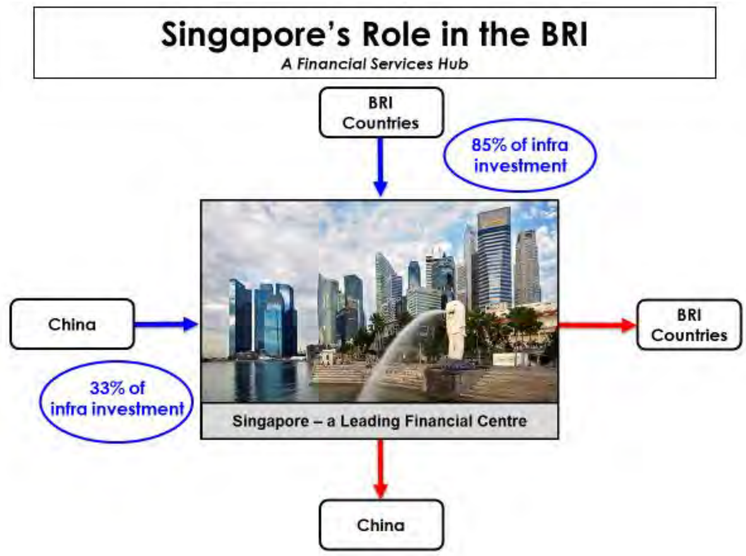
I am pleased to share that the 2 companies that I currently chair, Surbana Jurong Group and the Changi Airport Group, are already actively involved in BRI countries. Surbana Jurong Group, one of Asia's largest urbanization and infrastructure consultancy groups, is currently planning, designing and project managing 17 mega infrastructure projects in 12 BRI countries. Changi Airports International, a subsidiary of Changi Airport Group, is collaborating on several airport projects in China, Central Asia, Russia and the Middle East too. These airport projects help improve aviation connectivity from the world to many BRI countries.



Besides infrastructure and development expertise, the BRI will also generate demand for other ancillary professional services in the whole value-added chain of the service industry, ranging from development consultancy services, project management, IT and e-commerce, legal and corporate services, financial and other related business services etc.



I was told that Singapore financial institutions currently handle 85% of the investments by BRI countries into China and almost 1/3 of the investments by China into the BRI countries. There is a unique opportunity for Singapore as the world's third leading financial centre to provide financial services for BRI businesses including raising funds for infrastructure investment, debt financing, treasury services and handling RMB denominated transactions. Businesses must be alert for such a wide range of opportunities in the BRI countries and be ready to be the first movers in the market.



Our people, particularly our youth, must be ready to get out of their comfort zones to venture into less cushy working environment in BRI countries. Young Singaporeans need to learn from the Chinese in ancient times, who undertook long and arduous journeys to carve out the Silk Route to expand trade, with far less technological and modern logistical support. There is a Chinese saying, "You have to read 10,000 books and travel 10,000 li to grow your mind. The distance between Beijing to London is only 8,000 km."

CONCLUSION

In conclusion, let me sum up three points.

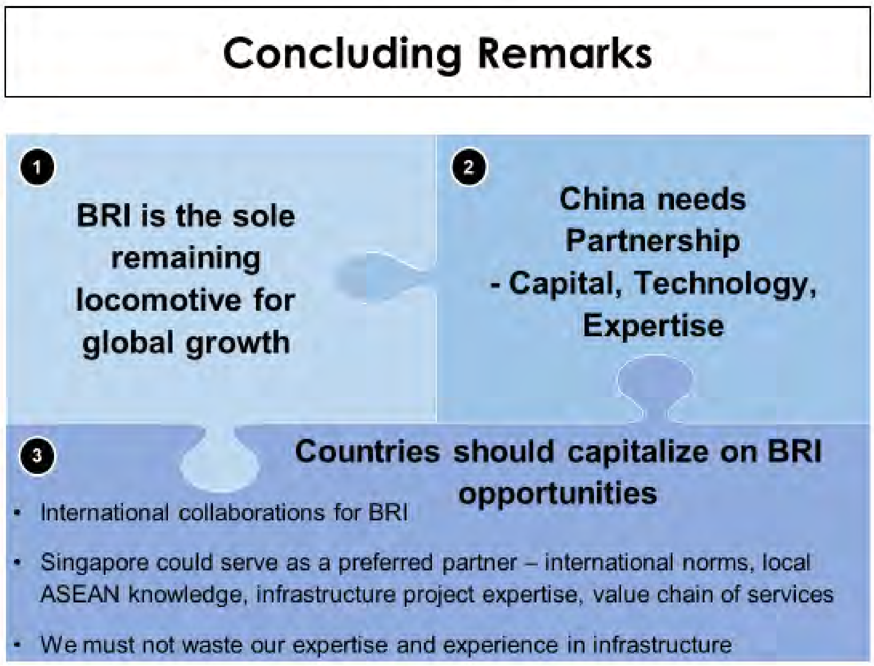
First, two years ago, when the world's economy was slowing down there were two potential locomotives that could resuscitate global growth - the TPP and BRI. Now that the TPP has been aborted at least for the time being, BRI is the only major geo-economics locomotive to fuel growth. China has signalled at the highest political level her readiness to take a leadership role in BRI to promote growth in the world economy.

The sooner we realize and accept this and work on it, the better for us. Whatever may be the sentiments about China's potential dominance on the world stage, the BRI is a real and cogent strategy for world economic growth.

Secondly, the implementation of the BRI, by itself, will generate high levels of economic activities in the BRI countries. By its sheer size, China will not be able to undertake the BRI programme entirely on her own. She will need capital partners and those with advanced technologies and expertise to collaborate on BRI. Lastly, Singapore businesses and businesses from other developing or developed countries should take full advantage of the opportunities from the BRI programme. We will all need capital, technology, specialist skills, especially engineering expertise, experience and local knowledge to secure and undertake projects in BRI countries. We must be prepared to enter into international collaborations with interested parties to address the BRI market demand.

Singapore firms can also form consortiums for collective strengths and SMEs should find the right opportunities to participate in these consortiums. Singapore can also provide a wide range of professional services for BRI projects. We have done it before some twenty years' ago with our Second Wing Regionalization programme.

Singapore's first class infrastructure projects showcase our ability to deliver high quality infrastructure projects. With our local knowledge in Asia Pacific, Singapore should position ourselves as a trusted and preferred partner to parties involved in BRI projects. We should act fast to secure a first mover advantage in the BRI market place. We must not let our expertise and experience in infrastructure development go to waste.



Thank you.

Question & Answer Session

Responses from Forum Participants

Dr Mulya Amri: Good Morning Chairman Liew. My name is Mulya and I am a Research Fellow at the Lee Kuan Yew School of Public Policy. This is my question: Corporate governance is rather weak in China, which means doing business in China, and dealing with Chinese officials can have high transaction costs, which may be is another word for corruption. Given your extensive business dealings in China as Executive Chairman of CapitaLand, and now Chairman of Surbana Jurong, how do you cope with unreasonable demands?

Professor Liew Mun Leong: I have answered this question many times in both local and international contexts. I have made an address to the Organization for Economic Cooperation and Development (OECD) countries on corruption in China, and after talking about it, I think some of them do not believe my answer. I have been doing business in china for 20 years. I first went to China in 1981, but I started doing business there in the mid-1990s. The way we handled corruption is to state things right from the beginning with government officials. Whenever we meet, whether it is a party secretary or governor, or mayor of a city, we will say this, "Look, I can do you a very good real estate project. The city will benefit, you will get promoted and you will get a fair bit of income raised. I will take the profit due to us – but I have no renminbi for you!" There are two reasons why I said so.

Firstly, I am running a government-linked company and we do not have the budget for that. Secondly, and they do not know this, that our Anti-Corruption Act is extraterritorial in reach, which means that if you are caught for corruption in Russia or China, you will be prosecuted! So, the basis of working with them is that if you and I reach an understanding on this basis, then I will do the project – but no renminbi for you.
This should be fine because I think they would rather get promoted – especially nowadays – than get money under the table. This is my point: For a company to go to China or India, it is not sustainable if you bribe them, because you will be caught, and they will be caught, then you will have to get out of the country very soon.

We have been doing businesses for well over 20 years in China, India and the Middle East. Companies which I managed have never been investigated for corruption in Singapore by the very active Corrupt Practices Investigation Bureau (CPIB), or corruption investigation agencies in China, which are also very active. So, the track records show that you can do clean businesses in China. I have spoken to a number of big multinational corporations like Shell and Mobil, and they said that it works in China, but that you have to start it right from the beginning. You have to prove that your processes are clean and have to be seen as honest.

Mr Stephan Danniger: I am Stephan Danniger from the Singapore Regional Training Institute of the International Monetary Fund (IMF). You have laid out the big dimensions for infrastructure building projects and you mentioned a bit about the risks in terms of implementation. So, from our side we do look at several development fronts, but I would like to know from your private sector experience that in which areas do you think there is the largest need for capacity building?

Professor Liew Mun Leong: Well, I think the Belt and Road Initiative (BRI) started with a transportation infrastructure program, which means roads, railways and do not forget – airports too. I think airports are very important connections between developing countries. I mean, China is grossly short of airports. They are building 33 airports, but it is not enough. So anything that is connecting countries to countries or people to people, that will be the first stage. Of course there are also urgent needs. Asia Infrastructure Investment Bank (AIIB) has told me they are talking about bringing power, bringing energy and bringing water. But I think for us, if you are not connected, your economic impact is in doubt. So, I would subscribe to the view that connection infrastructure is important.

Mr Simon Li: Good Morning, Professor Liew, I am Simon Li from the Singapore Manufacturing Federation. In your presentation, as well as in the Minister's earlier presentation, both of you mentioned intra-investments and bilateral investments between Singapore and China to respectively represent 85% and 33% of the whole investment flows. This actually inspired me to think that BRI should be a common platform and a multilateral platform, and that China should not always be in the equation. Do I understand you correctly? So, it seems like, all along, we thought that China is always to be part of the BRI and whatever projects that took place must be due to China! It seems so because you mentioned about these intra-investments, meaning that the 65 countries form a common platform. I think it is not always going to be case that China has to be part of the equation and countries can work through Singapore instead.

Professor Liew Mun Leong: I think that is a myth. What China is proposing is a grouping of the 65 countries, of how they can be connected, and how they can therefore facilitate economic growth. But they have never said, that there is a firm agreement to sign up for the 65 countries. There is no firm agreement. So today, if you want to go to Tajikistan to build an airport, or build a highway, go ahead. Unless the Tajikistan government does not want you to do it and wants the Chinese to do it. So, I think it is a myth that it is all monopolized by China. There is no treaty, and there is no collaboration framework to say that China must be the promoter and the participator.

Associate Professor Tan Khee Giap: This is very important, because a lot of people ask – why is China not providing a specific master-plan?

Professor Liew Mun Leong: As I said, we are doing 17 projects in 12 BRI countries, and we did not had a framework with China. We did not have to sign anything with China on these projects. Which specific country which wants to build a power plant, the tracks, the airports, they will come to the best parties. I do not think China is giving you the money because they are financing you or helping you to finance them. So, if they want to get China to help facilitate, that is a different picture. But of the 17 projects, I am not sure how many of them are only financed by China.

Associate Professor Tan Khee Giap: One of the specific criticisms against One-Belt One-Road (OBOR) is that they say that there is no specific master-plan from China. But here you have a practitioner who has worked on so many projects, who says that there is no master-plan, and that you move along as you negotiate new deals.

Professor Liew Mun Leong: So, the master-plan is a blueprint. The actual commercial contract and agreement is a separate matter.

Associate Professor Tan Khee Giap: You have also made the important point that China is not trying to subsidize, which also brings us to AIIB.

Professor Liew Mun Leong: AIIB is meant to help you to finance your projects. It is not a direct aid – I do not think it is direct aid, anyway.

Mr Sam Loo: I am Sam from LCI Executive Seminars. I just wanted to find out, because when a lot of people think about the OBOR Initiative, they think it is more for big companies, like CapitaLand and Surbana Jurong. What role can SMEs in Singapore play, and what industries or sectors can they provide for in order to take advantage of the OBOR Initiative?

Professor Liew Mun Leong: Let me be realistic. In terms of infrastructure development, as we all know, these are all mega-projects, and the reality is that mega-projects will be handled by big developers, big contractors, big construction firms and big consultancy firms. I mean, if we did not have 13,000 engineers, I do not think we could have secured so many projects in this country. So, the reality is that things have to be handled by big firms, but small companies can join the consortium. For example, if I am designing something, and you are a small engineering firm, and I need more engineering hands, you can come and participate with me. We will welcome and bring you along.

When CapitaLand did real estate in China, I brought in Singaporean companies – I brought in companies that could help me to design. I brought in companies that sold me fire doors from Singapore. I do the testing in Singapore. So, a lot of activities can be tied up with the bigger companies to go forward. Later on, there will be a lot of professional services, whether it is accounting, corporate or legal services or other services, which can be done by small companies. But for large mega-projects, you would have to work together with the larger companies, and Surbana Jurong would welcome anybody who wants to deal with us.

Mr Li Yuanzheng: Good Morning. I am a student from Lee Kuan Yew School of Public Policy and my name is Li Yuanzheng. Just now, you emphasized the key role Singapore plays in the BRI. You have mentioned that Singapore financial institutions currently handle 85% of the investments by BRI countries into China and almost one-third of investment by China into the BRI countries, and you have mentioned also on financial cooperation. But as far as I know, the Suzhou Industrial Zone and the current Chongqing government-to-government program is not going so well. Could you please explain to us about this financial cooperation and elaborate on how the two countries can go further together?

Professor Liew Mun Leong: As you know, the Suzhou Industrial Park started around twenty years ago, some of the people involved in the project are still around. It has been a successful cooperation although there were some problems, but we overcame them. I think today if you go to Suzhou, we are very proud of the city, and how it has evolved. Now we have moved to Chongqing, but now the collaboration between China and Singapore is not necessarily in hardware, and not necessarily in industrial parks. This is because frankly the Chinese know how to do industrial parks and cities better than us now. So, we are now talking about bringing forward collaboration on software on how to do connectivity through airport construction for example. So it has taken a different direction. In the past, it was more about city building, urbanization and all that. Now it is about more sophisticated methods of connecting people rather than just physical assets.

Mr Winston Hongwei Tan: My name is Winston and I am a Masters student in International Affairs program at Lee Kuan Yew School of Public Policy. I want to ask a question on the geopolitical risks of the BRI. According to your opinion, what is the biggest geopolitical risk in the BRI? India did not send a delegation to the BRI Summit held in China in May 2017. So do you think that the geopolitical competition between China and India will have a huge impact on the BRI?

Professor Liew Mun Leong: Definitely a project of this scale, committing different geographies with different political solutions would have political risks. I think if you believe that there will be no political risk, you are dreaming because you are crossing so many jurisdictions. The question is, will it inhibit the program. I mean, the Indian and Pakistani corridor is a different set of problems, and they are in conflict. So they will inherit some problems. But generally, the political risk is not to me as severe as we think for some of these countries. If you are just going across to some of the countries that have been working with China, you will realise that you have less risk than before.

Professor Qiang Shixue: I am with the Party School of The Xinjiang Production and Construction Corps Committee of the Chinese Communist Party. I attended one of your classes while I was here as a student of the Lee Kuan Yew School of Public Policy in 2010. With regards to the BRI, Singapore seems to talk a lot about the 21st Century Maritime Silk Road Economic Belt but not as much about the economies in Central Asia. So why is this the case and what is your view on this?

Professor Liew Mun Leong: I think to be fair, Central Asia is a part of the continent of which very little is known. Kazakhstan and all the neighbouring countries are still a very little-known geographies by others. Having said that, many of us have started to do projects in Central Asia. I have started real estate projects in Almaty, Capital of Kazakhstan more than 15 years ago. We have started projects in some of the middle-eastern countries, but it is not a very visible thing because the whole geography is not very visible. Our maritime Silk Road is definitely more visible because of our ports. We are still the second largest port in the world, so I think the maritime route would appear much more significant than the land route.

"Country-level Competitiveness, Exchange Rates and Trade Performance of ASEAN-Economies"




Presenters from ACI-LKYSPP, NUS (clockwise from top-left):
Mr Luu Nguyen Trieu Duong, Ms Chuah Hui Yin, Mr Nguyen Duy, Ms Diamanta Vania Lavi

Moderator from ACI-LKYSPP-NUS (center):
Dr Mulya Amri

Discussants for Session 1:

Dr Lee Jae Young
Group Head and Lead Economist Surveillance (Indonesia, Malaysia & Japan), ASEAN+3 Macroeconomic Research Office (AMRO)

Dr Tham Siew Yean
Adjunct Professor, Institute of Malaysian and International Studies (IKMAS) & Senior Fellow, ISEAS-Yusof Ishak Institute, NUS

Forum Luncheon Talks

Distinguished Luncheon Speaker 1
"Infrastructure Financing for One-Belt One-Road Initiative"

Ms Ren Dongyan
General Manager,
China Construction Bank Singapore Branch

Good afternoon, distinguished guests, ladies and gentlemen. I am Ren Dongyan, General Manager of China Construction Bank (CCB), Singapore Branch. It gives me great pleasure to share some information about the Belt and Road Initiative (BRI), and China Construction Bank. This morning, Minister Shanmugam and Professor Liew Mun Leong both had very extensive and impressive speeches about BRI. So, I would also like to share a very short overview about the BRI.

Some of you may be interested in the reason for the English name of the initiative changed from "One-Belt One-Road Initiative" to "the Belt and Road Initiative" at the international cooperation summit hosted in Beijing this May. Actually, the Chinese name, 一带一路, has not been changed, nor the implicit meaning of the Silk Road Economic Belt and the 21st Century Maritime Silk Road. The change in English name aims to reflect the initiative more accurately. As you know, the Silk Road Economic Belt is not only referring to One-Belt, it actually includes six economic corridors which include The China-Mongolia-Russia Economic Corridor, the new Eurasian Land Bridge Economic Corridor, China–Central Asia–West Asia Economic Corridor, China–Indochina Peninsula Economic Corridor, China-Pakistan Economic Corridor and the China–Myanmar–Bangladesh–India Economic Corridor. And the 21st Century Maritime Silk Road is not referring to only one sea route; it includes several sailing routes linking China with South-east Asia, South Asia, Europe and Africa. So, now the English name is The Belt and Road Initiative, for short, BRI or B&R.

Regarding this BRI, there are two fundamental points we should consider in order to understand it. Firstly, the BRI is an initiative for China's assimilation into the World Economy. It was proposed by our President

Xi Jinping to focus on connectivity, cooperation and sharing of Chinese expertise amongst Asian, European and African countries. Secondly, the BRI is a collaboration and not a solo act by China. It is a golden route to be shared with all countries and not limited to a private narrow lane for China. China has benefited in the past 30 years from foreign investment and now hopes to reciprocate through sharing the fruits with surrounding countries. Our President Xi Jinping has said several times in international meetings and lectures that the door of China is always open and will never be closed. China therefore welcomes all countries to ride on its development.

There are five interconnected elements of BRI. These are policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonding. Among these five goals, facility connectivity is one of the top priorities. It includes connectivity in six ways – railways, highways, air routes, telecommunications, oil and natural gas pipelines, and ports. This will form part of a move to establish an infrastructure network connecting various Asian sub-regions with other parts of Asia, Europe and Africa.

In the past 30 years, China has greatly improved its infrastructure. This infrastructure upgrading has vastly improved daily lives of the Chinese. When we were young, there wasn't any TV, refrigerators, washing machines or cars at home. It was difficult and took a long time when travelling within the city or from one city to another. However, the situation is quite different now. Most families have cars and home appliances. Today, we benefit from modern and reliable infrastructure that serves and connects our cities. For example, in the past, for national-level meetings in Beijing, most delegates would have to stay overnight and return home the following day. Now, most of them can arrive home on the same day after the meeting ends at 5pm by taking the high-speed rail or domestic flights.

I strongly suggest that you should try to visit China in the next month if you have never visited before. September is known to be the best season in Beijing. There is no haze, no cold, the sky is blue, and the temperature is perfect. You will find Beijing a very lovely place. You can travel around the city by subway, bus, taxi, Didi cars or Mobike bicycles. You may travel to other major cities via high-speed railways, domestic flights, or by car. It is really amazing on the number of choices available now. Last month when I was in Beijing, I was informed that my flight to Shanghai was delayed due to bad weather when I was on the road to the airport. I switched to high-speed rail, and reached Shanghai in just five hours, while my flight was still waiting for take-off in Beijing's airport.

In Southeast Asia and South Asia, save for Singapore, most countries need to improve their infrastructure. They need better highways, better ports, better railways and so on. The engineering capability and efficiency of China's infrastructure development is world renowned and can be a great source of cooperation. There are huge opportunities for both China and this region. These are truly win-win and mutually beneficial opportunities.

The question now is how to realize these win-win and mutually beneficial opportunities? Infrastructure projects require major financing as they typically involve large scale investment and take a long time to complete. Project financing became popular after the 1970s, introduced by banks to finance infrastructure projects such as mining, power generation, highways, airports and others. There are many ways to structure project financing, such as BOT – Build-Operate-Transfer, or BTO – Build-Transfer-Operate, BLT – Build-Lease-Transfer or BOOT – Build-Own-Operate-Transfer.

Since the 1990s, we have seen more and more countries adopting the public-private participation (PPP) model in project financing to collaborate between the public and private sectors to provide large scale public amenities and services. A common structure is for both sectors to own a special-purpose company in order to operate and manage the project. This model is very good to cover the shortfalls in government funding and also to increase the efficiency and quality of the public sector's public projects.

For project financing, banks usually need to conduct and examine the feasibility report so as to independently assess and evaluate key risks. Besides the credit risk of shareholders, the project financing may face other risks such as political and legal risks. Political risks can be further classified into two types. We have country risks – essentially the risks caused by a change in government and the political system, or the sudden termination of a license or an embargo, or debt repayment, etc. We also have policy risks – which are the risks caused by changes in policies such as tariffs, taxation, exchange controls and others. Legal risks refer to changes in the laws of the host country, which may impact the project.

Furthermore, there are financial market risks which include both interest rate and exchange rate risks. Changes in interest rate or exchange rate will have a direct impact on the returns and valuation of the project. There is also the inherent risks of the project which include execution risks and business viability risks. Execution risks are caused by delays, project alterations and expectation gaps in terms of quality and standards. Business viability risks include risks caused by changes in market dynamics, supply and demand conditions, the competitive landscape, pricing of the products, etc.

Banks must conduct extensive research to identify, measure, appraise and control all the risks involved. Project financing usually requires guarantees from shareholders, mortgages, investment insurance or other risk control measures to be in place.

After evaluating the project, banks can choose to provide their loans in two ways: Firstly, directly to shareholders, a corporate loan if the bank cannot take the project risk but can take the credit risk of the shareholders. Secondly, directly to the project company itself as a project loan, if the project risk is acceptable and can provide the necessary guarantees and controls. Based on the size of the project, the bank loan can be in the form of a bilateral loan or a syndicated loan.

We all know that BRI infrastructure projects need large scale financing. This includes bank loans, equity investments, bond issuance etc. The Chinese government is working together with other countries to set up a multi-level financing system to support BRI projects.

With regards to bank loans, BRI infrastructure projects have access to loans provided not only by commercial banks and policy banks but also by other international multilateral development organizations such as the World Bank and the Asia Infrastructure Investment Bank (AIIB).

Equity investment is another common investment method. However, as private equity funds have a rather short investment horizon, they are not suitable for infrastructure projects. To address this shortfall, the Chinese government has set up several long-term investment funds such as the regional or country-specific BRI funds. For example, the Silk Road Fund has already signed on 15 projects, with committed funding of US $6 billion.

In terms of bond issuance supports, Asian countries have already been pushing ahead with the development of bond markets as a target for regional financial collaboration. It was recently reported in the news both by Reuters and the Business Times Singapore that the big four Chinese commercial banks including CCB, have plans to rise up to RMB ¥200 billion of offshore and onshore funds to support BRI. This will be a catalyst for the development of the Asia Bond Market.

To enhance cooperation within BRI projects, I feel there are three areas we can work on. Firstly, at the government level, respective countries could work together with a set of mutually agreed-upon objectives, principles and measures. Tailored to each country's unique circumstances, this initiative would provide the right platform to enhance cooperation and help reduce political and legal risks. Secondly, business chambers, industrial associations and institutions could perform joint industry analysis and research in identifying each country's strengths and opportunities. This would facilitate cooperation for common benefit. Thirdly, companies and financial institutions must choose the right partners, identify the right projects and be able to control all risks involved. Only if all parties can stand together and face problems in a spirit of common development, can we expect a fruitful outcome to these BRI infrastructure initiatives.

Lastly, I would like to share a little about how CCB, as one of the big four commercial banks in China, is servicing BRI projects. With its headquarters in Beijing, CCB's history dates back to 1954. At that time, infrastructure was really poor in China. CCB – then called PCBC (People's Construction Bank of China) was set up to specifically support infrastructure projects by allocating budget and providing settlement services to 156 key projects and more than 1000 engineering programs. CCB gradually developed into a commercial bank, and was listed on the Hong Kong Stock Exchange in 2005, and on the Shanghai Stock Exchange in 2007. Infrastructure financing services have always been a core strength of CCB.

CCB banking group is now a full license banking group with a commercial banking business and subsidiaries in multiple business areas such as fund management, financial leasing, trusts, insurance, investment banking and others. CCB has nearly 15,000 branches and sub-branches in Mainland China and more than 360,000 employees around the world. At the end of 2016, the bank's market capitalization reached US$192 billion, ranking fifth in the world and ranking second, if assessed by tier 1 capital.

CCB has placed greater emphasis and supporting of BRI at the major strategic level. Firstly, CCB has been developed its globalization strategy, steadily expanding its overseas network along BRI in recent years. CCB has more than doubled its overseas institutions in the past 5 years and now it has 31 branches and subsidiaries covering 29 countries and regions around the world. CCB has established banking relationships with 1456 banks, covering 132 countries on five continents.

Secondly, as for CCB's actual involvement in BRI projects, at the end of the first quarter of this year, CCB has provided financing solutions for 50 major projects in 18 countries including Russia, Pakistan, Singapore, United Arab Emirates, Vietnam, Saudi Arabia and Malaysia, amounting to US$9.8 billion. Currently, CCB has more than 200 major projects in its pipeline with financing needs of more than US$110 billion. More than half of these projects are in railways, highways, shipping, energy and power related infrastructure sectors.

Thirdly, let's see CCB's efforts in Singapore. In order to provide services to BRI customers in Southeast Asia, CCB group signed the Belt and Road infrastructure collaborate memorandum with International Enterprise (IE) Singapore. This MOU sets up the platform to help Chinese and Singaporean infrastructure companies to reach out to the region, create opportunities and provide them with financial supports. Our head office also set up a head office-level infrastructure financing service center in our Singapore branch this year. This center will export our group infrastructure servicing strengths to the international market, and provide financing and consulting services to BRI infrastructure projects in Southeast Asia including railways, ports, air transportation, logistics, energy, information communication among others.

And, our branch has supported Chinese companies in 12 BRI projects, amounting to US$7 billion at the end of July 2017 and covering countries such as Singapore, Malaysia, Indonesia, Pakistan, Poland, and Switzerland. In August 2016, our branch successfully issued our first BRI Infrastructure Lion City Offshore Renminbi Bonds. We shall be issuing our BRI Infrastructure Singapore Dollar Bonds this year.

Last but not least, CCB Singapore branch has held a wholesale banking license and has operated in Singapore for almost 19 years. The branch's business coverage includes Singapore, Myanmar, Laos, Cambodia, Brunei, India and Pakistan. We can provide our customers with integrated financial services covering trade finance, investment banking, treasury and private banking services. You are very welcome to contact us and thank you!

Distinguished Luncheon Speaker 2
"Role of Clearing Bank in One-Belt One-Road Initiative"

Ms Zhang Yi
Head of Operations,
Industrial and Commercial Bank of China Singapore Branch

Good afternoon, ladies and gentlemen. My name is Zhang Yi and I am very glad to have this opportunity to represent the Industrial and Commercial Bank of China (ICBC), to deliver this presentation, and I shall make a brief introduction on renminbi internationalization and ICBC Singapore's renminbi clearing services.
Today my presentation will focus on three parts.

First, I shall briefly introduce ICBC which is currently the world's biggest commercial bank. It has established 417 overseas institutions in 42 countries and regions. It indirectly covers 20 countries in Africa via shareholdings in Standard Bank of South Africa. It has supported more than 200 projects in countries which are in relation to Belt and Road Initiative (BRI) countries, with a total loan value of around US$67 billion. As I just mentioned, ICBC Singapore is the sole renminbi clearing bank in Singapore. Let us now look at the development of Singapore RMB Clearing bank.

ICBC was designated as the Sole RMB clearing bank of Singapore by The People's Bank of China (PBOC) in February 2013, and began conducting renminbi business in May 2013. In 2014, it launched the renminbi banknotes delivery services, and one year later, it started to provide 24-hour around-the-clock renminbi clearing services. Over the past four years, the development of Singaporean renminbi clearing bank has been very fast. Till August 2017, the accumulated renminbi clearing amount has exceeded RMB171 trillion since the clearing bank started the clearing business.

The second part is BRI and renminbi internationalization. According to SWIFT data, the payment in renminbi has significantly increased in Southeast Asian countries. There are more than 1,900 financial institutions using payment in renminbi. We can say that BRI is and will continue to be an accelerator for internationalization of renminbi, from two aspects: the first is that the BRI encourages Chinese companies to expand overseas and to become globally competitive. The second is that BRI will also accelerate renminbi utilization and to make renminbi become both as a trusted and highly utilized reserve currency for international trade, commercial payments, capital market investments into and out of China.

Referring to SWIFT data that renminbi currently ranks as the world's sixth payment currency. Compared to January 2014, the share of June 2017 reflects great progress. However, compared with the highest record of 2.79% of payment share by value reached in August 2015, the renminbi's share has dropped. However, the figure for June 2017 is the highest seen since December 2017. The path to renminbi internationalization may not be smooth, but the future is bright. The recent offshore renminbi deposits both in Singapore and Hong Kong markets have rebounded, which is also a warm-up signal to the offshore market.

Let's see other milestones for renminbi internationalization. First is the Cross Border Inter-Bank Payments System (CIPS). It is a renminbi payment infrastructure that facilitates the use of the renminbi for international payments, and will further contribute to bringing more competitive opportunities for product innovation to the global market. When it was launched in October 2015, ICBC was one of the first 19 direct participating banks. By this July 2017, there are already 31 directly participating banks and almost 600 indirectly participating banks.

The second aspect is, the renminbi has become a reserve currency. Since October 2015, the renminbi has been added to the Special Drawing Rights (SDR) basket of currencies, and is currently weighted at 10.92%, and follows only the US Dollar and the Euro, in being ranked number 3.
The third aspect pertains to the broad connectivity of the renminbi. With the Stock Connect, and the recent Bond Connect, the China market is becoming progressively open to foreign investments. So, from those observations we say that renminbi internationalization is making progress and BRI helps to accelerate this trend.

The third part of my presentation is on the role of the renminbi clearing bank. China has designated 23 offshore renminbi clearing banks, among which ICBC currently has 7. ICBC Singapore is the first and largest offshore renminbi clearing bank of the ICBC group. It is also the first offshore renminbi clearing bank outside of Greater China.

So, what are the advantages of ICBC Singapore and the ICBC renminbi clearing bank here? The first is that we have a well-developed renminbi payment network. Currently we already have 115 participating banks, covering 44 countries and regions. We are also able to rely on the CIPS, and the broad network of the ICBC group, and thus satisfy the payment and settlement needs all around the world.

As I have mentioned before, we also offer around-the-clock clearing services. We have professional teams in Singapore, Beijing and Canada. They work together to provide our participating banks with 24-hour around-the-clock renminbi clearing services.

For ICBC Singapore, besides renminbi clearing services, we also have a full range of products such as clearing business, cash management, trade finance, project loans, debt capital markets, foreign exchange and derivatives trading.

Lastly, I would like to briefly go over opportunities we are able to see for ourselves with regards to the BRI. As we all know, there are five channels of connectivity associated with BRI. For financial institutions, the most important one is financial connectivity. So, in general, the role of the renminbi clearing bank is to rely on the clearing networks and the clearing payment infrastructures to provide our customers with safe and efficient renminbi clearing services. In this regard, paved the way for both FIs and companies to use renminbi in the Belt and Road projects. The renminbi clearing bank does play a very important role in the strengthening of the connection of offshore and onshore renminbi markets.

We are eager to work with you together. We believe that by working together, we can find more opportunities in BRI and to convince more companies to be more willing to use renminbi. Renminbi internationalization and BRI go hand-in-hand. Through this initiative, with more Chinese companies going out, there will be increasing amount of overseas investment denominated in renminbi, and there will also be fund-raising requirements denominated in renminbi. The companies will have more willing to use renminbi for cross-border trade, cash management, financing and investment purposes. We believe, based on the efforts that we jointly make, we will achieve mutual benefits and have a win-win result together. Thank you!

"Sub-national Competitiveness, Exchange Rates and Trade Performance of Indonesia"

Presenters from ACI-LKYSPP, NUS (clockwise from top-left):
Dr Mulya Amri, Ms Nursyahida Binte Ahmad, Mr Immanuel Lingga, Ms Diamanta Vania Lavi

Moderator from ACI-LKYSPP, NUS (center):
Dr Sasidaran Gopalan

Discussants for Session 2:

Professor Dr Balthasar Kambuaya
Chairman, University Senate, Cenderawasih University, Republic of Indonesia

Dr Kasan Muhri
Head, Trade Policy Analysis and Development Agency, Ministry of Trade, Republic of Indonesia

"Productivity Tracking and Efficiency Monitoring of Singapore's Small and Medium Enterprises (SMEs)"

Presenters from ACI-LKYSPP, NUS (clockwise from top-left):
Dr Sasidaran Gopalan, Mr Nguyen Duy, Dr Mulya Amri, Ms Chuah Hui Yin

Moderator from ACI-LKYSPP, NUS (center):
Mr Thomas Chan

Discussants for Session 3:

Professor Wang Jiann-Chyuan
Vice President, Chung-Hua Institution for Economic Research, Taiwan, ROC

Dr Alan Wong
Chair Professor, Department of Finance and Big Data Research Center,
Asia University, Taiwan, ROC

Session 4

"Assessing Liveability and Cost of Living: Are Liveable Cities Expensive and Unaffordable?"

Presenters from ACI-LKYSPP, NUS (clockwise from top-left):
Ms Chuah Hui Yin, Mr Luu Nguyen Trieu Duong, Associate Professor Tan Khee Giap

Moderator from ACI-LKYSPP, NUS (third from the right):
Dr Zhang Xuyao

Discussants for Session 4:

Mr Timothy McDonald
Journalist, BBC News

Mr Nicholas Khaw
Vice President, Khazanah Research & Investment Strategy, Malaysia

"Balanced, Sustainable and Competitiveness Enhancement (BSCE) Study for Vietnam: A Critical Evaluation with Development Potentials"

Presenters from ACI-LKYSPP, NUS (clockwise top-left):
Mr Luu Nguyen Trieu Duong, Mr Chow Wen Kang, Mr Nguyen Duy

Moderator from ACI-LKYSPP, NUS (fourth from the right):
Mr Gareth Tan Guang Ming

Discussants for Session 5:

Dr Nguyen Dinh Cung
President, Central Institute for Economic Management, Republic of Vietnam

Dr Vu Tien Loc
Chairman and President, Vietnam Chamber of Commerce and Industry Chairman, 2017 APEC CEO Summit & Member of Parliament, 14th Legislature, Republic of Vietnam

Closing Remarks and the Way Forward

Ms Almud Weitz
Practice Manager, Transport Global Practice,
World Bank Group

Thank you for the opportunity to deliver on behalf of the World Bank Group the closing remarks for the 2017 Asia Economic Forum, jointly organised with Asia Competitiveness Institute (ACI) at the Lee Kuan Yew School of Public Policy, National University of Singapore.

When I joined the third session today on small and medium enterprises (SMEs), I listened to the fascinating discussion on liveable cities and on Vietnam's competitiveness. It was a very detailed discussion about SMEs, and Professor Tan nicely brought the discussion back, to asking why. We need to keep doing that. We need to keep bringing the power of numbers back to the question, "so what?". Why are we doing this work, and why are we looking at the competitiveness of ASEAN countries?

It is obvious now that the annual update of the ASEAN Competitiveness Rankings faces a different context. We have a global powerhouse that changed government this year in a very fundamental way, that will affect us all. We have a very strong initiative by China, with the Belt and Road Initiative (BRI). Both these developments are here to stay, and both will need some adjustments along the way. The adjustments will be more significant for the countries closest to China, but also for many other countries. The idea of working jointly between the World Bank Group and ACI is to harness the power of the numbers into something that countries can gain from.

The BRI is a tremendous opportunity that can be used effectively. Recently, the transport group within the World Bank went on a trip to China. What we heard consistently from everyone in every ministry was: "We want to be a multi-nationally accepted player, we want to play by the rules. We want to do this in a way that is not seen as a threat, but as an opportunity. And please tell us if you see companies of ours that are not following the rules that they need to abide by in China. Please let us know, we want to know".

From our point of view, it was interesting to hear so clearly across the board that China wants to expand this initiative across so many countries but with the best intentions, with of course economics that work for them. It becomes a more fair playing field if we work with countries to ensure that the initiative is received similarly on the other side. So, I do think that we can work very closely together.

I listened also to the challenges of State-Owned Enterprises (SOEs) in Vietnam, in Indonesia, and in other countries. There is so much potential and I like the ideas that were shared. Let's look at what types of SOE models work, and how SOEs are structured in different countries.

There is much more work to be done. The passionate discussion about the rights and the wrongs of indices, and how to promote ACI's work more – I hear you loud and clear there. My sense is that if you cannot fight them, infiltrate them and collaborate with them. If the indices of other companies are getting a lot of media attention and you see an opening to work together with them, that may be an opportunity to grab if you can. See if there is room for improvement.

I agree with the difference between expat indices and ordinary citizens, and I like very much the idea of doing it by quintiles. Is there room to work with us as well? We can work more closely on these newer initiatives. All in all, we are here to collaborate with you. You work on many interesting research topics that we are very interested in.

We have many similar initiatives; for example, the Global Infrastructure Connectivity Alliance based in the Singapore Hub, and a few others related to the Belt and Road Initiative. Our goal is to explore how to ensure that the initiative benefits the many countries involved.

Lastly, I would like to thank the Asia Competitiveness Institute and the National University of Singapore for their continuous collaboration. I do like to thank in particular Professor Mahbubani and Professor Tan Khee Giap, and all the dedicated researchers from here and from other countries for their hard work. I look forward to continuing our collaboration. Thank you very much.

Closing Remarks and the Way Forward

Professor Kishore Mahbubani
Dean, Lee Kuan Yew School of Public Policy,
National University of Singapore

In this closing remarks, I shall stick to my usual tradition and make three quick points. This event has actually been a very important conference, and I think it was symbolized by the participation of Minister Shanmugam, Professor Liew Mun Leong and of course all the discussions that you have had. So, what I hope to do with my closing remarks is to complement the points that were made today.

My first point is that the key subject is, of course, the Belt and Road Initiative (BRI). Everyone has been talking about what a wonderful initiative this has been by China, and I agree. It is a wonderful initiative by China. But if it is only owned by China, it will not go anywhere. For the Belt and Road Initiative to succeed, the sense of ownership must be felt by every other participant in the initiative. So, the Central Asian states must feel a sense of ownership, the ASEAN states must feel a sense of ownership, and then it will take off. Frankly, it is good that Singapore is having this conference. Singapore, at the end of the day, will play a critical role, and one of the most stunning statistics, either in Minister Shanmugam or Professor Liew's address, is that 85% of the BRI investment into China goes through Singapore, and 33% of China's outward investment in BRI also goes through Singapore. So, Singapore clearly has a critical role to play, so this is why it is good that the World Bank Group and ACI work together to have this very timely conference. That is my first global point.

My second point is a regional one. When everybody thinks of the Belt and Road Initiative, it is often associated with the Silk Road. Today, you saw pictures of camels in the slides.– However, if you look at it logically and analytically, in terms of demand for infrastructure, the demand for infrastructure will be far greater in Southeast Asia than in Central Asia.

The Southeast Asian economies are also more populous, the Southeast Asian economies are bigger, and the Southeast Asian economies have also got greater capacity to build roads, airports, seaports, rail, power, telecoms. So, when people think of the Belt and Road Initiative, they keep thinking of Central Asia, which is important. But at the end of the day, it is actually Southeast Asia that may play a bigger role in BRI than Central Asia. So, in a sense, we have got to do a reframing of our mindsets, to understand where the key focus of BRI is going to be.

My final point is of course a local point about Singapore. Clearly, the opportunities for Singapore in BRI are enormous. But at the same time, in Singapore too, it would be a big mistake if the ownership of the BRI is only felt by the big multinational companies – the Capitaland and Keppel and all the rest – and not felt by the Small and Medium Enterprises (SMEs). Now, the SMEs in Singapore are extremely important because they provide 68% of employment in Singapore and also contribute 47%, almost half of Singapore's GDP. It is very important that this BRI, and the sense of ownership, be felt by a much larger group. That is why, frankly, a conference like this is actually very important because it gets the word out to more than just the big players in this area.

So, I want to conclude by first of all thanking the World Bank Group for partnering with Asia Competitiveness Institute or ACI at the Lee Kuan Yew School of Public Policy in this initiative. I think the BRI is what they call a journey of a thousand steps. Today, we have taken some very critical big steps forward. And of course, I would like to congratulate the Co-Directors of ACI, Professor Tan Khee Giap and Professor Tan Kong Yam and the brilliant ACI team for putting together this conference. I thought it was a very ambitious venture. I was not sure it would succeed, but it has and it has turned out to be a big success. Congratulations and thank you!

Programme

2017 ASIA ECONOMIC FORUM ON
"THE ONE-BELT ONE-ROAD INITIATIVE: IMPACT AND IMPLICATIONS"

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)

Seminar 1: Competitiveness, Trade, Liveability and Productivity in ASEAN Economies

28 August 2017

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

Time	Programme
0800 – 0855	**Arrival of Guest-of-Honour, Discussants, Moderators, Presenters and Participants**
0900 – 0910	**Welcome Remarks** Professor Tan Eng Chye President Designate, Deputy President (Academic Affairs) and Provost, NUS
0910 – 0920	**Welcome Remarks** Ms Fatouma Toure Ibrahima Acting Director and Operations Adviser, World Bank Infrastructure and Urban Development Hub
0920 – 0950	**Opening Remarks by Guest-of-Honour** Mr K Shanmugam Minister for Home Affairs and Minister for Law, Republic of Singapore
0950 – 1020	**Question & Answer** **Moderator:** Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS
1020 – 1050	**Keynote Speech: "To view 'One Belt One Road' from a geo-economy perspective"** Professor Liew Mun Leong Chairman, Changi Airport Group and Surbana Jurong Group & Provost's Chair Professor (pro-bono) at Lee Kuan Yew School of Public Policy
1050 – 1100	**Question & Answer** **Moderator:** Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS
1100 – 1115	**Coffee/Tea Break**
1115 – 1220	**Session 1: Country-level Competitiveness, Exchange Rates and Trade Performance of ASEAN-Economies**
1115 – 1120	**Moderator:** Dr Mulya Amri Research Fellow and Deputy Director (Research), ACI-LKYSPP, NUS

Time	Programme
1120 – 1135	**Session 1a: 2017 Annual Update of ACI's Competitiveness Ranking and Simulation Studies on ASEAN-10** **Presenters:** • Mr Luu Nguyen Trieu Duong Research Associate, ACI-LKYSPP, NUS • Ms Chuah Hui Yin Research Assistant, ACI-LKYSPP, NUS • Mr Nguyen Duy Research Assistant, ACI-LKYSPP, NUS
1135 – 1150	**Session 1b: Impact of Real Effective Exchange Rates on Trade in Goods and Services in ASEAN Economies** **Presenters:** • Professor Ramkishen S Rajan Professor, LKYSPP, NUS • Mr Luu Nguyen Trieu Duong Research Associate, ACI-LKYSPP, NUS • Ms Chuah Hui Yin Research Assistant, ACI-LKYSPP, NUS • Ms Diamanta Vania Lavi Research Assistant, ACI-LKYSPP, NUS
1150 – 1200	**Discussant 1 for Sessions 1a & 1b:** Dr Lee Jae Young Group Head and Lead Economist, Surveillance (Indonesia, Malaysia & Japan), Asean+3 Macroeconomic Research Office (AMRO)
1200 – 1210	**Discussant 2 for Sessions 1a & 1b:** Dr Tham Siew Yean Adjunct Professor, Institute of Malaysian and International Studies (IKMAS) & Senior Fellow, ISEAS-Yusof Ishak Institute, NUS
1210 – 1220	**Question & Answer**
1220 – 1400	**Forum Luncheon Talk**
1220 – 1240	**"Infrastructure Financing for One-Belt One-Road Initiative"** **Distinguished Luncheon Speaker 1:** Ms Ren Dongyan General Manager, China Construction Bank Singapore Branch
1240 – 1300	**"Role of Clearing Bank in One-Belt One-Road Initiative"** **Distinguished Luncheon Speaker 2:** Ms Zhang Yi Head of Operations, Industrial and Commercial Bank of China Singapore Branch
1300 – 1310	**Question and Answer** **Moderator** Professor Tan Kong Yam Co-Director, ACI-LKYSPP, NUS
1310 – 1400	**Lunch**
1400 – 1505	**Session 2: Sub-national Competitiveness, Exchange Rates and Trade Performance of Indonesia**
1400 – 1405	**Moderator:** Dr Sasidaran Gopalan Research Fellow and Deputy Director (Administration), ACI-LKYSPP, NUS

Time	Programme
1405 – 1420	**Session 2a: 2017 Annual Update of ACI's Competitiveness Ranking and Simulation Studies on Indonesian Provinces and Regions** **Presenters:** • Dr Mulya Amri Research Fellow and Deputy Director (Research), ACI-LKYSPP, NUS • Ms Nursyahida Binte Ahmad Research Assistant, ACI-LKYSPP, NUS • Ms Diamanta Vania Lavi Research Assistant, ACI-LKYSPP, NUS
1420 – 1435	**Session 2b: Impact of Real Effective Exchange Rates on Trade in Indonesian Provinces** **Presenters:** • Professor Ramkishen S Rajan Professor, LKYSPP, NUS • Dr Mulya Amri Research Fellow and Deputy Director (Research), ACI-LKYSPP, NUS • Mr Immanuel Lingga Research Assistant, ACI-LKYSPP and PhD candidate, NUS Business School • Ms Nursyahida Ahmad Research Assistant, ACI-LKYSPP, NUS
1435 - 1445	**Discussant 1 for Session 2a:** Professor Dr Balthasar Kambuaya Chairman, University Senate, Cenderawasih University, Republic of Indonesia
1445 – 1455	**Discussant 2 for Session 2b:** Dr Kasan Muhri Head, Trade Policy Analysis and Development Agency, Ministry of Trade, Republic of Indonesia
1455 - 1505	**Question & Answer**
1505 – 1555	**Session 3: Productivity Tracking and Efficiency Monitoring of Singapore's Small and Medium Enterprises (SMEs)**
1505 – 1510	**Moderator:** Mr Thomas Chan Associate Director, Research Support Unit and Chief Administrator, ACI-LKYSPP, NUS
1510 – 1525	**Presenters:** • Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS • Dr Mulya Amri Research Fellow and Deputy Director (Research), ACI-LKYSPP, NUS • Dr Sasidaran Gopalan Research Fellow and Deputy Director (Administration), ACI-LKYSPP, NUS • Ms Chuah Hui Yin Research Assistant, ACI-LKYSPP, NUS • Mr Nguyen Duy Research Assistant, ACI-LKYSPP, NUS
1525 – 1535	**Discussant 1:** Professor Wang Jiann-Chyuan Vice President, Chung-Hua Institution for Economic Research, Taiwan, ROC
1535 – 1545	**Discussant 2:** Dr Alan Wong Chair Professor, Department of Finance and Big Data Research Center, Asia University, Taiwan, ROC
1545 - 1555	**Question & Answer**

Time	Programme
1555 – 1610	**Coffee/Tea Break**
1610 – 1700 1610 – 1615 1615 – 1630 1630 – 1640 1640 – 1650 1650 – 1700	**Session 4: Assessing Liveability and Cost of Living: Are Liveable Cities Expensive and Unaffordable?** **Moderator:** Dr Zhang Xuyao Postdoctoral Fellow, ACI-LKYSPP, NUS **Presenters:** • Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS • Mr Luu Nguyen Trieu Duong Research Associate, ACI-LKYSPP, NUS • Ms Chuah Hui Yin Research Assistant, ACI-LKYSPP, NUS **Discussant 1:** Mr Timothy McDonald Journalist, BBC News **Discussant 2:** Mr Nicholas Khaw Vice President, Khazanah Research & Investment Strategy, Malaysia **Question & Answer**
1700 – 1800 1700 – 1705 1705 – 1720 1720 – 1730 1730 – 1740 1740 – 1750 1750 – 1800	**Session 5: Balanced, Sustainable and Competitiveness Enhancement (BSCE) Study for Vietnam: A Critical Evaluation with Development Potentials** **Moderator:** Mr Gareth Tan Research Assistant, ACI-LKYSPP, NUS **Presenters:** • Associate Professor Tan Khee Giap Co-Director, ACI-LKYSPP, NUS • Mr Luu Nguyen Trieu Duong Research Associate, ACI-LKYSPP, NUS • Mr Nguyen Duy Research Assistant, ACI-LKYSPP, NUS • Mr Chow Wen Kang Research Assistant, ACI-LKYSPP, NUS and Undergraduate, London School of Economics and Political Science **Discussant 1:** Dr Nguyen Dinh Cung President, Central Institute for Economic Management, Republic of Vietnam **Discussant 2:** Dr Vu Tien Loc Chairman and President, Vietnam Chamber of Commerce and Industry; Chairman, 2017 APEC CEO Summit & Member of Parliament, 14th Legislature, Republic of Vietnam **Discussant 3:** Dr Alan Wong Chair Professor, Department of Finance and Big Data Research Center, Asia University, Taiwan, ROC **Question & Answer**
1800 – 1820	**Closing Remarks and the Way Forward**

Time	Programme
1800 – 1810 1810 – 1820	• Ms Almud Weitz Practice Manager, Transport Global Practice, World Bank Group • Professor Kishore Mahbubani Dean, LKYSPP, NUS
END OF SEMINAR 1	

Profiles of Speakers, Discussants and Moderators

(in alphabetical order)

Balthasar Kambuaya

Prof Balthasar Kambuaya is presently a Business Management Professor at Cenderawasih University in Papua, Indonesia. He is the former Indonesian Minister of Environment from 2011 until 2014, during the presidency of Dr Susilo Bambang Yudhoyono. Prior to that, he sat on Bank of Papua's Board of Commissioners and was the Rector of Cenderawasih University – a position he held from 2005. From 1995 to 2000, he was also Director of the Asian Development Bank of Project Implementation in Cenderawasih University. With close to 40 years of experience under his belt, Prof Kambuaya has authored several books based on his key research projects, which primarily focus on small businesses and economic development in Papua. He is also widely-respected as an educator, and was awarded the Satya Lencana Adhitya Dharma Nugraha by the Indonesian Ministry of Education and Culture in 1988 for his exemplary performance as a lecturer. Native to West Papua, Prof Kambuaya received his PhD in Economics from University of Hasanuddin in Makassar, Indonesia in 2003. Previously, he completed his Masters of Business Administration (MBA) at University of Durham, United Kingdom. Prof Kambuaya received his first degree from Brawijaya University in Malang, Indonesia.

Thomas CHAN

Thomas Chan is a Certified Practising Accountant (CPA) graduated from the University of Adelaide with a Bachelor of Commerce degree (Accounting). He has close to two decades of professional experience in the private sector, higher education industry and research sector. His expertise centres on grant management, policy writing and compliance, financial control and management reporting. He is currently the Associate Director at Lee Kuan Yew School of Public Policy, heading the Research Support Unit. He also oversees the administration of Asia Competitiveness Institute. Previously he was at the Centre for Quantum Technologies, the 1st Research Centre of Excellence funded by the National Research Foundation and Ministry of Education managing grants in excess of $30 million a year. His topic interests are politics, international relations, history and heritage.

CHOW Wen Kang

Chow Wen Kang currently works as a Research Assistant at the Asia Competitiveness Institute (ACI), Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). He is pursuing a BSc in Economics at the London School of Economics and Political Science. Wen Kang is currently assisting in the report for ACI's Balanced, Sustainable and Competitiveness Enhancement (BSCE) Study for Vietnam, as well as the Productivity Tracking and Efficiency Monitoring Project for Small and Medium Enterprises (SMEs) in Singapore. His research interests include international economics and sustainable development.

CHUAH Hui Yin

Chuah Hui Yin currently works as a Research Assistant at Asia Competitiveness Institute (ACI), Lee Kuan Yew of Public Policy (LKYSPP), National University of Singapore (NUS). Hui Yin holds a Master's Degree in Development Studies from London School of Economics (LSE). She was a recipient of Commonwealth Scholarship nominated by LSE. Prior to that, Hui Yin graduated with a first class honours Bachelor degree in Economics from University of Malaya. At ACI, Hui Yin works on research related to international trade, ASEAN economies and Small and Medium Enterprises. Her research interests include development studies and public policy.

Sasidaran GOPALAN

Sasidaran Gopalan is a Research Fellow and Deputy Director (Administration) at the Asia Competitiveness Institute (ACI), Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). Prior to joining ACI, he was based in Hong Kong as a Post-Doctoral Fellow at the HKUST Institute for Emerging Market Studies and HKUST Jockey Club Institute for Advanced Study at the Hong Kong University of Science and Technology (HKUST). Dr Gopalan completed his PhD in Public Policy, specialising in International Finance and Policy at the School of Public Policy, George Mason University, USA. He obtained his Bachelors and Masters' degrees in Economics from Loyola College (Chennai, India) and Madras School of Economics (Chennai, India), respectively. He spent a year at the Indian Institute of Management Bangalore (IIMB) post-graduation as a Research Associate and was subsequently based at the Institute of South Asian Studies (ISAS) at NUS for two years undertaking research on international economic policy issues concerning South Asia. His scholarly publications include several journal articles in refereed international journals including top-tier field journals. He has also co-authored many books, published by leading publishing houses such as Oxford University Press and Palgrave-Macmillan. In addition, he has extensively contributed to book chapters in edited volumes, policy briefs as well as editorial opinion articles for leading global financial dailies. Dr Gopalan's research interests span the fields of international finance and development policy. At ACI, he is the lead coordinator for the flagship projects on India relating to competitiveness analysis, ease of doing business as well as impact of exchange rates on foreign direct investment and trade flows at the sub-national level. He also supervises and contributes to the formulation as well as implementation of several empirical research projects, targeted towards journal publications and broader policy outreach.

Fatouma Toure IBRAHIMA

Fatouma Toure Ibrahima is the Acting Director and Operations Adviser of the World Bank Infrastructure and Urban Development Hub in Singapore, where the World Bank, IFC and MIGA work together to generate direct investments and provide technical assistance for infrastructure and related sectors. Since joining the World Bank in 1998, Fatouma has worked in several sectors, including the finance and energy sector. Prior to joining the Singapore Hub, Ibrahima served as Regional Representative for the Public Private Partnership Infrastructure Facility (PPIAF), in charge of the West, Central and North Africa portfolio, and Senior Financial Sector Specialist and Task Team Leader in the Africa region, where she led the design and implementation of various country and regional-level energy projects. A national of Mali, Fatouma has also served as Special Assistant in the office of the World Bank Group Managing Director and Chief Financial Officer, and as Financial Sector Specialist in the Middle East and North Africa Region, where she managed financial sector and financial system infrastructure projects and contributed to the Financial Sector Assessment Program.

Kasan Muhri

Kasan Muhri currently serves the Ministry of Trade of the Republic of Indonesia as Head (Director General) of Trade Analysis and Development Agency (TREDA), a think tank unit within the Ministry of Trade based in Jakarta. Born in Sumedang, West Java-Indonesia in 1966, he obtained his Master Degree from University of Indonesia in 1998 and his Doctoral Degree in Agricultural Economic from Bogor Agricultural University (IPB) in 2012. Since 2013, he is involved in the National Interest Advisory (NIA) Team and act as Head for the NIA Team starting 2017 which is responsible to provide recommendation for the Minister of Trade regarding the establishment of anti-dumping and safeguards measures for Indonesia. He is also the Expert Team Coordinator for the Acceleration of International Trade Negotiation Task Force in the Ministry of Trade. Prior to his career as a Head of TREDA, Kasan was an Expert Staff to the Ministry of Trade for International Relation (2016). He was also assigned as Director of Centre for Foreign Trade Policy- TREDA (2010 - 2016); Executive Secretary for Indonesia Safeguards Committee Authority (2012-2014) and Deputy Director of Trade Data Centre-TREDA (2005-2007). He has prominent knowledge on foreign trade issues in Indonesia. Kasan is actively involved in various research, publications and international trade negotiation activities. In International level, he is now acting as Chairman of Committee on Strategic Market Operation (CSMO) – International Rubber Consortium Limited (IRCo) for the period of April 2017 – April 2018. As a long-time researcher, he has published several journal, especially on international trade issues and has extensive experience as an editor for *Buletin Ilmiah Litbang Perdagangan* (Trade Scientific Journal) and Indonesian Trade Overview. He also actively shares his knowledge in Agricultural Economics as a member of The Indonesian Society of Agricultural Economics (ISAE/PERHEPI) and Economics as an Adjunct Lecturer at Asia Banking Finance and Information Institute-Perbanas Jakarta since 1998. Besides his formal education, he also received additional education from activities such as Frontier Future Leadership Course (2011); Preferential Trade Agreement for Development Issues an Implication Course (2009) both from World Bank Institute at Washington DC; Regulatory Impact Assessment (RIA) Workshop from Asian Foundation (2006); General Equilibrium Modeling Course from Purdue University USA (2005); and Structural Adjustment Course from APEC Study Centre-Melbourne Australia (2004).

Nicholas KHAW

Nicholas Khaw is a development economist at Khazanah Nasional, Malaysia's sovereign development fund, where he leads the economic development research track. His work at Khazanah covers a wide range of development issues including, but not limited to, industrial policy, cluster development, economic complexity, demographics and political economics. In addition, he also heads the knowledge management team at Khazanah, covering knowledge systems, events, and publications as well as the Khazanah Resource Centre. Prior to Khazanah, Nick served as an economist in Malaysia's Economic Planning Unit, where he was directly involved in several national development projects such as the 10th Malaysia Plan, the Economic Transformation Programme, and the Strategic Reform Initiatives. His research interests and intellectual passions are in the field of development economics particularly related to the long-term persistence of historical events and cultural factors on economic and public policy outcomes today. Nick holds a Master in Public Administration in International Development from the Harvard Kennedy School and completed his undergraduate studies in economics at Harvard College. He writes a monthly column for The Edge Malaysia. All his writings can be found at www.nicholaskhaw.com.

Diamanta Vania LAVI

Diamanta is a Research Assistant at Asia Competitiveness Institute (ACI) at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). She graduated as the inaugural class of Yale-NUS College with a Bachelor of Arts (Hons) degree, and scored perfect GPA during her semester-long study at Columbia University in the City of New York. At ACI, she is part of the Indonesia Competitiveness team, leading research fieldwork coordination and assisting with data analysis. She is also part of the ASEAN cluster studying the impact of real exchange rate volatility on trade in value added. Her research interests span the fields of urban competitiveness, developmental studies, policy mobility as well as the translation of research into public policy.

LEE Jae Young

Dr Lee Jae Young is Group Head and Lead Economist at AMRO (ASEAN+3 Macroeconomic Research Office), responsible to lead a group of economists to undertake macroeconomic and financial market surveillance on major member economies in the ASEAN+3 Region, including Indonesia, Malaysia and Japan. Before joining the AMRO, Dr Lee was a career government official in Korea's Finance Ministry for more than 20 years. After joining the Ministry in 1991, He has held various positions at the Ministry, especially in the fields of international finance, economic policy, fiscal policy, financial policy and international cooperation, building extensive professional expertise in these areas. From 1996 to 1999, as the Deputy Director at the International Economic Policy Bureau, Dr Lee was in charge of trade and investment negotiations such as OECD MAI(Multilateral Agreement on Investment), Korea-US BIT(Bilateral Investment Treaty) and Korea-Chile FTA. Between 2005 and 2006, he served as the Assistant Secretary to the President of Korea for Policy Monitoring and Surveillance. He also worked on various policy areas including financial, economic and fiscal policies as he served as the Director of Financial Hub Cooperation Division (2006-2007), the Director of Welfare Economic Policy Division(2007-2008) and the Director of Cultural Budget Division(2009-2010). Dr Lee was the Director of Foreign Exchange Policy Division in 2008, when the global economy suffered after the collapse of Lehman Brothers, and at the time, he took charge of managing external debt and monitoring capital flows in and out of Korea. He was the Director of Financial Cooperation Division in 2010, making valuable contributions to strengthening regional financial cooperation among the ASEAN+3 countries. In particular, Dr Lee played an important role in establishing the AMRO and its early settlement. Not only has he worked within the ASEAN+3 framework, he also actively engaged in multilateral cooperation in APEC, ASEM and G20. Right before joining AMRO, he was the Director of Foreign Exchange Market Division and was in charge of exchange rate and foreign exchange reserves. Dr Lee holds master and PhD degrees in Economics from University of California at Irvine, USA. He also has Bachelor degree in Economics from Seoul National University, Korea.

LIEW Mun Leong

Liew Mun Leong has spent 22 years in the public service developing Singapore's Changi Airport, military airports and establishments. He was involved with the construction of Changi Airport from the beginning in 1975. He was appointed as the President of International Organisation for Standardisation (ISO) in the late 1990s. In the private sector, he has another 24 years of experience leading 10 public listed companies investing and developing real estates in Asia, Middle East, UK and Europe. In 2000, he was the founding Group President & CEO of CapitaLand Limited, a public listed real estate company, which under his watch till 2012, has become one of the largest real estate group in Asia. He currently chairs the Changi Airport Group responsible for the operation and development of Changi Airport and Surbana Jurong Group, a large consultancy group in urban and infrastructure development. Mr Liew sits on the boards of Singapore Exchange, Singapore China Foundation and the Chinese Development Assistance Council. He also chairs the Management Advisory Board of NUS Business School and Temasek Foundation Nurtures CLG Ltd. In 2013, Mr Liew was appointed as Provost's Chair Professor (Practice) (pro bono) in NUS Business School and Faculty of Engineering. In 2017, he was appointed as Provost's Chair Professor (Practice) (pro bono) in the Lee Kuan Yew School of Public Policy. For his exceptional contributions to Singapore, Mr Liew was awarded the Meritorious Service Medal by the President of Singapore in 2011. In 2016, Mr Liew was conferred France's National Order of the Legion of Honour (Ordre national de la Légion d'honneur), with the rank of Knight. Mr Liew is a registered professional civil engineer. He has written four books, titled Building People: Sunday Emails from a CEO, volumes 1–3 and Building People Volume 4: Sunday Emails from a Chairman.

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Immanuel Lingga is a PhD candidate at the NUS Business School and currently work as Research Assistant at Asia Competitiveness Institute (ACI), Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). He serves as a researcher at Ministry of Trade of Republic of Indonesia that focuses on import tariff policy. Currently in his PhD program, his research interests include the effects of institutional factors on firm performance, foreign ownership structure, labor productivity. For his PhD thesis, he is investigating the effect of corruption on the ownership structure of foreign companies in Indonesia and investigating how corruption may influence productivity of manufacturing firms. In Asia Competitiveness Institute (ACI), he joins Indonesia project team that conducts studies on the competitiveness across provinces in Indonesia and the effect of exchange rate on provincial export of Indonesia. He also actively involves in disseminating ACI competitiveness index to Indonesia provincial governments, businessmen, and academia.

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Luu Nguyen Trieu Duong is a Research Associate at the Asia Competitiveness Institute (ACI), Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). Luu graduated from NUS in 2015 with a Second Upper Class Honours Bachelor of Social Sciences in Economics. Luu was a recipient of the ASEAN Undergraduate Scholarship and was placed on the Dean's List and Dean's Scholar List on separate occasions during his course of study. At ACI, he is the lead coordinator of the ACI's flagship project "Cost of Living, Wages and Purchasing Power Indices for Expatriates and Ordinary Residents in World's Major Cities", the lead coordinator of the project "Econometric Modelling of Domestic and External Engines of Growth for ASEAN Economies" and the co-coordinator of the ASEAN research cluster overseeing all projects related to ASEAN-10. He also participated extensively in the research on growth slowdown analysis by income thresholds, the study on the effects of exchange rate on foreign direct investments and the research on the effects of exchange rate on export for ASEAN economies. Luu has co-authored journal article, books and editorial-opinion on cost of living in world's major cities as well as economic development in ASEAN economies. Luu's research interests include growth and development, ASEAN economies, applied econometrics, international trade and public economics.

Kishore MAHBUBANI
A student of philosophy and history, Professor Kishore Mahbubani is the Dean of the Lee Kuan Yew School of Public Policy of the National University of Singapore. Concurrently, Prof Mahbubani serves in the Boards and Councils of institutions around the world, including the Yale President's Council on International Activities (PCIA), University of Bocconi International Advisory Committee, and as Chairman of the Lee Kuan Yew World City Prize Nominating Committee. Before that, he enjoyed a long career with the Singapore Foreign Service from 1971 to 2004. He had postings in Cambodia (where he served during the war in 1973-74), Malaysia, Washington DC and New York, where he served two stints as Singapore's Ambassador to the UN and as President of the UN Security Council in January 2001 and May 2002. He was Permanent Secretary at the Foreign Ministry from 1993 to 1998. Prof Mahbubani has spoken and published globally. His articles have appeared in a wide range of publications, including *Foreign Affairs*, *Foreign Policy*, *Washington Quarterly*, *Survival, American Interest*, *National Interest*, *Time, Newsweek, Financial Times* and *New York Times*. He has also been profiled in the *Economist* and in *Time Magazine*. He is the author of *Can Asians Think?, Beyond The Age Of Innocence*, *The New Asian Hemisphere, The Great Convergence, Can Singapore Survive,* and co-author of *The ASEAN Miracle*. His books have been read and translated widely. *The Great Convergence* was selected by the Financial Times as one of the best books of 2013. Prof Mahbubani was awarded the President's Scholarship in 1967. He graduated with a First Class honours degree in Philosophy from the University of Singapore in 1971. From Dalhousie University, Canada, he received a Masters degree in Philosophy in 1976 and an honorary doctorate in 1995. He spent a year as a fellow at the Center for International Affairs at Harvard University from 1991 to 1992. Prof Mahbubani was conferred the Public Administration Medal (Gold) by the Singapore Government in 1998. The Foreign Policy Association Medal was awarded to him in New York in June 2004 with the following opening words in the citation: "A gifted diplomat, a student of history and philosophy, a provocative writer and an intuitive thinker". He was listed as one of the top 100 public intellectuals in the world by *Foreign Policy* and *Prospect* magazines in September 2005, and included in the March 2009 *Financial Times* list of Top 50 individuals who would shape the debate on the future of capitalism. He was selected as one of *Foreign Policy's* Top Global Thinkers in 2010 and 2011. In 2011, he was described as "the muse of the Asian century". Most recently, he was selected by *Prospect* magazine as one of the top 50 world thinkers for 2014.

Timothy MCDONALD
Timothy McDonald is a video, text and radio journalist who lives here in Singapore. He has his own company, Humidity Media, which primarily services international media clients. These include the BBC, Deutsche Welle, Australia's ABC and SBS. The company also provides media and writing services to local production houses. He was invited to give his views at this event after he wrote an article for BBC Capital on the cost of living in Singapore, which took a closer look at some of the assumptions and shortcomings of various cost of living surveys. Prior to arriving in Singapore four years ago, he worked at the ABC in Sydney, where he worked for the agenda-setting radio current affairs programs AM, PM and The World Today. He won a number of awards for his reporting there. He holds a BA in International Relations from the University of Mary Washington and a Masters in Journalism from the University of Technology Sydney.

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Mulya Amri is a Research Fellow and Deputy Director (Research) at the Asia Competitiveness Institute (ACI), Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). He has held a key role in ACI's research on Indonesian sub-national competitiveness since 2011, including co-writing three books on the topic, the latest one titled "2015 Annual Competitiveness Analysis and Development Strategies for Indonesian Provinces". He is also closely involved in ACI's research on city liveability and competitiveness, and has written widely on the topic of urban development and city-level governance. Mulya has 15 years of working experience in the private, public, and non-profit sectors. Upon moving to Singapore in 2008, he worked with HOK (a global planning and architecture consultancy firm) on city planning projects throughout Asia, and with Jurong Consultants (the consultancy arm of Singapore's JTC Corporation) on the planning of industrial zones in the Middle East. Prior to that, Mulya worked with international development agencies such as the World Bank, UNDP, and UN-HABITAT on projects related to urban and housing development, local governance, as well as community-driven development in various Indonesian regions. He is also a co-founder and sits on the advisory board of COMBINE Resource Institution, a non-profit organization based in Yogyakarta, Indonesia. Mulya has a PhD degree in Public Policy from the National University of Singapore. Prior to that, he graduated with a bachelor's degree from Institut Teknologi Bandung, Indonesia, and was awarded the Fulbright scholarship to study for a Master's degree in Urban Planning at the University of California, Los Angeles, and a Chevening award to study at the London School of Economics and Political Science.

NGUYEN Dinh Cung

Dr Nguyen Dinh Cung is President of the Central Institute for Economic Management (CIEM), Vietnam. Dr Cung got BA in Economics of Trade from Prague School of Economics, Czech Republic in 1982. He took a Master degree in Development Economics from University of Manchester, United Kingdom in 1996 and a PhD in Development Economics at the CIEM in 2009. Having more than 30 working years at the CIEM, Dr Cung has a wide range of working experiences. He has been a key drafter of many laws such as Law on Company and Law on Private Enterprise (1990), Law on Enterprise (1999, 2005 and 2014), Law on Investment (2005, 2014), Law on Bankruptcy (1991) and many guiding documents. He has participated in making many policies on state owned enterprise reform, business environment reform, competitiveness improvement, investment, public investment and encouraging fair competition, etc. Dr Cung was assigned to directly draft 4 resolutions on improving the business environment and enhancing national competitiveness, including Resolution No. 19/NQ-CP dated March 18th 2014; Resolution No. 19/NQ-CP dated March 12th 2015; Resolution No. 19-2016/NQ-CP dated April 26th 2016; and Resolution No. 19-2017/NQ-CP dated February 2nd 2017. These four resolutions have created conditions for institutional reform, administration reform to reduce time, cost and risk for enterprises, aiming at improving business and national competitiveness. His research concentrates on public investment, SOE reform, corporate governance, the development of private sector, institutional reform, business environment, etc. He is a pioneer in improving business environment and national competitiveness in Vietnam. He was a key author of the Report "Vietnam competitiveness Report 2010" in cooperation with experts from Asia Competitiveness Institute, Lee Kuan Yew School of Public Policy, Singapore. In 2010, his team also cooperated with the Asia Foundation to conduct the Report "Competitiveness of Vietnam Export Companies in Electronics, Textile and Sea-food products". He also has many publications. Some of his current publications (editor or co-editor) are, as follows: A reference book on "Monitoring and Assessment of the progress on the Proposal on Comprehensive Restructuring of the Economy" (2015); reference book on "State owned enterprises and market distortions" Financial Publishing House (2015); a reference book on "Reforming the model of exercising the state ownership functions at SOEs: Theoretical, international experiences and the application in Vietnam" Encyclopaedia Publishing House (2013), etc. Currently, he is a member of Prime Minister's Public Administration Reform Advisory Council and member of Prime Minister's Economic Advisory Group. Therefore, his recommendations/advices on improving business environment and enhancing national competitiveness can be directly proposed to Prime Minister. His contact information: Email: cunghoa22@gmail.com

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Ramkishen S RAJAN
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REN Dongyan
Ms Ren Dongyan, General Manager of China Construction Bank Singapore branch. Ms Ren has a double Masters' degree in Economic Studies and Environment Chemical Engineering. She started her career with China Construction Bank ("CCB") in 1996, working in the International Department. From 1997 to 2001, she was working at CCB Frankfurt branch. She is with CCB Singapore branch since March 2012. She has more than 20 years of banking experience, working in various departments, holding various appointments and accumulating a strong set of experience in front office sales, middle office, back office operations and research positions. She also took part in the research of various Head Office level strategic transformations plan and product development. She was mainly responsible for leading the innovation of "民本通达" series livelihood products, which is one of the core competitive products offered by CCB in this area. She was also awarded the CCB "Top 10 Outstanding Youth" Award. CCB Singapore branch, holding the Wholesale Banking License, has been in Singapore for more than 19 years. In recent years, the branch has transformed and streamlined its business structure, to provide its customers with an integrated financial services covering trade finance, corporate banking, investment banking, treasury and private banking services. In April this year, CCB setup two head office level centres in Singapore, namely, Infrastructure Financing Service Centre and Private Banking Centre, providing financing service solutions to the various "One Belt One Road" projects along South East Asia covering railways, ports, air transportations, roads, logistics, energy, infocomm etc. The Private Banking Centre will provide wealth management services to high net worth individuals in South East Asia. CCB Singapore branch geographical operational coverage includes Singapore, Myanmar, Laos, Cambodia, Brunei, India and Pakistan.

K SHANMUGAM
Mr K Shanmugam was educated at Raffles Institution from 1972 to 1977. He then read law at the National University of Singapore (NUS), where he graduated with First Class Honours, at the top of his class, in 1984. He was admitted to the Singapore Bar as an Advocate & Solicitor in 1985. Mr Shanmugam went into private practice and became one of the Senior Partners and Head of Litigation & Dispute Resolution at Allen & Gledhill LLP, which was the largest law firm in Singapore. In 1998, he was appointed a Senior Counsel of the Supreme Court of Singapore at the age of 38, one of the youngest lawyers to be so appointed. Mr Shanmugam had a successful practice and was consistently recognised in international publications, as one of the top litigation, arbitration and insolvency Counsel in Asia and Singapore. While in practice, he regularly handled trial work in major corporate, commercial and insolvency disputes, malpractice suits and inquiries; and has acted for lawyers in disciplinary inquiries as well as in criminal proceedings. Mr Shanmugam has also acted for senior government leaders in Singapore, including the current and previous Prime Ministers of Singapore, as well as for the Chief Justice of Singapore. More than 100 of the cases handled by Mr Shanmugam have been reported in the Law Reports. Prior to accepting public office, Mr Shanmugam served in various committees and Boards, including the Advisory Board of the Faculty of Law; the Raffles Institution Board of Governors; the Media Development Authority, and Sembawang Corporation Industries Ltd (a company listed on the Singapore Exchange). Mr Shanmugam was also President of the Singapore Indian Development Association (SINDA) from March 2002 to March 2009. On 1 May 2008 Mr Shanmugam was appointed a Cabinet Minister. He is now the Minister for Home Affairs and the Minister for Law. He has also served as the Minister for Foreign Affairs.

TAN Eng Chye

Professor Tan Eng Chye will be the National University of Singapore's (NUS) 5th President on 1 January 2018. He will be the 23rd leader to head Singapore's oldest higher education institution, which traces its roots to a modest medical school founded in 1905. He currently serves as the University's Deputy President (Academic Affairs) and Provost. Prof Tan, who attended Raffles Institution (1974 to 1979), obtained his Bachelor in Mathematics (First Class Honours, 1985) at NUS and his PhD (1989) at Yale University. He joined NUS as a faculty member in the Department of Mathematics in 1985, as a Senior Tutor, and has held visiting positions at various universities overseas such as the Rutgers University, University of Washington at Seattle, University of California at Berkeley and University of Maryland, USA; Universities of Tokyo and Kyoto, Japan; as well as the Hong Kong University of Science and Technology. Prof Tan's research interests are in the Representation Theory of Lie Groups and Lie Algebras; and Invariant Theory and Algebraic Combinatorics. He has been invited to speak in numerous top conferences overseas, and has published more than 20 articles in top internationally-refereed journals and conference proceedings. He has co-authored three books on mathematics, including a well-known graduate text on non-Abelian harmonic analysis. Prof Tan is a passionate and award-winning educator. He was a pioneer architect of the current academic system in NUS, and has seeded many initiatives such as the Special Programme in Science, University Scholars Programme, University Town Residential College Programme, Grade-free Year, Technology-enhanced Education, etc. He was recognised with the University Teaching Award for Innovative Teaching in 1998, and was President of the Singapore Mathematical Society (2001 to 2005) as well as the South East Asian Mathematical Society (2004 to 2005). He is a Member of the Board of Directors of the Defence Science & Technology Agency, (DSTA), Ministry of Defence; Board Member of Bizlink Centre, a social enterprise; and a Member of the Board of Governors of NUS High School of Mathematics and Science. He has also sat on the boards of the Agency for Science, Technology and Research (A*STAR), Defence Science Organisation (DSO) Laboratories, National Institute of Education, and the Infocomm Development Agency. Prof Tan received the Public Administration Medal (Gold) at Singapore's National Day Awards in 2014 for his outstanding contributions to education.

Gareth TAN Guang Ming

Gareth Tan Guang Ming is a Research Assistant at the Asia Competitiveness Institute (ACI), at the Lee Kuan Yew School of Public Policy, National University of Singapore (NUS). Graduating with a First Class Honours from the University of York at undergraduate level, Gareth subsequently pursued a Masters in World Literatures in English at the University of Oxford, from which he graduated with a Distinction in 2016. Signing on with the ACI in early 2017, Gareth is currently assisting with the compilation of materials for the institute's OUE Business Case Study project, as well as taking part in ongoing data collection and analysis efforts for the ACI's ambitious Small and Medium Enterprise (SME) Productivity Tracking and Efficiency Monitoring index. He is also assisting with ongoing efforts to update ACI's Cost of Living, Wages and Purchasing Power, and Global Livable Cities Indices. Gareth has co-authored an op-ed entitled "Forging a new consensus for the future economy", which was published in The Straits Times. His research interests include economic development within ASEAN, as well as the intersections between foreign policy and economic growth vis-à-vis ASEAN member states.

TAN Khee Giap

Tan Khee Giap is a Co-Director of the Asia Competitiveness Institute (ACI) and Associate Professor at the Lee Kuan Yew School of Public Policy, National University of Singapore. He is also the Chairman of the Singapore National Committee for Pacific Economic Cooperation. Upon graduating with a PhD from University of East Anglia, England, in 1987 under the Overseas Research Scheme awarded by the Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom. He joined the banking sector as a treasury manager and served as secretary to the Assets and Liabilities Committee for three years, there after he taught at the Department of Economics and Statistics, National University of Singapore, 1990-1993. Dr Tan joined Nanyang Technological University in 1993 and was Associate Dean, Graduate Studies Office, 2007-2009. Dr Tan has consulted extensively with the various government ministries, statutory boards and government linked companies. He has also served as a consultant to international agencies such as the Asian Development Bank, Asian Development Bank Institute, United Nations Industrial Development Group, World Gold Council, ASEAN Secretariat, Central Policy Unit of Hong Kong, Kerzner International, Las Vegas Sands and Marina Bay Sands. Dr Tan is the lead author for more than 20 books, serving as journal editors and published widely in international refereed journals. He is the associate editor of the journal Review of Pacific Basin Financial Markets and Policies (US) and is on the editorial advisory board of the journal Competitiveness Review (UK). His current research interests include econometric forecasting, Cost of Living Index, Global Liveable Cities Index and competitiveness analysis on 31 provinces in China, 35 states in India, 33 provinces in Indonesia and ASEAN-10 economies. Dr Tan was Deputy President of the Singapore Economic Society, 2004. He served in the 2002 Economic Review Committee (ERC), and was Chairman of the Task Force on Portable Medical Benefits (PMB) and Deputy Chairman of the IPS Forum for Economic Restructuring (IFER) in 2003. He is a member of the Resource Panel of the Government Parliamentary Committee (GPC) for Transport, GPC for Finance and Trade & Industry and GPC for Defense and Foreign Affairs since 2007. Dr Tan has extensively advised and guided multinational corporations leading to public listings especially those companies from Mainland China and Taiwan. He is also currently an Independent Director of the publicly listed BreadTalk Group, Boustead Projects, TEE Land and Chengdu Rural Commercial Bank.

TAN Kong Yam
Professor Tan Kong Yam is presently the Co-Director of the Asia Competitiveness Institute. He is also Professor of Economics at the Nanyang Technological University. From 1985-89, he was the chief assistant to the late Dr Goh Keng Swee on his consultancy to Mr Deng Xiaoping on China's development strategy. From June 2002 to June 2005, he was a senior economist at the World Bank office in Beijing. In 2004, he was a member of the World Bank expert group on the eleventh five year plan (2006-2010) for the State Council in China. The expert group provided analysis and policy recommendations on urbanization, regional inequality, innovation policy, energy and water policy as well as strategy on banking reform to the Chinese government. Prior to that, he was the chief economist of the Singapore government (1999-2002), Head, Department of Strategy and Policy, Faculty of Business Administration at the National University of Singapore (NUS). He is a graduate of Princeton (1975-79, class of 1931 scholar, Paul Volcker Thesis prize) and Stanford University (1980-83), where he completed his Master and PhD in three years. Prior to joining NUS, he has worked at the Hoover Institution at Stanford University, World Bank, the Monetary Authority of Singapore, and was the Director of Research at the Ministry of Trade and Industry in Singapore. His research interests are in international trade and finance, economic and business trends in the Asia Pacific region and economic reforms in China. He has published ten books and numerous articles in major international journals including American Economic Review, World Bank Economic review, etc on economic and business issues in the Asia Pacific region. He served as board member at the Singapore Central Provident Fund Board (1984-96) and the National Productivity Board (1989-90). He has also consulted for many organizations including Temasek, GIC, Citigroup, IBM, ATT, BP, ABN-AMRO, Ikea, Bank of China, China Construction Bank, People's Bank of China, EDB, Areva, Capitaland, Samsung, Mobil, etc.

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VU Tien Loc
Member of Parliament of 14th Legislature (2016 – 2021),
Chairman and President of Vietnam Chamber of Commerce and Industry
Chairman of APEC CEO Summit 2017
Dr Vu Tien Loc has been President and Chairman of the Vietnam Chamber of Commerce and Industry since 2003. He is a senior Member of the National Assembly since 2001, and is a member of its Economic Committee. Dr Loc is also President of ASEAN Chamber of Commerce and Industry. Born in the northern coastal province of Thai Binh in 1960, Dr Loc holds a number of influential positions within Vietnam's political structures. These include, but are not limited to: Chair of the Central Council for Vietnamese Businesses, Co-Chair of the Vietnam Business Forum (VBF), and Vice Chair of the Prime Minister's Advisory Council for Administrative Procedures Reform; Dr Loc has been at the forefront of establishing formal business associations and having business and entrepreneurship recognized by Government and the Party as a praiseworthy sector. For example, he was first to coin the phrase "Entrepreneurs – Soldiers in Peace Time". Dr Loc was a driving force behind the Resolution on Entrepreneurs which was approved by the Vietnam Communist Party in 2013 as its first Party Resolution (09NQTW) to formally recognize and endorse entrepreneurship. Such has been Dr Loc's centrality to business advocacy is that in 2013 he proposed to – and

convinced – the National Assembly that business and entrepreneurship be recognized in the Constitution of Vietnam. Dr Loc is the Director of the National Project on Improving Vietnam's Competitiveness. He has overseen creation of the Provincial Competitiveness Index (PCI) and the Ministerial Effectiveness Index (MEI) in order to motivate the reform process and improve authorities' governance. He has chaired and directed the implementation of first development programs for Small and Medium Enterprises. Dr Vu Tien Loc has a PhD in Economics, Senior Political Theory. He has chaired many research projects and lectured at several major universities in Vietnam and abroad.

WANG Jiann-Chyuan
Wang Jiann-Chyuan graduated from Dept of Economics, National Taiwan University in 1982. In 1989, he obtained his PhD Degree from Dept of Economics, Purdue University, USA. Since then, he joined Chung-Hua Institution for Economic Research (CIER), one of the most regard economics think tank in Taiwan. He has served CIER for 28 years. His current position is vice president and director for Taiwan Economy Division. He is also an adjunct professor at National Taiwan University of Science and Technology. Dr Wang majors in industrial economics and industrial policy. He participated in more than two hundred projects. He published several books and about 20 papers in SSCI or EI journals. In addition, he also writes articles commenting major economic issues in Taiwan's newspapers.

Almud WEITZ
Ms Almud Weitz is the Practice Manager for Transport of the World Bank's Global Practice for Transport and ICT, covering Southeast Asia and the Pacific islands countries. Prior to her current assignment, she served for 9 years in the World Bank's Global Water Practice as Regional Team Leader for the Water and Sanitation Program in East Asia and South Asia, as well as Lead Water and Sanitation Specialist. Before joining the World Bank in 2007, Ms Weitz held project task management positions at the Asian Development Bank in Manila and in Jakarta, for over 8 years. She started her career as a Policy Analyst with the United Nations Development Program in New York. She is a German and Italian national and holds a Masters in Economics from Free University of Berlin in Germany.

Alan WONG Wing Keung
Professor Wong, Wing Keung obtained his PhD from the University of Wisconsin-Madison, USA with major in Business Statistics (Statistics and Finance) and obtained his Bachelor degree from the Chinese University of Hong Kong, Hong Kong, with a major in Mathematics and a double minor in Economics and Statistics. Currently, he is a Chair Professor at the Department of Finance, Asia University. He was Full Professor at the Department of Economics, Hong Kong Baptist University and Deputy Director in at Risk Management Institute, National University of Singapore. He has been serving international academies, Government, society and universities, providing consultancy to several Government departments and corporations, and giving lectures and seminars to several universities. For example, he has been serving as editor, guest leading editor, advisor, associate editor for some international journals, appointed as an advisor/member of various international associations/institutes, serving as referee for many journals/conferences, supervising solely or jointly several overseas graduate students, appointed as external reviewer and external examiner by other universities, and invited by many universities/institutions to present papers or conduct seminars. He has published more than two hundred papers.

ZHANG Xuyao
Zhang Xuyao is a Postdoctoral Fellow at the Asia Competitiveness Institute (ACI) at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS). Dr Zhang received his PhD in Economics from NUS in 2016 and obtained her Bachelor (Honours) 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, he is the coordinator for the Competitiveness Analysis for Greater China Economies and the Shandong Urban 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 and the Infrastructure index.

ZHANG Yi
Zhang Yi serves as Head of Operation Management Department of ICBC Singapore, responsible for the RMB clearing business. She has been working in ICBC Singapore for more than 4 years since June 2013, when the Singapore RMB

Clearing Bank start operation. She Joined ICBC in 2002 and has around 15 years experience in the clearing and settlement business. Prior to the current role, Ms Zhang worked in ICBC H.O. with the position of Deputy Head of Investigation & Problem Solving Division, Operation Management Department of ICBC H.O., in charge of ICBC payment clearing investigation and customer service. During that period, she participated actively in the construction and development of ICBC's in-house clearing systems and promoted several SWIFT solutions on cross-border payments. She was invited as the guest speaker at Sibos (SWIFT International Banking Operations Seminar) for several times. Previously, she worked in the International Business Dept, ICBC Suzhou Branch, dealt with foreign exchange clearing and trade business. Ms Zhang graduated from Soochow University with Bachelor's degree in International Economic Law. She possesses the Legal Profession Qualification of China and FRM (Financial Risk Management) Certificate. In 2012, she joined ICBC International Leadership Development Program, studying at University of Toronto for 10 months.

Channel NewsAsia, 28 August 2017

Singapore

For Belt and Road to succeed, China must work harmoniously with other countries: Shanmugam

Through the trade route and other initiatives, China has the potential to build a "new economic architecture that can uplift economic growth in this hemisphere", Singapore's Home Affairs and Law Minister says.

China's Belt and Road initiative (BRI) presents many opportunities for growth in the region, but the Asian superpower has to work with other countries for it to succeed, Singapore's Home Affairs and Law Minister K Shanmugam said on Monday (Aug 28).

SINGAPORE: China's Belt and Road initiative (/news/singapore/belt-and-road-initiative-will-help-china-grow-ties-with-rest-of-9033642) (BRI) presents many opportunities for growth in the region, but the Asian superpower has to work with other countries for it to succeed, Singapore's Home Affairs and Law Minister K Shanmugam said on Monday (Aug 28).

Building on the ancient overland Silk Road economic belt connecting China to Europe and the Maritime Silk Road connecting Asia, the Middle East and Africa, the BRI is aimed at facilitating trade and investment flows between China and other countries through infrastructure.

Speaking at the Asia Economic Forum at the National University of Singapore, Mr Shanmugam said the project was bold, imaginative and ambitious, and exemplifies the vision of a country that is currently the "world leader in many aspects of infrastructure technology".

China has also been "very strategic" in the way it has been investing, linking up with other countries and building relationships, and its companies are prepared to take risks and invest in large infrastructure projects, the minister said.

Noting the many criticisms levelled at China and its political system, Mr Shanmugam said that it must be acknowledged that the country has achieved results for its people over the last 35 years "on a scale that no other country in history has" – both in terms of the speed of progress and the number of people who have made the leap from poverty to prosperity.

"China has been showing its detractors are getting it wrong," he said, citing its success in the field of science and technology, contrary to claims that its political system does not allow innovation.

Mr Shanmugam called the BRI "arguably the most ambitious infrastructure project in history" with the "potential to bring Eurasia, China and Southeast Asia even closer together".

However, he added a note of caution:

While routes such as the BRI enable trade, they can also enhance connectivity between extremists and jihadist influences. There are also risks associated with other countries' individual interests, he said.

"China will have to try and work with these different interests, and try to align them. That is not going to be easy. In many ways, building the infrastructure is the easier part."

If there is a deficit in trust with other countries, regional counter blocs with countries such as India, Japan and perhaps powers outside Asia may form, and possible US influence "should not be underestimated", the minister said.

It will be easier to achieve this if it is able to work harmoniously with "countries which have weight, influence in the world economy" as well as receives the cooperation of such countries along the Silk Route, he added.

CHANGING BALANCE BETWEEN CHINA AND THE US

In his speech, Mr Shanmugam noted the rise of China, which he said is likely to be the largest world economy in absolute terms, though not in per capita terms. Technologically and militarily, China will become a more significant player over the next 20 to 30 years, he predicted.

http://www.channelnewsasia.com/news/singapore/for-belt-and-road-to-succeed-china-must-work-harmoniously-with-9162874

With this, he said there will also inevitably be a change of relative power between America and China.

Although the minister stressed that the US still has a significant lead, the world superpower will have "less and less scope for unilateral actions especially in areas of the globe where China has strong interests", he said.

China also will not be able to ignore US interests even as its power increases, he added.

"It is likely that the US ability to decide unilaterally will be reduced from what it has been in the last 25 years. At the same time, it is difficult to see any one country – including China – taking over the US' role of global leadership."

Mr Shanmugam also argued that it is in China's interests to work with the existing international order built on free trade.

He said that for many Asian countries, while China is the biggest trading partner, the ultimate consumer of most of the traded products is still the US. The products go as intermediate products to China, before the finished products are then exported to the US.

This situation will likely remain for some time to come, he said, adding that for the BRI to succeed, the globalized economy needs to function. This means "there must be no trade wars between China and the US; there must be continued growth, peace and stability – all of this and more will be necessary."

The minister said: "How stable a more multipolar world will be difficult to predict, but it will be in the US', China's and other countries' interests to maintain stability."

HOW DOES THIS IMPACT SINGAPORE?

According to the Home Affairs Minister, figures show Singapore is already benefiting from the opportunities offered by the BRI, with China's investments in Singapore alone making up about a third of its total investments in BRI countries.

Singapore's investments in China also accounted for 85 per cent of total inbound investments from BRI countries, he noted.

The country recognised very early the potential for China's growth from the early 1980s, and was an "active proponent of that growth", Mr Shanmugam said, adding that the country supported the BRI since its early years of inception.

"With the new opportunities, we can (and) should be able to find ways of being economically relevant."

Small states must continually earn their relevance on the international stage, he said. "China, the US, India will be there a hundred years from now. For us, nothing is guaranteed. The world can pass us by in an instant."

Singapore benefits from initiatives like the BRI and will also continue to maintain good relationships with its neighbours, with China as well as its Western counterparts in Europe and the US, he said.

"Can Singapore remain relevant in the future? We can, if we are smart ... we achieved what we have achieved by thinking bold, thinking big."

Source:
CNA/mz

Tags

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One Belt One Road (/action/news/8396414/search?query=%22One%20Belt%20One%20Road%22)

K Shanmugam (/action/news/8396414/search?query=%22K%20Shanmugam%22)

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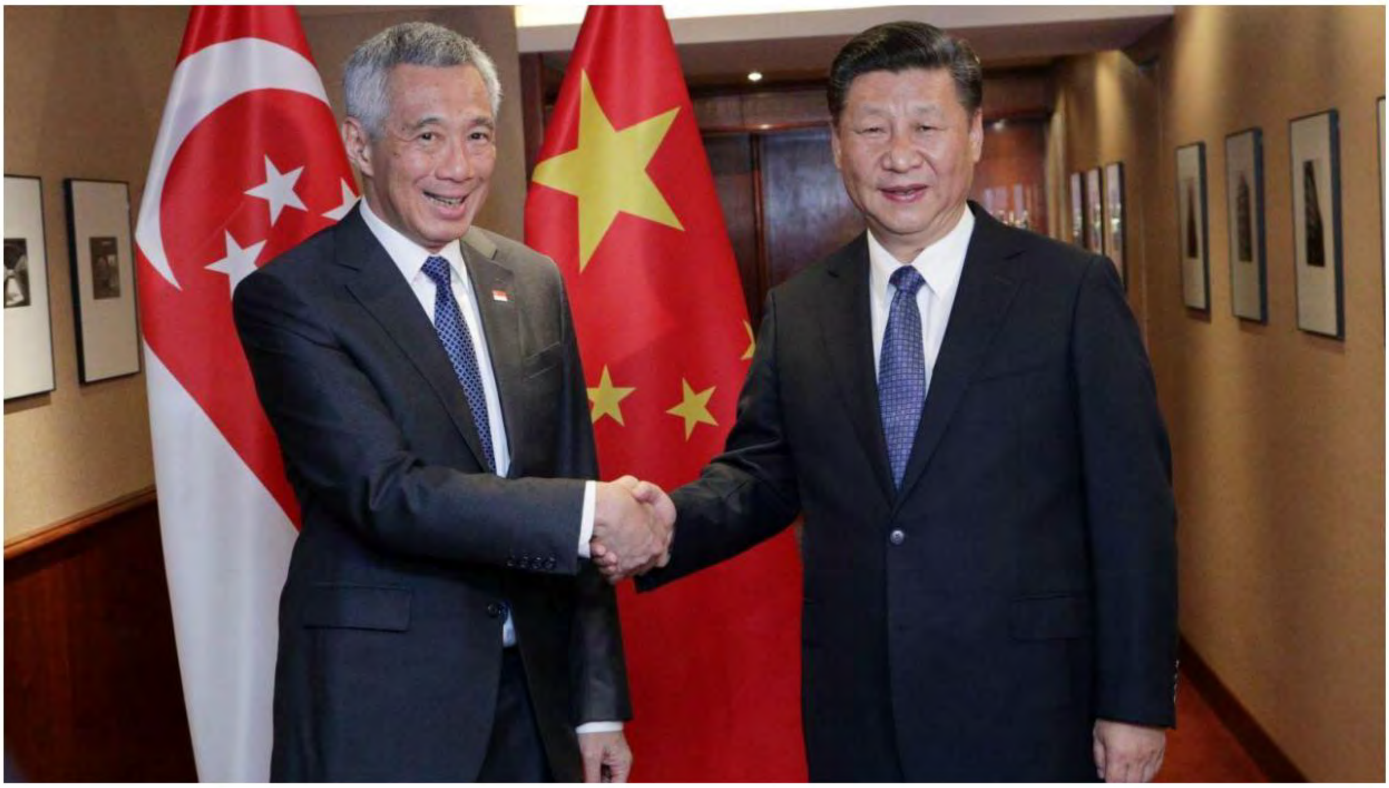

國際

先趕間諜後讚最強　完美示範打倒昨日的我　新加坡突力撐一帶一路

撰文： 楊紫微　發佈日期：2017-08-28 22:45　最後更新日期：2017-08-28 22:45

新加坡內政部長尚穆根（K. Shanmugam）在周一（28日）發表演講，指新加坡積極支持一帶一路及準備就緒從中獲利。

他今次在新加坡國立大學李光耀公共政策學院旗下的亞洲競爭力研究所組織的論壇中的演說，似是最近期新加坡一系列支持中國一帶一路的動作之一。

新加坡內務部長尚穆根發表演講，指新加坡積極支持一帶一路及準備就緒從中獲利。（VCG）

「一帶一路帶來極大的經濟機遇。如果改善（國家間的）連接，人們旅行來往，投資循環增加，我們若有準備又夠精明的話就會獲利。」曾任職外交部長的尚穆根說道。新加坡這種對一帶一路抱有正面態度的說法，近月着實罕見。

一帶一路由中國國家主席習近平在2013年提出的跨國經濟帶項目，希望以鐵路、公路等基建連接亞洲各國、並貫通至歐洲及中東等地，全球共有60多個國家參與計劃，預計基建投資達數萬億美元。

尚穆根認為一帶一路「改變了遊戲規則」，更是「歷史上最雄心壯志的基建計劃」，又以數據指出，新加坡已在一帶一路中獲利。例如，新加坡在中國向一帶一路投資總額中佔三分一；而在共計60個國家向一帶一路作出投資總額中，新加坡佔當中85%。

一帶一路計劃示意圖。

中新關係惹疑慮

今年5月在北京舉行的一帶一路峰會中，只有3個參與國的最高領導人未有出席，新加坡是其中之一，引來外界對中新關係的疑慮。有分析曾指，按照一帶一路的計劃，最終亞洲與其他大陸的貿易路線，可繞過新加坡這個貿易大港口，削弱了獅城的地位，所以新加坡沒有積極支持一帶一路，其實可以理解。但完全抗拒這個進行的如火如荼的計劃，或許不是明智之舉。

然而，尚穆根周一的這趟發言，與過往新加坡對華態度截然不同的程度，予人「今日的我打倒昨日的我」之感。本月4日，**新加坡知名國際關係學者黃靖被指控「勾結了外國的情報組織」，同由尚穆根領導的內政部以他「損害新加坡利益」及「顛覆新加坡主權和干預內政」為由，指黃靖和他的太太「不再適合在新加坡出現」，而取消他的新加坡永久居民身分**。儘管內政部聲明未有明言，但一般相信此舉是針對中國，即使黃靖夫婦二人上訴，最終亦被駁回。

《彭博》引述消息指，新加坡5月時派出國家發展部長黃循財出席，而非總理李顯龍親自到場，是由於中方未有對各國國家領袖發出正式邀請函。新國政府冷待該次峰會，中方將其視為合作意願不大的意思。

但今次新加坡內務部長的發言顯然希望積極與中國修補關係，尚穆根提及外界對於中方政治系統的鞭撻，認為必須承認中國在過去35年來的發展規模「在歷史上沒有一個國家做到」。

尚穆根又盛讚一帶一路是中國崛起的成果，同時亦是推進國家發展的關鍵，除此以外，他又指中國在絕對數值上應是全球最大貿易國。不過，根據世貿組織4月發表的報告，中國自2013年起拿下全球貿易一哥位置，三年後已被美國以3.7萬億美元貿易額，在中國手上重奪世界最大貿易國頭銜，同年中國貿易額為3.68萬億。

一帶一路為巨型跨國經濟帶計劃，全球共有60多個國家參與計劃，預計基建投資達數萬億美元。（網上圖片）

《海峽時報》的報道亦在旁吹風，表示新加坡是1978年中國改革開放後的經濟發展的「積極擁護者」，更是最早加入中國倡議的亞洲基礎設施投資銀行成員國之一，亞投行就是一帶一路的重點項目之一。

尚穆根特別提及新加坡的小國身分，指雖然新加坡小得難以影響大趨勢，故選擇成為觀察者並隨行就市：「當我們的利益受損時，我們觀察，我們清楚表達立場。」他又指，如果小國容許自己受大國利誘或欺壓，便會極易喪失主權，尤其是多元文化組成的新加坡社會，更加難以復原。似乎對中新關係的相處模式有所暗示。

李光耀時期的新加坡雖小，但在大國之間游走如魚得水；自從李顯龍上任總理之位後，中新關係一直猶如大海中的小船，風平浪靜時看似四平八穩；但天有不測之風雲時，便極易翻船。回望去年底的中方扣押新加坡裝甲車事件，又或是威脅新加坡港作最大轉運港地位的克拉運河計劃，中方出手頻頻，新國態度就且軟且硬，今次尚穆根的演說看來是另一次的俯身。

尚穆根演講矛頭直指特朗普推行的美國優先政策。（VCG）

一帶一路或改寫中美地位

尚穆根又在演說中談及地緣政治局勢，他認為一帶一路是中美對弈之中的重要關鍵，將會影響世界權力平衡。他表示，中國正以超級大國之勢崛起，即使是貪腐及人口老化等國內問題亦無阻其發展。又指中美兩國的相對地位即將起變化。

尚穆根評論指近期美國視野變窄，重點推行「美國優先」政策，似乎放棄了從前對自由貿易的堅持。「如果美國繼續走反貿易路線，退出貿易協議，對其他國家實施經濟制裁和關稅戰爭，就會有越來越多國家發現一帶一路更加有吸引力。」尚穆根說道。

不過，對中國來說一帶一路亦非全無風險。尚穆根警告指，一帶一路途經的中亞地區局勢緊張，俄羅斯、印度、土耳其及伊朗各國都有各自的打算，未必會與中國建立合作關係；而且通路改善後，得益的不止是商貿組織，也可以是恐怖分子。

尚穆根：智库扮演着重要角色 必须保持客观

2017年8月28日 22:05

内政部长尚穆根（照片：TODAY档案图片）

内政部兼律政部长尚穆根表示，智库扮演着重要角色，可提供不同的观点，但关键是智库必须保持客观。

尚穆根在“一带一路倡议：效果与影响”亚洲经济论坛上，答复有关智库和商人在同其他国家建立关系，扮演着什么角色的提问时，表示这点。

尚穆根说，学者如果被外国政府收买，表面上以客观和学术自由之名，呈现出一套观点，而隐藏的议程却是要影响新加坡的政策，这是无法被接受的。

尚穆根说，智库必须时时保持警惕，而真正的学者能提出具学术性且实用的观点，来帮助国家。不过，这不意味着智库必须认同政府的做法，智库甚至是可以客观地挑战政府，或者其他人的观点的。

针对商人的角色，尚穆根指出，商人在同国外建立关系时扮演重要角色，然而有时政府无法接纳商人的建议，是因为商人有商业的考量，而政府必须考虑到整个国家的利益。

- 958/YI

http://www.channel8news.sg/news8/latestnews/20170828-sg-thinktank/3811016.html

首页 › 新加坡 ›

尚穆根：我国会继续支持一带一路倡议

2017年8月28日 16:23

（照片：Raj Nadarajan/TODAY）

内政部兼律政部长尚穆根表示，我国会继续支持一带一路倡议，因为它将让我国和其他亚细安国家受惠。

尚穆根在"一带一路倡议：效果与影响"亚洲经济论坛上致词时说，我国应该抓紧一带一路所带来的机遇，在面对来自其他地区的竞争时，做好应对的准备。

尚穆根说，在新机遇下，我国可以、也应该找到能让新加坡发挥经济作用的方法，而更重要的是和各国打好关系，因为小国必须不断在国际舞台上证明自己能够作出贡献。

尚穆根也形容"一带一路"倡议是大胆和创新的愿景。他认为，中国可以借助一带一路和区域全面经济伙伴关系协定等计划，建构新的经济结构，提升本区域的经济增长。

尚穆根说，要达到这个目标，中国务必同对世界经济有影响力的国家和平共事，并同一带一路沿线国家合作。

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http://www.channel8news.sg/news8/singapore/20170828-sg-shanmugam/3810586.html

【亚洲经济论坛】尚穆根：支持一带一路 积极发挥影响力

2017年8月28日 13:02 2017年8月28日 14:41

A A+

内政部长兼律政部长尚穆根表示，我国会继续支持一带一路，因为这些项目让我国和其他亚细安国家受惠。尚穆根也表示，我国应该抓紧一带一路倡议所带来的机遇，在面对来自其他地区的竞争时，做好应对。

内政部长兼律政部长尚穆根在今早的“一带一路倡议：效果与影响”亚洲经济论坛上发表演说。他表示我国从一开始就支持一带一路和亚投行，以后也会继续支持这个倡议。

内政部长兼律政部长尚穆根说，“在新的机会之下，我们可以也应该寻找方法， 让我国在经济上发挥作用。更重要的是要同各方打好关系，小国一定要在国际舞台上发挥作用。”

尚穆根形容一带一路倡议，是地缘政治的趋势，以及大胆和创新的愿景。他指出，中国能融合国家资源，也拥有世界领先的基建和科技，在同其他国家合作之下，中国将能把愿景化为现实。

他认为中国策略性地投资各地的基建，使得更多国家支持一带一路。而美国采取美国优先的政策虽然可以理解，但如果它继续采取反贸易措施，将令更多国家发现一带一路的吸引力。

他也认为，一带一路能拉近欧亚、亚细安和中国的关系，并改变贸易路线。尚穆根表示，在一带一路，以及区域全面经济伙伴关系协定之下，中国有机会建立一个新的经济体系，使区域内所有国家获益。

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http://www.channel8news.sg/news8/singapore/20170828-sg-belt-road/3810386.html

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尚穆根：中国有能力克服挑战 实现一带一路愿景

2017年8月28日 20:47 2017年8月28日 22:55

内政兼律政部长尚穆根表示，中国一带一路倡议是大胆创新的愿景，中国有能力克服挑战,实现愿景。尚穆根也指出，一带一路带来许多机遇，使区域内所有国家，包括我国也能从中受惠。中国如果同其他国家合作，将能更容易实现愿景。

尚穆根在亚洲经济论坛上指出，一带一路预计耗资几万亿元，涵盖60多个国家，可说是有史以来规模最庞大的项目。他说中国必须平衡好不同国家的利益，说服一些国家，如日本和印度也加入计划等，不过，要做到这点并不容易。

内政部兼律政部长尚穆根表示："没有一个国家,即便是中国，可在现代世界孤立无援生存。该如何在利益矛盾之时取得平衡，稳定与强国间的关系,都是棘手问题。中国以平和方式日益强大，或成为超级强国，对中国和我国都有利。"

尚穆根指出,一带一路不会取代目前以自由贸易为基础的国际贸易秩序。如果倡议取得成功，将能重新塑造全球贸易体系，使世界经济中心转移到亚洲。他也说我国虽然是小国，但只要做好应对，抓紧一带一路所带来的机遇，即使面对外来竞争，还是能保持与时并进。

尚穆根也强调我国同各方打好关系的重要性。小国一定要在国际舞台上发挥作用。

"国正因为勇于大胆设想，取得今天的成就。我国没让任何人欺负，也没迎合他国的要求。很多人试过，但我们没屈服。国际关系就像弱肉强食的环境一样，小国面对风险。"

尚穆根说,我国会继续支持一带一路，因为这些项目让我国和其他亚细安国家受惠。

- CH8/YI

http://www.channel8news.sg/news8/latestnews/20170828-sg-obor-shanmugam/3810840.html

尚穆根：中美双方要找出新的共存方式

2017年8月28日 星期一 09:47 AM
文 / 何惜微 (/byline/he-xi-wei-4)

中国急剧增长，它所占的全球国内生产总值（GDP）比率预计将继续增长。按照购买力平价（purchasing power parity）计算，中国的国内生产总值已超越美国。不过，它的人均GDP与美国仍有一段距离。

此外，中国的人口是美国的四倍，它已经是世界上最大的贸易国家，也是多数国家的最大贸易伙伴，而这些都是不可逆转的趋势。

内政部长兼律政部长尚穆根今早在“一带一路倡议：效果与影响”经济论坛上突出中国的增长趋势。他举例，美国国会尝试阻挠中国在世界银行中应扮演的角色，但中国经济强劲、外汇储备庞大，可谓势不可挡，“中国于是设立自己的国际银行。”

尚穆根指的是中国牵头设立的亚洲基础设施投资银行（AIIB）。他说，新加坡是最早支持设立亚投行的国家之一，许多国家（包括西方国家）随后急忙予以支持。

他指出，如果美国坚持反贸易的论述，抽身于贸易协定，并且以经济制裁对付特定国家，又出现“关税战争”，那相信更多国家会觉得“一带一路”倡议具吸引力。这意味着在中国有浓厚兴趣的领域里，美国要采取单方面行动的空间越来越小。

http://www.zaobao.com.sg/realtime/singapore/story20170828-790690

06 2017年8月29日 星期二 联合早报 新加坡

一带一路倡议可能面对风险
尚穆根：中国应争取他国合作支持

内政部长兼律政部长尚穆根（左）在45分钟的演讲中突出了“一带一路”倡议的潜能和挑战，他也在亚洲竞争力研究所所长陈企业博士主持的对话会上回答与会者的提问。（海峡时报）

“一带一路”倡议可促进贸易，但也可能促进极端主义分子和支持圣战者之间的沟通。内政部长兼律政部长尚穆根在阐明倡议可面对的风险之余，也呼吁中国与其他国家合作，争取他国的支持。

他昨早在“一带一路倡议：效果与影响”亚洲经济论坛上说，中亚国家的机制仍在发展中，领导人一改变，政策也会相应改变，这些国家的局势不太稳定。偏偏俄罗斯对中亚区域虎视眈眈，印度、土耳其和伊朗等中亚国家也有自身的利益，而这些利益未必与中国的一致，中国必须正视各国的关注，以取得这些国家的支持。

另外，像印度和日本等国家对“一带一路”倡议也不太热衷，中国同样需要把触角伸向这些国家。

“理想的情况是中国受尊敬、爱戴和信任，因为大国的举动会被他国一一分析，如果缺少信任，可形成区域对抗集团（bloc）。”

尚穆根举例，印度、日本和亚洲以外的国家都可能形成这类集团。“任何国家，包括中国，都不能够在这现代世界里独自行事。它如何使相抵触的利益一致，并消除其他国家的担忧，是不容易处理的事。”

他也说，目前的国际秩序建立在自由贸易的基础上，“一带一路”倡议不是这个国际秩序的代替品，如果全世界都倾向保护主义，倡议就会受影响，而如果中美掀起贸易战，倡议同样会受影响。

“在全球化的世界里，各国有多个贸易伙伴。许多亚洲国家的最大贸易伙伴虽然是中国，经贸产品最终的消费者却身在美国。中间产品往中国去，制成品从中国再到美国，这情况预计将持续一段时间。因此，‘一带一路’倡议要成功，全球化经济就要顺利运行。”

尚穆根指出，中国要落实“一带一路”倡议的大胆愿景，就要与能对世界经济发挥影响力的国家合作，也要与可发挥影响力的沿线国家合作。他说，亚细安这个区域组织在道路、轨道和港口的互联互通，预计能与“一带一路”倡议对接，形成一个生气勃勃的经济区。

中国将很快超越美国　成为全球最大经济体

中国急速增长，尽管它的人均国内生产总值与美国仍有一段距离，但它所占的全球国内生产总值比率预计将继续增长。如果以绝对值而言，相信它很快就能超越美国，成为全球最大经济体。

加上中国将近14亿的人口，以及军力和科技实力，中国成为超级大国的目标指日可待。若以中美的相对实力而言，内政部长兼律政部长尚穆根相信，假以时日会出现改变，而且变化或许比想象中更快。

他昨早在“一带一路倡议：效果与影响”亚洲经济论坛上说，以全球名义国内生产总值（nominal terms）来说，美国目前占25%，中国占15%，但1980年时，中国才占2.7%，美国的占比则是26%。

尚穆根说，中国的经济增长史无前例，它在30年里让7亿人脱贫。按照购买力平价（purchasing power parity）计算，中国的国内生产总值已超越美国。

此外，中国的人口是美国的四倍，它已经是世界上最大的贸易国家，也是多数国家的最大贸易伙伴，而这些都是不可逆转的趋势。

尚穆根说，美国国会曾尝试阻挠中国在世界银行中扮演应尽的角色，但中国经济强劲、外汇储备庞大，可谓势不可挡，“中国于是设立自己的国际银行”。

他指的是中国牵头设立的亚洲基础设施投资银行（AIIB）。他说，新加坡是最早支持设立亚投行的国家之一，许多国家（包括西方国家）随后急忙予以支持。

他也说，中国在国外的战略投资尽管有时造成紧张关系，却整体而言对建立良好关系是有利的，因此“吸引许多国家支持‘一带一路’倡议”。

相反的，美国近期更狭隘地定义其自身利益，采取“美国优先”做法，并且有意偏离一些基本立场，如支持自由贸易。

尚穆根说，美国认为它长期承担的成本，包括安保成本，与其他国家不成正比。“当美国政府的政策更清晰时，如果大家仍认为美国在撤消或削弱它的全球影响力……如果美国持续它的反贸易论调，抽身于贸易协定，以经济制裁对付特定国家，又出现关税战争，那相信更多国家会觉得一带一路倡议具吸引力。”

这意味着渐渐地，在中国有浓厚兴趣的地域里，美国要采取单方面行动的空间会越来越小。

“不过，就算中国加强了实力，也不表示中国就可以忽视美国的利益，双方得找出新的共存方式。”

智库应在必要时提供独立客观观点

智库不是任何时候都要附和政府的意见，更关键的是在必要时挑战政府的思维，提供独立和客观的观点。

内政部长兼律政部长尚穆根昨早在“一带一路倡议：效果与影响”亚洲经济论坛上，被询及智库应扮演什么角色时，提出上述看法。

他说，已故前副总理吴庆瑞博士是设立智库的功臣，吴庆瑞当时不希望政府出现“集体盲思”（groupthink），寄望智库能为政府提供独立、客观的观点以及新鲜的视角，“不是无谓地挑战政府，而是在必要时这么做”。

尚穆根也说，如果吴庆瑞觉得他一手成立的智库成为其他国家对我国政策发挥影响力的工具，“吴博士在天之灵必定不能安息”。

尚穆根回应问题时并没有提起新加坡国立大学李光耀公共政策学院前特聘讲座教授黄靖，本月初被取消永久居留权的事件。

黄靖被指是试图影响本地舆论的外国代理人（agent of influence），内政部指他在知情下与国外情报机构和情报人员接触，与他们合作影响新加坡政府的外交政策和本地舆论。

尚穆根发言后接受记者采访时，不对他的发言可能令人联想到黄靖事件置评，只说有关部门已经做出交代，他没有其他补充。

> 已故前副总理吴庆瑞博士是设立智库的功臣，吴庆瑞当时不希望政府出现“集体盲思”，寄望智库能为政府提供独立、客观的观点以及新鲜的视角，“不是无谓地挑战政府，而是在必要时这么做”。如果吴庆瑞觉得他一手成立的智库成为其他国家对我国政策发挥影响力的工具，“吴博士在天之灵必定不能安息”。
>
> ——内政部长兼律政部长尚穆根

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联合早报

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尚穆根：新加坡应求新求变为“一带一路”做贡献

何惜薇 报道
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尚穆根指出，“一带一路”倡议这个“开创新局”“史上最具雄心的基础建设项目”已经让新加坡受益。中国在新加坡的投资占中国对“一带一路”沿线国家投资总额的三分之一；新加坡在中国的投资，则占“一带一路”沿线国家对华投资总额的85%。

内政部长兼律政部长尚穆根形容“一带一路”倡议是个“大胆、创新的愿景”，他相信中国能够实现这个愿景，因为它不仅拥有所需资源、政治决心和先进科技，在发展基础建设上，也是全球领先的国家。

尚穆根认为，“一带一路”倡议能为每个人创造契机，像新加坡这样的蕞尔小国也不例外。他说，新加坡应该求新求变，继续做出有价值的贡献。

他昨早在世界银行和新加坡国立大学李光耀公共政策学院亚洲竞争力研究所联办的经济论坛上指出，这个“开创新局”“史上最具雄心的基础建设项目”已经让新加坡受益。中国在新加坡的投资占中国对“一带一路”沿线国家投资总额的三分之一；新加坡在中国的投资，则占“一带一路”沿线国家对华投资总额的85%。

部长说：“我们必须很机敏，要有所警觉有所准备，抓住这些时机。”

昨天的论坛主题是“一带一路倡议：效果与影响”。在45分钟的演讲中，尚穆根也追溯“一带一路”倡议的历史发展背景。他说，殖民地的历史教科书，虽然提及美索不达米亚（Mesopotamia）、埃及、印度河谷和中国等古老文明，但只是把它们视为西方世界崛起的前奏。其实在西方探险家如哥伦布、达伽马和麦哲伦出现之前，丝绸之路早已是世界贸易的命脉，为中国和丝绸之路沿线城市带来财富，也传播了各种资讯和思想，使亚洲当时成为文明的中心。

尚穆根说，中国正是希望透过“一带一路”倡议“重塑那一段历史”。

将世界经济重心巩固在亚洲 中国是“中心的中心”

他说，“一带一路”倡议将把世界的经济重心巩固在亚洲，而中国会是“这个中心的中心”。“不是条条道路都会通向北京，但是很多道路都能通达。一个前提是亚洲主要经济体合作，不引发贸易战争，也不出现各国联盟相互对抗的局面。”

尚穆根说，正如新加坡早在上世纪80年代初期就意识到中国的发展潜能，我国自中国提出“一带一路”倡议初期就已予以支持，并认识到这个倡议会让亚洲和亚细安受惠，包括促进更大的区域经济整合。

“有了新的契机，我们可以也应该能够找出让我们发挥经济作用的方法。在这个不断发展的多极世界里，更为重要的是我们要竭力建立良好关系。”

除了尚穆根，李显龙总理和张志贤副总理也曾在不同场合高度评价“一带一路”倡议能起的积极作用。例如李总理认为，这个倡议能通过加强各国联系，创造双赢协作。张志贤则形容“一带一路”是“宏伟愿景”。

提醒小国不能迎合大国

与此同时，尚穆根也谈到小国必须能在世界舞台发挥作用的重要，并提醒小国不能迎合大国而影响自身身份和利益，否则将难以长久维持国家的主权和自主。

“因为我们勇于梦想才取得今天的成就，我们不让任何人欺负或迎合其他国家的要求；许多国家曾尝试要我们这么做，但我们都抗拒。”

相信中国很快超越美国成最大经济体 刊第6页

S'pore must stay smart to profit in 'multi-polar world'

Law and Home Affairs Minister K Shanmugam discusses the Republic's global opportunities

SINGAPORE - The Republic can benefit from the many growth opportunities in Asia and continue to stay economically relevant if it is "ready and smart".

But at the same time, it must not allow itself to be bullied or seduced by big powers, said Law and Home Affairs Minister K Shanmugam yesterday. "If we allow (this), that can break or severely stress our own domestic social-political compact on which modern Singapore rests," he said. "Once broken, it will be difficult, if not impossible, to put together this compact again."

Mr Shanmugam was speaking at a forum on the impact and implications of China's One Belt, One Road (OBOR) initiative. He also pointed out that Singapore had recognised the potential of China's growth "very early", from the 1980s, and that it was an "active proponent" of that growth.

The Republic has supported the OBOR since the early years of its inception, recognising the benefits for Asia and the Association of Southeast Asian Nations (Asean), Mr Shanmugam noted. It was also among the first few countries to support the China-backed Asian Infrastructure Investment Bank.

Reiterating that the OBOR in itself offers "tremendous economic opportunities", Mr Shanmugam said that Singapore is already benefiting from the initiative.

China's investments in Singapore alone make up about a third of its total investments in countries involved in the OBOR initiative. Singapore's investments in China accounted for 85 per cent of total inbound investments from the "Belt and Road" countries.

"With the new opportunities, we can, should be able to find ways of being economically relevant," he said.

Mr Shanmugam reiterated that it was even more important for Singapore to have "as many good relationships as possible" in what he described as an "unfolding multi-polar world".

"Small states must continually earn their relevance on the international stage," he stressed.

While China, India and the United States will remain a hundred years from now, nothing is guaranteed for Singapore. He added: "The world can pass us by in an instant. The forgotten cities of the Silk Route are a salutary warning to us." As such, the Republic needs to keep improving and finding new ways to be of value to others.

"Singapore remain relevant in the future? We can. If we are smart," said Mr Shanmugam. "We should try to punch above our weight, rather than just to be seen as a 700 sq km rock in the southern tip of Peninsular Malaysia."

Adding that Singapore packs "quite a punch", Mr Shanmugam said the country has "good reasons to be optimistic", citing areas in which Singapore outperforms countries that are far larger, such as gross domestic product per capita, size of foreign reserves and the ease of doing business. While there will be fierce competition from its neighbours, Singapore must be nimble and "have the foresight to make the necessary changes today for a better tomorrow", said Mr Shanmugam.

But he also urged Singapore not to be "easily rattled".

"Don't be complacent, take competitors very seriously, be paranoid, but don't be spooked by social media disinformation campaigns that claim we are about to be surrounded and cut off," he said.

Mr Shanmugam reiterated that Singapore achieved its economic success "by thinking bold, thinking big", and it did not allow anyone to bully it or subject itself to the demands of other countries.

Describing international relations as "not unlike a jungle", he said: "Small states that are intimidated or cajoled by bigger states into allowing their identity and interests to be defined by bigger states are not going to remain sovereign states for very long. They may retain a flag, a national anthem and a vote in the United Nations, but that is all. They will lose the autonomy to be themselves. The issue is existential."

> Small states that are intimidated or cajoled by bigger states into allowing their identity and interests to be defined by bigger states are not going to remain sovereign states for very long. They may retain a flag, a national anthem and a vote in the United Nations, but that is all. They will lose the autonomy to be themselves. The issue is existential.
>
> **Mr K Shanmugam**
> LAW AND HOME AFFAIRS MINISTER

COMMENT & ANALYSIS
S'PORE WILL KEEP THINKING BIG, BEING BOLD, AND WON'T BE BULLIED 23

Harmonious collaboration key to success of OBOR: Shanmugam

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SINGAPORE - Calling China's One Belt, One Road (OBOR) initiative the "most ambitious infrastructure project in history", Home Affairs and Law Minister K Shanmugam said the Asian giant has to work harmoniously with other countries for it to succeed.

"OBOR has the potential to bring Eurasia, China and Southeast Asia even closer together ... But the Chinese are not romantics with their heads in the clouds. They are practical, hard-headed. They know the Silk Route has historically been beset with conflict and violence. The risks are not insignificant," he said yesterday at the 2017 Asia Economic Forum at the Lee Kuan Yew School of Public Policy, National University of Singapore.

He pointed out that Central Asia remains one of the toughest regions in the world, suffering from serious instability as a result of violence and wars.

"(In) Central Asia, the institutions in the countries are still developing. Much depends on a leader, or a few leaders. If there is a change in leadership, then there could be changes in policy," he said.

He also noted that Russia has substantial interests in the region, and that it is not a given that Russian and Chinese interests will always be aligned.

"Russia has the ability to impose its will, if it believes that its interests are affected. The Central Asian states are unlikely to want to choose between China and Russia," he said.

Meanwhile, India, Turkey and Iran also have key interests in the Central Asian region, Mr Shanmugam added. "China will have to try and work with these different interests, and try to align them. That is not going to be easy," he said.

Moreover, as China engages countries such as India and Japan, which have been less than enthusiastic about OBOR, aligning different interests and working with them will be much tougher than building the infrastructure. "It is good for China to be respected, liked and trusted ... It's in China's interest — and ours too — that its rise to great-power status, or even superpower status, is peaceful, and be seen as peaceful," he said.

Saying that criticism of China has been skewed, Mr Shanmugam pointed out that the country has lifted 700 million people out of poverty within three decades, a feat unparalleled in history. On criticism that the Chinese political system does not allow innovation, he said Beijing has been showing its detractors are getting it wrong.

He said China has shown it can move up the tech value chain quickly, and also cited the example of IT giant Huawei, which makes world-leading hardware and software. However, Mr Shanmugam warned that OBOR will be undermined if the world turns protectionist or if there is a trade war between the US and China.

"In a globalised world, countries trade with many partners. And for many Asian countries, while China is the biggest trading partner, the ultimate consumer of most of the traded products is still the US.

"The products go as intermediate products to China, and the finished products go from China to the US. This will likely remain so for some time," he said.

"Thus, for OBOR to succeed, you need the globalised economy to function. There must be no trade wars between China and the US. There must be continued growth, peace and stability," he added.

If China plays it right and successfully conveys that it has benign intentions, the opportunity is tremendous through the OBOR and other initiatives like the Regional Comprehensive Economic Partnership to "build a new economic architecture that can uplift economic growth in this hemisphere," said Mr Shanmugam.

Launched by Chinese President Xi Jinping in 2013, OBOR is aimed at connecting China with Europe, Asia, the Middle East and parts of Africa via roads, railways and other infrastructure. It is expected to create infrastructure projects worth US$4 trillion across 60 countries, of which about US$50 billion has already been invested.

S'pore in 'a position to benefit' from Belt and Road push

Home Affairs and Law Minister K. Shanmugam speaking at the 2017 Asia Economic Forum at the Lee Kuan Yew School of Public Policy yesterday. ST PHOTO: SEAH KWANG PENG

Its edge includes good governance, educated workforce, financial centre and port, says Shanmugam

Elgin Toh

Having recognised early the benefits of China's One Belt, One Road push, Singapore has actively supported it and is well-positioned to make gains from it, Home Affairs and Law Minister K. Shanmugam said in a lecture yesterday.

Singapore's edge lies in its good governance, the rule of law, its educated workforce and its respected financial centre and port, he said.

Singapore has also been an "active proponent" of China's growth since its opening-up, and was an early supporter of the China-led Asian Infrastructure Investment Bank, which funds Belt and Road projects.

One Belt, One Road – unveiled by President Xi Jinping in 2013 – seeks to enhance links between Asia, Europe and Africa by building roads, railway and other infrastructure in a network of projects covering more than 60 countries.

Describing it as a "game changer" that is bold, innovative and ambitious, Mr Shanmugam said: "If connectivity improves, people travel, investment flows increase; we will benefit if we are ready and smart."

He cited figures that showed Singapore is already benefiting: 30 per cent of China's Belt and Road investments in all countries are in Singapore. In return, Singapore's investments in China account for 85 per cent of total Belt and Road investments there by all countries.

Mr Shanmugam's speech, at an Asia Competitiveness Institute forum, was the latest in a series of remarks by Singapore's leaders in support of China's bid to recreate the Silk Road.

The Republic was one of three South-east Asian countries whose heads of government did not attend the Belt and Road Forum in Beijing in May, causing some to raise questions about bilateral ties.

But observers say relations are on an even keel, with a June announcement that Chinese Premier Li Keqiang will be visiting Singapore.

In a wide-ranging speech, Mr Shanmugam also placed the Belt and Road Initiative in the context of shifting geopolitics. China, said the former foreign minister, was likely to continue its rise as a superpower, despite domestic problems like corruption and an ageing population. And while the United States has not gone into actual decline, the relative positions of the two countries will change.

One Belt, One Road, a result of China's rise, may well accelerate that rise, he said, noting that China is already the largest trading nation in the world. China is also able to translate plans into reality, given its resources, its ability to muster the nation's will towards a clear goal, and its great leap forward in technology and science, he added.

China's strategic investments abroad have at times created tensions, but they have also helped forge strong ties and are likely to "predispose many countries towards the Belt and Road Initiative".

In contrast, the US has in recent times defined its interests more narrowly, wavering on once fundamental issues like free trade, he noted.

Mr Shanmugam said the shift is understandable, since the US has hitherto been bearing a disproportionate share of security costs. But if it continues, "more countries may find the Belt and Road Initiative to be more attractive".

For China, the initiative is not without risks, he said, as the Silk Road passes through Central Asia, a very "tough" region where other powers – Russia, India, Turkey and Iran – have their own interests.

A key to China's success is to convey benign intentions and to foster trust by working within the international framework, he added.

In this unfolding situation, Singapore's interest is in developing good relations with as many countries as possible and in latching on to One Belt, One Road and other growth opportunities, he said.

"The world can pass us by in an instant... We need to keep... finding new ways to add value," he said.

Singapore has to work hard to meet competition that will arise, such as from neighbouring ports built to challenge Singapore's ports, he said.

As a small state, Singapore is a price-taker. But if it gives in to bigger states, it will lose its sovereignty.

Said Mr Shanmugam: "If we allow ourselves to be bullied or seduced by bigger powers, that can break or severely stress our own domestic social compact, which is built on multiracialism. Once broken, it will be difficult, if not impossible, to put together this compact again."

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VIDEO
Shanmugam: Singapore well-positioned to make gains. str.sg/4HSv

Think-tanks 'may disagree with Govt but not under a foreign state's influence'

Think-tanks may sometimes disagree with the Government, but they must not do so under the influence of a foreign country, Home Affairs and Law Minister K. Shanmugam said yesterday.

While such institutions play an important role – to explore issues civil servants may not be able to – they must maintain an independent stance.

"Objectivity is critical," he said at a forum at the Lee Kuan Yew School of Public Policy.

His remarks came shortly after an academic was rapped for working with a foreign government to influence Singapore's foreign policy.

Dr Huang Jing, 60, who was from the Lee Kuan Yew School of Public Policy, had his permanent residency cancelled this month after the Home Affairs Ministry labelled him "an agent of a foreign country".

While Mr Shanmugam did not refer to a specific case, he said it is unacceptable for academics to be "suborned" and to project the views of a foreign country "under the guise of objectivity and academic freedom", with a hidden agenda of influencing Singapore's policies.

He said academics do so either because they are "working with foreign intelligence" or because they are "seduced by them".

He was responding to a question about the role of think-tanks and businessmen in foreign relations.

Mr Shanmugam said the late deputy prime minister Goh Keng Swee set up think-tanks here to provide fresh perspectives and to prevent groupthink.

Dr Goh envisioned think-tanks challenging the Government's views at times and being knowledgeable, objective and clear.

"Dr Goh would certainly turn in his grave if he thinks that the think-tanks he set up or was responsible for have become instruments of influence for other countries," he said.

He added that think-tanks could challenge the Government – not "for the sake of challenging", but "where (the Government) needs to be challenged". Academics ought to be "real scholars and... put forward scholarly viewpoints, but practical ones, that help the country".

Turning to businessmen, he said they play a key role in expanding Singapore's gross national product and in building good economic relations with other countries, which helps Singapore's foreign relations.

But both businessmen and the Government should "understand where the line is drawn".

"Sometimes, the Government cannot take the advice of businessmen... because businessmen will carry a business perspective, but the Government has to take a larger, countrywide perspective as a sovereign state," he said.

Elgin Toh

Firms urged to 'act fast to secure first-mover advantage'

Chia Yan Min
Economics Correspondent

Singapore companies keen to tap opportunities in Belt and Road countries "must act fast to secure our first-mover advantage", said Mr Liew Mun Leong, the chairman of Changi Airport Group and Surbana Jurong Group.

While the projects on offer might be too huge for small and medium-sized enterprises (SMEs) to take on alone, Singapore firms can come together to form consortiums, the former CapitaLand chief executive added.

Mr Liew was speaking yesterday at this year's Asia Economic Forum, co-organised by the World Bank Group and the Asia Competitiveness Institute at the Lee Kuan Yew School of Public Policy (LKYSPP) at the National University of Singapore.

The forum focused on the impact and implications of China's Belt and Road Initiative (BRI), which calls for massive development of trade routes and infrastructure across 60 countries, mainly in Asia and Europe.

Mr Liew, who is provost's chair and practice professor at LKYSPP, said the BRI could be the sole remaining locomotive propelling global growth in the coming years as other efforts to lift trade, such as the Trans-Pacific Partnership, have run into roadblocks.

Besides infrastructure, there will also be opportunities for Singapore firms to provide services in BRI countries – including in development consultancy, IT, logistics and financial services, he noted. "We must be prepared to enter into international collaboration... to address BRI market demand," he said.

Mr Liew Mun Leong said Singapore SMEs can form consortiums to take on bigger Belt and Road projects.

SMEs can also tap these opportunities, said Mr Liew.

"In terms of infrastructure development, the fact is that many of these are mega projects, which can be handled only by big developers... But small companies can join a consortium to participate," he said.

In response to a question about dealing with poor corporate governance and corruption when doing business in China, Mr Liew said his approach is to make sure business partners understand that "under the table" deals are out of the question.

"For a company going to China, it is not sustainable to pay bribes if you want to be there for the long term. You will get caught, they will get caught," said Mr Liew, who has been doing business in China for more than two decades.

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Think-tanks useful for policymaking, but must be objective: Shanmugam

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SINGAPORE – Think-tanks play a critical role in policymaking as they put forward "practical viewpoints that help the country".

But while they may disgree with the Government, they ought to do so "objectively" and not "for the sake of challenging" or be under the influence of a foreign government, Home Affairs and Law Minister K Shanmugam said yesterday.

Mr Shanmugam was speaking during a question-and-answer session at the Asia Economic Forum, organised by the Lee Kuan Yew School of Public Policy (LKYSPP).

Think-tanks cannot be projecting views of a foreign countries "under the guise of objectivity and academic freedom", Mr Shanmugam said in response to a question on the role of think-tanks and businessmen in managing foreign relations.

Recently, LKYSPP academic Huang Jing, who is a United States-China expert, was identified by the Ministry of Home Affairs as an "agent of influence of a foreign country".

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The permanent residency status of Prof Huang and his wife, Ms Shirley Yang Xiuping, were revoked, and their appeals were recently rejected. They will be permanently banned from re-entering Singapore.

Without referring to the case yesterday, Mr Shanmugam stressed that projecting views of foreign countries "under the guise of objectivity and academic freedom" is unacceptable.

Noting the role of former Deputy Prime Minister Goh Keng Swee in the setting up of think-tanks in Singapore, he said: "Dr Goh would certainly turn in his grave if he (knows) that the think-tanks he set up have become instruments of influence for other countries.

"Dr Goh saw the think-tank's role as being very knowledgeable, objective, clear, and putting those views to the Government, which means not necessarily agreeing with the Government."

On the role of businessmen, Mr Shanmugam said they play a very important part in terms of engaging communities and growing Singapore's gross national product, apart from forging economic relationships and creating the fundamentals for the country's success.

He added: "At the same time, both business and the Government need to understand where the line is to be drawn.

"Sometimes, the Government cannot take the advice of businesses. It has to decide what is in the nation's interest. Businessmen will carry a business perspective, but the Government has to take a larger perspective as a sovereign state."

news

Home Affairs and Law Minister explains crucial role of think-tanks in S'pore

Think-tanks must be objective: Shanmugam

ELGIN TOH, THE STRAITS TIMES

Think-tanks may disagree with the Government, but they must not do so under the influence of a foreign country, Home Affairs and Law Minister K. Shanmugam said yesterday.

While such institutions play an important role – to explore issues civil servants may not be able to – they must maintain an independent stance.

"Objectivity is critical," he said at a forum by the Lee Kuan Yew School of Public Policy.

His remarks come shortly after an academic was rapped for working with a foreign government to influence Singapore's foreign policy.

Dr Huang Jing, 60, who was from the Lee Kuan Yew School of Public Policy, had his permanent residency cancelled this month after the Home Affairs Ministry labelled him "an agent of a foreign country".

While Mr Shanmugam did not refer to a specific case, he said it was unacceptable for academics to be "suborned" and to project views of a foreign country "under the guise of objectivity and academic freedom", with a hidden agenda of influencing Singapore's policies.

He said academics do so because they are "working with foreign intelligence" or because they are "seduced by them".

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Mr Shanmugam said the late deputy prime minister Goh Keng Swee set up think-tanks to provide fresh perspectives and prevent groupthink.

Home Affairs and Law Minister K. Shanmugam was responding to a question at a forum by the Lee Kuan Yew School of Public Policy. PHOTO: **THE STRAITS TIMES**

Dr Goh pictured think-tanks challenging the Government's views at times and being knowledgeable, objective and clear.

"Dr Goh would certainly turn in his grave if he thinks that the think-tanks he set up or was responsible for have become instruments of influence for other countries," he said.

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Academics ought to be "real scholars and put forward (not just) scholarly viewpoints, but practical ones, that help the country".

Turning to businessmen, he said they played a key role in expanding Singapore's gross national product and in building good economic relations with other countries, which helps Singapore's foreign relations.

But both businessmen and the Government should "understand where the line is drawn", and the Government cannot take the advice of businessmen due to the different perspectives.

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ASEAN/East Asia

Tuesday, 29 August 2017

Singapore hails Belt and Road

SINGAPORE: Having recognised early on the benefits of China's Belt and Road initiative, Singapore has actively supported it and is well-positioned to make gains from it, Home Affairs and Law Minister K. Shanmugam said.

"Singapore's competitive advantage lies partly in the fact that it is well-governed, upholds the rule of law, has a highly educated population and is a respected financial centre and port," he said.

Singapore has also been an "active proponent" of China's growth since the opening up of the country in 1978, and was among the earliest supporters of China's Asian Infrastructure Investment Bank, which will fund projects under the Belt and Road initiative.

The Belt and Road initiative seeks to enhance links between China and Europe, Asia, the Middle East and parts of Africa by building roads, railway and other infrastructure.

First unveiled by President Xi Jinping in 2013, China's plan is expected to bring trillions of dollars in infrastructure spending to over 60 countries.

"The Belt and Road initiative offers tremendous economic opportunities. If connectivity improves, people travel, investment flows increase, we will benefit if we are ready and smart," said Shanmugam, who is a former foreign minister.

Calling China's initiative a game changer and "the most ambitious infrastructure project in history", Shanmugam noted figures that showed Singapore was already benefiting significantly from it.

"For example, one-third of China's total Belt and Road-related investments in all countries is in Singapore. In return, Singapore's investments in China account for 85% of the total Belt and Road investments made by all countries there," he said.

Shanmugam was speaking yesterday at a forum organised by the Asia Competitiveness Institute, which is part of the Lee Kuan Yew School of Public Policy.

His speech was the latest in a series of remarks from Singapore's leaders in support of what has been called China's bid to recreate the Silk Road.

Singapore was one of three South-East Asian countries whose heads of government did not attend the Belt and Road Forum in Beijing in May this year, causing some to raise questions about bilateral ties.

But observers say relations between the two countries are on an even keel, following the announcement in June that Chinese Premier Li Keqiang has accepted an invitation to visit Singapore. — The Straits Times/Asia News Network

S'pore well-positioned to reap gains in Belt & Road: Shanmugam

Singapore

HAVING recognised early on the benefits of China's One Belt, One Road initiative, Singapore has actively supported it and is well-positioned to make gains from it, Home Affairs and Law Minister K Shanmugam said in a lecture this morning.

Singapore's competitive advantage lies partly in the fact that it is well-governed, upholds the rule of law, has a highly educated population and is a respected financial centre and port, he said.

Singapore has also been an "active proponent" of China's growth since the opening up of the country in 1978, and was among the earliest supporters of China's Asian Infrastructure Investment Bank, which will fund projects under One Belt, One Road. "The Belt and Road initiative offers tremendous economic opportunities. If connectivity improves, people travel, investment flows increase, we will benefit if we are ready and smart," said Mr Shanmugam, who was a former foreign minister.

Calling China's initiative a game changer and "the most ambitious infrastructure project in history", Mr Shanmugam noted figures that showed Singapore was already benefiting significantly from One Belt, One Road.

For example, one-third of China's total "Belt and Road" related investments in all countries is in Singapore. In return, Singapore's investments in China account for 85 per cent of the total "Belt and Road" investments made by all countries there.

One Belt, One Road is expected to bring trillions of dollars in infrastructure spending to over 60 countries.

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Singapore was one of three South-east Asian countries whose heads of government did not attend the Belt and Road Forum in Beijing in May this year, causing some to raise questions about bilateral ties.

But observers say relations between the two countries are on an even keel, following the announcement in June that Chinese Premier Li Keqiang had accepted an invitation to visit Singapore.

In a wide-ranging speech on Monday that also dwelled on geopolitics, Mr Shanmugam sought to place the One Belt, One Road initiative in the context of US-China rivalry and the shifting power balance in the world.

Mr Shanmugam: "If connectivity improves, people travel, investment flows increase, we will benefit if we are ready and smart."

China, he said, was likely to continue its rise as a superpower, despite domestic problems it is grappling with such as corruption and an ageing population. And while the US has not gone into actual decline, the relative positions of the two countries will change.

The One Belt, One Road initiative is a result of China's rise, and may well accelerate its rise, he said, noting that China was already the largest trading nation in the world.

Mr Shanmugam praised One Belt, One Road as a "bold, innovative and ambitious" project. It is rooted in the history of the Silk Road, at a time when the centre of gravity of world trade was in China and India.

China furthermore is able to translate One Belt, One Road into reality, given its resources, its centralised political system that is able to muster the nation's will towards a clear goal, and its great leap forward in technology and science, he said, noting in particular its advancements in telecommunications, quantum satellites, high speed rail and rail in permafrost conditions.

China's strategic investments abroad have at times created tensions, but they have also helped forge strong relationships and are likely to, on the whole, "predispose many countries towards the Belt and Road initiative," he noted.

In contrast, the US has in recent times defined its interests more narrowly and taken an "America First" approach, he observed. The US has of late "wondered aloud" on positions once considered fundamental, such as its commitment to free trade.

Mr Shanmugam said that some of these moves are understandable, since the US has been bearing a disproportionate share of costs – including security costs. "If there continues to be a perception that the US is withdrawing or reducing its global footprint... and if the US continues with anti-trade rhetoric, removes itself from trade agreements, targets countries with economic sanctions, and there are tariff wars, then more countries may find the Belt and Road initiative to be more attractive," he said.

For China, One Belt, One Road is not without its risks, noted Mr Shanmugam. The Silk Road passes through Central Asia, one of the toughest regions of the world, where other powers – including Russia, India, Turkey and Iran – have their own interests, which may not be aligned with China's. Enhanced connections can also be used by traders as well as terrorists.

Infrastructure also does not create its own supply and demand, it merely facilitates them – and so, if there is a trade war, the trade routes that One Belt, One Road seeks to build up will be affected, he said.

A key to the success of One Belt, One Road is for China to convey "benign intentions" and to work harmoniously with other countries within the current international framework and receive their trust and support, he said.

In this overall unfolding situation, Singapore's interest is in developing good relations with as many countries as possible, including China and the US, and in latching on to One Belt, One Road and other growth opportunities, said Mr Shanmugam.

He said the "forgotten cities" along the once-prosperous Silk Road are a stark warning to Singapore that nothing can be taken for granted. "The world can pass us by in an instant... We need to keep improving, we need to keep reinventing and finding new ways to add value," he said.

Singapore will have to work hard to meet the fierce competition that will arise, including the ports that its neighbours are building to challenge Singapore's, he said.

As a small state, Singapore also has to tread a fine balance in international relations, he said.

On the one hand, Singapore is too small to influence overall trends – it is an observer and a price-taker. "So we observe, we say things clearly, when our own interests are affected, and hope that there will be wisdom, peace and stability." On the other hand, small states that are "intimidated or cajoled by bigger states" will soon lose their sovereignty and autonomy.

"The issue is existential. If we allow ourselves to be bullied or seduced by bigger powers, that can break or severely stress our own domestic social compact, which is built on multiracialism. Once broken, it will be difficult, if not impossible, to put together this compact again," he said. THE STRAITS TIMES

Lee Hsien Loong

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Lee Hsien Loong
31 August at 18:02

Minister K Shanmugam Sc gave a good speech on the impact of China's 'One Belt, One Road' (OBOR) initiative, and what it offers Singapore, at the 2017 Asia Economic Forum.

The OBOR is a bold vision to link countries across Europe and Asia together, recreating a modern day Silk Route, and engaging China with the world. If successful, it will bring prosperity to many countries – especially in ASEAN. Singapore stands to benefit greatly, as the OBOR means better connectivity in our region, and new economic opportunities for us.

We must take full advantage of the OBOR. As Minister Shanmugam pointed out, we may be small, but by thinking boldly and acting swiftly, and not being complacent, we can keep our place in the sun.

You can read the transcript of the speech here: http://bit.ly/2xxlWZw

– LHL

内政部长兼律政部长尚穆根在"一带一路倡议：效果与影响"亚洲经济论坛上，重申新加坡对一带一路和亚投行的支持。中国的一带一路倡议是大胆和创新的愿景。这项倡议能拉近亚细安和中国和欧亚的关系。– 李显龙

Singapore in 'a position to benefit' from Belt and Road push

Having recognised early the benefits of China's One Belt, One Road (OBOR) push, Singapore has actively supported it and is well-positioned to make gains from it....

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Q N A Session At Asia Economic Forum On "The One-Belt One-Road Initiative: Impact And Implications"

31/8/2017 Thur

Mr K Shanmugam(L), Minister for Home Affairs and Minister for Law taking questions at Asia Economic Forum on "The One-Belt One-Road Initiative: Impact and Implications", 28 Aug 2017 . PHOTO: LIANHE ZAOBAO

Question & Answer Session with Mr K Shanmugam, Minister for Home Affairs and Minister for Law at the 2017 Asia Economic Forum on "The One-Belt One-Road Initiative: Impact and Implications", Lee Kuan Yew School of Public Policy, NUS, 28 August 2017

(1) Singapore & China

Q: You mentioned a lot of Belt-and-Road investment from China was flowing into Singapore. Obviously, Singapore is a very successful financial centre. To what extent do you think that investment will be retained in Singapore? Or do you think that Singapore is more like a hub for investment to flow into the wider ASEAN region? Secondly, do you have any examples of successful China-Singapore partnerships or infrastructure projects? Do you expect that the Singapore-KL rail project might be one?

A: I'll respond to your third question, first. On the High Speed Railway, we have made it clear, the Malaysian government has also made it clear, that it will go for an open tender. The matrices, the framework for that tender will be set out.

As for your other two questions - my main response is that Singapore has had a number of G to G partnerships with China.

For instance - Suzhou of course, everyone knows. I'm not sure if you'd call it infrastructure, but it includes development of real estate, associated facilities; trying to replicate in China a part of Singapore which has been very successful. It has been a sort of a leader for others to come through.

We have got the Tianjin Eco-city project.

And of course now, specific to the Belt and Road initiative, the logistics cooperation based on Western China (regarding which, we have been discussing a number of opportunities).

But in addition to these sorts of high signature projects, the reality is that there is so much money that has got to be spent in this region, upgrading the infrastructure facilities.

And if trade is going to increase as a result - all of these are "ifs" - then we are in a very good position to benefit from that. We've got the best port, the most efficient port, we've got a great financial system, we've got rule of law, we've got a system that people across Asia and across the world trust.

So I don't see any reason why you should not benefit from this. I think the likelihood is that it will significantly benefit us.

2

Q: If we strengthen our relationship with China, will our relationship with other countries deteriorate?

A: During the Cold War, we had a very good relationship with the US, and we traded with the Soviet Union. If the Soviet Union was a more effective trading partner, we would have done more.

As Dr. Goh Keng Swee used to make clear, our trade has no ideology - we trade with everyone.

For a small country, I think that has got to be the approach. Other countries can argue with each other, but for us, they have to understand that we can't afford to take sides.

We do business with everyone who will do business with us.

(2) China and the West

Q: What do you think of the Western media's approach towards China?

A: The official ideology in the West is that the media is the "Fourth Estate". It's independent, they don't stoop or bend their public policies because of money, and so on.

On the other hand, if you look at China, China makes clear what it views as acceptable reporting in journalism.

There has been a lot of criticism of China; some of it I think is skewed and unbalanced, as I said in my speech. But you also see for example Bloomberg, whose Chairman said in 2014 –I'm paraphrasing this, these are not his exact words – that perhaps they should have been more careful in their coverage of China. They ran a series of articles, but they also provide these terminals which are very, very lucrative for them in China, which are used by the traders and banks and so on. And they knew that that their financial bottom line was at risk. And so he said that they should have focused more on economic issues and been more careful about what they wrote.

More recently, a few weeks ago, you heard the kerfuffle over Cambridge University Press, where they took out 300 odd articles on human rights and Tibet and so on. There was an uproar, and they reversed that decision.

If you look at Australia, I think the Sydney Morning Herald or some other Australian newspaper now regularly carries a "China Watch". I'm sure there's a financial tie up.

In the end, China is big, China offers huge economic opportunities. So I think it exposes the disconnect between the ideology that the Western media puts up, and the reality on the ground.

3

Q: Under the current US administration, what do you think of America’s government, and how effective is it in delivering governance?

A: I think one answersthis question by first asking: (1) What do you mean by governance; and (2) What are the end points you want.

If the end point is that there should be unqualified “rights” – such as the right to vote (which is very important), the right to say what you like (which is also very important though I believe there has got to be a framework within which it should be exercised), the right to carry guns, the right to burn the flag, the right to engage in nasty sloganism, the right to do what you like
– there is a broad range, and you can do all of that in the US.

But you can go further and ask: does governance mean also the state actively improving people’s lives through education, uplifting people, increasing national power through focusing on its resources?

If you ask the second question and you’re not ideological about it, I think you would say that, overall, for the last two hundred odd years, the American system has done very well. It is the richest country in the world. But at various periods, it has suffered crisis and inability of its political institutions to mediate between the competing interests. You had the major civil war in 1860s, you had a variety of civil rights movements, you had America turning isolationist before the Second World War, turning inwards during the Great Depression.

So it’s gone through ups and downs, most times the system works well, sometimes the system doesn’t work so well.

If you look at it right now, serious questions are being asked, of the system that was set up in the 18th century when 15% or so of the people had the franchise of voting – to vote, you had to be white, you had to be male, you had to own land. So whoever came into power was essentially from the same class and similar outlook, and there was a long period of stability. I am generalising, but broadly I think my point holds.

Today, questions are being asked because of the deep cleavages, and the deep divides along cultural lines, along racial lines, along economic lines, education opportunities etc. You have these questions being raised. Such questions have been raised in the past. Where it will go from here, if you ask me, looking at it today, I don’t know. America has bounced back many times in the past.

Seasoned observers think that some updating of its political system is necessary, if America is to mediate between the different competing interests to bring about a betterment in its people’s lives. People who are better off can take care of themselves, but what about the ordinary person? Issues like the schooling system, the opioid crisis raise challenging questionstoo.

4

Q: All along, many people have taken for granted that the Western capitalist, democratic system is a preferred one. But you mentioned that China has been growing so fast in the past 30 years. Are you suggesting that the Chinese system is the preferred one, and is it especially relevant to developing countries that are at a very low level of development?

A: I will put it this way - actually, there is no contradiction in some essential sense.

Take the US. The period of its rapid growth, from the time it got independent to the civil war a 100 years later, through to the time it became a superpower - for a substantial part of that period, the early stages of development, as I explained just now, who had the franchise?

About 10-15% of the population. They were very similar in their outlook, because of the nature of the franchise. And whether you had one or the other party in power, the approach was broadly similar and there was stability to the macro policies.

Now, these are generalisations. Of course there were differences, of course there were changes, and of course there were arguments – including the one which resulted in a civil war and lots of bloodshed.

But in a sense, there was a broad agreement on what major policies should be.So you can argue that in early stages of development, what a country needs and what the political system ought to deliver, is stability and the ability which then gives its leaders the possibility of thinking 20 or 30 years and putting in policies and driving the changes: education, female empowerment, growth, economic opportunities, levelling up.

If you look at the UK, you can make the same argument about the franchise - it was very narrow for a long period of time. And it was very stable for the period, but it grew. Countries go through phases.
China's model of development follows more the path that was taken by Taiwan, South Korea.

A strong central state imposing its will, thinking long term, bringing together all the resources, and projecting forward.

You could, I think, reasonably argue, that any other system would not have seen China progress so rapidly, but then again, you can have ideological arguments about progress, which is why I said if you say the right to vote and the right to say what you like is more important than say the education of a child, healthcare, access to material benefits, opportunities, you are entitled to that view, and then China's system does not deliver that.

But if you believe that educating children, developing the infrastructure, creating a better life for your people is the key goal of governance, then China's system delivers it. I think China's system delivers it today, but as the people get educated, as the people become wealthier, then the political system would have to adapt to that.

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Q: To what extent do you actually think China is a competitor of the US?

A: Well I think it will be fairly clear from my speech. There is competition, obviously, and the competition will be on all fronts. Our hope is that the competition will take place within a framework of peace and maintenance of the global order.

America has had competitors before. If you look at the post Second World War period, of course the old Soviet Union was a huge competitor. The Soviet Union was a military competitor not an economic competitor.

And then you have Japan. I think some of you would remember books like "Japan as No. 1" and so on. But I think, realistically, given the differences in population and resources, I don't think Japan could ever have been a competitor across all matrices. But Japan in any event was an economic competitor - it was not a military competitor.

If you take China, it is both a military and economic competitor, and its population is four times as large. This is why I think I drew some of the conclusions that I have, and we just have to look at the recent history. Now, you don't therefore say that the recent history will continue unbroken; there will be stumbles along the way. But I think the secular trend is quite clear.

(3) Other Questions

Q: All countries face the reality of competition, especially smaller countries. But at the same time, they see the need to cooperate. How do you balance this tension between competition and cooperation for all countries?

A: Competition is a fact of life. Countries act in their best interests. They cooperate when they need to. There is no reason to think that cooperation is inconsistent with competition.

For instance, we compete as a port with many other ports, but we also have great cooperation with them, including our neighbouring countries.

So the reality is to just accept that people will want to take your lunch, but nobody will want to give you your lunch.

Particularly since, as I often say, there are three ways in which you make money: You either take something from the ground, or you grow something on the ground, or you go and trade with others who take something from the ground.

We don't take anything from under the ground and sell, we don't grow anything and sell, so we have to be the service provider to others who grow their own things and dig their own oil.

Of course, they will ask themselves, "Why should I not be making this money? Why should I let Singapore make this money?" The only way we can make the money, given how small we are, is to keep the size of our economy going, and we have a $300 billion economy based on a 3 million citizen population. To keep that going, you just need to run faster, be smarter and continuously be relevant.

If you're not relevant, others will take your lunch. This is simply a fact of life. One of my favourite books in this context is "Who Moved My Cheese?" If you think your income and your economy is going to prosper by you doing the same things that you've grown fat on, you will starve to death.

Q: What do you think is the role of think tanks and business people in forging relationships with other countries?

A: The reason why Singapore has got so many successful think tanks is Dr. Goh Keng Swee.

Dr. Goh was a visionary. Many good things in Singapore were due to his long range thinking.

Dr. Goh felt that if you just take the government and ministry officials' thinking about economic policy, foreign policy issues, you will eventually get a reversion to some type of "group think". And you needed active, good think tanks which will be out there giving valuable input to the government.

And so he saw the think tanks' role as being very knowledgeable, being very objective, being very clear and putting those views to the government, which means not necessarily agreeing with the government in everything. If they simply agree with the government, unthinkingly, then the role of a think tank is useless.

But I think Dr. Goh would turn in his grave if he felt think-tanks had become places where – I mean, objectivity is critical – people are suborned, and they promote to you, under the guise of objectivity and academic freedom, the viewpoints of a foreign country in order to influence your policies. That would not have been acceptable to Dr. Goh, and that will certainly not be acceptable to us. And you can be suborned either because you're working with foreign intelligence or you can be seduced by them.

Another type of lack of objectivity would of course be if you have a political agenda and you lose your objectivity, and project your political arguments under the guise of academic scholarship.

The key is not whether you disagree or you agree with the government, but the key is whether you're objective in doing so or whether you have another reason for promoting that position.

So think tanks have a critical role in presenting a different perspective, an alternate perspective.

If you look at the think tanks that Dr. Goh was instrumental for, like the Institute of Southeast Asian Studies, they play the role of helping to understand our region much better because think tanks can go about and say things, explore, and can put forward an additional set of views. That is useful. So that's what I think is the critical role that think tanks should play - to be very alert, to be real scholars and to put forward scholarly viewpoints which are practical, which would help the country. As I have said, that doesn't mean agreeing with the government on everything; it means even challenging the government objectively when the government's viewpoints have to be challenged, or anybody's viewpoints, where they have to be challenged.

Businessmen, I think play a very, very important role in terms of engaging other countries.

They expand our GNP by investing, they are forging relationships, they are creating the fundamentals for our success. Without an economy, what will we be? So they are critical.

But at the same time, I think again let me go back to Dr. Goh. He said, "Our businessmen in the ordinary course of work, have numerous dealings with government officials of their countries. They have to obtain licenses, concessions, contracts, permits. Thus the Singapore businessman, in the eyes of these governments, performs the role of supplicants for favours.

As our businessmen often compete in their supplications, the image that this creates of Singapore can well be imagined.” He was talking about a regional country.

He continued, “It is not unnatural I suppose for these governments to expect that the Singapore government to behave in like manner. Businessmen have never hesitated to give me free advice on how to conduct foreign relations during the periodic grouse we have had with our neighbours. Unfortunately, they do not understand – and I’m afraid they cannot understand – that in the nature of things, relations between independent sovereign states cannot be conducted on the basis of supplicant and overlord. The methods they found were successful in business are not available to us in government.”

So what we need is an understanding: businessmen have a huge role; very important for the economy, very important in forging good relationships. And of course, foreign affairs and relationships prosper if there are good economic relations.

But one has got to understand where the line should be drawn. The government has to act in Singapore’s best interests. Sometimes, this will mean departing from the advice of business people. The businessman will have his business perspective. But the government has to take a larger, country-wide perspective as a sovereign state.

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审时度势 尚穆根

“一带一路”理念须集体来实现

中国必须认识到，基于其面积、重要性和影响力，它的行为将对他国带来巨大的影响。因此，中国必须采取措施去向其他国家保证，不会损害他们的利益，并且积极同其他国家交流。

我们先探讨地缘政治的大趋势。因为“一带一路”倡议就是因这些大趋势而形成的，它也会给大趋势带来影响。

第一个趋势是中国的崛起。如果以绝对值而言，中国很可能是全球最大经济体。如果考虑经济、技术和人口的综合指标，就可以得出个结论：中国成为超级强国的目标指日可待。

第二个趋势是，美国和中国的相对实力将会无可避免地出现变化。

我并不是说美国正在走向没落。这是相对实力的问题，两国的相对性已经出现变化，并且还会继续改变。

随着时间的推移，美国单方面行动的空间将会变得越来越小，尤其是在中国强烈关注的地区。

中国在崛起的同时也不能忽视美国的利益，必须找到两国和平共处的方式。

我认为，目前的国际局势会加速推动我之前所提到的地缘政治大趋势。

容我列举会影响趋势的三项发展。

一、中国通过投资战略，与其他国家建立联系和关系。综观世界各地——亚洲、非洲，甚至南美洲，不难发现中国企业正不断拓展版图。这些企业投下数十亿的资金，愿意承担风险，投资大型的基础设施项目。不论是美国还是欧洲都无法做到这一点。美国和欧洲的政治和经济体系都不一样。他们的国家领袖也无法做出和中国一样的长期承诺。

二、中国有能力聚集资源并能够坚定地朝目标迈进。中国拥有一套中央体系，让它能聚集所需资源，集中精力，坚持不懈地达成所设下的目标。这并不是说中国的体系一切都好或样样都行之有效。例如，贪污在中国是一个严重的问题，中国国家主席习近平和他的团队正在积极地处理这个问题。

三、美国的外交政策。二战后，美国长期以来的立场是，维持世界和平和秩序，是符合美国利益的。现在有舆论提出，美国应该更狭隘地定义其国家利益，采取“美国优先”政策。

这一观念的转变，可从备受敬重的军事战略家麦克马斯特中将（美国国家安全顾问）的一番话看出。

他谨慎指出，“美国优先”（America First）并非“美国独行”（America Alone）。但这确实表示美国现在的立场已有改变，美国同世界各国的关系，已有别于从前。

每一个国家都会以自己国家的利益为出发点。而当美国重新审视自己的利益，改变想法时，就会“牵一发而动全身”，影响到世界各国。

现任美国政府会重新评估国家立场，因为他们需要兑现对选民的承诺。这是可以理解的。

一旦现任美国政府的政策逐渐明朗，届时，美国若仍然让其他国家感觉到它选择脱离国际舞台，或减少自己在国际上的影响力，就可能会进一步推动我先前所谈到的地缘政治大趋势。

“一带一路”倡议有潜力拉近欧亚大陆、中国和东南亚各国之间的关系；通过海陆渠道来促进国家和地区之间的贸易。

中亚大陆是一片不容易发展的土地，甚至可以说是世界上最难发展的地区。这个地区也一直处在极其动荡不安中。

“一带一路”的跨区域对接能带动贸易的往来，不过也能促使极端分子更容易交流，散播圣战思想。这是把双刃剑。

因此，“一带一路”倡议在这些地区不一定会取得预期的成效。除此以外，中亚大陆还存在着其他相关风险。

首先，中亚各国的政治体系还有欠完善。他们对“一带一路”的立场和支持更多取决于某个领导人或领导队伍的意愿。领导层一旦发生变化，这些国家的政策也可能会改变。

其次，中亚大陆对俄罗斯来说存在着显著的利益。在“一带一路”倡议这方面，俄罗斯和中国的利益不一定吻合。若发现自己的利益受到了损害，俄罗斯是有能力将自身的意愿强加于其他国家。中亚各国将不愿夹在中国和俄罗斯之间，被逼做出选择。

第三，印度在中亚区域也有其关键的利益，而他们也有决心去捍卫并推进这些利益。

第四：其他国家，如土耳其和伊朗等，在中亚区域也有自身的利益，而他们也有决心去推进这些利益。

中国必须尝试与各个利益方合作，协调利益、达成互惠。这不容易办到。相较之下，建造基础设施就比较容易办成。

除了在中亚大陆面对的挑战，中国也必须去争取那些对“一带一路”倡议不那么感兴趣的国家的支持，如印度和日本。

作为成功的大国，中国必须认识到，基于其面积、重要性和影响力，它的行为将对他国带来巨大的影响。因此，中国必须采取措施去向其他国家保证，不会损害他们的利益，并且积极同其他国家交流。

我们希望中国能得到各国的尊重、喜爱与信任，这对大家都好，因为大国的一举一动都会受到世界各国的密切关注。一旦出现信任赤字，本区域就会出现对立集团；印度、日本等国，可能与亚洲以外的国家组织起来，形成对立集团。

美国在本区域的影响力也不容小觑。美国将继续以其庞大的经济实力、军事力量和科技实力，保持超级大国的地位。我们千万不能轻视美国。

我们不希望看到任何集团或对立集团的形成，这是不利的；不管是对中国或其他国家，或是对“一带一路”倡议。现今世界里，没有任何国家可以特立独行，包括中国在内。

第五，基本上，“一带一路”倡议不能取代目前的国际秩序。目前的国际秩序是建立在自由贸易的基础上，如果全球各国都采取保护主义，这必将影响此倡议。而如果中美展开贸易战，此倡议也会受到影响。

因此，“一带一路”倡议要完全发挥功效、取得最大成功，国际贸易和全球化趋势就必须持续，全球化经济模式也要继续操作。这意味着，中美不能发生贸易战。全球经济需要持续增长、和平及稳定。这些都是此倡议取得成功的一些必要元素，也包括其他元素。

这些道理相信中国都知道。

新加坡是个小国，无法影响或参与这些对立组合。我们是观察者，常常只能接受各种情况。所以我们观察，如果国家利益受到影响，我们就把话说清楚，希望大家展现智慧，保持和平稳定。

“一带一路”倡议一旦成功落实，必将重塑全球贸易格局。如我之前所提到的，论国内生产总值，中国、印度和日本已经列入世界十大经济体，亚细安作为单一的经济体也名列前十。“一带一路”倡议将把世界经济的重心锁定于亚洲，而中国会是这个重心的中心。

但前提是，亚洲的各大经济体互相合作，没有贸易战，没有对立的联盟。

我们应该会看到这个世界变得更加多级。美国、欧洲、印度、日本、澳大利亚等，这些国家是不会在亚洲或其他区域的地缘政治格局中消失。

同时，我们也很难想象有任何一个国家能够取代美国的国际领导地位，包括中国。而且，美国在数个区域仍会扮演着最重要的角色。虽然，我们很难预测，这样一个多级化的世界会多稳定，但是一个稳定的世界符合美国、中国和其他国家的利益，所以它们必将确保世界维持稳定。

最后，这一切对新加坡来说有何意义？我们从一开始就支持“一带一路”倡议，并且认识到倡议将有利于亚洲和亚细安，也能加速区域经济一体化的步伐。

此外，我们也意识到亚投行对“一带一路”倡议的重要性，所以成为首批支持亚投行成立的国家之一。

亚洲充满着机遇，除了有“一带一路”倡议，中国和印度也在增长中。亚细安本身的增长率也十分可观，到了2020年，亚细安成员国的国内生产总值的总和预计高达近4万亿美元。

作为一个治理良好、推行法治和拥有高学历人口的小国，新加坡应该能从这些经济增长中受惠。不过，前提是我们自己必须做好准备，有足够机智来抓住这些时机。

其实数据显示我国已经从“一带一路”倡议所提供的机遇中获益良多。中国在新加坡的投资是它投入在“一带一路”国家总投资的三分之一；新加坡在中国的投资，则是“一带一路”国家对华总投资的85%。

一百年后，中国、美国和印度仍会存在。一百年后的新加坡则是个未知数。我们可以在一瞬间被世界淘汰，并且消失。丝绸之路上的那些遭人们遗忘的古老城市让我们引以为戒。新加坡必须不断进取，求新求变；我们要寻找新的方法，确保自己仍对其他国家有影响力，并且继续受到重视。

新加坡会继续支持“一带一路”倡议等项目，因为这些项目让我国乃至本区域受惠。我国也会继续与邻近国家、中国、欧洲和美国保持良好关系。这些年来，新加坡就是这么做，以国家利益为先，我们将继续这个做法。

新加坡是否能在未来的日子里继续发挥作用？我认为可以，只要我们够机智，可以抓住时机。

新加坡国立大学东亚研究所主席王赓武教授曾说：“一个小国如果能团结一致、拥有明确的目标并且专注寻找和建立良好关系，它便可以拥有强大的实力和影响力。”

而且我们有很好的理由保持积极乐观，因为身为小国，我们在经济方面实力雄厚。许通美教授在这个月上旬也提过，虽然新加坡在领土或人口方面显得很小，但是我们并不是小国。尤其是以其他因素来衡量一个国家的实力，比如外汇储备、与其他国家的互联互通、亲商环境等。

激烈的竞争是肯定会有的。我们必须做好准备，也应该设想到周边国家会，比如说，想要建造更大的码头来同我们打对台，因为他们有权那么做。

我们必须很机敏、随机应变，以确保我国的集装箱码头够现代化，并且继续扩充这些码头；我们也要有远见，和以往一样，决心为更好的明天做出必要的改变。这一来就能够保障我们的未来，并且可以确保新加坡依旧是东南亚区域的一个重要的停靠港口。

我们千万不可以轻易被动摇。就如《海峡时报》所报道的，新加坡独特的地理位置和枢纽地位使我国的港口不容易完全被取代。

可是，我们不能安于现状。我们一定要认真看待新加坡的竞争者。虽然我们必须保持警惕，但是我们不应该被社交媒体上的不实传言和信息蒙骗，认为新加坡即将被包围，并且遭孤立起来。

最后，我想说是：正因为我们勇于梦想，大胆尝试，我们才取得今天的成就，我们不曾让任何国家欺负或屈意迎合其他国家的要求；许多国家曾尝试要我们这么做，但我们都一一拒绝接受。

利用丛林法则看待国际关系，小国身处险境。小国如果受到大国威迫或遭利诱，并让他国来决定自己的身份和利益，将无法长久维持国家的主权和自主。即使它们继续拥有国旗、国歌，或者在联合国保有投票权，它们将失去做自己的自主权。

这是个攸关国家生存的课题。

倘若我们允许自己被强大的国家或势力所欺负或引诱，这将破坏或严重打击我们的社会与政治契约。独立后的新加坡就建立在这项契约上；一旦被破坏，我们很难，甚至无法，重新建立它。

本文是内政部长兼律政部长尚穆根8月28日于2017年亚洲经济论坛：“‘一带一路’倡议：效果与影响”开幕辞的英语演讲节译

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