

Singapore's future role remains an 'open question'

Uma Shankari

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(SINGAPORE) It is difficult enough to say what will happen next week - just ask a weather forecaster or a stock market analyst - but one group has been trying to work out what Singapore might be like 22 years from now, in 2030.

Prospects appear good enough, but there will be problems along the way. The role Singapore will play on the global stage in 2030 remains an 'open question', a conference heard yesterday.

Speakers at the Singapore Perspectives 2008 conference said that Singapore could well succeed in its quest to be a global city but it has challenges aplenty to face. They were discussing scenarios for the next generation.

'Singapore's role is an open question, as is the region's,' said Peter Schwartz, chairman of Global Business Network and a renowned 'futurist' and business strategist.

Singapore could become either a minor or major economic player. It could also become a global capital, a regional capital, or neither.

Sanjeev Sanyal, chief economist for the region at Deutsche Bank, said that there is room for just one or two global cities in Asia. Singapore, he said, could be one such city, but there are issues that need to be addressed.

'Is it reasonable for Singapore to want to be this city? Yes,' Mr Sanyal said. 'I think Singapore has a very good chance of making it.'

But there will not be room for many such cities in one region, he said. For example, the emergence of London as a major global city means that there are no other comparable cities in all of Europe.

Singapore's strengths, Mr Sanyal said, lies in the fact that it is Asia's most cosmopolitan city, has excellent amenities, a financial and business cluster and good communications and transportation links. It also has a government 'that has consciously decided to go for it', he said.

However, Singapore faces challenges such as a small population and the absence of a supporting hinterland. '(Singapore's) hinterland lies in other countries,' Mr Sanyal observed.

In the same vein, Gillian Koh, senior research fellow at Singapore's Institute of Policy Studies, said that Singapore could either become a 'global node in a global economy' or it could choose to increase its ties to the hinterland and tap on South-east Asia's growth. Either way, the country will face stumbling blocks, she said.

To become a 'global node', Singapore will have to take its government-linked companies global and make a political transition, among other things, Dr Koh said. But by increasing its ties to the hinterland, the city-state could see a spillover of the identity politics and governance incapacities seen in the region.

But change is definitely on the way, driven by factors such as climate change, scientific and technological innovation, the expected decline in the working populations of developed countries and the increased power of Asian countries after they emerge as lenders in the sub-prime fallout, the speakers said.

And there will still be surprises in store for Singapore and challenges such as the 'inevitable' outbreak of disease to be overcome, Mr Schwartz said.

He also said that going forward, other countries in Asia could well catch up with Singapore, whose remarkable success over its first 40 years could be attributed largely to knowledge-driven growth and good government.

But now, others are learning this lesson. Soon, China, India and maybe even Indonesia will be able to undercut Singapore's competitive advantages. Staying ahead of this curve will be critical for Singapore, Mr Schwartz said.

One way to do this is to position Singapore to benefit from the forces of change, such as the climate. 'Singapore could be a winner of climate change if it develops the technology that others need,' Mr Schwartz said.

Singapore should also become a more knowledge-intensive city and expand its external wing to grow its investment income further, said Teh Kok Peng, president of GIC Special Investments.