

'I don't see an Iron Curtain falling between East & West': Piyush Gupta

Gupta advocated for 'doubling down' on globalisation, saying that the global system was vital to Singapore's success.

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On Aug. 14 DBS CEO Piyush Gupta said that he didn't see an "Iron Curtain" falling between the East and West, and pushed back against the idea that a new Cold War would emerge between the U.S. and China.

Gupta was speaking at the Reinventing Destiny conference, in commemoration of the 100 year birth anniversary of Lee Kuan Yew, speaking on the a panel about the 21st century transition of Singapore's economy.

His speech was a defence of globalisation, casting doubt on predictions about the end of the global system.

"The trend is your friend"

Gupta highlighted three main points for Singapore to consider when talking about the future of its economic transition.

Doubling down on globalisation

Gupta said that Singapore needed to double down on globalisation, saying that the link between Singapore's success and the success of the global economy and global marketplace was "as true today as it was 60 years ago".

"Singapore will collapse if the global system collapses," Gupta put succinctly.

However, he said he was "less concerned and more sanguine" than many about the future of the global system.

"I do not see an Iron Curtain falling between East and West.

I don't see a Cold War emerging."

Gupta said the reason for this was because China was too big and too intricately linked to the global system, in contrast to other states, such as Russia.

He pointed out that China was the top trading partner of 68 countries in the world, including eight of the Asean countries.

"Even in the last five years, with Trump, with Biden with challenges critically with India, look at the trade data. The trade data is only going one way," Gupta said.

Too difficult to divide China from global system

Although certain sectors, such as semiconductors could be restricted, it would be "very hard" to decouple China entirely from the global system.

He saw the world, at most, becoming multi-polar and not "bi-polar."

But he also advocated for spreading out Singapore's focus, saying that it was worth considering "doubling down" on India and Indonesia.

There were aspects of "natural connectivity" with both, but Singapore did not leverage them enough, especially when it came to Indonesia.

Singapore needs to embrace emerging trends

Gupta said that Singapore need to embrace the trends of digitising and sustainability.

"Today, 40, 50 per cent of global GDP is consumed online," Gupta observed, saying it was a challenge but also an opportunity.

He reminded the audience that with digitisation, it was possible to build large-scale businesses from a garage, in fields such as healthcare or education services. "The world is your oyster," he added.

But he also said that Singapore should focus on not just developing digital businesses, but on developing the norms that would drive the future of how we operate in the digital world.

As for Artificial Intelligence, while Singapore could not generate the reams of data that a larger country such as China could, it could act as hub for gathering and trading data.

This would suit Singapore's established role as an interlocutor.

Singapore was also well placed, he believed, to serve as hub for sustainability solutions, such as carbon markets, in terms of trust verification, authentication, and acceptance.

Nimbleness

Gupta's final point was on the strong leadership that allowed Singapore to succeed in the first place, and the tight integration between the public, private, and people sectors.

This allowed Singapore to be a "living lab", and would allow Singapore to leverage the power of technology and its small size to be nimble.

But he said that while it will be very difficult to anticipate what the future would bring, the answer would be in adaptability and in resilience.

"To be nimble, adaptable, and resilient, how you work will be far more important than what you do."

Singapore is also a place where people could come together to work together collectively. While Singapore would continue to be buffeted by winds of change, there is increasing cooperation between the public and private sector.

"If you can endure and build a whole of nation strategy...it would be an advantage," he said.

While Singapore will continue to be challenged by global change and the problems faced by small states, he viewed the glass as ultimately being "half-full."