

PANEL SESSION: SINGAPORE AND INTERNATIONAL ECONOMICS

- Thank you Gabe for the introduction and Kai Fong for your opening remarks. I would like to share my perspectives at 3 different levels: country; company and individual.

Country

- At the country level, Singapore is quite widely known as a little red dot – a small country of 5 mil. No hinterland, no natural resources. But it has beaten the odds to not only survive, but thrive. In my view, it has certainly punched above its weight. As a country, we are known to be among the most competitive, least corrupt and safest. Our airports and ports are also internationally renowned. Many countries are trying to learn from our governance structure, how we are managing our reserves and even as basic as learning from our education system, our HDB etc. We are also seen as a neutral country - that's why we get to play host for the Trump-Kim Summit and earlier meetings between Taiwan and China.
- I am starting my remarks with some positivity, because it sometimes feels unfashionable to speak well of Singapore these days. But truth be told, we are the envy of many countries and I have met many people and friends who would hope to become PRs or Singaporeans. These include very rich, very successful people, who want to call Singapore home. While I understand fellow Singaporeans do have some grouses (MRT breakdown, cost of living etc), I think we shouldn't always see the glass as half empty. We have not done too badly. We are not quite where we want to be, but we are in a better position than most.
- We are a small country. We must be realistic of the influence we can exert but our ambition must never be limited by our physical size. We need to continue to evolve, innovate and to stay relevant as an important node in the global system. So that we can continue to attract talents, capital, new investments and ideas to our country. To position our country and our economy for the future. I was very happy to see the recent announcements by Dyson to move its electric car manufacturing facilities and its corporate HQ to Singapore.
- In fact, in a world where we see a gradual breakdown of the international world order, where there are trade disputes, government shutdowns and the fight for technological supremacy, there might be a niche where Singapore can make ourselves even more relevant in a world where countries, companies and individuals are seeking stability, protection and trust!

Company

- At the company level, the reality is that Singapore's domestic market is too small. So for any company that wants to become a significant player, it needs to first go regional and if it makes sense, go global. When CapitaLand was first formed in early 2000, the focus was to go regional. We made bold moves and today, we have built up a vertically integrated business in China, Vietnam and Malaysia. More recently, CapitaLand has announced a transaction to combine with Ascendas Singbridge - the ambition here is really to build a global real estate company that is diversified across different asset classes. So first regionalisation before globalisation!
- While it is enchanting to shout globalisation, execution is far from easy. There are issues relating to market access, dealing with local governments, brand awareness, taxes, JV partners, recruiting or

sending talents. And the list goes on. Every different operating geography brings a different set of challenges. But we have no choice, because our domestic market is limited.

- And once you have made the decision to establish your presence somewhere, you cannot run away at the first sign of trouble. I recall in my second month of posting to Shanghai, there was a gang of crew-cut men who were waiting below my office. They had been sent by contractors who wanted us to agree to the changes to the contract sum arising from variation orders. My family was just staying in one of the apartments above the office. These are issues that we have to deal with. And then during the March 2011 earthquake in Fukushima, there was widespread fear of nuclear radiation. Some foreign companies actually shut down their operations and extricated their staff. But Ascott stayed on, because our colleagues were there. Because our customers were there. It was our corporate responsibility. And I recall having this conversation with my wife that I had to go visit my team to give them moral support. We only had our first kid then, and my wife was concerned about possible radiation exposure to me. But I had no choice. It was a leadership responsibility.
- Globalisation is even more difficult when we have to start building our base out of Singapore. Using the hospitality business as an example. When you look at Marriott, IHG, InterContinental, Accor - these companies have been around for decades and many of them were able to build a solid base of business in their sizeable domestic markets before venturing overseas. When I was running Ascott, we had to compete with these big boys. Today, Ascott has about 100,000 keys worldwide, which sounds like a lot but is a far cry from the biggest player Marriott having more than a 1.3 million. Even though Ascott opens something like 40 properties a year, or 3 a month; this is nothing compared to the bigger players like my good friends in China - Huazhu, which opens about 3 hotels a day. So these are the order of things and competition that we are dealing with; not to mention tech disruptors like Airbnb and others.
- Despite all these challenges, to me globalisation is par for the course if we truly want to become a significant player. But every company will need to define its own niche, be clear of its own advantages and capabilities, and be determined about getting to the end-point.
- One interesting observation made by many people is that Singapore companies are not good at working together in overseas markets, unlike the Koreans, Japanese, Taiwanese or even the Chinese. Instead, they tend to compete with each other – it is a familiar sight to see “cousin” companies bidding for the same projects as CapitaLand abroad! My view is that if we can get more Singapore companies to work together (assuming every company can deliver at the right level) in seeking opportunities in overseas markets, over time, we should see greater success among Singapore companies in overseas markers.
- It is important for Singapore to build up a number of strong global enterprises beyond just Creative, BreadTalk, Charles and Keith and the stable of Temasek linked companies. I am sure we can do much better than this. To help extend the economic space for Singapore and also to create job opportunities for Singaporeans.
- Which then brings me to my final point.

Individual

- At the individual level, how to make Singaporeans globally aware, globally connected and globally competitive.
- Competition for jobs is intensifying. There are many people who can and want to do our jobs. If you look around the world, there are millions of people who are young, qualified yet unemployed. Many of these people are packing up and leaving their home countries, armed with Masters degrees and PhDs, and moderate salary expectations. They are prepared to go to China, learn Mandarin and immerse in the culture and compete for jobs that pay non-expat packages.
- By comparison, it is relatively more difficult to get Singaporeans to take up overseas assignments unless these are in Shanghai, Tokyo, Sydney, New York, London and the usual suspect cities. Even so, some would demand to return to Singapore to settle down or put their kids through the Singapore education system. Many also expect to be paid expat packages, even those who are on overseas training!
- I was recently told by a CEO of a large regional company that they have given up hiring Singaporeans for their management trainee programme. They would instead choose people from Malaysia, because they are more affordable to recruit, less demanding and more prepared to take on hardship assignments!
- There is no way we can teach hunger. But what we can do is to encourage Singaporeans to keep a competitive mindset; to be prepared to venture out of the comfort zone, to take the road less travelled, to learn to manage uncertainty. We are seeing some early results with more Singaporeans in the start-up scene. Not all the start-ups will succeed, but the experiences and lessons one would have picked up in starting up new enterprises would be highly invaluable and would certainly better prepared one for a future that will be taught with disruptions.
- We have to accept that the shelf life of paper qualifications will be limited. We will be expected to change job, industries and pick up new skills in the course of our work life. We must continue to grow and evolve; build up skills, networks and global perspectives that will allow us to take the very top jobs. How much we want to learn, how much we want to value add, how much we want to achieve is very much up to us!
- Thank you for your attention and I look forward to today's discussion.

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