

Shock, then sober evaluation

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Ho Ching's replacement may open new doors for Temasek, say analysts.

SHOCK was the main initial reaction among the local financial and business community at the news that Ms Ho Ching is to step down later this year as Temasek Holdings' chief executive.

Industry leaders, analysts, academics and fund managers were still coming to grips with the news, but most agreed that with or without Ms Ho, Temasek will still remain a global corporate titan.

Former BHP Billiton chief executive Charles 'Chip' Goodyear will be taking over the hot seat when Ms Ho steps down in October.

CIMB-GK economist Song Seng Wun said: 'I'm taken aback by the timing. It's been a most difficult period for Temasek given their paper losses.'

Mr Wong Kok Hoi, APS Asset Management's chief investment officer, said: 'The whole industry is surprised by the announcement. Nobody expected the timing.'

Despite their shock, most, like Singapore International Chamber of Commerce chief executive Phillip Overmyer, believe the Singapore investment company will carry on without a hitch.

'Temasek is such a strong company, with a very capable board, and that means it will continue to get on with business - missing her, but never missing a beat,' he said.

Others, however, saw the appointment of Mr Goodyear - an American and another non-Singaporean in a key role at Temasek after New Zealander Simon Israel - as a move to make the organisation politically less controversial.

Mr Israel joined Temasek in 2006 as its second executive director after a stint as Asia-Pacific chairman of French food and beverage group Danone.

Dr Gillian Koh, senior research fellow at the Institute of Policy Studies, said: 'The criticism from the outside-in perspective, levelled at Temasek, has been that it is too close to the Government.'

'These two personalities in particular re-emphasise that this entity is being run on a commercial basis.'

Dr Koh also cited the close scrutiny of sovereign wealth funds in recent times and whether they represent governments trying to take over assets of other countries as another reason that Mr Goodyear's appointment is a positive one.

'So at this time, all the better to restate that and attract more people with commercial and international backgrounds to make their decisions and be seen to be making decisions on a commercial basis,' added Dr Koh.

Mr Song said: 'It's an astute move to appoint somebody from the outside to take charge, perhaps making it politically less controversial in this crisis when investment opportunities come their way.'

Others felt a new face will bring a fresh pair of eyes and a different perspective to the role.

Some noted that Mr Goodyear's extensive experience in the mining and resource industry could give Temasek an advantage in those sectors.

Mr Wong said: 'Given his experience in the resource sector, one will wonder whether Temasek will have more investments in that sector going forward.'

After all, with Mr Goodyear at the helm from 2003 till early last year, BHP's stock surged nearly four times.

As such, analysts say his expertise may also provide Temasek with opportunities to capitalise on investments within that industry.

'It is an interesting decision given his mining background and experience,' London-based securities analyst Charles Kernot told Bloomberg.

'Perhaps he's going to be saying we should be looking at this a bit more, all these prices have come down, maybe there is some stuff out there that is quite cheap and attractive.'

Whichever the case, industry watchers agree that Mr Goodyear will have big shoes to fill once he takes over.

Mr Overmyer said: 'It's a big job for him to fill, especially at this point in time, when the economy is in such a difficult state.'

'But then again, it would be a big job for anybody to come into.'

RESILIENT

'Temasek is such a strong company, with a very capable board, and that means it will continue to get on with business - missing her, but never missing a beat.' Singapore International Chamber of Commerce chief executive Phillip Overmyer

A GOOD MOVE FOR BUSINESS

'It's an astute move to appoint somebody from the outside to take charge, perhaps making it politically less controversial in this crisis when investment opportunities come their way.' CIMB-GK economist Song Seng Wun, on the appointment of Mr Goodyear, an American, in a key role at Temasek

MINE OF OPPORTUNITIES

'Given his experience in the resource sector, one will wonder whether Temasek will have more investments in that sector going forward.' APS Asset Management's chief investment officer Wong Kok Hoi, on Mr Goodyear's mining background